



**VILLAGE OF SUFFERN, NEW YORK**  
**AUDITED ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED MAY 31, 2020**



**Village of Suffern, New York  
Audited Financial Statements  
Fiscal Year Ended May 31, 2020**

**Prepared by the  
Office of the Village Treasurer  
October 15, 2020**

**VILLAGE OF SUFFERN, NEW YORK  
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## INTRODUCTORY SECTION



## *Village of Suffern*

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[www.suffernny.gov](http://www.suffernny.gov)

October 15, 2020

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, 2020.

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, 2020. 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 Governmental Accounting Standards Board (GASB) statements and takes pride in its early implementation of all applicable GASB Statements through Statement No. 93, *Replacement of Interbank Offered Rates*.

### **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 2.09 square miles and is bounded the New York State Villages of Hillburn, Airmont and Montebello, and the Township of Mahwah in the State of New Jersey.

The Village is essentially suburban residential in character and is comprised mostly of single and multi-family homes, and several apartment and 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 provisions 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 to enact, by resolution, all legislation including ordinances and local laws. Annual operating budgets and all indebtedness for the Village must be authorized by the Board. Certain authority regarding the issuance of debt 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, who is a full member of and presiding officer of the 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, public parking, refuse and recycling, municipal water and wastewater system treatment, cultural and recreational activities, building code enforcement, planning and zoning administration, and general government services such as birth and death certificates and business licenses and permits. Ambulance/EMS and additional recreational services are provided by the Town; the County provides a variety of social services, and public educational services K-12 are provided by the Suffern Central School District.

The Village employs approximately 62 full-time employees and 41 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 Teamsters Local 445 (Teamsters).

## **ASSESSING ECONOMIC CONDITION**

### **Local Economy**

The Village serves as a major commuter hub due to its 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 several 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 11,007 (July 1, 2019; V2019) comprised of individuals who identify themselves as White (66.0%); Hispanic or Latino (19.8%); Asian (7.8%), Black/African-American (4.0%) and two or more races (3.4%). As presented on the following page, the Village compares quite favorably with the County, State, and nation in several demographic and economic indicators.

<u>Economic Indicator</u>	<u>Village of Suffern</u>	<u>Town of Ramapo</u>	<u>Rockland County</u>	<u>New York State</u>	<u>United States</u>
Per capita income	\$40,848	\$26,597	\$38,076	\$37,470	\$32,621
Median household income	\$85,802	\$69,339	\$91,108	\$65,323	\$60,293
Owner-occupied housing unit rate	70.4%	56.7%	68.7%	53.9%	63.8%
Median value owner-occupied housir	\$312.1	\$428.1	\$434.0	\$302.2	\$204.9
High school degree or higher	92.2%	83.3%	87.9%	86.5%	87.7%
Bachelor's degree or higher	42.4%	31.8%	40.6%	35.9%	31.5%

Source: U.S. Census Bureau American Community Survey 5-Year Estimates, 2014-2018

Dollar amounts in 2018 dollars

Median value owner-occupied housing in thousands

The U.S. Census Bureau *2017 Survey of Business Owners* reports that 332 firms located in the Village provide employment for over 6,000 employees with annual payrolls totaling over \$261 million.

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 1.4% from May 2019 to May 2020, which is higher than the nominal 0.1% increase for the U.S. City average.

<u>Area</u>	<u>May 2020</u>	<u>May 2019</u>	<u>Change</u>
U.S. City	256.394	256.092	0.1%
New York-Newark-Jersey City, NY-NJ-PA	282.092	278.068	1.4%

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. All units of government are experiencing significantly higher unemployment rates due to the COVID-19 pandemic, but the unemployment rate of the Town compares favorably to the national, state and county levels.:

<u>Area</u>	<u>May 2020</u>	<u>May 2019</u>	<u>Change</u>
United States	13.0%	3.4%	282.4%
New York State	14.2%	3.8%	273.7%
Rockland County	11.1%	3.2%	246.9%
Town of Ramapo	9.8%	3.0%	226.7%

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. 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 currently available funds, tax-supported debt; self-liquidating (user fee based) debt and grants.

### Financial Policies

The Village operates under a host of comprehensive financial policies that are reviewed, amended as necessary and adopted by the Board of Trustees at least annually. Included in these policies is an investment policy that complies with Sections 10 and 11 of New York State General Municipal Law, and a procurement policy that complies with Section 104-b of New York State General Municipal Law.

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

A handwritten signature in blue ink, appearing to read "Michael A. Genito", is written over a horizontal line.

Michael A. Genito  
Village Treasurer

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Respectfully Submitted,  
VILLAGE OF SUFFERN

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

Michael A. Genito  
Village Treasurer

MAG/pc

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

**Elected Officials**

Edward Markunas, Mayor

Steven Alpert, Deputy Mayor

Charles Barone, Trustee

Paul Girard, Trustee

Jo Meegan-Corrigan, Trustee

Ernest S. Buonocore, Village Justice

**Appointed Officials**

Amy Paffenroth, Village Clerk

Michael A. Genito, Village Treasurer

Robert Magrino, Village Attorney

Charles Sawicki, Superintendent of Public Works

Clarke Osborn, Chief of Police

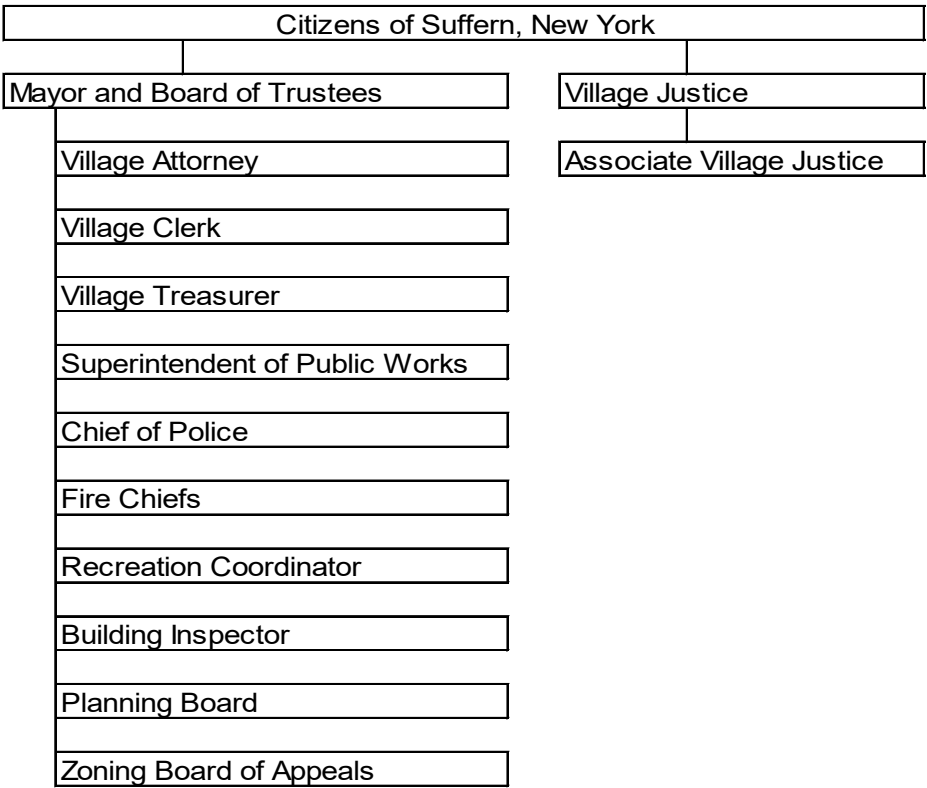
Cathy Mills, Recreation Coordinator

Steve Conlee, Building Inspector

Stephanie Furgang Adwar, Associate Village Justice

Christine Andersen, Justice Court Clerk

VILLAGE OF SUFFERN, NEW YORK  
ORGANIZATIONAL CHART



## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Suffern, as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents.

### **Management's Responsibility for the Financial Statement**

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

### **Auditor's Responsibility**

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

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

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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, 2020, 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 October 15, 2020, 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.

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

Berard & Associates CPAs, P.C.  
Suffern, New York  
October 15, 2020



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, 2020, 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 October 15, 2020.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of the report**

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

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

Berard & Associates, CPAs, P.C.  
Suffern, New York  
October 15, 2020

## MANAGEMENT'S DISCUSSION & ANALYSIS

### 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, 2020 ("fiscal year 2020" 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 and deferred outflows of resources at the close of fiscal year 2020 by \$42 million. Of this amount, the unrestricted net position is a deficit of \$55.9 million. This deficit is primarily the result of other post employment benefits ("OPEB") obligations of \$55.5 million.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$6.7 million, an increase of \$787,380 from fiscal year 2019. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$8.3 million.

At the end of the current fiscal year, the General Fund reported an ending fund balance of \$7.4 million, which represents an increase of \$1.5 million from fiscal year 2019.

During the current fiscal year, the Village retired \$4.2 million of general obligation debt, of which \$2.9 million represented the refunding ("refinancing") of the Village's 2007 and 2012 serial bonds. The Village's total outstanding general obligation bonds payable at May 31, 2020 totaled \$7 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 and economic resources measurement focus. 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 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, revenues and expenditures. 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 are governmental funds.

### Governmental Funds

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.

### 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. The following table reflects the condensed Statement of Net Position for fiscal years ended May 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Current Assets	\$ 9,802,707	\$ 8,368,704
Capital Assets, net	<u>16,209,618</u>	<u>14,910,530</u>
Total Assets	<u>26,012,325</u>	<u>23,279,234</u>
Deferred Outflows of Resources	<u>11,133,219</u>	<u>16,696,048</u>
Current Liabilities	3,137,032	5,805,256
Long-Term Liabilities	<u>75,583,830</u>	<u>61,345,992</u>
Total Liabilities	<u>78,720,862</u>	<u>67,151,248</u>
Deferred Inflows of Resources	<u>435,281</u>	<u>981,100</u>
Net Investment in Capital Assets	12,189,618	9,970,530
Restricted	1,693,258	1,603,855
Unrestricted	<u>(55,893,775)</u>	<u>(39,731,451)</u>
Total Net Position	<u>\$ (42,010,599)</u>	<u>\$ (28,157,066)</u>

The largest component of the Village's net position is its \$12.2 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.

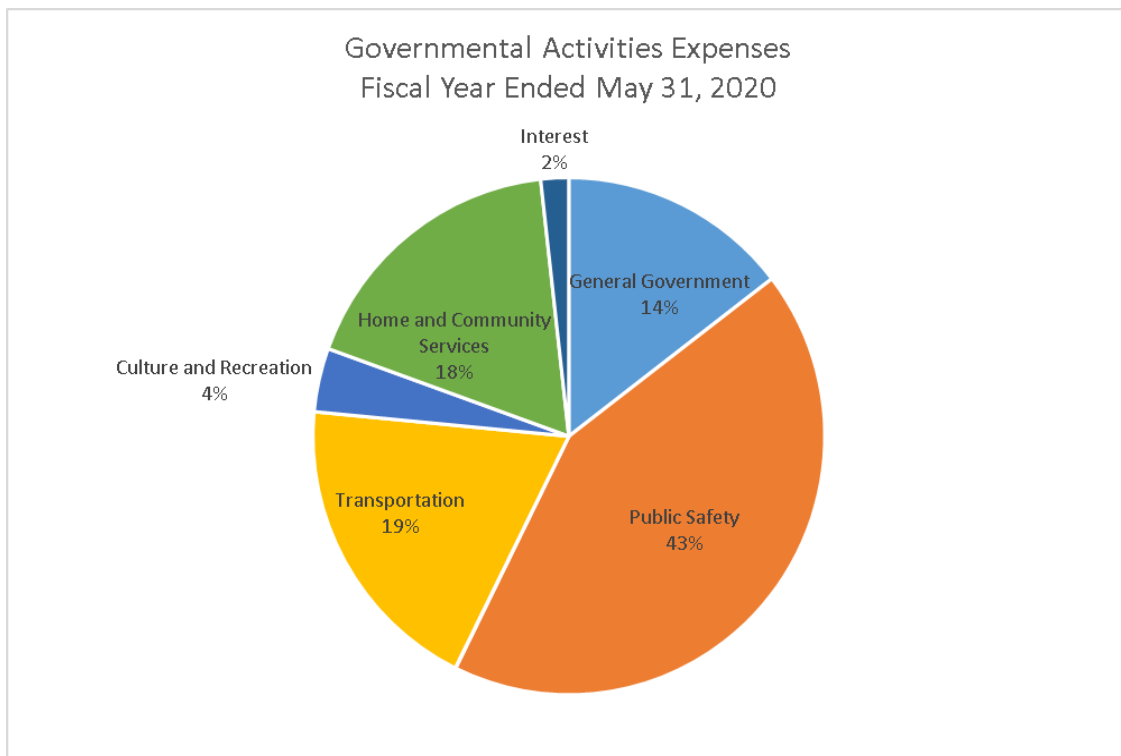
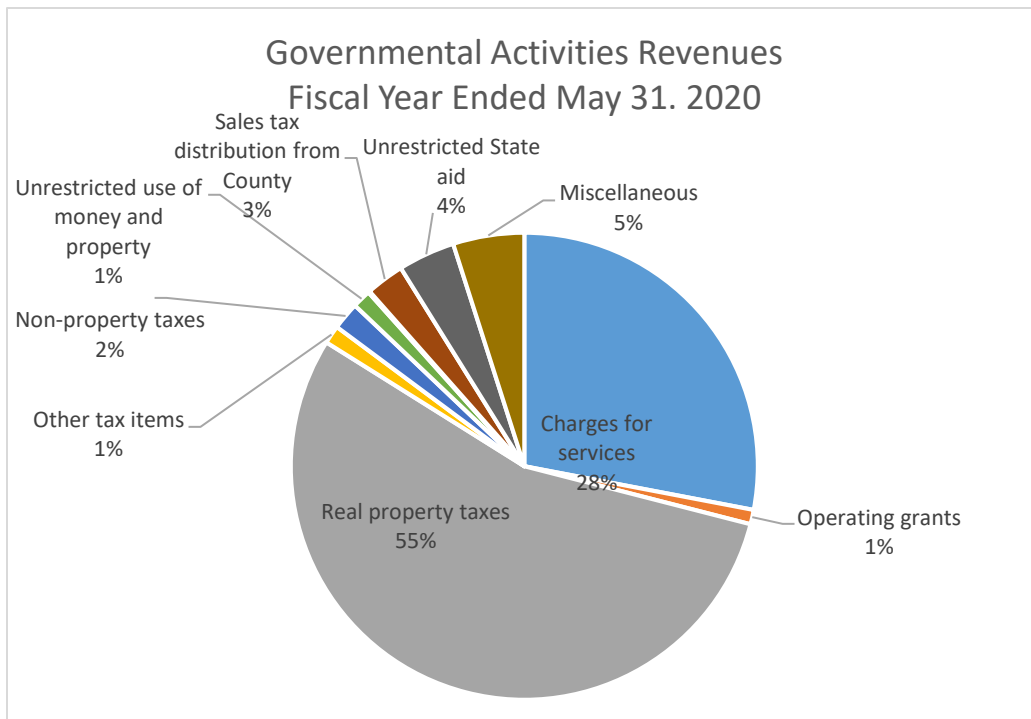
The restricted net position of \$1.7 million represents resources that are subject to external restrictions on their use. Of this amount, \$1.6 million represents resources held to finance the Village's Local Service Awards Program ("LOSAP") for its volunteer firefighters and the remaining restrictions are for debt service (\$15,403), law enforcement purposes (\$22,614), and Drugs and Alcohol Resistance Education (\$75,250).

The following table reflects the condensed Changes in Net Position for fiscal years ended May 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
<u>Revenues</u>		
Program Revenues:		
Charges for services	\$ 5,886,291	\$ 6,123,770
Operating grants	209,961	254,805
General Revenues:		
Real property taxes	11,542,646	10,898,791
Other tax items	267,176	234,299
Non-property taxes	402,454	393,192
Unrestricted use of money and property	269,225	126,638
Sale of property and compensation for loss	22,817	225,470
Sales Tax Distribution from County	558,641	559,677
Unrestricted state aid	828,041	677,793
Unrestricted federal aid	-	86,588
Miscellaneous	<u>1,036,555</u>	<u>768,228</u>
Total Revenues	21,023,807	20,349,251
<u>Expenses</u>		
Program Expenses:		
General government	5,085,741	2,090,129
Public safety	14,898,063	8,262,797
Health	9,600	9,680
Transportation	6,692,273	2,977,290
Culture and community services	1,390,634	581,070
Home and community services	6,185,151	4,689,876
Interest	<u>615,878</u>	<u>305,921</u>
Total Expenses	34,877,340	18,916,763
Change in Net Position	(13,853,533)	1,432,488
Net Position – Beginning	<u>(28,157,066)</u>	<u>(29,589,554)</u>
Net Position - Ending	<u>\$ (42,010,599)</u>	<u>\$ (28,157,066)</u>

Governmental activities increased the Village's net position by \$13.9 million for the fiscal year ended May 31, 2020. Revenues from governmental activities totaled \$21 million. Tax revenues of \$12.2 million comprised of real property taxes, other tax items and non-property taxes represented the largest revenue source at 58%. The largest components of governmental activities' expenses are public safety (43%), and home and community services (18%).





## 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 unrestricted fund balances of \$3.1 million, which is comprised of the General Fund of \$3.8 million, the Water Fund of \$1 million, the Sewer Fund of (\$182,274) deficit, and the Capital Projects Fund of (\$1.6 million) deficit.

## Capital Assets

The Village's investment in capital assets for its governmental activities as of May 31, 2020, amounted to \$16.2 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 309,994	\$ 309,994
Construction in Progress	1,230,097	834,816
Buildings and Improvements	3,597,190	3,631,128
Machinery and Equipment	3,087,744	3,095,320
Infrastructure	<u>7,984,593</u>	<u>7,039,272</u>
Total	<u>\$ 16,209,618</u>	<u>\$ 14,910,530</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 \$7 million. In the current fiscal year, the Village refunded \$2.9 million of debt representing the outstanding balances of the Village's 2007 serial bonds and 2012 serial bonds. In addition to this refunding, the Village paid down \$1.3 million of debt principal on its serial bonds. 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 [treasurer@suffernny.gov](mailto:treasurer@suffernny.gov).

**VILLAGE OF SUFFERN**

## Statement of Net Position

May 31, 2020

**ASSETS**

Cash	\$ 3,166,142
Restricted cash	113,376
Investments	3,213,354
Investments - restricted	1,580,291
Receivables	
Accounts, net	82,006
Water rents	605,548
Sewer rents	796,801
State and Federal aid	132,642
Due from other governments	110,416
Due from agency fund	-
Advance to agency fund	-
Deposits	2,131
Capital assets	
Not being depreciated	1,540,091
Being depreciated, net	14,669,527
Total assets	<u>26,012,325</u>
Deferred outflows of resources	<u>11,133,219</u>

**LIABILITIES**

Accounts payable	785,183
Accrued liabilities	345,772
Retainage payable	147,159
Security deposits	218,445
Bond anticipation notes payable - capital projects	1,284,425
Bond anticipation notes payable - judgments and claims	25,500
Due to retirement systems	237,381
Other liabilities	93,167
Noncurrent liabilities	
Due within one year	3,933,624
Due in more than one year	71,650,206
Total liabilities	<u>78,720,862</u>
Deferred inflows of resources	<u>435,281</u>

**Net position**

Net investment in capital assets	12,189,618
Restricted for	
Debt service	15,403
Fire service awards	1,580,291
Law enforcement	22,614
DARE	75,250
Unrestricted	(55,893,775)
Total net position	<u>\$ (42,010,599)</u>

See notes to financial statements.

**VILLAGE OF SUFFERN**  
Statement of Activities  
For the Year Ended May 31, 2020

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary government				
General governmental support	\$ 5,085,741	\$ -	\$ -	\$ (5,085,741)
Public safety	14,898,063	87,267	209,961	(14,600,835)
Health	9,600	55,230	-	45,630
Transportation	6,692,273	211,160	-	(6,481,113)
Culture and recreation	1,390,634	65,523	-	(1,325,111)
Home and community services	6,185,151	5,467,111	-	(718,040)
Interest	615,878	-	-	(615,878)
Total governmental activities	\$ 34,877,340	\$ 5,886,291	\$ 209,961	(28,781,088)

**GENERAL REVENUES**

Real property taxes	11,542,646
Other tax items	267,176
Non-property taxes	402,454
Unrestricted use of money and property	269,225
Sale of property and compensation for loss	22,817
Sales tax distribution from county	558,641
Unrestricted state aid	828,041
Unrestricted federal aid	-
Miscellaneous revenue	1,036,555
Total general revenues	14,927,555
Change in net position	(13,853,533)
Net position - beginning	(28,157,066)
Net position - ending	<u>\$ (42,010,599)</u>

See notes to financial statements.

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**VILLAGE OF SUFFERN**  
Balance Sheet - Governmental Funds  
As of May 31, 2020

	General	Water	Sewer
<b>ASSETS</b>			
Cash	\$ 1,838,482	\$ 467,976	\$ 36,333
Restricted cash	97,864	-	-
Investments - unrestricted	2,490,375	722,979	-
Investments - restricted	1,580,291	-	-
Receivables			
Accounts, net	82,006	-	-
Water rents	-	605,548	-
Sewer rents	-	-	796,801
State and Federal aid	132,642	-	-
Due from other funds	1,316,791	237,074	1,113,506
Due from agency funds	-	-	-
Advances to other funds	1,900,000	-	-
Advances to agency funds	-	-	-
Due from other governments	110,416	-	-
Deposits	2,131	-	-
Total assets	<u>\$ 9,550,998</u>	<u>\$ 2,033,577</u>	<u>\$ 1,946,640</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ 362,317	\$ 48,532	\$ 138,951
Accrued liabilities	308,674	24,879	12,219
Due to other funds	842,732	929,627	67,917
Advances from other funds	-	-	1,900,000
Retainage payable	62,000	-	-
Security deposits	218,445	-	-
Bond anticipation notes payable	25,500	-	-
Due to retirement systems	210,547	17,007	9,827
Other liabilities	93,167	-	-
Total liabilities	<u>2,123,382</u>	<u>1,020,045</u>	<u>2,128,914</u>
Fund balance			
Nonspendable			
Advance to sewer fund	1,900,000	-	-
Restricted			
Law enforcement	22,614	-	-
DARE	75,250	-	-
Fire service awards program	1,580,291	-	-
Debt service	-	-	-
Committed			
Suffern Day	1,130	-	-
9/11 Memorial	11,223	-	-
Assigned	118,786	1,013,532	-
Unassigned	3,718,322	-	(182,274)
Total fund balance	<u>7,427,616</u>	<u>1,013,532</u>	<u>(182,274)</u>
Total liabilities and fund balances	<u>\$ 9,550,998</u>	<u>\$ 2,033,577</u>	<u>\$ 1,946,640</u>

See notes to financial statements.

Capital Projects	Non-Major Debt Service Fund	Total Governmental Funds
\$ 823,351	\$ -	\$ 3,166,142
109	15,403	113,376
-	-	3,213,354
-	-	1,580,291
-	-	82,006
-	-	605,548
-	-	796,801
-	-	132,642
379,012	-	3,046,383
-	-	-
-	-	1,900,000
-	-	-
-	-	110,416
-	-	2,131
<u>\$ 1,202,472</u>	<u>\$ 15,403</u>	<u>\$ 14,749,090</u>

\$ 235,383	\$ -	\$ 785,183
-	-	345,772
1,206,107	-	3,046,383
-	-	1,900,000
85,159	-	147,159
-	-	218,445
1,284,425	-	1,309,925
-	-	237,381
-	-	93,167
<u>2,811,074</u>	<u>-</u>	<u>8,083,415</u>
-	-	1,900,000
-	-	22,614
-	-	75,250
-	-	1,580,291
-	15,403	15,403
-	-	1,130
-	-	11,223
-	-	1,132,318
<u>(1,608,602)</u>	<u>-</u>	<u>1,927,446</u>
<u>(1,608,602)</u>	<u>15,403</u>	<u>6,665,675</u>
<u>\$ 1,202,472</u>	<u>\$ 15,403</u>	<u>\$ 14,749,090</u>

**VILLAGE OF SUFFERN**  
Reconciliation of Government Funds Balance Sheet  
To the Government-Wide Statement of Net Position  
May 31, 2020

Fund balances - total governmental funds \$ 6,665,675

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. 16,209,618

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

Deferred amounts on pensions 11,133,219

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

Accrued interest payable	(104,672)
Bonds payable	(6,955,000)
Fire service awards program payable	(3,086,017)
Installment purchase debt payable	(613,030)
Retirement incentives and other pension obligations	(319,226)
Compensated absences	(1,575,155)
Net pension liability	(7,384,230)
Net other post employment benefit liability	<u>(55,546,500)</u>
	<u>(75,583,830)</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 (435,281)

Net position of governmental activities \$ (42,010,599)

See notes to financial statements.



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**VILLAGE OF SUFFERN**  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended May 31, 2020

	<u>General</u>	<u>Water</u>	<u>Sewer</u>
<b>REVENUES</b>			
Real property taxes	\$ 11,542,646	\$ -	\$ -
Other tax items	267,176	-	-
Non-property taxes	402,454	-	-
Departmental income	1,776,629	1,833,437	2,190,195
Use of money and property	261,004	7,979	236
Licenses and permits	86,030	-	-
Fines and forfeitures	209,961	-	-
Premiums on obligations	-	-	-
Sale of property and compensation for loss	22,817	-	-
Miscellaneous revenue	1,035,921	11,329	5,533
State aid	<u>264,125</u>	<u>-</u>	<u>-</u>
Total revenues	<u>15,868,763</u>	<u>1,852,745</u>	<u>2,195,964</u>
<b>EXPENDITURES</b>			
Current			
General government support	1,345,692	-	-
Public safety	4,872,016	-	-
Health	9,600	-	-
Transportation	1,351,592	-	-
Culture and recreation	410,029	-	-
Home and community services	1,020,135	1,045,748	1,269,001
Employee benefits	4,422,456	470,012	293,946
Debt service			
Principal	96,964	-	-
Interest	33,989	485	10,654
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13,562,473</u>	<u>1,516,245</u>	<u>1,573,601</u>
Excess (deficiency) of revenues over expenditures	<u>2,306,290</u>	<u>336,500</u>	<u>622,363</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Installment purchase debt issued	-	-	-
Proceeds from serial bonds	-	-	-
Transfers in	-	15,000	-
Transfers out	<u>(841,153)</u>	<u>(130,569)</u>	<u>(536,886)</u>
Total other financing sources (uses)	<u>(841,153)</u>	<u>(115,569)</u>	<u>(536,886)</u>
Net change in fund balances	1,465,137	220,931	85,477
Fund balances (deficits) - beginning	<u>5,962,479</u>	<u>792,601</u>	<u>(267,751)</u>
Fund balances (deficits) - ending	<u>\$ 7,427,616</u>	<u>\$ 1,013,532</u>	<u>\$ (182,274)</u>

See notes to financial statements.

Capital Projects	Non-Major Debt Service Fund	Total Governmental Funds
\$ -	\$ -	\$ 11,542,646
-	-	267,176
-	-	402,454
-	-	5,800,261
-	6	269,225
-	-	86,030
-	-	209,961
-	542,413	542,413
-	-	22,817
-	-	1,052,783
<u>563,916</u>	<u>-</u>	<u>828,041</u>
<u>563,916</u>	<u>542,419</u>	<u>21,023,807</u>
-	81,627	1,427,319
-	-	4,872,016
-	-	9,600
-	-	1,351,592
-	-	410,029
-	-	3,334,884
-	-	5,186,414
-	4,224,395	4,321,359
-	353,202	398,330
<u>1,954,884</u>	<u>-</u>	<u>1,954,884</u>
<u>1,954,884</u>	<u>4,659,224</u>	<u>23,266,427</u>
<u>(1,390,968)</u>	<u>(4,116,805)</u>	<u>(2,242,620)</u>
95,000	-	95,000
-	2,935,000	2,935,000
333,971	1,174,637	1,523,608
<u>(15,000)</u>	<u>-</u>	<u>(1,523,608)</u>
<u>413,971</u>	<u>4,109,637</u>	<u>3,030,000</u>
(976,997)	(7,168)	787,380
<u>(631,605)</u>	<u>22,571</u>	<u>5,878,295</u>
<u>\$ (1,608,602)</u>	<u>\$ 15,403</u>	<u>\$ 6,665,675</u>

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**VILLAGE OF SUFFERN**  
Reconciliation of the Statement of Revenues, Expenditures  
And Changes in Fund Balance of Government Funds  
To the Statement of Activities  
May 31, 2020

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

Net change in fund balances - total governmental funds	\$ <u>787,380</u>
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Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.

Pensions	<u>(5,562,829)</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	2,442,128
Depreciation expense	<u>(1,143,040)</u>
	<u>1,299,088</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	96,962
Proceeds from installment purchase debt	(95,000)
Bonds issued	(2,935,000)
Principal paid on bonds	<u>4,224,395</u>
	<u>1,291,357</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	(217,548)
Compensated absences	9,869
Retirement incentives and other pension obligations	87,448
Fire service awards program	(269,870)
Pension assets (liabilities)	(5,383,951)
Other post employment benefit obligations payable	<u>(6,440,296)</u>
	<u>(12,214,348)</u>

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

Pensions	<u>545,819</u>
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Change in net position of governmental activities	<u>\$ (13,853,533)</u>
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See notes to financial statements.

**VILLAGE OF SUFFERN**  
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, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 11,554,286	\$ 11,554,286	\$ 11,542,646	\$ (11,640)
Other tax items	213,578	213,578	267,176	53,598
Non-property taxes	420,000	420,000	402,454	(17,546)
Departmental income	1,751,075	1,751,075	1,776,629	25,554
Use of money and property	56,117	56,117	261,004	204,887
Licenses and permits	114,000	114,000	86,030	(27,970)
Fines and forfeitures	247,000	247,000	209,961	(37,039)
Sale of property and compensation for loss	28,000	28,000	22,817	(5,183)
Miscellaneous revenue	913,736	903,416	1,035,921	132,505
State aid	214,148	224,148	264,125	39,977
Total revenues	<u>15,511,940</u>	<u>15,511,620</u>	<u>15,868,763</u>	<u>357,143</u>
<b>EXPENDITURES</b>				
Current				
General government support	1,604,373	1,570,942	1,345,692	225,250
Public safety	4,919,752	5,001,775	4,872,016	129,759
Health	9,600	9,600	9,600	-
Transportation	1,654,373	1,752,043	1,351,592	400,451
Culture and recreation	366,175	456,677	410,029	46,648
Home and community services	1,060,271	1,086,061	1,020,135	65,926
Employee benefits	4,977,428	4,877,600	4,422,456	455,144
Debt service				
Principal	96,964	96,964	96,964	-
Interest	33,989	33,989	33,989	-
Total expenditures	<u>14,722,925</u>	<u>14,885,651</u>	<u>13,562,473</u>	<u>1,323,178</u>
Excess (deficiency) of revenues over expenditures	<u>789,015</u>	<u>625,969</u>	<u>2,306,290</u>	<u>1,680,321</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	<u>(789,015)</u>	<u>(876,961)</u>	<u>(841,153)</u>	<u>35,808</u>
Total other financing sources (uses)	<u>(789,015)</u>	<u>(876,961)</u>	<u>(841,153)</u>	<u>35,808</u>
Net change in fund balances	-	(250,992)	1,465,137	1,716,129
Fund balances (deficits) - beginning	-	250,992	5,962,479	1,336,176
Fund balances (deficits) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,427,616</u>	<u>\$ 3,052,305</u>

See notes to financial statements.

Water Fund				Sewer Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,154,264	2,154,264	1,833,437	(320,827)	2,500,863	2,500,863	2,190,195	(310,668)
-	-	7,979	7,979	-	-	236	236
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,700	7,700	11,329	3,629	11,000	11,000	5,533	(5,467)
-	-	-	-	-	-	-	-
<u>2,161,964</u>	<u>2,161,964</u>	<u>1,852,745</u>	<u>(309,219)</u>	<u>2,511,863</u>	<u>2,511,863</u>	<u>2,195,964</u>	<u>(315,899)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,537,608	1,576,062	1,045,748	530,314	1,602,776	1,665,630	1,269,001	396,629
542,710	541,120	470,012	71,108	354,894	351,751	293,946	57,805
-	-	-	-	-	-	-	-
<u>485</u>	<u>485</u>	<u>485</u>	<u>-</u>	<u>9,378</u>	<u>9,378</u>	<u>10,654</u>	<u>(1,276)</u>
<u>2,080,803</u>	<u>2,117,667</u>	<u>1,516,245</u>	<u>601,422</u>	<u>1,967,048</u>	<u>2,026,759</u>	<u>1,573,601</u>	<u>453,158</u>
<u>81,161</u>	<u>44,297</u>	<u>336,500</u>	<u>292,203</u>	<u>544,815</u>	<u>485,104</u>	<u>622,363</u>	<u>137,259</u>
-	15,000	15,000	-	-	-	-	-
<u>(81,161)</u>	<u>(131,161)</u>	<u>(130,569)</u>	<u>592</u>	<u>(744,815)</u>	<u>(744,815)</u>	<u>(536,886)</u>	<u>207,929</u>
<u>(81,161)</u>	<u>(116,161)</u>	<u>(115,569)</u>	<u>592</u>	<u>(744,815)</u>	<u>(744,815)</u>	<u>(536,886)</u>	<u>207,929</u>
-	(71,864)	220,931	292,795	(200,000)	(259,711)	85,477	345,188
-	71,864	792,601	720,737	200,000	259,711	(267,751)	(527,462)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,013,532</u>	<u>\$ 1,013,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (182,274)</u>	<u>\$ (182,274)</u>

## **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)



## **1B. GOVERNMENT-WIDE FINANCIAL STATEMENTS – Continued**

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.

## **1C. FUND FINANCIAL STATEMENTS – Continued**

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.

## **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).

## **1D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION – Continued**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The custodial funds have no measurement focus but utilize the accrual basis of accounting. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

## 1E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION OR FUND BALANCES – Continued

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

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2020.

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.

The Village participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC") and is subject to all the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30<sup>th</sup>. At June 30, 2019, the percentage of fair values to total pool assets by investment type are as follows:

Quoted Prices in Active	Significant Other	Significant Other
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<u>Asset Category</u>	<u>Total</u>	Markets for Identical Assets <u>(Level 1)</u>	Observable Inputs <u>(Level 2)</u>	Unobservable Inputs <u>(Level 3)</u>	<u>Other (Cost)</u>
Cash	9%	0%	0%	0%	9%
Repurchase Agreements	14%	0%	14%	0%	0%
U.S. Governmental		<u>77%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Treasury Securities	<u>77%</u>				
Total	100%	77%	14%	0%	9%

The maximum maturity for any specific investment in the portfolio is 397 days. CLASS is rated AAAM by Standard & Poor's as March 26, 2019. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school Villages in the State.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC 999 18<sup>th</sup> Street, Suite 1230, Denver, CO 80202.

Taxes Receivable - Property taxes attach as an enforceable lien on real property as of June 1<sup>st</sup> and are payable without penalty through June 30. The Village is responsible for the billing and collection of its taxes through November 1<sup>st</sup> 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

## 1E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION OR FUND BALANCES – Continued

May 31, 2020, balances of interfund amounts receivable or payable have been recorded in the fund financial statements

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

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Village. Purchases of inventory items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

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

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

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

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

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

## **1E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION OR FUND BALANCES – Continued**

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

**Unearned Revenues** - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned revenues consist of amounts received in advance and/or amounts from grants received before the eligibility requirements have been met.

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.

## **1E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION OR FUND BALANCES – Continued**

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

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

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



## **1E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION OR FUND BALANCES – Continued**

is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

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

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

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

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

## **1F. ENCUMBRANCES**

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

## **1G. USE OF ESTIMATES**

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

## **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 October 15, 2020.

## **1I. NEW ACCOUNTING STANDARDS**

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

- GASBS 84, *Fiduciary Activities*, effective fiscal year ending May 31, 2021, early implemented by the Village in the current fiscal year.
- GASBS 87, *Leases*, effective fiscal year ending May 31, 2023, early implemented by the Village in the current fiscal year.

## **1J. FUTURE CHANGES IN ACCOUNTING STANDARDS**

GASB has issued the following Statements:

- GASBS 91, *Conduit Debt Obligations*, effective fiscal year ending May 31, 2023.

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.

## **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 20<sup>th</sup>, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1<sup>st</sup>. The tentative budget includes the proposed expenditures and the means of financing.
- b) On or before March 31<sup>st</sup>, the Board of Trustees meets to discuss and review the tentative budget.
- c) On or before April 15<sup>th</sup>, 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 1<sup>st</sup>, 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 2019-2020 fiscal year was \$20,237,632, which exceeded the actual levy by \$8,920,496.

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 (Tax Levy Limitation Law). This applies to all local governments. The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extended the Tax Levy Limitation Law through June 2020. On March 31, 2019, the Tax Levy Limitation Law was made permanent. Following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. This summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementation thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the Allowable Levy Growth Factor, which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor, provided, however, that in no case shall the levy growth factor be less than one. The Inflation Factor is the quotient of: (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 (\$164,793) as of May 31, 2020. The Village plans to address this deficit in the ensuing years.

## 2D. CAPITAL PROJECTS FUND DEFICIT

The deficit in the Capital Projects Fund of (\$1,608,602) arises in part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as a revenue or other financing source. Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund and recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the deficit, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

## 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, 2020 were as follows:

Fund	Due From	Due To
General	\$ 1,316,791	\$ 842,732
Water	237,074	929,627
Sewer	1,113,506	67,917
Capital Project	379,012	1,206,107
Debt Service	-	-
Subtotal	3,046,383	3,046,383
Trust & Agency	-	-
Total	<u>\$ 3,046,383</u>	<u>3,046,383</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.

### 3B. ADVANCES TO/FROM OTHER FUNDS

An advance of \$1,900,000 from the General Fund to the Sewer Fund was outstanding at May 31, 2020. 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 31,2019	Additions	Deletions	Balance May 31,2020
Capital assets, not being depreciated				
Land	\$ 309,994	\$ -	\$ -	\$ 309,994
Construction work in progress	834,816	788,999	393,718	1,230,097
Total capital assets, not being depreciated	1,144,810	788,999	393,718	1,540,091
Capital assets being depreciated				
Buildings and improvements	10,900,672	514,562	-	11,415,234
Machinery and equipment	16,446,846	344,150	-	16,790,996
Infrastructure	8,554,145	1,188,135	-	9,742,280
Total capital assets being depreciated	35,901,663	2,046,847	-	37,948,510
Less accumulated depreciation for:				
Buildings and improvements	(7,269,544)	(548,500)	-	(7,818,044)
Machinery and equipment	(13,351,526)	(351,726)	-	(13,703,252)
Infrastructure	(1,514,873)	(242,814)	-	(1,757,687)
Total accumulated depreciation	(22,135,943)	(1,143,040)	-	(23,278,983)
Capital assets being depreciated, net	13,765,720	903,807	-	14,669,527
Total capital assets, net	<u>\$ 14,910,530</u>	<u>\$1,692,806</u>	<u>\$ 393,718</u>	<u>\$ 16,209,618</u>

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

General Government	\$ 334,886
Public Safety	208,235
Transportation	230,585
Culture and Recreation	12,764
Home and Community Services	356,570
	<u>\$ 1,143,040</u>

### **3D. ACCRUED LIABILITIES**

Accrued payroll and employee benefits at May 31, 2020 were \$308,674 for the General Fund, \$24,879 for the Water Fund and \$12,219 for the Sewer Fund.

### **3E. PENSION TRUST – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)**

#### 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

### 3E. PENSION TRUST – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) – Continued

commenced receiving a Service Award have the opportunity to earn Service Credit and, thereby, increase their Service Award payments. The pre-Entitlement Age death and disability benefit is equal to the actuarial value of the Participant's earned Service Award at the time of death or disablement. All death and disability benefits are self-insured by the fund. The Program does not provide extra line-of-duty death or disability benefits.

#### Participants covered by the benefit terms

At the December 31, 2019 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	28
Inactive participants entitled to but not yet receiving benefit payments	20
Active participants	88
Total	136

#### 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, 2019 measurement date was determined using an actuarial valuation as of that date.

#### Actuarial Assumptions

The total pension liability in the December 31, 2019 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.



### 3E. PENSION TRUST – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) – Continued

#### Discount Rate

The discount rate used to measure the total pension liability was 3.26%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

#### **Changes in the Total Pension Liability**

Balance as of 12/31/18 measurement date	\$ 2,816,147
Service Cost	88,076
Interest	103,988
Changes of benefit terms	-
Changes of assumptions or other inputs	174,511
Difference between expected and actual experience	(1,865)
Benefit payments	(94,840)
Net changes	<u>269,870</u>
Balance as of 12/31/19 measurement date	<u>\$ 3,086,017</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, 2019 measurement date, calculated using the discount rate of 3.26 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 (2.26 percent) or 1-percentage point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total Pension Liability	\$ 3,626,394	\$ 3,086,017	\$ 2,656,935

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

For the year ended May 31, 2020, the Village recognized pension expense of \$219,988.

**3E. PENSION TRUST – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) –**  
Continued

Components of Pension Expense

Service cost	\$ 88,076
Interest on total pension liability	103,988
Changes of benefit terms	-
Changes of assumptions or other inputs	16,015
Difference between expected and actual experience	(211)
Benefit payments	12,120
Total pension expense	<u>\$ 219,988</u>

At May 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 23,746	\$ 20,913
Changes of assumptions or other inputs	331,305	184,830
Benefit payments & administrative expenses subsequent to the measurement date	39,446	-
Total	<u>\$ 394,497</u>	<u>\$ 205,743</u>

\$39,446 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, 2021.

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:	
2021	\$ 15,804
2022	15,804
2023	15,804
2024	15,804
2025	15,804
Thereafter	70,288

### 3F. SHORT-TERM NON-CAPITAL BORROWINGS - BOND ANTICIPATION NOTE

A bond anticipation note issued on November 15, 2018 for the payment of a tax certiorari settlement in the amount of \$51,000 and at the rate of 2.94% matured on November 15, 2019. On November 14, 2019, the Village redeemed the note with a principal payment of \$25,500 and a new bond anticipation note issued on November 14, 2019 in the amount of \$25,500 at the rate of 2.00% per annum, maturing on November 13, 2020.

Interest expenditures of \$1,499 were recorded in the General Fund. Interest expense of \$912 was recorded in the government-wide financial statements for governmental activities.

### 3G. SHORT-TERM CAPITAL BORROWINGS - BOND ANTICIPATION NOTES

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

Purpose	Issue Date	Maturity Date	Rate of Interest	Balance June 1, 2019	New Issues	Redeemed	Balance May 31, 2020
2015 Fire Equipment	11/16/18	11/16/19	2.375%	20,250	-	20,250	-
2015 Refurbish Well 3	11/16/18	11/16/19	2.375%	3,750	-	3,750	-
2016 Computer Systems	11/14/19	11/13/20	2.375%	43,500	-	21,750	21,750
2016 Fire Equipment	11/14/19	11/13/20	2.375%	26,250	-	13,125	13,125
2016 Road Resurfacing	11/14/19	11/13/20	2.375%	30,500	-	15,250	15,250
2016 DPW Heavy Duty Vehicles	11/14/19	11/13/20	2.375%	54,000	-	27,000	27,000
2016 LED Street Lighting	11/14/19	11/13/20	2.375%	12,750	-	6,375	6,375
2016 Sewer Systems Improvements	11/14/19	11/13/20	2.375%	46,000	-	23,000	23,000
2016 Water System Improvements	11/14/19	11/13/20	2.375%	12,750	-	6,375	6,375
2016 Village Hall Improvements	11/14/19	11/13/20	2.375%	43,500	-	21,750	21,750
2017 Sewer System Improvements	11/14/19	11/13/20	2.375%	112,200	-	37,400	74,800
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	-
2019 Fire Dept SCBA	11/14/19	11/13/20	2.000%	-	175,000	-	175,000
2020 Road Improvements Phase 10	11/14/19	11/13/20	2.000%	-	500,000	-	500,000
2020 Parking Lot B Repaving	11/14/19	11/13/20	2.000%	-	300,000	-	300,000
2020 Village Hall Parking Lot Repaving	11/14/19	11/13/20	2.000%	-	100,000	-	100,000
				\$1,383,450	\$1,075,000	\$1,174,025	\$1,284,425

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.

### 3G. SHORT-TERM CAPITAL BORROWINGS - BOND ANTICIPATION NOTES – Continued

Interest expenditures of \$17,993 were recorded in the fund financial statements in the funds identified below. Interest expense of \$20,250 was recorded in the government-wide financial statements for governmental activities.

<u>Fund</u>	<u>Amount</u>
General	\$ 6,785
Water	485
Sewer	<u>10,723</u>
	<u>\$ 17,993</u>

### 3H. LONG-TERM LIABILITIES

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2020:

	<u>Balance May 31, 2019</u>	<u>New Issues/ Additions</u>	<u>Maturities/ Payments</u>	<u>Balance May 31, 2020</u>	<u>Due Within One Year</u>
<u>Bonds payable:</u>					
Capital construction	\$ 4,940,000	\$ 2,935,000	\$3,855,000	\$ 4,020,000	\$ 455,000
Deficit Financing	2,895,000	-	355,000	2,540,000	375,000
EFC Bond	<u>409,395</u>	<u>-</u>	<u>14,395</u>	<u>395,000</u>	<u>10,000</u>
Total bonds payable	8,244,395	2,935,000	4,224,395	6,955,000	840,000
<u>Other long-term payables:</u>					
Installment purchase debt	614,992	95,000	96,962	613,030	131,937
Retirement incentives and other pension obligations	406,674	-	87,448	319,226	90,547
Compensated absences	1,585,024	386,387	396,256	1,575,155	400,000
Net pension liability	2,000,279	5,383,951	-	7,384,230	922,820
LOSAP Payable	2,816,147	364,710	94,840	3,086,017	148,648
Other postemployment benefits obligation payable	<u>49,106,204</u>	<u>7,734,894</u>	<u>1,294,598</u>	<u>55,546,500</u>	<u>1,295,000</u>
	<u>\$ 64,773,715</u>	<u>\$ 16,899,942</u>	<u>\$6,194,499</u>	<u>\$ 75,479,158</u>	<u>\$ 3,828,952</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, 2020 are comprised of the individual issues presented on the following page.

### 3H. LONG-TERM LIABILITIES – Continued

<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, 2020</u>
Sewer Improvements	2015	1,261,000	11/15/2035	3.50-4.00%	\$ 1,095,000
Deficit Financing – General, Water and Sewer Funds	2016	3,880,000	03/15/2026	5.00%	2,540,000
EFC Clean Water Bonds	2017	419,395	08/01/2047	1.03-3.98%	395,000
2020 Refunded Bonds	2020	2,935,000	02/xx/2032	XX	2,925,000
					<u>\$ 6,955,000</u>

Interest expenditures of \$353,202 were recorded in the fund financial statements in the Debt Service Fund for serial bonds. Interest expense of \$306,561 was recorded in the government-wide financial statements for governmental activities.

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

#### 2020 Bond Refunding

On February 6, 2020 \$2,925,000 general obligation bonds with a net interest cost of 1.4682% were issued to advance refund \$3,355,000 of outstanding bonds (\$870,000, and \$2,485,000 refunding of 2008 and 2012 bonds, respectively, with average interest rates of 4.0626% and 2.75%, respectively). The net proceeds of \$3,389,925 (after payment of \$74,988 in underwriting fees, insurance and other issuance costs) were used to purchase U.S Treasury securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. On March 9, 2020, the final payment on the debt was made by the escrow agent. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The economic gain on the transaction is approximately \$359,816. The reacquisition price exceeded the net carrying amount of the old debt by \$299,294. These amounts are being netted and amortized over the remaining life of the refunding.

### **3H. LONG-TERM LIABILITIES – Continued**

#### **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. In fiscal year ended May 31, 2020, the Village entered into a \$95,000 capital lease for the purchase of two police vehicles. The annual payments include interest at 3.19%.

The balance due at May 31, 2020 for all capital leases is \$613,030. Interest expenditures of \$25,704 was recorded in the General Fund financial statements. Interest expense of \$27,922 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 \$87,448 and interest payments totaling \$11,345. At May 31, 2020, the outstanding principal balance was \$319,226.

### 3H. LONG-TERM LIABILITIES – Continued

#### Payments to Maturity

The annual requirements to amortize all outstanding bonds, installment purchase debt and retirement incentives and other pension obligations at May 31, 2020 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
2021	\$ 840,000	\$ 315,977	\$ 131,937	\$ 24,437	\$ 90,547	\$ 11,345	\$ 1,062,484	\$ 351,759
2022	885,000	274,521	113,747	18,962	93,755	8,137	1,092,502	301,620
2023	915,000	231,089	68,946	14,540	76,714	4,814	1,060,660	250,443
2024	650,000	193,681	37,743	12,034	58,210	2,136	745,953	207,851
2025-2029	2,169,998	540,073	212,810	36,075	-	-	2,382,808	576,148
2030-2034	1,075,002	174,015	47,847	1,930	-	-	1,122,849	175,945
2035-2039	250,000	46,879	-	-	-	-	250,000	46,879
2040-2044	90,000	25,191	-	-	-	-	90,000	25,191
2045-2049	80,000	6,362	-	-	-	-	80,000	6,362
	<u>\$6,955,000</u>	<u>\$ 1,807,788</u>	<u>\$ 613,030</u>	<u>\$ 107,978</u>	<u>\$ 319,226</u>	<u>\$ 26,432</u>	<u>\$ 7,887,256</u>	<u>\$ 1,942,198</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.

### **3H. LONG-TERM LIABILITIES – Continued**

#### Pension Plans

##### New York State and Local Retirement System

The Village participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as the New York State and Local Retirement System (System). These are cost-sharing multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the sole trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Obligations of 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 2020 are as follows:



### 3H. LONG-TERM LIABILITIES – Continued

<u>System</u>	<u>Tier</u>	<u>Plan</u>	<u>Rate</u>
ERS	4	A15	15.7%
ERS	5	A15	13.1%
ERS	6	A15	9.2%
PFRS	2	375I	17.6%
PFRS	2	384D	24.3%
PFRS	5	*384D	19.8%
PFRS	5	384D	23.2%
PFRS	6	*384D	14.6%

*\* Indicates employees are required to make contributions for this PFRS plan/tier*

Pension expenditures of \$519,013 for ERS and \$851,233 for PFRS were recorded in the fund financial statements as follows:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 370,072	\$ 851,233
Water	97,554	-
Sewer	51,387	-
	<u>\$ 519,013</u>	<u>\$ 851,233</u>

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

### 3H. LONG-TERM LIABILITIES – Continued

	ERS			PFRS		
	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
Allocation percentage	0.0109849	0.0114928		0.0837308	0.0707175	
Measurement date	3/13/2020	3/13/2019		3/13/2020	3/13/2019	
Actuarial valuation date	4/01/2019	4/01/2018		4/01/2019	4/01/2018	
Net pension liability – ending	<u>\$ 2,908,870</u>	<u>\$ 814,303</u>	<u>\$ 2,094,567</u>	<u>\$ 4,475,360</u>	<u>\$ 1,185,976</u>	<u>\$ 3,289,384</u>
<u>Deferred outflows</u>						
Differences between expected and actual experience	\$ 171,199	\$ 160,353	\$ 10,846	\$ 298,012	\$ 288,106	\$ 9,906
Changes of assumptions	58,571	204,683	(146,112)	382,535	430,897	(48,362)
Net difference between projected and actual investment earnings on pension plan investments	1,491,228	-	1,491,228	2,015,395	-	2,015,395
Changes in proportion and differences between employer contributions and proportionate share of contributions	117,369	138,171	(20,802)	325,186	259,912	65,274
Employer contributions subsequent to measurement date	<u>-</u>	<u>93,226</u>	<u>(93,226)</u>	<u>-</u>	<u>121,222</u>	<u>(121,222)</u>
Total deferred outflows	<u>\$ 1,838,367</u>	<u>\$ 596,433</u>	<u>\$ 1,241,934</u>	<u>\$ 3,021,128</u>	<u>\$ 1,100,137</u>	<u>\$ 1,920,991</u>
<u>Deferred Inflows:</u>						
Differences between expected and actual experience	\$ -	\$ 54,663	\$ (54,663)	\$ 74,962	\$ 126,623	\$ (51,661)
Changes of assumptions	50,575	-	50,575	-	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	208,995	(208,995)	-	237,522	(237,522)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>54,295</u>	<u>49,108</u>	<u>5,187</u>	<u>49,706</u>	<u>83,142</u>	<u>(33,436)</u>
Total deferred inflows	<u>\$ 104,870</u>	<u>\$ 312,766</u>	<u>\$ (207,896)</u>	<u>\$ 124,668</u>	<u>\$ 447,287</u>	<u>\$ (322,619)</u>
<u>Pension Expense:</u>						
Proportionate share of plan pension expense	\$ 987,508	\$ 533,340	\$ 454,168	\$ 1,593,690	\$ 779,569	\$ 814,121
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportional share of contributions	<u>34,289</u>	<u>42,284</u>	<u>(7,995)</u>	<u>106,356</u>	<u>72,178</u>	<u>34,178</u>
Total pension expense	<u>\$ 1,021,797</u>	<u>\$ 575,624</u>	<u>\$ 446,173</u>	<u>\$ 1,700,046</u>	<u>\$ 851,747</u>	<u>\$ 848,299</u>

### 3H. LONG-TERM LIABILITIES – Continued

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.

<u>Year Ending March 31</u>	<u>ERS</u>	<u>PFRS</u>
2021	\$ 309,151	\$ 613,669
2022	444,339	693,476
2023	544,682	834,040
2024	435,325	689,938
2025	-	65,337
Thereafter	-	-

The total pension liability for the March 31, 2020 measurement date was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liabilities to March 31, 2020. 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	6.8%	6.8%
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, 2020 are summarized as follows:

### 3H. LONG-TERM LIABILITIES – Continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36.00%	4.05%
International Equity	14.00%	6.15%
Private Equity	10.00%	6.75%
Real Estate	10.00%	4.95%
Absolute Return Strategies	2.00%	3.25%
Opportunistic Portfolio	3.00%	4.65%
Real Assets	3.00%	5.95%
Bonds and Mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation-Indexed Bonds	4.00%	0.50%
	<u>100.00%</u>	

The discount rate used to calculate the total pension liability was 6.8 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 6.8 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 (5.8 percent) or one percentage-point higher (7.8 percent) than the current assumption:

<u>Village's Proportionate Share of</u>	<u>One Percent Decrease (5.8%)</u>	<u>Current Assumption (6.8%)</u>	<u>One Percent Increase (7.8%)</u>
ERS net pension liability (asset)	\$ 5,338,597	\$ 2,908,870	\$ 671,080
PFRS net pension liability (asset)	\$ 8,002,035	\$ 4,475,360	\$ 1,317,143

### 3H. LONG-TERM LIABILITIES – Continued

The components of the collective net pension liability as of the March 31, 2020 measurement date were as follows:

	(Dollars in Thousands)		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Employers' total pension liability	\$ 194,596,261	\$ 35,309,017	\$ 229,905,278
Fiduciary net position	<u>168,115,682</u>	<u>29,964,080</u>	<u>198,079,762</u>
Employers' net pension liability	<u>\$ 26,480,579</u>	<u>\$ 5,344,937</u>	<u>\$ 31,825,516</u>
Ratio of fiduciary net position to the employers' total pension liability	86.39%	84.86%	86.16%

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 31<sup>st</sup>. Retirement contributions as of May 31, 2020 represent the employer contribution for the period of April 1, 2020 through May 31, 2020 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, 2020 were \$89,725 and \$147,656 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, 2020, the following employees were covered by the benefit terms:

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

### 3H. LONG-TERM LIABILITIES – Continued

The Village's total OPEB liability of \$55,546,500 was measured as of May 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other inputs – The total OPEB liability in the May 31, 2020 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	2.6%
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 May 31, 2020 with rates rounded to the nearest 0.1%.

#### Changes in the Total OPEB Liability:

Balances as of May 31, 2019	\$ 49,106,204
<u>Changes For The Year</u>	
Service Cost	442,876
Interest	1,412,791
Difference between expected and actual expenses	-
Changes of benefit terms	-
Changes of assumptions	5,879,227
Benefit payments	<u>(1,294,598)</u>
Net Changes	<u>6,440,296</u>
Balances as of May 31, 2020	<u>\$ 55,546,500</u>

### 3H. LONG-TERM LIABILITIES – Continued

*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 (1.6%) or 1 percentage point higher (3.6%) than the current discount rate:

	1% Decrease (1.6%)	Discount Rate (2.6%)	1% Increase (3.6%)
Total OPEB Liability	\$ 70,996,256	\$ 55,546,500	\$ 44,810,904

*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	\$ 43,652,004	\$ 55,546,500	\$ 73,732,510

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

For the year ended May 31, 2020, the Village recognized OPEB expense of \$2,247,615. At May 31, 2020, 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	5,879,227	-
Net Difference Between Expected and Actual Earnings on OPEB Investments	-	-
	<u>\$ 5,879,227</u>	<u>\$ -</u>

### 3I. REVENUES AND EXPENDITURES

#### Interfund Transfers

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 841,153
Water Fund	15,000	130,569
Sewer Fund	-	536,886
Capital Projects Fund	333,971	15,000
Debt Service Fund	1,174,637	-
Total	<u>\$1,523,608</u>	<u>\$1,523,608</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.



### 3J. NET POSITION – Continued

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.

### 3K. FUND BALANCES – Continued

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

Purchases on order are assigned 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](mailto: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, 2020 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	\$86.98	\$592,490	\$157,010	\$435,480 73.5%

### **3L. TAX ABATEMENTS – Continued**

On December 31, 2015, the Village of Suffern entered into a tax abatement agreement with Orange Avenue Apartments LLC. Authorization to enter into the agreement is provided by Article V of the Private Housing Finance Law of the State of New York. In accordance with the agreement, Orange Avenue Apartments LLC demolished buildings and remediated a brownfield in a blighted area of the Village and 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 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, 2020.

### **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.

#### **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 March 7, 2020, Governor Andrew Cuomo declared a state of emergency in response to the COVID- 19 pandemic. On March 18, 2020, the Families First Coronavirus Response Act, which requires employers to provide paid sick leave to employees affected by COVID- 19 in certain circumstances, was signed into law. As this report went to press, most Village events and meetings are cancelled or postponed, with Village facilities open to the public except by appointment only. Due to the fluid and continuing nature of this event, however, its ultimate financial impact on the Village is not yet ascertainable.

The Village is closely monitoring its 2020-2021 revenues and expenditures in order to address as early as possible any negative financial effects of the COVID-19 Pandemic. Real property taxes comprise 75% of General Fund revenues and are guaranteed by the County. Of the other major revenues, the Village's first fiscal quarter County sharing of sales tax typically arrives at the end of October and the first fiscal semi-annual mortgage tax typically arrives in mid-December, thus the impacts to the Village are not yet known.

On the expenditure side, since March of 2020, the Village has been on a very controlled spending directive issued by the Mayor and Village Treasurer that limits spending, regardless of appropriated amounts, to only those expenditures that are required by law or absolutely necessary.

In summary, it is too early to determine what effect, if any, the COVID-19 Pandemic will have on the Village's 2020-2021 financial results, but the Village is confident that the controls it has in place will minimize any negative financial impacts.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**VILLAGE OF SUFFERN**  
Required Supplementary Information

Schedule of Changes in the Village's  
Other Post Employment Benefits Plan and Related Ratios  
Last Three Fiscal Years

Measurement date	5/31/2020	5/31/2019	5/31/2018
<b>TOTAL OPEB LIABILITY</b>			
Service cost	\$ 442,876	\$ 388,955	\$ 915,117
Interest	1,412,791	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	5,879,227	14,744,432	-
Benefit payments	(1,294,598)	(1,309,231)	(658,820)
Net change in total OPEB liability	6,440,296	15,308,664	1,441,290
Total OPEB liability - beginning	49,106,204	33,797,540	32,356,250
Total OPEB liability - ending	<u>\$ 55,546,500</u>	<u>\$ 49,106,204</u>	<u>\$ 33,797,540</u>
Covered-employee payroll	\$ 6,013,912	\$ 6,013,912	\$ 6,199,720
Total OPEB liability as a % of covered payroll	923.63%	816.54%	545.15%

Schedule of Changes in the Village's  
Total Pension Liability - Fire Service Awards Program  
Last Three Fiscal Years

Measurement date	12/31/2019	12/31/2018	12/31/2017
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 88,076	\$ 86,816	\$ 68,117
Interest	103,988	89,070	94,259
Changes of benefit terms	-	145,806	-
Changes of assumptions or other inputs	174,511	(214,884)	223,277
Differences between expected and actual experience	(1,865)	27,608	(25,188)
Benefit payments	(94,840)	(100,232)	(102,090)
Net change in total pension liability	269,870	34,184	258,375
Total pension liability - beginning	2,816,147	2,781,963	2,523,588
Total pension liability - ending	<u>\$ 3,086,017</u>	<u>\$ 2,816,147</u>	<u>\$ 2,781,963</u>
Covered-employee payroll	N/A	N/A	N/A
Total pension liability as a % of covered payroll	N/A	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%
December 31, 2019:	3.26%

*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.

*Changes of Benefit Terms.* Effective January 1, 2019, the program was amended to increase the maximum number of years of service credit a participant may earn from 25-30.

**VILLAGE OF SUFFERN**  
 Required Supplementary Information  
 Schedule of the Proportionate Share of the  
 Net Pension Liability and Contributions  
 Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Employees Retirement System</b>			
Proportion of the net pension liability	0.0109849%	0.0114928%	0.0121370%
Proportionate share of the net pension liability	\$ 2,908,870	\$ 814,303	\$ 391,716
Covered employee payroll *	\$ 3,333,866	\$ 3,548,588	\$ 3,711,867
Net pension liability as percentage of covered employee payroll	87.25%	22.95%	10.55%
Fiduciary net position as percentage of total pension liability	86.39%	96.3%	98.2%
Contractually required contribution	\$ 470,320	\$ 507,856	\$ 546,504
Contributions made	(470,320)	(507,856)	(546,504)
(Excess) deficiency of contributions	\$ -	\$ -	\$ -
Covered payroll **	\$ 3,293,143	\$ 3,548,013	\$ 3,595,893
Contributions as percentage of covered employee payroll	14.28%	14.31%	15.20%
<b>Police and Fire Retirement System</b>			
Proportion of the net pension liability	0.8373080%	0.0707175%	0.0698059%
Proportionate share of the net pension liability	\$ 4,475,360	\$ 1,185,976	\$ 705,568
Covered employee payroll *	\$ 3,577,415	\$ 3,031,428	\$ 3,358,171
Net pension liability as percentage of covered employee payroll	125.10%	39.12%	21.01%
Fiduciary net position as percentage of total pension liability	84.86%	95.1%	96.9%
Contractually required contribution	\$ 774,833	\$ 661,464	\$ 761,081
Contributions made	(774,833)	(661,464)	(761,081)
(Excess) deficiency of contributions	\$ -	\$ -	\$ -
Covered payroll **	\$ 3,410,593	\$ 3,301,421	\$ 3,341,454
Contributions as percentage of covered employee payroll	22.72%	20.04%	22.78%

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.



<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
0.0116346%	0.0126191%	N/A	N/A	N/A	N/A	N/A
\$ 1,093,208	\$ 2,025,395	N/A	N/A	N/A	N/A	N/A
\$ 3,463,920	\$ 3,470,246	N/A	N/A	N/A	N/A	N/A
31.56%	58.36%	N/A	N/A	N/A	N/A	N/A
94.7%	90.7%	N/A	N/A	N/A	N/A	N/A
\$ 516,606	\$ 599,702	N/A	N/A	N/A	N/A	N/A
(516,606)	(599,702)	N/A	N/A	N/A	N/A	N/A
\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
\$ 3,669,985	\$ 3,617,070	N/A	N/A	N/A	N/A	N/A
14.08%	16.58%	N/A	N/A	N/A	N/A	N/A
0.0754608%	0.0763461%	N/A	N/A	N/A	N/A	N/A
\$ 1,564,039	\$ 2,260,447	N/A	N/A	N/A	N/A	N/A
\$ 3,265,551	\$ 2,835,592	N/A	N/A	N/A	N/A	N/A
47.90%	79.72%	N/A	N/A	N/A	N/A	N/A
93.5%	90.2%	N/A	N/A	N/A	N/A	N/A
\$ 733,265	\$ 455,277	N/A	N/A	N/A	N/A	N/A
(733,265)	(455,277)	N/A	N/A	N/A	N/A	N/A
\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
\$ 3,545,701	\$ 3,723,500	N/A	N/A	N/A	N/A	N/A
20.68%	12.23%	N/A	N/A	N/A	N/A	N/A

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## **OTHER SUPPLEMENTARY INFORMATION**

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**VILLAGE OF SUFFERN**  
General Fund  
Comparative Balance Sheet  
May 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 1,838,482	\$ 2,915,678
Restricted cash	97,864	90,863
Investments - unrestricted	2,490,375	-
Investments - restricted	1,580,291	1,490,721
Receivables		
Accounts, net	82,006	114,957
State and federal aid	132,642	149,761
Due from other funds	1,316,791	89,061
Due from agency funds	-	17
Advances to other funds	1,900,000	1,900,000
Advances to agency funds	-	5,269
Due from other governments	110,416	152,603
Deposits	<u>2,131</u>	<u>-</u>
Total assets	<u>\$ 9,550,998</u>	<u>\$ 6,908,930</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 362,317	\$ 188,408
Accrued liabilities	308,674	248,669
Due to other funds	842,732	-
Retainage payable	62,000	62,000
Security deposits	218,445	216,083
Bond anticipation notes payable	25,500	51,000
Due to retirement systems	210,547	180,291
Other liabilities	<u>93,167</u>	<u>-</u>
Total liabilities	<u>2,123,382</u>	<u>946,451</u>
 Fund balance		
Nonspendable		
Advance to capital projects fund	-	1,900,000
Advance to sewer fund	1,900,000	-
Restricted		
Law enforcement	22,614	19,074
DARE	75,250	71,489
Fire service awards program	1,580,291	1,490,721
Committed		
Suffern Day	1,130	3,251
9/11 Memorial	11,223	-
Assigned	118,786	96,591
Unassigned	<u>3,718,322</u>	<u>2,381,353</u>
Total fund balance	<u>7,427,616</u>	<u>5,962,479</u>
Total liabilities and fund balance	<u>\$ 9,550,998</u>	<u>\$ 6,908,930</u>

**VILLAGE OF SUFFERN**  
General Fund  
Comparative Schedule of Revenues, Expenditures  
And Changes in Fund Balance - Budget and Actual  
For the Years Ended May 31, 2020 and 2019

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Real property taxes	\$ 11,554,286	\$ 11,554,286	\$ 11,542,646	\$ (11,640)
Other tax items				
Payments in lieu of taxes	193,578	193,578	200,750	7,172
Interest and penalties on real property taxes	20,000	20,000	66,426	46,426
Total other tax items	<u>213,578</u>	<u>213,578</u>	<u>267,176</u>	<u>53,598</u>
Non-property taxes				
Utilities gross receipts tax	170,000	170,000	150,621	(19,379)
Franchise fees	250,000	250,000	251,833	1,833
Total non-property taxes	<u>420,000</u>	<u>420,000</u>	<u>402,454</u>	<u>(17,546)</u>
Departmental income				
Fire inspection fees	40,000	40,000	41,485	1,485
Certificate of occupancy search fees	20,000	20,000	20,926	926
Public safety fees	20,000	20,000	24,361	4,361
Vital statistics fees	49,000	49,000	55,230	6,230
Public works services	-	-	-	-
Parking permits	185,428	185,428	211,160	25,732
Pool fees	42,000	42,000	51,214	9,214
Other culture and recreation fees	15,000	15,000	14,309	(691)
Zoning fees	2,500	2,500	3,050	550
Planning board fees	20,000	20,000	4,875	(15,125)
Refuse and garbage charges	1,351,559	1,351,559	1,349,524	(2,035)
Police services	-	-	495	495
Snow removal	5,588	5,588	-	(5,588)
Total departmental income	<u>1,751,075</u>	<u>1,751,075</u>	<u>1,776,629</u>	<u>25,554</u>
Use of money and property				
Earnings on investments	-	-	183,692	183,692
Rental of real property	56,117	56,117	57,413	1,296
Filming fees	-	-	19,899	19,899
Total use of money and property	<u>56,117</u>	<u>56,117</u>	<u>261,004</u>	<u>204,887</u>
Licenses and permits				
Business and occupational licenses	-	-	-	-
Building permits	80,000	80,000	55,340	(24,660)
Garage sale permits	34,000	34,000	30,690	(3,310)
Total licenses and permits	<u>114,000</u>	<u>114,000</u>	<u>86,030</u>	<u>(27,970)</u>
Fines and forfeitures	<u>247,000</u>	<u>247,000</u>	<u>209,961</u>	<u>(37,039)</u>
Sale of property and compensation for loss				
Sale of recyclables	3,000	3,000	3,248	248
Sale of equipment	-	-	1,509	1,509
Insurance recoveries	25,000	25,000	18,060	(6,940)
Total sale of property and compensation for loss	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ 22,817</u>	<u>\$ (5,183)</u>

2019			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 10,890,625	\$ 10,890,625	\$ 10,898,791	\$ 8,166
189,072	189,072	189,052	(20)
20,000	20,000	45,247	25,247
209,072	209,072	234,299	25,227
170,000	170,000	164,048	(5,952)
250,000	250,000	229,144	(20,856)
420,000	420,000	393,192	(26,808)
54,000	54,000	40,955	(13,045)
16,000	16,000	21,225	5,225
20,000	20,000	28,880	8,880
48,000	48,000	48,601	601
-	-	6,927	6,927
225,000	225,000	218,126	(6,874)
45,000	45,000	49,574	4,574
15,000	15,000	15,287	287
2,500	2,500	2,450	(50)
35,000	35,000	12,250	(22,750)
1,358,155	1,358,155	1,355,067	(3,088)
750	750	440	(310)
5,588	5,588	-	(5,588)
1,824,993	1,824,993	1,799,782	(25,211)
-	-	27,360	27,360
56,000	56,000	53,800	(2,200)
-	-	45,151	45,151
56,000	56,000	126,311	70,311
750	750	-	(750)
80,000	80,000	232,000	152,000
40,000	40,000	42,159	2,159
120,750	120,750	274,159	153,409
270,000	270,000	254,805	(15,195)
24,000	24,000	7,337	(16,663)
-	-	75	75
25,000	155,000	218,090	63,090
\$ 49,000	\$ 179,000	\$ 225,502	\$ 46,502

**VILLAGE OF SUFFERN**  
General Fund  
Comparative Schedule of Revenues, Expenditures  
And Changes in Fund Balance - Budget and Actual  
For the Years Ended May 31, 2020 and 2019

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Miscellaneous revenue				
County sales tax distribution	\$ 525,000	\$ 525,000	\$ 558,641	\$ 33,641
AIM-related payment	98,736	88,416	88,416	-
Refund of prior years' expenditures	-	-	34,961	34,961
Gifts and donations	65,000	65,000	127,631	(40,144)
Premiums on obligations	-	-	8,491	8,491
Other miscellaneous revenues	225,000	225,000	217,781	(7,219)
Total miscellaneous revenue	913,736	903,416	1,035,921	29,730
State aid				
Aid and Incentive for Municipalities	-	-	-	-
Mortgage tax	195,000	195,000	249,870	54,870
Public safety	-	10,000	14,044	4,044
Transportation	19,148	19,148	211	(18,937)
Recreation	-	-	-	-
Total state aid	214,148	224,148	264,125	39,977
Federal aid	-	-	-	-
Total revenues	15,511,940	15,511,620	15,868,763	254,368
<b>EXPENDITURES</b>				
General government				
Board of trustees	54,082	54,082	48,030	6,052
Justice court	281,218	269,982	230,010	39,972
Mayor	30,258	30,258	28,982	1,276
Auditor	38,000	38,000	21,698	16,302
Treasurer	139,987	151,743	127,352	24,391
Assessment	13,103	13,103	13,103	-
Municipal financial advisor	4,000	4,000	2,500	1,500
Clerk	208,182	219,400	205,631	13,769
Attorney	188,508	320,108	287,757	32,351
Shared services	203,435	211,325	142,769	68,556
Unallocated insurance	158,600	158,600	146,091	12,509
Municipal association dues	5,000	5,000	4,846	154
Judgments and claims	80,000	95,000	86,923	8,077
Contingency	200,000	341	-	341
Total general government	1,604,373	1,570,942	1,345,692	225,250
Public safety				
Police	4,391,515	4,454,598	4,351,997	102,601
Fire	318,884	325,424	308,106	17,318
Safety inspection	209,353	221,753	211,913	9,840
Total public safety	4,919,752	5,001,775	4,872,016	129,759
Health - registrar of vital statistics	9,600	9,600	9,600	-
Transportation				
Street administration	15,116	17,571	9,959	7,612
Street maintenance	1,173,850	1,246,973	1,047,508	199,465
Snow removal	132,500	140,512	52,256	88,256
Street lighting	245,000	259,080	174,643	84,437
Parking	87,907	87,907	67,226	20,681
Total transportation	\$ 1,654,373	\$ 1,752,043	\$ 1,351,592	\$ 400,451



2019			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 525,000	\$ 525,000	\$ 559,677	\$ 34,677
-	-	-	-
-	-	26,252	26,252
71,500	119,622	153,485	33,863
-	-	-	-
228,500	228,500	350,110	121,610
825,000	873,122	1,089,524	216,402
99,859	99,859	88,416	(11,443)
200,000	200,000	217,375	17,375
-	10,714	16,241	5,527
-	-	22,881	22,881
-	2,000	2,000	-
299,859	312,573	346,913	34,340
-	4,125	4,125	-
14,965,299	15,160,260	15,647,403	487,143
53,250	53,250	45,157	8,093
277,646	277,646	259,306	18,340
30,050	30,050	28,421	1,629
38,000	38,000	21,768	16,232
138,550	138,550	107,969	30,581
13,103	13,153	13,153	-
2,500	2,500	2,500	-
233,324	222,743	222,534	209
164,151	233,257	233,257	-
203,434	204,595	142,119	62,476
155,460	136,560	136,523	37
5,000	5,000	-	5,000
80,000	80,000	6,012	73,988
200,000	-	-	-
1,594,468	1,435,304	1,218,719	216,585
3,991,932	4,459,348	4,456,250	3,098
317,175	320,259	317,313	2,946
243,475	243,475	223,791	19,684
4,552,582	5,023,082	4,997,354	25,728
9,600	9,680	9,680	-
26,542	26,542	15,641	10,901
1,233,283	1,215,009	1,059,419	155,590
114,000	122,012	107,035	14,977
235,700	235,700	173,353	62,347
113,047	120,936	120,936	-
\$ 1,722,572	\$ 1,720,199	\$ 1,476,384	\$ 243,815

**VILLAGE OF SUFFERN**  
General Fund  
Comparative Schedule of Revenues, Expenditures  
And Changes in Fund Balance - Budget and Actual  
For the Years Ended May 31, 2020 and 2019

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Culture and recreation				
Parks and playgrounds	\$ 287,993	\$ 371,674	\$ 336,147	\$ 35,527
Youth recreation	76,201	78,822	69,991	8,831
Historian	1,981	6,181	3,891	2,290
recreation	<u>366,175</u>	<u>456,677</u>	<u>410,029</u>	<u>46,648</u>
Home and community service				
Zoning board	5,863	5,863	5,560	303
Planning board	31,516	31,516	6,803	24,713
Refuse and garbage	1,022,892	1,048,682	1,007,772	40,910
Total home and community services	<u>1,060,271</u>	<u>1,086,061</u>	<u>1,020,135</u>	<u>65,926</u>
Employee benefits				
NYS employee retirement system	431,475	431,475	370,072	61,403
NYS police & fire retirement system	903,834	853,834	851,233	2,601
Firefighter service award program	140,000	140,000	118,046	21,954
Social security and medicare	458,638	466,810	405,046	61,764
MTA commuter tax	22,000	22,000	20,004	1,996
Disability insurance	200	200	137	63
Flexible spending plan fees	1,200	1,200	1,200	-
Workers' compensation insurance	434,081	434,081	427,618	6,463
Life insurance	77,500	77,500	74,450	3,050
Unemployment insurance	6,000	6,000	-	6,000
Health insurance	2,394,000	2,336,000	2,048,098	287,902
Dental insurance	108,500	108,500	106,552	1,948
Total employee benefits	<u>4,977,428</u>	<u>4,877,600</u>	<u>4,422,456</u>	<u>455,144</u>
Debt service				
Principal -installment purchase debt	<u>96,964</u>	<u>96,964</u>	<u>96,964</u>	<u>-</u>
Interest				
Bond anticipation notes	8,284	8,284	8,284	-
Installment purchase debt	25,705	25,705	25,705	-
Total interest	<u>33,989</u>	<u>33,989</u>	<u>33,989</u>	<u>-</u>
Total debt service	<u>130,953</u>	<u>130,953</u>	<u>130,953</u>	<u>-</u>
Total expenditures	<u>14,722,925</u>	<u>14,885,651</u>	<u>13,562,473</u>	<u>1,323,178</u>
Excess of revenues over expenditures	<u>789,015</u>	<u>625,969</u>	<u>2,306,290</u>	<u>1,577,546</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - capital projects fund	-	-	-	-
Transfer out - debt service fund	(638,015)	(638,015)	(627,707)	10,308
Transfer out - capital projects fund	(151,000)	(238,946)	(213,446)	25,500
Total other financing sources (uses)	<u>(789,015)</u>	<u>(876,961)</u>	<u>(841,153)</u>	<u>35,808</u>
Net change in fund balance	-	(250,992)	1,465,137	1,613,354
Fund balance (deficit) - beginning	-	250,992	5,962,479	5,711,487
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,427,616</u>	<u>\$ 7,324,841</u>

2019			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 254,402	\$ 293,387	\$ 274,611	\$ 18,776
86,381	86,381	82,631	3,750
4,581	4,581	4,114	467
345,364	384,349	361,356	22,993
5,863	5,863	4,680	1,183
22,116	18,459	9,925	8,534
1,060,565	1,064,625	977,582	87,043
1,088,544	1,088,947	992,187	96,760
367,603	367,603	349,897	17,706
854,593	848,766	695,245	153,521
129,000	129,000	112,998	16,002
446,787	458,587	439,944	18,643
20,000	20,295	20,295	-
200	200	137	63
800	1,200	1,200	-
506,000	505,600	478,988	26,612
77,500	77,500	76,683	817
6,000	3,400	425	2,975
2,185,400	2,188,435	2,094,383	94,052
97,368	105,438	103,877	1,561
4,691,251	4,706,024	4,374,072	331,952
30,973	63,948	63,948	-
12,946	12,945	12,945	-
18,805	22,287	22,287	-
31,751	35,232	35,232	-
62,724	99,180	99,180	-
14,067,105	14,466,765	13,528,932	937,833
898,194	693,495	2,118,471	1,424,976
-	4,391	4,391	-
(634,886)	(634,886)	(634,886)	-
(263,308)	(633,222)	(607,722)	25,500
(898,194)	(1,263,717)	(1,238,217)	25,500
-	(570,222)	880,254	1,450,476
-	570,222	5,082,225	4,512,003
\$ -	\$ -	\$ 5,962,479	\$ 5,962,479

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**VILLAGE OF SUFFERN**  
Water Fund  
Comparative Balance Sheet  
May 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 467,976	\$ 428,730
Investments	722,979	-
Receivables		
Water rents	605,548	640,231
Due from other funds	<u>237,074</u>	<u>-</u>
Total assets	<u><u>\$ 2,033,577</u></u>	<u><u>\$ 1,068,961</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 48,532	\$ 24,755
Accrued liabilities	24,879	23,595
Due to other funds	929,627	209,520
Due to retirement systems	17,007	18,490
Total liabilities	<u>1,020,045</u>	<u>276,360</u>
 Fund balance	<u>1,013,532</u>	<u>792,601</u>
 Total liabilities and fund balance	<u><u>\$ 2,033,577</u></u>	<u><u>\$ 1,068,961</u></u>

**VILLAGE OF SUFFERN**  
Water Fund  
Comparative Schedule of Revenues, Expenditures  
And Changes in Fund Balance - Budget and Actual  
For the Years Ended May 31, 2020 and 2019

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Departmental income				
Metered water sales	\$ 2,133,764	\$ 2,133,764	\$ 1,799,393	\$ (334,371)
Water service charges	1,500	1,500	2,900	1,400
Interest and penalties on water rents	19,000	19,000	31,144	12,144
Total departmental income	<u>2,154,264</u>	<u>2,154,264</u>	<u>1,833,437</u>	<u>(320,827)</u>
Interest and earnings	-	-	7,979	7,979
Miscellaneous revenue	7,700	7,700	11,329	3,629
Total revenues	<u>2,161,964</u>	<u>2,161,964</u>	<u>1,852,745</u>	<u>(309,219)</u>
<b>EXPENDITURES</b>				
Home and community services				
Water administration	382,198	339,498	303,020	36,478
Source of supply, power and pumping	851,410	914,834	661,727	253,107
Transmission and distribution	104,000	121,730	81,001	40,729
Contingency	200,000	200,000	-	200,000
Total home and community services	<u>1,537,608</u>	<u>1,576,062</u>	<u>1,045,748</u>	<u>530,314</u>
Employee benefits				
NYS employees retirement system	116,675	116,675	97,554	19,121
Social security and medicare	58,651	61,061	54,006	7,055
MTA commuter tax	2,000	2,000	1,709	291
Workers' compensation insurance	38,784	38,784	38,784	-
Health & dental insurance	324,400	320,400	275,566	44,834
Life insurance	2,200	2,200	2,393	(193)
Total employee benefits	<u>542,710</u>	<u>541,120</u>	<u>470,012</u>	<u>71,108</u>
Debt service				
Bond anticipation notes - interest	485	485	485	-
Total debt service	<u>485</u>	<u>485</u>	<u>485</u>	<u>-</u>
Total expenditures	<u>2,080,803</u>	<u>2,117,667</u>	<u>1,516,245</u>	<u>601,422</u>
Excess (deficiency) of revenues over expenditures	<u>81,161</u>	<u>44,297</u>	<u>336,500</u>	<u>292,203</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in - Capital Projects Fund	-	15,000	15,000	-
Transfer out - Debt Service Fund	(71,036)	(71,036)	(70,444)	592
Transfer out - Capital Projects Fund	(10,125)	(60,125)	(60,125)	-
Total other financing sources (uses)	<u>(81,161)</u>	<u>(116,161)</u>	<u>(115,569)</u>	<u>592</u>
Net change in fund balance	-	(71,864)	220,931	292,795
Fund balance (deficit) - beginning	-	71,864	792,601	720,737
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,013,532</u>	<u>\$ 1,013,532</u>

2019			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 2,037,800	\$ 2,037,800	\$ 1,928,484	\$ (109,316)
1,500	1,500	2,150	650
12,000	12,000	50,409	38,409
2,051,300	2,051,300	1,981,043	(70,257)
-	-	-	-
6,600	6,020	12,234	6,214
2,057,900	2,057,320	1,993,277	(64,043)
313,003	329,972	305,825	24,147
833,770	921,458	698,038	223,420
98,700	98,700	91,083	7,617
200,000	165,450	-	165,450
1,445,473	1,515,580	1,094,946	420,634
115,067	115,067	109,633	5,434
60,492	60,492	56,038	4,454
2,700	2,700	1,711	989
48,665	48,665	44,686	3,979
301,450	308,508	284,204	24,304
2,200	2,393	2,393	-
530,574	537,825	498,665	39,160
633	632	632	-
633	632	632	-
1,976,680	2,054,037	1,594,243	459,794
81,220	3,283	399,034	395,751
-	-	-	-
(71,095)	(71,094)	(71,094)	-
(10,125)	(10,125)	(10,125)	-
(81,220)	(81,219)	(81,219)	-
-	(77,936)	317,815	395,751
-	77,936	474,786	396,850
\$ -	\$ -	\$ 792,601	\$ 792,601

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**VILLAGE OF SUFFERN**  
**Comparative Balance Sheet**  
**Sewer Fund**  
**May 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 36,333	\$ 813,489
Receivables		
Sewer rents	796,801	723,909
Due from other funds	<u>1,113,506</u>	<u>188,696</u>
Total assets	<u>\$ 1,946,640</u>	<u>\$ 1,726,094</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 138,951	\$ 27,507
Accrued liabilities	12,219	8,010
Due to other funds	67,917	42,661
Advances from other funds	1,900,000	1,900,000
Due to retirement systems	<u>9,827</u>	<u>15,667</u>
Total liabilities	<u>2,128,914</u>	<u>1,993,845</u>
 Total fund balance	<u>(182,274)</u>	<u>(267,751)</u>
 Total liabilities and fund balance	<u>\$ 1,946,640</u>	<u>\$ 1,726,094</u>

**VILLAGE OF SUFFERN**  
Sewer Fund  
Comparative Schedule of Revenues, Expenditures  
And Changes in Fund Balance - Budget and Actual  
For the Years Ended May 31, 2020 and 2019

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Departmental income				
Sewer fees	\$ 2,487,863	\$ 2,487,863	\$ 2,150,893	\$ (336,970)
Penalties	13,000	13,000	39,302	26,302
Use of money and property	-	-	236	236
Miscellaneous revenue	11,000	11,000	5,533	(5,467)
Total revenues	<u>2,511,863</u>	<u>2,511,863</u>	<u>2,195,964</u>	<u>(315,899)</u>
<b>EXPENDITURES</b>				
Home and community services				
Wastewater administration	324,906	332,206	304,106	28,100
Wastewater treatment	977,870	1,033,424	964,895	68,529
Contingency	300,000	300,000	-	300,000
Total home and community services	<u>1,602,776</u>	<u>1,665,630</u>	<u>1,269,001</u>	<u>396,629</u>
Employee benefits				
NYS employees retirement system	67,419	67,419	51,387	16,032
Social security and medicare	33,891	34,748	28,903	5,845
MTA commuter tax	1,000	1,000	507	493
Workers' compensation insurance	38,784	38,784	38,784	-
Health & dental insurance	212,000	208,000	173,707	34,293
Life insurance	1,800	1,800	658	1,142
Total employee benefits	<u>354,894</u>	<u>351,751</u>	<u>293,946</u>	<u>57,805</u>
Debt service				
State loan	-	-	-	-
Bond anticipation notes	9,378	9,378	10,654	(1,276)
Total debt interest	<u>9,378</u>	<u>9,378</u>	<u>10,654</u>	<u>(1,276)</u>
Total expenditures	<u>1,967,048</u>	<u>2,026,759</u>	<u>1,573,601</u>	<u>453,158</u>
Excess (deficiency) of revenues over expenditures	<u>544,815</u>	<u>485,104</u>	<u>622,363</u>	<u>137,259</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out - debt service fund	(684,415)	(684,415)	(476,486)	207,929
Transfer out - capital projects fund	(60,400)	(60,400)	(60,400)	-
Total other financing sources (uses)	<u>(744,815)</u>	<u>(744,815)</u>	<u>(536,886)</u>	<u>207,929</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(200,000)</u>	<u>(259,711)</u>	<u>85,477</u>	<u>345,188</u>
Fund deficit - beginning	<u>200,000</u>	<u>259,711</u>	<u>(267,751)</u>	<u>(527,462)</u>
Fund deficit - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (182,274)</u>	<u>\$ (182,274)</u>

2019			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 2,232,048	\$ 2,232,048	\$ 2,025,403	\$ (206,645)
9,500	9,500	43,383	33,883
-	-	320	320
9,200	9,200	5,468	(3,732)
<u>2,250,748</u>	<u>2,250,748</u>	<u>2,074,574</u>	<u>(176,174)</u>
303,503	315,503	306,171	9,332
899,434	938,154	848,910	89,244
100,000	86,800	-	86,800
<u>1,302,937</u>	<u>1,340,457</u>	<u>1,155,081</u>	<u>185,376</u>
97,498	97,498	93,440	4,058
51,256	30,256	29,443	813
2,300	2,300	463	1,837
40,665	40,665	37,343	3,322
194,116	182,116	177,979	4,137
1,800	1,800	786	1,014
<u>387,635</u>	<u>354,635</u>	<u>339,454</u>	<u>15,181</u>
-	-	-	-
5,489	5,489	5,489	-
5,489	5,489	5,489	-
<u>1,696,061</u>	<u>1,700,581</u>	<u>1,500,024</u>	<u>200,557</u>
554,687	550,167	574,550	24,383
(481,787)	(481,787)	(481,787)	-
(72,900)	(72,900)	(72,900)	-
<u>(554,687)</u>	<u>(554,687)</u>	<u>(554,687)</u>	<u>-</u>
-	(4,520)	19,863	24,383
-	4,520	(287,614)	(292,134)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (267,751)</u>	<u>\$ (267,751)</u>

**VILLAGE OF SUFFERN**  
Capital Projects Fund  
Comparative Balance Sheet  
May 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 823,351	\$ 819,905
Cash with fiscal agent	109	-
Receivables		
Due from other funds	<u>379,012</u>	<u>25,000</u>
Total assets	<u><u>\$ 1,202,472</u></u>	<u><u>\$ 844,905</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Accounts payable	\$ 235,383	\$ 3,501
Due to other funds	1,206,107	50,576
Retainage payable	85,159	38,983
Bond anticipation notes payable	<u>1,284,425</u>	<u>1,383,450</u>
Total liabilities	<u>2,811,074</u>	<u>1,476,510</u>
 Total fund balance	<u>(1,608,602)</u>	<u>(631,605)</u>
 Total liabilities and fund balance	<u><u>\$ 1,202,472</u></u>	<u><u>\$ 844,905</u></u>

**VILLAGE OF SUFFERN**  
**Capital Projects Fund**  
**Comparative Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**For the Years Ended May 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>		
State aid	\$ 563,916	\$ 330,880
Federal aid	-	82,463
Miscellaneous	-	220,679
Total revenues	<u>563,916</u>	<u>634,022</u>
<b>EXPENDITURES</b>		
Capital outlay	<u>1,954,884</u>	<u>1,034,854</u>
Deficiency of revenues over expenditures	<u>(1,390,968)</u>	<u>(400,832)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Installment purchase debt issued	95,000	148,769
Transfer in	333,971	693,552
Transfers out	<u>(15,000)</u>	<u>(28,696)</u>
Total other financing sources (uses)	<u>413,971</u>	<u>813,625</u>
<b>Net change in fund balance</b>	(976,997)	412,793
Fund balance (deficit) - beginning	<u>(631,605)</u>	<u>(1,044,398)</u>
Fund balance (deficit) - ending	<u><u>\$ (1,608,602)</u></u>	<u><u>\$ (631,605)</u></u>

**VILLAGE OF SUFFERN**  
Capital Projects Fund  
Project-Length Sched  
Inception of Project Through May 31, 2020

						Fund Balance		BANs
	Project	Authorization	Revenues	Expenditures	Transfers In	05/31/2020	05/31/2019	Outstanding
2005-007	2005 Water Supply Imp	\$ 181,865	\$ -	\$ 181,865	\$ 181,865	\$ -	\$ (1,138)	\$ -
2011-005	2011 Sewer Plant Improvements	2,500,000	2,500,000	2,433,054	-	66,946	114,166	-
2015-001	2015 Fire Equipment	81,000	-	80,999	80,999	-	(20,250)	-
2015-002	2015 Water Well No. 3 Refurbish	15,000	-	-	-	-	11,250	-
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	-	86,299	65,250	(21,049)	(42,164)	21,750
2016-002	2016 Fire Equipment	52,500	-	52,456	39,331	(13,125)	(26,250)	13,125
2016-003	2016 Road Resurfacing	61,000	-	27,500	45,750	18,250	3,000	15,250
2016-004	2016 Heavy Duty Vehicles	108,000	-	99,055	81,000	(18,055)	(45,055)	27,000
2016-005	2016 LED Street Lighting	25,500	-	14,178	19,125	4,947	12,252	6,375
2016-006	2016 Sewer System Improvements	92,000	-	8,252	69,000	60,748	37,748	23,000
2016-007	2016 Water System Improvements	25,500	-	11,907	19,123	7,216	12,250	6,375
2016-009	2016 Village Hall Improvements	87,000	-	1,992	65,250	63,258	41,508	21,750
2017-001	2017 Sewer System Improvements	187,000	-	112,573	112,197	(376)	(37,776)	74,800
2018-001	2018 Sewer System Improvements	903,780	250,000	764,139	-	(514,139)	(297,969)	-
2018-003	2018 Wayne Avenue Sidewalks	313,192	28,472	14,796	86,808	100,484	-	-
2019-001	2019 Phase II Sewer Abatement	1,500,000	-	439,760	-	(439,760)	(47,187)	-
2019-002	2019 Roadway Improvements	487,458	338,466	368,566	30,100	-	(36,757)	-
2019-003	2019 DPW Multi-Purpose Truck	250,000	249,150	249,150	-	-	-	-
2019-005	2019 Fire Dept SCBA	175,000	-	159,209	-	(159,209)	(157,614)	175,000
2019-006	2019 DPW Backhoe	150,000	-	-	25,000	25,000	25,000	-
2019-007	2019 WWTP Modifications	9,240,000	-	355,173	-	(355,173)	(192,448)	-
2020-001	2020 Police Vehicles	95,000	95,000	95,000	-	-	-	-
2020-002	2020 Road Improvements Phase 10	691,700	249,537	653,032	-	(403,495)	-	500,000
2020-003	2020 Parking Lot B Repaving	300,000	-	2,735	-	(2,735)	-	300,000
2020-004	2020 Village Hall Parking Lot Repaving	100,000	-	94,164	-	(94,164)	-	100,000
2020-005	2020 NJ Transit Parking Lot Repaving	131,560	-	-	-	-	-	-
2020-008	2020 Fire Truck	875,000	-	-	-	-	-	-
2020-009	2020 Water Rate Study	50,000	-	-	50,000	50,000	-	-
Totals		<u>\$ 19,866,055</u>	<u>\$ 4,810,625</u>	<u>\$ 7,390,025</u>	<u>\$ 970,798</u>	<u>\$ (1,608,602)</u>	<u>\$ (631,605)</u>	<u>\$ 1,284,425</u>

**VILLAGE OF SUFFERN**  
Debt Service Fund  
Comparative Balance Sheet  
May 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 8,299	\$ 1,072
Cash with fiscal agent	7,104	21,499
Due from other funds	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 15,403</u></u>	<u><u>\$ 22,571</u></u>
Liabilities and fund balance		
<b>LIABILITIES</b>		
Liabilities - due to other funds	\$ <u>-</u>	\$ <u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Total fund balance	<u>15,403</u>	<u>22,571</u>
Total liabilities and fund balance	<u><u>\$ 15,403</u></u>	<u><u>\$ 22,571</u></u>

See notes to financial statements.

**VILLAGE OF SUFFERN**  
Debt Service Fund  
Comparative Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Years Ended May 31, 2020 and 2019

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Serial bond proceeds	\$ -	\$ 2,935,000	\$ 2,935,000	\$ -
Premium on obligations	-	542,413	542,413	-
Use of money and property	-	-	6	6
Total revenues	-	3,477,413	3,477,419	6
<b>EXPENDITURES</b>				
Fiscal agent fees	-	88,848	81,627	7,221
Serial bonds - principal	859,396	4,214,396	4,224,395	(9,999)
Serial bonds - interest	334,070	367,635	353,202	14,433
Total expenditures	1,193,466	4,670,879	4,659,224	11,655
Excess (deficiency) of revenues over expenditures	(1,193,466)	(1,193,466)	(1,181,805)	11,661
<b>OTHER FINANCING SOURCES</b>				
Transfer in - general fund	638,015	638,015	627,707	(10,308)
Transfer in - water fund	71,036	71,036	70,444	(592)
Transfer in - sewer fund	484,415	484,415	476,486	(7,929)
Transfer in - capital fund	-	-	-	-
Total other financing sources	1,193,466	1,193,466	1,174,637	(18,829)
<b>Net change in fund balance</b>	-	-	(7,168)	(7,168)
Fund balance - beginning	-	-	22,571	22,571
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,403</u>	<u>\$ 15,403</u>

See notes to financial statements.



2019			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	7	7
-	-	7	7
-	-	-	-
820,000	820,000	820,000	-
367,768	367,768	367,768	-
1,187,768	1,187,768	1,187,768	-
(1,187,768)	(1,187,768)	(1,187,761)	7
634,886	634,886	634,886	-
71,095	71,095	71,095	-
481,787	481,787	481,787	-
-	21,499	21,499	-
1,187,768	1,209,267	1,209,267	-
-	21,499	21,506	7
-	(21,499)	1,065	22,564
\$ -	\$ -	\$ 22,571	\$ 22,571

