



**VILLAGE OF DOBBS FERRY BOARD OF TRUSTEES**  
**WORKSHOP MEETING AGENDA**

<b>MEETING DATE:</b> February 14, 2023
<b>AGENDA ITEM SECTION:</b> Presentation
<b>AGENDA ITEM NO. :</b> 1
<b>AGENDA ITEM:</b>  BST & CO, CPAs LLP – Fiscal Report, period ending May 31, 2022
<b>ITEM BACKUP DOCUMENTATION:</b>  1. Village of Dobbs Ferry, New York – Financial Report May 31, 2022

1. Village of Dobbs Ferry, New York – Financial Report May 31, 2022



# **Village of Dobbs Ferry, New York**

## **Financial Report**

**May 31, 2022**

# Village of Dobbs Ferry, New York

## Financial Report

May 31, 2022

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## **Independent Auditor's Report**

Mayor and Board of Trustees  
Village of Dobbs Ferry, New York  
Dobbs Ferry, New York

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Dobbs Ferry, New York (Village), as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



### ***Auditor's Responsibilities for the Audit of the Financial Statements - Continued***

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the accompanying table of contents on pages 4 to 11 and 59 to 63, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual non-major fund financial statements on pages 64 to 65 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2023 on our consideration of the Village'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 solely 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 the effectiveness of the Village's 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 the Village's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Latham, New York  
January 17, 2023



# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2022

The Village of Dobbs Ferry, New York (Village) presents this Management's Discussion and Analysis (MD&A) as an overview of the Village's financial activities for the fiscal year ended May 31, 2022, as required by the Government Accounting Standards Board (GASB). This MD&A focuses on current year activities, resulting changes to net position, and currently known facts. This narrative overview and analysis of the financial activities of the Village should be read in conjunction with the basic financial statements and accompanying notes to those statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

### Financial Highlights

- On the government-wide statement of net position, the liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the Village at the close of the most recent fiscal year by \$28.1 million. Of this amount, \$16.3 million represents the Village's net investment in capital assets (net capital assets, less long-term liabilities used to acquire capital assets), and \$793 thousand was restricted for special purposes. The remaining amount, which represents an unrestricted deficit, was \$45.2 million. This deficit resulted primarily from the accrual of certain operating liabilities, which will be satisfied in future years, including compensated absences, other postemployment benefits (OPEB), length of service award program obligations (LOSAP), net pension liabilities, and the financing of judgments and claims through bond proceeds.
- The Village's total net position increased by \$3.8 million in 2022, from (\$31.9) million as of May 31, 2021. The total increase in net position is driven by a \$856 thousand general fund surplus, a \$628 thousand investment in capital assets in excess of depreciation expense, repayment of long-term debt of \$1.9 million and favorable trends in long-term liabilities that reduce expense in the government-wide financial statements. In addition, the Sewer Fund (Business-Type Activities) increased total net position by \$454 thousand.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$11.0 million. Of this amount, \$6.4 million of the fund balance was classified as nonspendable, restricted, or assigned for specific purposes. The remaining amount, \$4.6 million, was unassigned and available for spending at the Village's discretion. The combined ending fund balances of \$11.0 million at May 31, 2022, were \$464 greater than the amount reported in the prior year. This increase is primarily due to the Village's surplus in the General Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund, \$4.6 million, was 23.4% of total General Fund expenditures and debt service-related operating transfers of \$19.7 million.
- As of May 31, 2022, the Village had outstanding general obligation bonds of \$11,315,000, a reduction of \$1,860,000 from the previous year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2022

### Government-Wide Financial Statements - Continued

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position 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 only result in cash flows in future fiscal periods (for example, uncollected taxes, depreciation expense, and earned but unused vacation leave and other postemployment benefit obligations (OPEB)).

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, economic opportunity and development, culture and recreation, home and community services, and interest. The business-type activities include the Village sanitary sewer system which is principally supported by charges to the users based on water consumption.

The government-wide financial statements can be found immediately following this discussion and analysis.

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and means by which spending activities are controlled. The Village, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- Governmental Funds. The Village's basic services are reported in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains six individual governmental funds: the General Fund, Debt Service Fund, Capital Projects Fund, Special Purpose Fund, Library Fund and Special Grant Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, and Capital Projects Funds. These funds are considered to be major funds. The Library, Special Purpose, and Special Grant Funds are not considered major funds and are combined into a single aggregate presentation.



# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2022

### Fund Financial Statements - Continued

- Governmental Funds - Continued

The Village adopts annual budgets for the General Fund and Library Fund. A budgetary comparison statement has been provided for the General Fund within the required supplementary information to demonstrate compliance with the respective budgets. In the Capital Projects Fund, budgets are established on an individual project basis.

- Enterprise Fund. The enterprise fund is used to account for Village's sewer rent program established under Local Law No. 2-2020, which amends Chapter 256 of the Code of the Village of Dobbs Ferry. Sewer rents are charged to real property owners based on water consumption. Proceeds from the sewer rents are used to operate, maintain, repair and improve the Village's sanitary sewer system.
- Fiduciary Fund. The fiduciary fund is used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Village programs. The Village maintains only one type of fiduciary fund that is known as a custodial fund. The Village holds resources in this fund purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization, or government.

### Notes to the 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. As such, the notes are an integral part of the basic financial statements and should be read in conjunction with the financial statements. The notes to the financial statements are located following the basic financial statements section of this report.

### Other Information

In addition to the basic financial statements and notes to the financial statements, this report also presents required supplementary information (RSI) concerning the Village's progress in funding its obligation to provide other postemployment benefits (OPEB) to its employees; its proportionate share of the net pension liability and its pension contributions for its participation in the New York State and Local Retirement System (NYSLRS); and its obligations associated with Length of Service Award Program (LOSAP) pension plans. RSI immediately follows the notes to the financial statements.

This report also includes supplementary information which gives the reader further detail on the information presented in the basic financial statements. Included supplementary information are the combining non-major governmental funds financial statements.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village, total liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$28.1 million at the close of the 2022 fiscal year, an improvement of \$3.8 million from the prior fiscal year.

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2022

### Government-Wide Financial Analysis - Continued

**Table 1 - Net Position as of May 31, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>						
Current assets	\$ 14,912,419	\$ 12,992,257	\$ 1,001,363	\$ 568,469	\$ 15,913,782	\$ 13,560,726
Noncurrent assets, net	27,366,878	25,749,847	91,793	77,157	27,458,671	25,827,004
Total assets	<u>42,279,297</u>	<u>38,742,104</u>	<u>1,093,156</u>	<u>645,626</u>	<u>43,372,453</u>	<u>39,387,730</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>15,153,365</u>	<u>17,549,500</u>	<u>-</u>	<u>-</u>	<u>15,153,365</u>	<u>17,549,500</u>
<b>LIABILITIES</b>						
Current liabilities	5,205,556	4,469,361	14,993	21,434	5,220,549	4,490,795
Long-term liabilities	58,006,331	73,636,469	-	-	58,006,331	73,636,469
Total liabilities	<u>63,211,887</u>	<u>78,105,830</u>	<u>14,993</u>	<u>21,434</u>	<u>63,226,880</u>	<u>78,127,264</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>23,392,589</u>	<u>10,740,878</u>	<u>-</u>	<u>-</u>	<u>23,392,589</u>	<u>10,740,878</u>
<b>NET POSITION</b>						
Net investment in capital assets	16,195,330	14,266,711	91,793	77,157	16,287,123	14,343,868
Restricted	793,014	622,982	-	-	793,014	622,982
Unrestricted (deficit)	<u>(46,160,158)</u>	<u>(47,444,797)</u>	<u>986,370</u>	<u>547,035</u>	<u>(45,173,788)</u>	<u>(46,897,762)</u>
Total net position	<u>\$ (29,171,814)</u>	<u>\$ (32,555,104)</u>	<u>\$ 1,078,163</u>	<u>\$ 624,192</u>	<u>\$ (28,093,651)</u>	<u>\$ (31,930,912)</u>

The largest portion of the Village's governmental activities net position is the unrestricted deficit, which is primarily driven by the reporting of OPEB liabilities on the accrual basis of accounting. Total OPEB liability net of deferred outflows and inflows of resources at May 31, 2022 was \$49.0 million, an increase of \$527 thousand from the prior year. The unrestricted deficit is not representative of the Village's ability to meet its obligations in the ensuing year. The Village's deficit must be financed from future operations, and payments for these liabilities will be budgeted in the years that actual payments will be made.

The second largest component of the Village's governmental activities net position is the investment in capital assets (land, buildings and improvements, infrastructure, machinery and equipment, and construction-in-progress), less any related debt outstanding that was used to acquire those assets, \$16.2 million. The Village uses these capital assets to provide services to citizens. 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.

A portion of the Village's net position at May 31, 2022, \$793 thousand, represented resources that were subject to external restrictions on how they may be used, and are restricted for parklands and library related activities. Restricted assets for capital purposes, the LOSAP plan, and debt service are fully offset by corresponding liabilities in the statement of net position.

The business-type activities consist solely of the Village's sewer system, which charges a fee to customers within the district. The Sewer Fund is staffed on an as needed basis from the Village's Department of Public Works (DPW). The Village allocates a portion of DPW salaries and employee benefits to the Sewer Fund based on the level of work performed. Long-term liabilities for pension or other postemployment benefit obligations are recorded in the governmental activities opinion unit as these costs are ultimately paid for by the General Fund and proportionately charged to the Sewer Fund.

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2022

### Government-Wide Financial Analysis - Continued

**Table 2 - Changes in Net Position for the Fiscal Years Ended May 31, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 2,378,266	\$ 1,712,119	\$ 614,076	\$ 667,409	\$ 2,992,342	\$ 2,379,528
Operating grants and contributions	473,617	104,295	-	-	473,617	104,295
Capital grants and contributions	452,850	434,341	-	-	452,850	434,341
General revenues	18,703,215	18,454,979	1,971	46,952	18,705,186	18,501,931
Total revenues	<u>22,007,948</u>	<u>20,705,734</u>	<u>616,047</u>	<u>714,361</u>	<u>22,623,995</u>	<u>21,420,095</u>
<b>EXPENSES</b>						
General government support	3,262,861	3,423,651	-	-	3,262,861	3,423,651
Public safety	7,908,864	9,346,270	-	-	7,908,864	9,346,270
Health	86,362	86,262	-	-	86,362	86,262
Transportation	2,176,568	2,211,924	-	-	2,176,568	2,211,924
Culture and recreation	3,137,801	3,134,694	-	-	3,137,801	3,134,694
Home and community services	1,833,428	1,735,988	162,076	128,881	1,995,504	1,864,869
Interest on long-term debt	225,955	421,358	-	-	225,955	421,358
Total expenses	<u>18,631,839</u>	<u>20,360,147</u>	<u>162,076</u>	<u>128,881</u>	<u>18,793,915</u>	<u>20,489,028</u>
Transfer to Sewer Fund	-	(38,712)	-	38,712	-	-
<b>CHANGES IN NET POSITION</b>	<b>3,376,109</b>	<b>306,875</b>	<b>453,971</b>	<b>624,192</b>	<b>3,830,080</b>	<b>931,067</b>
<b>NET POSITION, beginning of year</b>	<b>(32,555,104)</b>	<b>(32,861,979)</b>	<b>624,192</b>	<b>-</b>	<b>(31,930,912)</b>	<b>(32,861,979)</b>
<b>NET POSITION, end of year, as restated</b>	<b>\$ (29,178,995)</b>	<b>\$ (32,555,104)</b>	<b>\$ 1,078,163</b>	<b>\$ 624,192</b>	<b>\$ (28,100,832)</b>	<b>\$ (31,930,912)</b>

During 2022, governmental activities increased the Village's net position by \$3.4 million. Key drivers causing this increase include the General Fund surplus of \$856 thousand, the repayment of long-term debt of \$1.9 million and the investment in capital assets in excess of depreciation of \$628.

For the fiscal year ended May 31, 2022, revenues totaled \$22.6 million, an increase of \$1.2 million, or 5.6%, over prior year revenues of \$21.4 million. Virtually all of the Village's revenues showed increases compared to the prior year, with the exception of changes in the fair value of LOSAP assets, which caused an unrealized loss of \$174 thousand.

Charges for services revenues in 2022, the second largest revenue source, totaled \$3.0 million and represented 13% of total revenues. In 2021, this revenue source was \$2.4 million. The increase in charges for services include culture and recreation charges that were cancelled in the summer of 2020 due to COVID-19 as well as increased permits sold for various projects.

Expenses incurred by governmental activities of the Village in 2022 totaled \$18.6 million, which is a \$1.7 million decrease from the prior year. The largest components of governmental activities' expenses were public safety (42%), general government (17%), and culture and recreation (17%). This was similar to last year when the largest components of government activities' expenses were public safety (46%), culture and recreation (15%), and general government support (17%).

The Village's business-type activities continue to generate a surplus, which will be reinvested into sewer system infrastructure in future reporting periods.

### Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2022

### Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$11.0 million, a net increase of \$464 from the prior year amount of \$10.5 million.

The restricted fund balance component of \$3.4 million at May 31, 2022 (\$3.8 million in 2021) indicates that it is not available for new spending because it has been restricted for capital projects, length of service award programs, debt service, and other purposes. The assigned fund balance component of \$3.0 million at the end of 2022 (\$3.1 million in 2021) consists of amounts set aside for purchases on order, and subsequent year expenditures. The remainder of the fund balance at May 31, 2022, \$4.6 million, constitutes unassigned fund balance, all of which pertains to the General Fund.

- General Fund - The General Fund is the primary operating fund of the Village, and the majority of the Village's programs and activities are supported by this fund.

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,612,066 representing 59.0% of the total General Fund balance of \$7,879,227. Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures, and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed an increase to 23% unassigned fund balance to total expenditures and other financing uses of \$19,727,416.

When the fiscal 2022 General Fund budget was adopted, it included the use of \$889 thousand in accumulated surplus fund balance to reduce property taxes to be levied. During the year, the budget was amended, including accumulated and unreserved fund balance for various expenditures, to a revised anticipated use of fund balance aggregating \$1,137,642 for the year. For the 2022 year, actual results of operations resulted in a surplus balance of \$856,359 which was favorable from the decrease anticipated in the modified budget of \$1,137,642.

Actual revenues of \$20,583,775 were \$1,634,565 more than the final budget. All of the Village's revenues exceeded their budgeted amounts, excluding real property taxes which fell \$215,537 below budget (\$134,638 below budget in 2021). Additionally, the Village incurred a loss associated with the net depreciation in fair value of its LOSAP investments. Investment income/expense associated with LOSAP investments is not included in the annual budgeting process.

Actual expenditures and other financing uses of \$19,727,416 were favorable by \$659,436 than the final budget. The Village's general government function favored \$905 thousand when compared to budget, whereas public safety and home and community services were overbudget by \$216 thousand and \$397 thousand, respectively. Other governmental functions were at or below budget.

- Debt Service Fund - The Debt Service Fund ended its fiscal year with a fund balance of \$723,582, an increase of \$2,622 from the prior year, due entirely to interest income generated on cash deposits.
- Capital Projects Fund - The Capital Projects Fund ended its 2022 fiscal year with a fund balance of \$1,274,924, compared to a prior year fund balance of \$1,880,286. The Village received a community development block grant of \$150,000 that was used for the community center. Additional project expenditures include equipment purchases, playground equipment and the swimming pool project.



# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2022

### Governmental Funds - Continued

- Other Governmental Funds – The Village's Other Governmental Funds consist of the Library, Special Purpose and Special Grant. The Library generated a surplus of \$55 thousand, which is attributed to increased property taxes and other local source revenues, offset by increases in operating and employee benefit expenses. The Special Purpose Fund generated a surplus of \$167,000, largely due developer fees to be used for future recreation purposes.

### Capital Asset and Debt Administration

#### Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2022, net of accumulated depreciation, was \$26,378,072. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, and construction-in-progress.

Significant capital outlays included the Gould Park playground (\$324 thousand), street maintenance (\$185 thousand), equipment purposes (\$243 thousand), the swimming pool project (\$110 thousand) and the community center (\$106 thousand).

**Table 3 - Capital Assets as of May 31,**

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Land	\$ 1,183,394	\$ 1,183,394
Construction-in-progress	5,772,928	5,563,968
Building and Improvements	5,251,961	5,452,650
Machinery and equipment	10,875,457	10,484,210
Infrastructure	3,294,332	3,065,625
Total capital assets, net of accumulated depreciation	<u>\$ 26,378,072</u>	<u>\$ 25,749,847</u>

Summary information on the changes in capital assets during the year can be found in Note 3 to financial statements.

#### Long-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$11,315,000. As required by New York State law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

During the year, the Village retired \$1,860,000 of general obligation debt from budgetary appropriations. There were no debt issuances or refinancings during the year.

On July 7, 2021, Moody's Investors Services Inc. affirmed the Village's credit rating of "Aa2".

Known as the "constitutional debt limit," and pursuant to New York State Local Finance Law, the Village must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. As of May 31, 2022, the Village had exhausted 34% of its constitutional debt limit and had the authority to issue an additional \$27.3 million of general obligation long-term debt.

Additional information on the Village's long-term and short-term debt can be found in Note 4 to the financial statements.

# **Village of Dobbs Ferry, New York**

## **Management's Discussion and Analysis May 31, 2022**

### **Next Year's Budgets and Rates**

In the 2023 General Fund adopted budget, the Village assigned \$1,083,323 of fund balance for spending in fiscal 2023, which includes \$194,073 for open purchase orders. The real property tax rate for the 2023 Village General Fund is \$7.08 per \$1,000 of taxable assessed value, which is a slight decrease (.16%) from \$7.09 in the prior year. The real property tax levy increased by 4.69% from 2021 to 2022. The 2022 adopted budget was within the property tax levy limitations. No local law was considered to authorize an override of the property tax levy limitations.

### **Requests for Information**

This financial report is designed to provide a general overview of the Village of Dobbs Ferry, New York's finances for all those who are interested. Questions and comments concerning any of the information provided in this report should be addressed to:

Jeff Chuhta, Village Treasurer  
Village of Dobbs Ferry  
112 Main Street  
Dobbs Ferry, New York 10522

# Village of Dobbs Ferry, New York

## Statement of Net Position

May 31, 2022

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		December 31, 2021
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,936,859	\$ 670,423	\$ 10,607,282	\$ 59,117
Cash and cash equivalents, restricted	1,216,596	-	1,216,596	-
Investments, restricted	2,160,911	-	2,160,911	-
Receivables				
Accounts	183,291	329,188	512,479	3,000
Taxes, net	486,761	-	486,761	-
Other governments	445,885	-	445,885	-
State and Federal aid	460,941	-	460,941	-
Internal balances	(1,752)	1,752	-	-
Prepaid expenses	22,927	-	22,927	-
Net pension asset	988,806	-	988,806	-
Capital assets, net				
Non-depreciable	6,956,322	-	6,956,322	-
Depreciable	19,421,750	91,793	19,513,543	-
Total assets	42,279,297	1,093,156	43,372,453	62,117
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts on bond refunding	109,671	-	109,671	-
Pension, OPEB and LOSAP deferrals	15,043,694	-	15,043,694	-
Total deferred outflows of resources	15,153,365	-	15,153,365	-
Total assets and deferred outflows of resources	57,432,662	1,093,156	58,525,818	62,117
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	1,838,219	14,993	1,853,212	-
Interest payable	54,861	-	54,861	-
Due to retirement system	245,762	-	245,762	-
Escrow deposits	425,988	-	425,988	-
Unearned revenue	935,726	-	935,726	-
Long-term liabilities				
Due within one year	1,705,000	-	1,705,000	-
Due in more than one year				
Bonds payable	10,093,419	-	10,093,419	-
Compensated absences	916,274	-	916,274	-
Net pension liability	558,090	-	558,090	-
Length of service award programs	3,950,391	-	3,950,391	-
Other postemployment benefits	42,488,157	-	42,488,157	-
Total liabilities	63,211,887	14,993	63,226,880	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension, OPEB and LOSAP deferrals	23,392,589	-	23,392,589	-
Total liabilities and deferred inflows of resources	86,604,476	14,993	86,619,469	-
<b>NET POSITION</b>				
Net investment in capital assets	16,195,330	91,793	16,287,123	-
Restricted for				
Special purposes	793,014	-	793,014	-
Unrestricted (deficit)	(46,160,158)	986,370	(45,173,788)	62,117
Total net position	\$ (29,171,814)	\$ 1,078,163	\$ (28,093,651)	\$ 62,117

See accompanying Notes to Financial Statements.

# Village of Dobbs Ferry, New York

## Statement of Activities

Year Ended May 31, 2022								
Functions/Programs	Expenses	Program Revenue			Net (Expenses) Revenues and Changes in Net Position			Component Unit Year Ended December 31, 2021
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>PRIMARY GOVERNMENT</b>								
<i>GOVERNMENTAL ACTIVITIES</i>								
General government support	\$ 3,262,861	\$ 25,840	\$ 197,954	\$ 73,026	(2,966,041)	\$ -	\$ (2,966,041)	\$ -
Public safety	7,908,864	566,807	-	153	(7,341,904)	-	(7,341,904)	-
Health	86,362	-	79,348	-	(7,014)	-	(7,014)	-
Transportation	2,176,568	379,461	-	229,671	(1,567,436)	-	(1,567,436)	-
Culture and recreation	3,137,801	490,043	196,315	150,000	(2,301,443)	-	(2,301,443)	-
Home and community services	1,833,428	916,115	-	-	(917,313)	-	(917,313)	-
Interest on long-term debt	225,955	-	-	-	(225,955)	-	(225,955)	-
Total governmental activities	<u>18,631,839</u>	<u>2,378,266</u>	<u>473,617</u>	<u>452,850</u>	<u>(15,327,106)</u>	<u>-</u>	<u>(15,327,106)</u>	<u>-</u>
<i>BUSINESS TYPE ACTIVITIES</i>								
Sewer Fund	<u>162,076</u>	<u>614,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>452,000</u>	<u>452,000</u>	<u>-</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 18,793,915</u>	<u>\$ 2,992,342</u>	<u>\$ 473,617</u>	<u>\$ 452,850</u>	<u>(15,327,106)</u>	<u>452,000</u>	<u>(14,875,106)</u>	<u>-</u>
<b>COMPONENT UNIT</b>								
Local Development Corporation, December 31, 2021	<u>\$ 3,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(1,000)</u>
General revenues								
Real property taxes					14,656,550	1,548	14,658,098	-
Real property tax items					118,604	-	118,604	-
Non-property taxes					3,400,171	-	3,400,171	-
Use of money and property					120,517	347	120,864	67
Change in fair value of LOSAP assets					(173,683)	-	(173,683)	-
Sale of property and compensation for loss					69,277	-	69,277	-
Miscellaneous local sources					52,115	76	52,191	-
Unrestricted State aid					459,664	-	459,664	-
Total general revenues					<u>18,703,215</u>	<u>1,971</u>	<u>18,705,186</u>	<u>67</u>
<b>CHANGES IN NET POSITION</b>					<u>3,376,109</u>	<u>453,971</u>	<u>3,830,080</u>	<u>(933)</u>
<b>NET POSITION, beginning of year</b>					<u>(32,555,104)</u>	<u>624,192</u>	<u>(31,930,912)</u>	<u>63,050</u>
<b>NET POSITION, end of year</b>					<u>\$ (29,178,995)</u>	<u>\$ 1,078,163</u>	<u>\$ (28,100,832)</u>	<u>\$ 62,117</u>

See accompanying Notes to Financial Statements.



# Village of Dobbs Ferry, New York

## Balance Sheet - Governmental Funds

May 31, 2022

	Major Funds					
	General	Debt Service	Capital Projects	Other Governmental	Eliminations	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,843,727	\$ 300,000	\$ 1,367,112	\$ 426,020	\$ -	\$ 9,936,859
Cash and cash equivalents, restricted	-	423,582	-	793,014	-	1,216,596
Investments, restricted	2,160,911	-	-	-	-	2,160,911
Receivables						
Accounts	183,291	-	-	-	-	183,291
Taxes, net	486,761	-	-	-	-	486,761
Other governments	445,885	-	-	-	-	445,885
State and Federal aid	223,466	-	185,454	52,021	-	460,941
Due from other funds	119,076	-	153	-	(95,133)	24,096
Prepaid expenditures	22,927	-	-	-	-	22,927
	<u>\$ 11,486,044</u>	<u>\$ 723,582</u>	<u>\$ 1,552,719</u>	<u>\$ 1,271,055</u>	<u>\$ (95,133)</u>	<u>\$ 14,938,267</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,246,765	\$ -	\$ 277,795	\$ 24,333	\$ -	\$ 1,548,893
Accrued expenses	257,179	-	-	32,147	-	289,326
Escrow deposits	425,988	-	-	-	-	425,988
Due to other funds	25,532	-	-	95,449	(95,133)	25,848
Due to retirement system	245,762	-	-	-	-	245,762
Unearned revenue	935,726	-	-	-	-	935,726
	<u>3,136,952</u>	<u>-</u>	<u>277,795</u>	<u>151,929</u>	<u>(95,133)</u>	<u>3,471,543</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>469,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>469,865</u>
<b>FUND BALANCES</b>						
Nonspendable	22,927	-	-	-	-	22,927
Restricted	2,160,911	423,582	-	790,017	-	3,374,510
Assigned	1,083,323	300,000	1,274,924	329,109	-	2,987,356
Unassigned	4,612,066	-	-	-	-	4,612,066
Total fund balances	<u>7,879,227</u>	<u>723,582</u>	<u>1,274,924</u>	<u>1,119,126</u>	<u>-</u>	<u>10,996,859</u>
	<u>\$ 11,486,044</u>	<u>\$ 723,582</u>	<u>\$ 1,552,719</u>	<u>\$ 1,271,055</u>	<u>\$ (95,133)</u>	<u>\$ 14,938,267</u>

See accompanying Notes to Financial Statements.

# Village of Dobbs Ferry, New York

## Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

	<u>May 31, 2022</u>
Total fund balances in the fund financial statements for the governmental funds	\$ 10,996,859
This amount differs from the amount of net position shown in the statement of net position due to the following:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	26,378,072
Deferred outflows and inflows for pensions, OPEB, LOSAPs, and bond refunding's are included in the government-wide statements and are added.	
Deferred outflows - deferred amounts on refunding bonds	109,671
Deferred outflows - pension deferrals	5,912,069
Deferred outflows - OPEB	8,135,094
Deferred outflows - LOSAPs	996,531
Deferred inflows - pension deferrals	(8,339,397)
Deferred inflows - OPEB	(14,616,760)
Deferred inflows - LOSAPs	(436,432)
Real property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	469,865
Net pension assets are not current financial resources and are therefore not reported in the funds	988,806
Some liabilities (listed below) are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(11,315,000)
Unamortized bond premiums	(373,419)
Other postemployment benefits	(42,488,157)
Net pension liability	(558,090)
Length of service award programs	(3,950,391)
Compensated absences	(1,026,274)
Interest payable	(54,861)
<b>Total net position</b>	<u><b>\$ (29,171,814)</b></u>

# Village of Dobbs Ferry, New York

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended May 31, 2022						
	Major Funds			Other Governmental	Eliminations	Total
	General	Debt Service	Capital Projects			
<b>REVENUES</b>						
Real property taxes	\$ 13,946,610	\$ -	\$ -	\$ 772,715	\$ -	\$ 14,719,325
Real property tax items	118,604	-	-	-	-	118,604
Non-property taxes	3,400,171	-	-	-	-	3,400,171
Departmental revenues	924,960	-	-	143,673	-	1,068,633
Intergovernmental charges	211,729	-	-	-	-	211,729
Use of money and property	114,604	2,622	-	3,291	-	120,517
Change in fair value of LOSAP assets	(173,683)	-	-	-	-	(173,683)
Licenses and permits	900,815	-	-	-	-	900,815
Fines and forfeitures	352,210	-	-	-	-	352,210
Sale of property and compensation for loss	69,277	-	-	-	-	69,277
Miscellaneous local sources	139,516	-	49,317	81,958	-	270,791
State aid	386,948	-	200,454	3,417	-	590,819
Federal aid	199,195	-	150,153	79,348	-	428,696
Total revenues	<u>20,590,956</u>	<u>2,622</u>	<u>399,924</u>	<u>1,084,402</u>	<u>-</u>	<u>22,077,904</u>
<b>EXPENDITURES</b>						
General government support	2,690,834	-	-	-	-	2,690,834
Public safety	5,468,720	-	-	-	-	5,468,720
Health	7,111	-	-	79,251	-	86,362
Transportation	1,327,165	-	-	-	-	1,327,165
Culture and recreation	1,266,342	-	-	679,648	-	1,945,990
Home and community services	1,646,623	-	-	-	-	1,646,623
Employee benefits	5,113,114	-	-	114,749	-	5,227,863
Capital outlays	-	-	1,005,286	-	-	1,005,286
Debt service						
Principal	-	1,860,000	-	-	-	1,860,000
Interest	-	354,688	-	-	-	354,688
Total expenditures	<u>17,519,909</u>	<u>2,214,688</u>	<u>1,005,286</u>	<u>873,648</u>	<u>-</u>	<u>21,613,531</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,071,047</u>	<u>(2,212,066)</u>	<u>(605,362)</u>	<u>210,754</u>	<u>-</u>	<u>464,373</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	2,214,688	-	-	(2,214,688)	-
Operating transfers out	(2,214,688)	-	-	-	2,214,688	-
	<u>(2,214,688)</u>	<u>2,214,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>856,359</u>	<u>2,622</u>	<u>(605,362)</u>	<u>210,754</u>	<u>-</u>	<u>464,373</u>
<b>FUND BALANCES, beginning of year</b>	<u>7,022,868</u>	<u>720,960</u>	<u>1,880,286</u>	<u>908,372</u>	<u>-</u>	<u>10,532,486</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 7,879,227</u>	<u>\$ 723,582</u>	<u>\$ 1,274,924</u>	<u>\$ 1,119,126</u>	<u>\$ -</u>	<u>\$ 10,996,859</u>

See accompanying Notes to Financial Statements.

# Village of Dobbs Ferry, New York

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

	<b>Year Ended May 31, 2022</b>
Net change in fund balances shown for total governmental funds	\$ 464,373
This amount differs from the change in net position shown in the statement of activities because of the following:	
Capital outlays for acquisition of capital assets are recorded in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which expenditures for acquisition of capital assets exceeded depreciation expense for the period.	
Capital expenditures	1,795,253
Depreciation expense	<u>(1,167,028)</u>
	628,225
Real property taxes that do not provide current financial resources are reported as revenues in the statement of activities, but not in the fund financial statements.	
	(62,775)
Bond principal payments are shown as expenditures in the governmental funds. These payments are shown in the statement of net position as a reduction of the related liabilities, and not shown as expenses in the statement of activities. Additionally, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these items are deferred and amortized in the statement of activities. This is the payment amount for the current year.	
Principal paid on bonds	1,860,000
Amortization of bond premium	152,760
Amortization of deferred loss on refunding	(84,687)
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; this is the amount by which the current period expenditures exceed the costs allocated over the applicable periods.	
Accrued interest	60,660
Net pension liability, net of deferrals	872,744
Length of service award programs, net of deferrals	(94,882)
Other postemployment benefits, net of deferrals	(526,716)
Compensated absences	<u>113,588</u>
	425,394
<b>Change in net position of governmental activities shown in the statement of activities</b>	<b><u>\$ 3,383,290</u></b>



# Village of Dobbs Ferry, New York

## Statement of Net Position - Enterprise Fund

	<u>May 31, 2022</u> <u>Sewer</u> <u>Fund</u>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 670,423
Accounts receivable	329,188
Due from other funds	<u>27,848</u>
	1,027,459
<b>NONCURRENT ASSETS</b>	
Capital assets, net	<u>91,793</u>
	<u><b>\$ 1,119,252</b></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 13,764
Accrued expenses	1,229
Due to other funds	<u>26,096</u>
	<u>41,089</u>
<b>NET POSITION</b>	
Investment in capital assets	91,793
Unrestricted	<u>986,370</u>
	<u>1,078,163</u>
	<u><b>\$ 1,119,252</b></u>

# Village of Dobbs Ferry, New York

## Statement of Revenues, Expenses and Changes Net Position – Enterprise Fund

	<b>Year Ended May 31, 2022</b>
	<b>Sewer Fund</b>
<b>OPERATING REVENUES</b>	
Sewer charges	\$ 614,076
<b>OPERATING EXPENSES</b>	
Home and community services	141,448
Employee benefits	20,628
	<u>162,076</u>
<b>OPERATING INCOME</b>	<u>452,000</u>
<b>NONOPERATING REVENUES</b>	
Real property tax related items	1,548
Miscellaneous local sources	76
Interest income	347
	<u>1,971</u>
<b>TOTAL INCREASE IN NET POSITION</b>	453,971
<b>NET POSITION, <i>beginning of year</i></b>	<u>624,192</u>
<b>NET POSITION, <i>end of year</i></b>	<u><u>\$ 1,078,163</u></u>

# Village of Dobbs Ferry, New York

## Statement of Cash Flows – Enterprise Fund

	<u>Year Ended May 31, 2022</u>
	<u>Sewer Fund</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Cash received from providing services	\$ 577,826
Cash payments for contractual services	(87,121)
Cash payments for personal services	(55,549)
Cash payments for employee benefits	(20,628)
	<u>414,528</u>
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of property and equipment	<u>(21,597)</u>
<b>NET CASH PROVIDED BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Cash received from property tax related items	1,548
Non-operating revenue	76
	<u>1,624</u>
<b>NET CASH PROVIDED USED INVESTING ACTIVITIES</b>	
Interest income	<u>347</u>
<b>Net increase in cash and cash equivalents</b>	394,902
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>275,521</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 670,423</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income	\$ 452,000
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation	6,961
Changes in assets and liabilities	
Accounts receivable	(36,250)
Due from other funds	(27,838)
Accounts payable	5,169
Accrued expenses	(1,740)
Due to other funds	16,226
	<u>\$ 414,528</u>

# Village of Dobbs Ferry, New York

## Statement of Fiduciary Fund Net Position

	<b>May 31, 2022</b>
	<b>Custodial Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	<b>\$ 84,300</b>
<b>NET POSITION</b>	
Restricted - Guaranty and bid deposits	<b>\$ 84,300</b>



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### **Note 1 - Organization and Summary of Significant Accounting Policies**

The Village of Dobbs Ferry, New York (Village) was established in 1873 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 charged with governance of the Village. The Village Administrator serves as the chief executive officer and the Village Treasurer serves as the chief fiscal officer. The Village provides services to residents, including public safety, health, transportation, economic opportunity and development, culture and recreation, and home and community services.

The accompanying basic financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing government accounting and financial reporting principles in the United States of America.

The following is a summary of the Village's significant accounting policies:

#### *a. Financial Reporting Entity*

The reporting entity consists of: (a) the primary government, the Village; and (b) other organizational entities determined to be includable in the Village's financial reporting entity, based on the nature and significance of their relationship with the Village. The financial reporting entity is based on criteria 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, the following component unit is included in the Village's reporting entity because of its operational or financial relationship with the Village.

The Dobbs Ferry Local Development Corporation ("DFLDC") was incorporated in November 2010 under Section 1411 of the Not-For-Profit Corporation Law of the State of New York. The mission of the DFLDC is to conduct activities that will relieve and reduce unemployment, promote and provide for additional maximum employment, improve and maintain job opportunities, lessen the burdens of government and act in the public interest. The sole member of the DFLDC is the Village acting by and through its Mayor, ex officio. The DFLDC is managed by a Board of Directors consisting of not less than three but not more than seven Directors that serve at the pleasure of the sole member. Therefore, the Village is considered able to impose its will on the DFLDC. The Village is not liable for the DFLDC's bonds or notes. Since the DFLDC does not provide services entirely or almost entirely to the Village, the financial statements of the DFLDC have been reflected as a discretely presented component unit.

Complete financial statements of the DFLDC can be obtained from its Administrative Office at the address indicated below.

Village of Dobbs Ferry Local Development Corporation  
c/o Village of Dobbs Ferry  
112 Main Street  
Dobbs Ferry, New York 10522

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### **Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

#### *b. Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. The effect of interfund activity within the governmental activities has been eliminated 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 the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions and programs. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

Separate statements are provided for governmental funds, enterprise fund and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

#### *c. Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenue in the year in which they are earned. Grants, entitlements, and donations are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety-day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures and related liabilities are generally recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next twelve months, with the exception of items covered by GASB Interpretation 6 (GASBI 6), *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. GASBI 6 requires that expenditures and liabilities, such as debt service, compensated absences, and claims and judgments be recorded in the governmental fund statements only when they mature or become due for payment within the period. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met. Nonexchange grants and subsidies are recognized as revenues when all requirements of the grant and/or subsidy have been satisfied.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *c. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued*

The Village reports the following major governmental funds:

- General Fund - is the principal operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.
- Debt Service Fund - is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.
- Capital Projects Fund - is used to account for and report financial resources to be used for the acquisition, construction, and renovation of major capital facilities or equipment.

The Village reports the following non-major governmental funds:

- Public Library Fund - The Public Library Fund is used to account for the activities of the Village's Public Library.
- Special Purpose Fund - is used to account for assets held by the Village in accordance with the terms of a trust agreement.
- Special Grant Fund - The Grant Fund is used to record the financial activity of certain Federal grant programs.

The governmental fund financial statements include a reconciliation between the fund statements and the government-wide statements. Differences that make a reconciliation necessary include differing measurement focuses and bases of accounting between the statements. The statement of activities reflects the net costs of each major function of Village operations, which differs from the presentation of expenditures in the statement of revenues, expenditures, and changes in fund balances - governmental funds, which closely matches the Village's budgetary presentation.

The Village reports the following enterprise fund as a major fund:

- Sewer Fund - is used to account for and report financial resources that are to be used on the Village's sanitary sewer system.

Fiduciary Fund - The Village maintains an agency fund which is generally used to account for assets that the Village holds on behalf of others as their agent.

Component Unit - The component unit is accounted for on the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. With this measurement focus, all assets and liabilities (whether current or non-current) associated with the operation of this fund are included on the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. The DFLDC is accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *d. Estimates*

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses/expenditures, and other financing sources (uses) during the reporting period. Actual results could differ from those estimates.

#### *e. Budgets*

Budgets are adopted on the modified accrual basis as required by the State of New York. Annual appropriated budgets are adopted for each governmental and proprietary fund.

The Village employs the following budgetary procedures:

- (1) On or before the first regular meeting of the Board of Trustees in April, 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 proposed expenditures and the means of financing.
- (2) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments at the second regular meeting in November.
- (3) After the public hearing and on or before the first regular meeting in May, the Trustees meet to consider and adopt the budget, at which time they are required to file the document with the Village Clerk.
- (4) Formal budgetary integration is employed during the year as a management control device for General, Library Special Grant, and Debt Service funds.

Budgets for General, Debt Service, Special Grant, Library and Sewer funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted by the Board of Trustees for the Special Purpose fund. The Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

Appropriations in the General, Debt Service, and Library 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.

#### *f. Cash, Cash Equivalents, and Investments*

Cash and cash equivalents consist of cash and time deposits, which mature no more than three months after the date purchased.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### **Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

#### *f. Cash, Cash Equivalents, and Investments - Continued*

The Village's deposit and investment policies are governed by State statutes and various resolutions of the Board of Trustees. The Village has adopted its own written investment policy, which provides for the deposit of funds in Federal Deposit Insurance Corporation (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, and accordingly, the Village's policy provides for no credit risk on investments.

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. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2022.

#### Restricted Service Award Program Investments

Investments of the Fire Service Award Program are held by RBC Wealth Management in a grantor/rabbi trust account in the Village's name. These assets are primarily invested in exchange traded funds, mutual funds, and cash deposits.

The Village's Ambulance Service Award Program assets are invested in an investment pool that is administered through the Office of the New York State Comptroller. The underlying investments of the investment pool include money market funds, corporate bonds, mutual funds and individual equity securities. The investment pool includes approximately thirty-five (35) participating plan sponsors, including the Village. Allocations of gains, losses and investment income are accounted for by the State Comptroller and the Village's actuarial service firm, Penflex. The investment pool does not have a credit quality rating and does not produce separate financial statements.

The Village's service award program investments are reported at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date. None of the Village's investments are subject to concentration of credit risk.

#### *g. Property Taxes and Other Receivables*

Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in June. The Village is responsible for the billing and collection of its own taxes. The Village is also responsible for conducting in-rem foreclosure proceedings. The Village records an estimate for uncollectible taxes based upon collection rates from previous years.

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 for amounts determined to be uncollectable are recorded when appropriate.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *h. Due From/To Other Funds*

During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2022, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

#### *i. Capital Assets*

##### Governmental Funds

Capital assets in governmental activities consist of land, buildings and improvements, machinery and equipment, and infrastructure, and are used to carry out day-to-day government services. These assets are recorded at historical cost or estimated historical cost in instances where such records and information are not available. Major outlays for capital assets and improvements are capitalized as projects are constructed. Costs of routine maintenance and repairs that do not add to the value of an asset or extend an asset's useful life are expensed as incurred.

Depreciation of capital assets for governmental activities is computed using the straight-line method over useful lives ranging from five to forty years but is not recorded as an expenditure in the related funds.

Management periodically reviews long-lived assets for impairment to determine whether any events or circumstances indicate the carrying value of the assets may not be recoverable. No impairment was identified in 2022.

#### *j. Unearned Revenues*

Unearned revenues arise when assets are recognized before revenue recognition criteria have 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. The Village has reported unearned revenues of \$451,551 for summer programs and parking permits received in advance, \$55,111 for an overpayment and \$429,064 in American Rescue Plan Act grant funds that will be spent in future periods.

#### *k. Deferred Outflows/Inflows of Resources*

Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of expense/expenditure until then. A deferred inflow of resources represents an acquisition of resources that applies to a future period and will not be recognized as revenue until that time.

Pension and Length of Service Award Programs related deferred outflows of resources and deferred inflows of resources are disclosed in Notes 7 and 8, respectively.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *k. Deferred Outflows/Inflows of Resources - Continued*

The Village reported \$109,671 in deferred outflows related to resources used to refund long-term bonds. These amounts are amortized as a component of interest expense over the life of the refunded bonds at the government-wide level.

Additionally, the Village has reported \$469,865 of deferred inflows of resources in the General Fund for property taxes determined to be measurable but not available as of May 31, 2022.

#### *l. 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 on the straight-line basis 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 the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

#### *m. Employee Benefits*

##### 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 statement of net position 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/asset - New York State and Local Retirement System

The net pension liability/asset represents the Village's proportionate share of the net pension liability/asset of the New York State and Local Retirement System, as further discussed in Note 7. The Village reports its proportionate share of the net pension liability/asset, deferred outflows and inflows of resources, and related expenses on the accrual basis of accounting in the government-wide financial statements.

##### Postemployment Benefits

Other postemployment benefits are measured and disclosed using the alternative measurement method under the accrual basis of accounting in the government-wide statements (Note 9). The Village provides health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if Village employees are eligible for these benefits if they reach normal retirement age while working for the Village. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the respective fund when paid. Retiree health insurance contributions are allocated and paid based on each fund's payroll as a percentage of total payroll.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *m. Employee Benefits - Continued*

##### Length of Service Award Program (LOSAP) Obligations

The Village sponsors a separate LOSAP plan for both volunteer firefighters and volunteer ambulance personnel, as further described in Note 8.

#### *n. Net Position*

The following terms are used in reporting net position:

- Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets.
- Restricted consists of amounts that have restraints that are either:
  - (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, laws, or regulations of other governments, or
  - (2) Imposed by law through constitutional provisions or enabling legislation.
- Unrestricted is the net amount of assets, liabilities, and deferred outflows and inflows of resources that is not included in the determination of net investment in capital assets or restricted components of net position described above.

#### *o. Fund Balance*

Fund balance for governmental funds is reported in the following classifications which describe the relative strength of the constraints that control how specific amounts in the funds can be spent:

- Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.
- Restricted - Amounts that have restraints that are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *o. Fund Balance - Continued*

- Assigned - Amounts that are constrained only by the government's intent to be used for a specified purpose but are not restricted or committed in any manner.
- Unassigned - The residual amount in the General Fund after all of the other classifications have been established. In a Special Revenue Fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

The Village's fund balance policy is set by the Village Board, the highest level of decision-making authority. The Village Board considers "formal action" for a committed fund balance to be the passing of a Board resolution. The Board has delegated the ability to assign fund balance to the Treasurer. The Village considers fund balance spent in the order of restricted, committed, assigned, and unassigned.

Note 5 provides further details regarding the Village's fund balance classifications.

#### *p. Subsequent Events*

The Village has evaluated subsequent events for potential recognition or disclosure through January 17, 2023, the date the financial statements were available to be issued.

### Note 2 - Taxes Receivable

Taxes receivable at May 31, 2022 consist of the following:

Taxes, overdue prior years	\$ 513,913
Tax sale certificates	<u>2,848</u>
	516,761
Allowance for uncollectable taxes	<u>(30,000)</u>
	<u><u>\$ 486,761</u></u>

Taxes receivable in the fund financial statements are partially offset by deferred inflows of resources related to tax revenues of \$469,865 which represents the taxes receivable which were not collected within the first sixty days of the subsequent year.

### Note 3 - Capital Assets

The following is a summary of changes in the governmental activities' capital assets during the year:

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 3 - Capital Assets - Continued

	Balance at June 1, 2021	Additions	Disposals	Balance at May 31, 2022
Non-depreciable assets				
Land	\$ 1,183,394	\$ -	\$ -	\$ 1,183,394
Construction in progress	5,563,968	223,841	14,881	5,772,928
Total nondepreciable	<u>6,747,362</u>	<u>223,841</u>	<u>14,881</u>	<u>6,956,322</u>
Depreciable assets				
Buildings and improvements	11,995,576	92,249	-	12,087,825
Infrastructure	12,586,088	876,334	-	13,462,422
Machinery and equipment	8,691,348	617,710	188,500	9,120,558
Total depreciable assets	<u>33,273,012</u>	<u>1,586,293</u>	<u>188,500</u>	<u>34,670,805</u>
Less accumulated depreciation				
Buildings and Improvements	6,542,926	292,938	-	6,835,864
Infrastructure	2,101,878	485,087	-	2,586,965
Machinery and equipment	5,625,723	389,003	188,500	5,826,226
Total accumulated depreciation	<u>14,270,527</u>	<u>1,167,028</u>	<u>188,500</u>	<u>15,249,055</u>
Total capital asset depreciated, net of accumulated depreciation	<u>19,002,485</u>	<u>419,265</u>	<u>-</u>	<u>19,421,750</u>
Total capital assets	<u>\$ 25,749,847</u>	<u>\$ 643,106</u>	<u>\$ 14,881</u>	<u>\$ 26,378,072</u>

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

Governmental activities	
General government support	\$ 18,089
Public safety	152,064
Transportation	461,209
Culture and recreation	444,638
Home and community services	91,028
Total depreciation expense	<u>\$ 1,167,028</u>

The following is a summary of changes in the business-type activities' capital assets during the year:

	Balance at June 1, 2021	Additions/ Transfers	Disposals	Balance at May 31, 2022
Depreciable assets				
Infrastructure	3,992,404	21,597	-	4,014,001
Machinery and equipment	51,864	-	-	51,864
Total depreciable assets	<u>4,044,268</u>	<u>21,597</u>	<u>-</u>	<u>4,065,865</u>
Less accumulated depreciation				
Infrastructure	3,915,247	6,961	-	3,922,208
Machinery and equipment	51,864	-	-	51,864
Total accumulated depreciation	<u>3,967,111</u>	<u>6,961</u>	<u>-</u>	<u>3,974,072</u>
Total capital assets	<u>\$ 77,157</u>	<u>\$ 14,636</u>	<u>\$ -</u>	<u>\$ 91,793</u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 4 - Bonds and Long-Term Liabilities

A summary of changes in bonds payable and other long-term liabilities/assets is as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds and related premiums					
Capital construction	\$ 12,009,315	\$ -	\$ 1,453,154	\$ 10,556,161	\$ 1,347,458
Judgments and claims	1,165,685	-	406,846	758,839	247,542
	13,175,000	-	1,860,000	11,315,000	1,595,000
Unamortized premiums	526,179	-	152,760	373,419	-
Total bonds	13,701,179	-	2,012,760	11,688,419	1,595,000
Other long-term liabilities					
Other postemployment benefits	55,314,605	1,764,527	14,590,975	42,488,157	-
Net pension liability (asset)					
ERS	11,869	138,915	1,139,590	(988,806)	-
PFRS	1,752,357	492,136	1,686,403	558,090	-
Length of service award programs					
Fire	3,384,535	207,100	348,707	3,242,928	-
Ambulance	758,771	37,635	88,943	707,463	-
Compensated absences	1,139,862	-	113,588	1,026,274	110,000
Total other long-term liabilities	62,361,999	2,640,313	17,968,206	47,034,106	110,000
Total long-term liabilities	\$ 76,063,178	\$ 2,640,313	\$ 19,980,966	\$ 58,722,525	\$ 1,705,000

Each governmental fund's liability for other postemployment benefits, net pension liability, length of service award programs, and compensated absences are liquidated by the respective fund. The Village's indebtedness for bonds is satisfied by the Debt Service Fund, which is funded by the General Fund.

#### Bonds Payable

A summary of the Village's bonds payable at May 31, 2021 is as follows:

Description	Year of Issue	Maturity Date	Interest Rate	Balance
Various Purpose - Serial Bonds	2012	March, 2026	2.00% to 2.75%	455,000
Refunding Serial Bonds	2015	October, 2026	2.00% to 3.00%	2,770,000
Various Purpose - Serial Bonds	2017	October, 2036	2.00% to 3.00%	6,145,000
Refunding Serial Bonds	2020	September, 2024	5.00%	1,945,000
Total bonds payable				\$ 11,315,000

Interest paid of \$354,688 was recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$225,955 was recorded in the government-wide financial statements, which includes adjustments for accrued interest, deferred loss amortization and bond premium amortization.

The Village's debt limit is approximately \$41.3 million, of which the Village has total outstanding debt obligations of approximately \$11.3 million, leaving a net debt contracting margin of approximately \$30.0 million.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 4 - Bonds and Long-Term Liabilities - Continued

#### Payments to Maturity

The following is a summary of the future debt service requirements for bonds payable:

	Principal	Interest	Total
For the year ending May 31,			
2023	1,595,000	295,812	1,890,812
2024	1,660,000	238,388	1,898,388
2025	1,710,000	181,512	1,891,512
2026	1,050,000	142,900	1,192,900
2027	955,000	120,750	1,075,750
2028-2032	2,025,000	442,790	2,467,790
2033-2037	2,320,000	168,998	2,488,998
	<u>\$ 11,315,000</u>	<u>\$ 1,591,150</u>	<u>\$ 12,906,150</u>

### Note 5 - Fund Balances

Fund balances are as follows at May 31, 2022:

	General	Debt Service	Capital Projects	Non-Major Governmental	Total
Nonspendable					
Prepaid expenditures	\$ 22,927	\$ -	\$ -	\$ -	\$ 22,927
Restricted					
Length of Service Award Programs	2,160,911	-	-	-	2,160,911
Debt service	-	423,582	-	-	423,582
Parklands	-	-	-	262,516	262,516
Other purposes	-	-	-	527,501	527,501
Total restricted	<u>2,160,911</u>	<u>423,582</u>	<u>-</u>	<u>790,017</u>	<u>3,374,510</u>
Assigned for					
Purchases on order					
General government support	13,281	-	-	-	13,281
Public safety	143,982	-	-	-	143,982
Transportation	6,045	-	-	-	6,045
Culture and recreation	25,578	-	-	274,185	299,763
Home and community services	5,187	-	-	-	5,187
	<u>194,073</u>	<u>-</u>	<u>-</u>	<u>274,185</u>	<u>468,258</u>
For subsequent years expenditures					
General Fund	889,250	-	-	-	889,250
Debt Service Fund	-	300,000	-	-	300,000
Capital projects	-	-	1,274,924	-	1,274,924
Public Library Fund	-	-	-	55,000	55,000
	<u>889,250</u>	<u>300,000</u>	<u>1,274,924</u>	<u>55,000</u>	<u>2,519,174</u>
Total assigned	<u>1,083,323</u>	<u>300,000</u>	<u>1,274,924</u>	<u>329,185</u>	<u>2,987,432</u>
Unassigned	<u>4,612,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,612,066</u>
Total fund balance	<u>\$ 7,879,227</u>	<u>\$ 723,582</u>	<u>\$ 1,274,924</u>	<u>\$ 1,119,202</u>	<u>\$ 10,996,935</u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 6 - Interfund Transactions

Interfund balances are as follows at May 31, 2022:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 119,076	\$ 25,532
Capital Projects	153	-
Non-Major Governmental:		
Library	-	52,109
Special Grant	-	43,340
Sewer Fund	27,848	26,096
	<u>\$ 147,077</u>	<u>\$ 147,077</u>

Interfund transfers are as follows at May 31, 2022:

<u>Transfers From</u>	<u>Debt Service</u>	<u>Total</u>
General	<u>\$ 2,214,688</u>	<u>\$ 2,214,688</u>

### Note 7 - New York State Retirement System

#### *a. Plan Description*

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 New York State and Local Retirement System (the System). The System is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System.

The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the System for the custody and control of its funds. The System issues publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

#### *b. Plan Benefits*

The System provides retirement benefits as well as death and disability benefits. Retirement benefits are established by the New York State Retirement and Social Security Law (RSSL) and are dependent upon the point in time at which the employees last joined the System. The RSSL has established distinct classes of membership. The System uses a tier concept within ERS and PFRS to distinguish these groups, as follows:

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 7 - New York State Retirement System - Continued

#### *b. Plan Benefits - Continued*

##### ERS

- Tier 1 - Those persons who last became members before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 - Those persons who last became members on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those persons who first became members on or after April 1, 2012.

##### PFRS

- Tier 1 - Those persons who last became members before July 31, 1973.
- Tier 2 - Those persons who last became members on or after July 31, 1973, but before July 1, 2009.
- Tier 3 - Those persons who last became members on or after July 1, 2009, but before January 9, 2010.
- Tier 4 - Not Applicable
- Tier 5 - Those persons who last became members on or after January 9, 2010, but before April 1, 2012, or who were previously PFRS Tier 3 members who elected to become Tier 5.
- Tier 6 - Those persons who first became members on or after April 1, 2012.

Generally, members of ERS and PFRS may retire at age 55; however, members of Tiers 2, 3, and 4 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. A member with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. Members who joined the System prior to January 1, 2010 generally need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) need 10 years of service credit to be 100 percent vested.

Subsequent to March 31, 2022, legislation was passed that reduced the number of years of service credit from 10 years to 5 years. Therefore, all members are vested when they reach five years of service credit.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 7 - New York State Retirement System - Continued

#### *b. Plan Benefits - Continued*

Typically, the benefit for members in all Tiers within ERS and PFRS is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a Tier 1 or Tier 2 member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4, or 5 member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4, or 5 member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Final average salary for Tiers 1 through 5 is the average of the wages earned in the three highest consecutive years of employment. Each year used in the final average salary calculation is limited to no more than 20 percent of the previous year (Tier 1) or no more than 20 percent of the average of the previous two years (Tier 2). For Tier 3, 4, and 5 members, each year used in the final average salary calculation is limited to no more than 10 percent of the average of the previous two years. The benefit for Tier 6 members who retire with 20 years of service is 1.75 percent of final average salary for each year of service. If a Tier 6 member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied to each year of service over 20 years. The final average salary for a Tier 6 member is computed as the average of the wages earned in the five highest consecutive years. Each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

An automatic postemployment benefit is provided annually to pensioners who have attained age 62 and have been retired for five years; to pensioners who have attained age 55 and have been retired for ten years; to all disability pensioners, regardless of age, who have been retired for five years; to ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or greater than 3 percent.

#### *c. Funding Policy*

Employee contribution requirements depend upon the point in time at which an employee last joined the System. Most Tier 1 and Tier 2 members of ERS, and most members of PFRS are not required to make employee contributions. Employees in Tiers 3, 4, and 5 are required to contribute 3 percent of their salary, however, as a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees who have ten or more years of membership or credited service within the System are not required to contribute. The Tier 6 contribution rate varies from 3 percent to 6 percent depending on salary. Tiers 5 and 6 members are required to contribute for all years of service. Members cannot be required to begin contributing or to make increased contributions beyond what was required when their memberships began.

Participating employers are required under the RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2022 was approximately 16.2 percent of payroll. The average contribution rate for PFRS for the fiscal year ended March 31, 2021 was approximately 28.3 percent of payroll.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 7 - New York State Retirement System - Continued

#### c. Funding Policy - Continued

The required contributions for the current year ERS and PFRS were \$567,874 and \$987,903, respectively. Contributions made to the System were equal to 100% of the contributions required for each year.

The current System contribution for the Village was charged to various departments and the following funds:

Fund	ERS	PFRS
General	\$ 512,767	\$ 987,903
Library	55,106	-
	<u>\$ 567,873</u>	<u>\$ 987,903</u>

#### d. Pension Liabilities, Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At May 31, 2022, the Village reported a pension asset of \$988,806 for its proportionate share of the net pension asset of ERS and a liability of \$558,090 for its proportionate share of the net pension liability of PFRS. The net pension asset/liability was measured as of March 31, 2022, and the total pension asset/liability was determined by an actuarial valuation as of April 1, 2021. The Village's proportion of the net pension asset/liability was based on the ratio of its actuarially determined employer contribution to the System's total actuarially determined employer contribution for the fiscal year ended on the measurement date.

At the March 31, 2022, measurement date, the Village's proportionate share in the ERS was 0.0120961% and the PFRS was 0.0982476%.

For the year ended May 31, 2022, the Village recognized pension expense of \$138,915 for ERS and \$492,136 for PFRS on the accrual basis of accounting. At May 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources as follows:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 74,884	\$ 97,128	\$ 300,870	\$ -
Changes of assumptions	1,650,207	27,845	3,340,289	-
Net differences between projected and actual earnings on pension plan investments	-	3,237,926	-	4,689,413
Changes in proportion and differences between Village contributions and proportionate share of contributions	155,199	-	144,921	287,085
Contributions subsequent to the measurement date	<u>72,913</u>	<u>-</u>	<u>172,786</u>	<u>-</u>
Total	<u>\$ 1,953,203</u>	<u>\$ 3,362,899</u>	<u>\$ 3,958,866</u>	<u>\$ 4,976,498</u>



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 7 - New York State Retirement System - Continued

#### *d. Pension Liabilities, Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued*

Contributions subsequent to the measurement date will be recognized as an adjustment to the net pension asset/liability in the year ending May 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending March 31,</u>	<u>ERS</u>	<u>PFRS</u>
2023	\$ (189,607)	\$ (273,758)
2024	(316,862)	(408,284)
2025	(807,325)	(1,112,360)
2026	(168,815)	614,988
2027	-	(11,004)
Total	<u>\$ (1,482,609)</u>	<u>\$ (1,190,418)</u>

#### Actuarial Assumptions

The total pension asset/liability at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension asset/liability to March 31, 2022. Significant actuarial assumptions used in the valuation were as follows:

	<u>ERS</u>	<u>PFRS</u>
Inflation rate	2.70%	2.70%
Salary scale	4.40%	6.20%
Investment rate of return (net of investment expense, including inflation)	5.90%	5.90%
Cost of living adjustment	1.40%	1.40%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.

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 returns net of investment expense 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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 7 - New York State Retirement System - Continued

#### *d. Pension Liabilities, Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued*

##### Investment Asset Allocation

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of the applicable valuation dates are summarized as follows:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	3.30%
International equity	15.00%	5.85%
Private equity	10.00%	6.50%
Real estate	9.00%	5.00%
Opportunistic/ARS portfolio	3.00%	4.10%
Credit	4.00%	3.78%
Real assets	3.00%	5.58%
Fixed income	23.00%	0.00%
Cash	1.00%	-1.00%
	<u>100.00%</u>	

##### Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9%. 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 asset/liability.

##### Sensitivity of the Proportionate Share of the Net Pension Asset/Liability to the Discount Rate Assumption

The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	ERS		
	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Village's proportionate share of the net pension liability (asset)	<u>\$ 2,545,176</u>	<u>\$ (988,806)</u>	<u>\$ (3,944,812)</u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 7 - New York State Retirement System - Continued

#### *d. Pension Liabilities, Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued*

#### Sensitivity of the Proportionate Share of the Net Pension Asset/Liability to the Discount Rate Assumption – Continued

	PFRS		
	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Village's proportionate share of the net pension liability (asset)	\$ 6,207,888	\$ 558,090	\$ (4,118,443)

#### Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (asset) of the employers as of March 31, 2022 were as follows (amounts in thousands):

	ERS	PFRS	Total
Employers' total pension liability	\$ 223,874,888	\$ 42,237,292	\$ 266,112,180
Plan net position	(232,049,473)	(41,669,250)	(273,718,723)
Employers' net pension liability (asset)	\$ (8,174,585)	\$ 568,042	\$ (7,606,543)
Ratio of plan net position to the employers' total pension liability/asset	103.65%	98.66%	102.86%

#### Voluntary Defined Contribution Plan

The Village also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 with earnings at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Village contributes 8%. Employer contributions vest after 366 days of service. No current employees participate in this program.

### Note 8 - Length of Service Award Programs

#### *Fire Service Award Program*

The Village, pursuant to Article 11-A of the General Municipal Law of the State of New York and legislative resolution, has established a Service Awards Program (Fire Program) for volunteer firefighters. This Fire Program is a single employer defined benefit plan established as a grantor/rabbi trust and, as such, the assets are subject to the claims of the Village's general creditors.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 8 - Length of Service Award Programs - Continued

#### *Fire Service Award Program - Continued*

##### a. Participation, Vesting, and Service Credit

Active volunteer firefighters, upon attainment of age 18, and upon earning 50 or more points in a calendar year after 1990 under the provisions of the Fire Program point system, are eligible to become participants in the Fire Program. Points are granted for the performance of certain activities in accordance with a system established by the Village on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the Fire Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit.

The number of employees covered under the fire service award program are as follows:

Group	Fire
Retirees and beneficiaries currently receiving benefits	23
Active, non-vested	51
Terminated members entitled to but not yet receiving benefits	12

##### b. Defined Benefit

A participant, upon attainment of entitlement age (the later of age 65 or the participant's age after earning 50 program points), is able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity. The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Fire Program, which are the members of the Village's Board, are authorized to invest the funds in authorized investment vehicles. Administrative costs are paid by the Village from the General Fund. Separate financial statements are not issued by the Fire Program.

##### c. Plan Contributions and Assets Accumulated for Benefits

Fire Program assets are required to be held in trust (granter/rabbi trust) by Article 11-A of the General Municipal Law of the State of New York, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the Fire Program. Authority to invest the Program's assets is vested in the Village. Fire Program assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Village.

The Village is required to transfer to the granter/rabbi trust amounts necessary to finance the Fire Program as actuarially determined using the attained age normal frozen initial liability cost method. The pension obligation is not amortized on a separate basis. The assumed investment rate of return is 5.5%, and there are no cost of living adjustments. In addition, projected salary increases are not applicable since members are volunteers and there are no assumptions regarding post-retirement benefit increases since postretirement aged members are not projected to earn service credits.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 8 - Length of Service Award Programs - Continued

#### *Fire Service Award Program - Continued*

##### c. Plan Contributions and Assets Accumulated for Benefits - Continued

The trust established by the Village does not meet the criteria for an irrevocable trust. Therefore, the Village accounts for Fire Program assets as restricted investments in the General Fund. Benefit payments are recognized as an expenditure within the general fund at the time they are due and payable. LOSAP contributions represent the reclassification of unrestricted General Fund assets to the rabbi/granter trust (restricted investments). See Note 11 for fair value measurement disclosures on the Fire Program's assets.

##### d. Significant Assumptions and Other Inputs

Significant actuarial assumptions used to estimate the Fire Program's LOSAP pension liability are as follows:

Assumed Investment Rate of Return	5.25% (funding purposes), S&P Municipal Bond 20 Year High Grade Rate Index (actuarial valuation).
Pre-Entitlement Age Mortality Table	RP-2014 Mortality Table without projection for calculation of Pre-EA self-insured death benefit only.
Post-Entitlement Age Mortality Table	RP-2014 Male Mortality Table without projection
Valuation Age	Exact age on the valuation date, with annuity values linearly interpolated between whole ages.
Contribution Timing Adjustment	Contributions are assumed to be made 21 months after the valuation date.
Entitlement	100% of Entitlement Age (EA).
Realization Rate for Active Participants	100% of Entitlement Agent for those who have earned at least otherwise.
Withdrawal Rates	None
Administrative Cost	Fund as part of the calculated program contribution
Death Benefit	The minimum \$10,000 Pre-EA active member death benefit is

##### e. Measurement of Total Pension Liability

The total pension liability at May 31, 2022 was determined using an actuarial valuation as of December 31, 2021. The following table presents the changes in total pension liability for the fire service award program:

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 8 - Length of Service Award Programs - Continued

#### *Fire Service Award Program - Continued*

#### e. Measurement of Total Pension Liability - Continued

	<u>Fire</u>
Beginning balance	\$ 3,384,534
Service cost	76,307
Interest	65,716
Changes of assumptions and other inputs	(149,778)
Difference between expected and actual experience	(22,051)
Benefit payments	<u>(111,800)</u>
Ending balance	<u><u>\$ 3,242,928</u></u>

The discount rate used to measure the total pension liability was 2.24%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021. 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.

#### f. Sensitivity of the Total Pension Liability

The following presents the total pension liability of the Village as of May 31, 2022 calculated using the discount rate of 2.24 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 (1.24 percent) or 1-percentage point higher (3.24 percent) than the current rate:

	1% Decrease 1.24%	Current Discount Rate 2.24%	1% Increase 3.24%
Total pension liability - Fire	<u><u>\$ 3,762,325</u></u>	<u><u>\$ 3,242,928</u></u>	<u><u>\$ 2,818,284</u></u>

#### g. Pension Expense and Deferred Outflows

For the year ended May 31, 2022, the Village recognized pension expense of \$207,099. The following table presents the components of pension expense:

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 8 - Length of Service Award Programs - Continued

#### *Fire Service Award Program - Continued*

#### *g. Pension Expense and Deferred Outflows - Continued*

	Fire
Components of Pension Expense	
Service cost	\$ 76,307
Interest	65,715
Changes of assumptions or other inputs	55,871
Differences between expected and actual experience	131
Pension plan administrative expenses	9,075
	<u>\$ 207,099</u>

At May 31, 2022, the Village reported deferred outflows of resources related to the fire service award program from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 49,457	\$ 59,075
Changes of assumptions or other inputs	700,077	257,317
Contributions subsequent to the measurement date	47,848	-
	<u>\$ 797,382</u>	<u>\$ 316,392</u>

Benefit payments and administrative expenses incurred subsequent to the measurement date (contributions), will be recognized as a reduction of the total pension liability in the year ending May 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the fire service award program will be recognized in pension expense as follows:

	Fire
Year ended May 31,	
2023	\$ 56,002
2024	56,002
2025	56,002
2026	56,002
2027	56,002
Thereafter	153,132
	<u>\$ 433,142</u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 8 - Length of Service Award Programs - Continued

#### *Ambulance Service Award*

The Village, pursuant to Article 11-A of the General Municipal Law of the State of New York and legislative resolution, has established a Service Awards Program (Ambulance Program) for volunteer members of the Dobbs Ferry Volunteer Ambulance Corps. This Ambulance Program is a single employer defined benefit plan established as a grantor/rabbi trust and, as such, the assets are subject to the claims of the Village's general creditors.

#### a. Participation, Vesting, and Service Credit

A participant, upon attainment of age 18, and upon earning 50 or more points in a calendar year after 2001 under the provisions of the program point system, are eligible to become participants in the Ambulance Program. Points are granted for the performance of certain activities in accordance with a system established by the Village on the basis of a statutory list of activities and point values. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit.

Current membership in the Ambulance Program is comprised of the following at May 31, 2022:

<u>Group</u>	<u>Ambulance</u>
Retirees and beneficiaries currently receiving benefits	6
Active, non-vested	9
Terminated members entitled to but not yet receiving benefits	13

#### b. Defined Benefit

A participant upon attainment of entitlement age (the later of age 65 or the participant's age after earning five years of service credit) is able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity. The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Ambulance Program also provides disability and death benefits. The trustee of the Ambulance Program, which has been designated by the State Comptroller, is authorized to invest the funds in authorized investment vehicles. Administrative costs are paid by the Village from the General Fund. Separate financial statements are not issued by the Ambulance Program.

#### c. Plan Contributions and Assets Accumulated for Benefits

Ambulance Program assets are required to be held in trust (grantor/rabbi trust) by Article 11-A of the General Municipal Law of the State of New York, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the Ambulance Program. Authority to invest the program's assets is vested in the Village. Ambulance Program assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Village.



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 8 - Length of Service Award Programs - Continued

#### *Ambulance Service Award - Continued*

##### c. Plan Contributions and Assets Accumulated for Benefits - Continued

The Village is required to transfer to the grantor/rabbi trust amounts necessary to finance the Ambulance Program as actuarially determined using the attained age normal frozen initial liability cost method. The pension obligation is not amortized on a separate basis. The assumed investment rate of return is 6.0% and there are no cost of living adjustments. In addition, projected salary increases are not applicable since members are volunteers and there are no assumptions regarding postretirement benefit increases since postretirement aged members are not projected to earn service credits.

The trust established by the Village does not meet the criteria for an irrevocable trust. Therefore, the Village accounts for Ambulance Program assets as restricted investments in the General Fund. Benefit payments are recognized as an expenditure within general fund at the time they are due and payable. LOSAP contributions represent the reclassification of unrestricted general fund assets to the rabbi/grantor trust (restricted investments). See Note 11 for fair value measurement disclosures on the Ambulance Program's assets.

##### d. Significant Assumptions and Other Inputs

Significant actuarial assumptions used to estimate the Ambulance Program's actuarial accrued liability are as follows:

Assumed Investment Rate of Return	5.50% (funding purposes). S&P Municipal Bond 20 Year High Grade Rate Index (actuarial valuation)
Pre-Entitlement Age Mortality Table	None
Post-Entitlement Age Mortality Table	RP-2014 Mortality Table projected for mortality improvement to 2025 with scale MP 2020, blended 60% male / 40% female.
Entitlement	100% of Entitlement Age (EA).
Realization Rate for Active Participants	100% of Entitlement Age for those who have earned at least one year of service credit in the prior three years, 0% otherwise.
Withdrawal Rates	None
Valuation Age	Exact age on the valuation date, with annuity values linearly interpolated between whole ages.
Contribution Timing Adjustment	Contributions are assumed to be made 9 months after the valuation date.
Administrative Cost	Fees paid from the Trust Fund are reimbursed back to the Fund

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 8 - Length of Service Award Programs - Continued

#### *Ambulance Service Award - Continued*

##### e. Measurement of Total Pension Liability

The total pension liability at May 31, 2022 was determined using an actuarial valuation as of December 31, 2021. The following table presents the changes in total pension liability for the ambulance services award program:

	<u>Ambulance</u>
Beginning balance	\$ 758,771
Service cost	19,084
Interest	14,917
Changes of assumptions and other inputs	(46,129)
Difference between expected and actual experience	(29,249)
Benefit payments	<u>(9,931)</u>
Ending balance	<u><u>\$ 707,463</u></u>

The discount rate used to measure the total pension liability was 2.24%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021. 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.

##### f. Sensitivity of the Total Pension Liability

The following presents the total pension liability of the Village as of May 31, 2022 calculated using the discount rate of 2.24 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 (1.24 percent) or 1-percentage point higher (3.24 percent) than the current rate:

	1% Decrease 1.24%	Current Discount Rate 2.24%	1% Increase 3.24%
Total pension liability - Ambulance	<u><u>\$ 871,988</u></u>	<u><u>\$ 707,463</u></u>	<u><u>\$ 582,557</u></u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 8 - Length of Service Award Programs - Continued

#### *Ambulance Service Award - Continued*

#### *g. Pension Expense and Deferred Outflows*

For the year ended May 31, 2022, the Village recognized pension expense of \$37,634. The following table presents the components of pension expense:

	<u>Ambulance</u>
Components of pension expense	
Service cost	\$ 19,084
Interest on total pension liability	14,917
Changes of assumptions or other inputs	14,969
Differences between expected and actual experience	(14,358)
Pension plan administrative expenses	<u>3,022</u>
	<u><u>\$ 37,634</u></u>

At May 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to the ambulance service award program from the following sources:

	<u>Ambulance</u>	
	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ -	\$ 59,637
Changes of assumptions or other inputs	180,984	60,403
Contributions subsequent to the measurement date	<u>18,165</u>	<u>-</u>
	<u><u>\$ 199,149</u></u>	<u><u>\$ 120,040</u></u>

Benefit payments and administrative expenses incurred subsequent to the measurement date (contributions), will be recognized as a reduction of the total pension liability in the year ending May 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the fire service award program will be recognized in pension expense as follows:

	<u>Ambulance</u>
Year ended May 31,	
2023	\$ 611
2024	611
2025	611
2026	16,620
2027	26,813
Thereafter	<u>15,678</u>
	<u><u>\$ 60,944</u></u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 9 - Other Postemployment Benefits (OPEB)

#### *Plan Overview and Contributions*

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing postemployment health care benefits is shared between the Village and the retired employees. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of other postemployment benefit obligations payable is recognized as an expenditure as claims are paid. The Village recognizes OPEB expenses as the benefits are earned on the accrual basis of accounting in the Governmental Activities. The Village has recognized revenues and expenditures of \$-0- for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees. A summary of active employees and retired employees covered under the plan as of the June 1, 2021 valuation date is as follows:

Actives	68
Retirees	<u>60</u>
	<u>128</u>

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

#### *Contributions*

For employees hired prior to September 1, 2012, the Village will generally contribute 100% of the medical premium amounts for individual coverage and family (dependent coverage). For employees hired between September 1, 2012 and March 21, 2016, the Village will generally contribute 90% into retirement. For employees hired on or after March 22, 2016, the Village will generally contribute 85% into retirement.

#### *Funding Policy*

The contribution requirements of plan members and the Village are established and may be amended by the Village Board. The Village is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the fiscal year ended May 31, 2022, the Village paid approximately \$1.2 million on behalf of the plan members.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 9 - Other Postemployment Benefits (OPEB) - Continued

#### *OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEB*

At May 31, 2022, the Village reported a liability of \$42,488,157 in the governmental activities for its OPEB liability. The OPEB liability was measured as of May 31, 2022 by an actuarial valuation as of June 1, 2021. For the year-ended May 31, 2022, the Village recognized OPEB expense of \$1,764,527 in the governmental activities. At May 31, 2022, the Village reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 1,391,315	\$ 1,326,566
Change of assumptions	6,743,779	13,290,194
	<u>\$ 8,135,094</u>	<u>\$ 14,616,760</u>

Amounts reported as deferred outflows of resources related to OPEB will be amortized into OPEB expense as follows:

Year ending December 31,	
2023	\$ (846,310)
2024	(846,310)
2025	(846,310)
2026	(920,025)
2027	(994,213)
Thereafter	<u>(2,028,498)</u>
	<u>\$ (6,481,666)</u>

#### *Actuarial Methods and Assumptions*

The total OPEB liability in the May 31, 2022 actuarial valuation was determined using the following significant actuarial assumptions:

Valuation Date	June 1, 2021
Discount Rate	3.70% per annum
Salary Scale	3.00% per annum
Mortality	RP-2006 mortality table, MP 2020 projection
Withdrawal	Sarasson T-5 Table
Health Care Cost Trend Rate	Year 1 - 8.00% Year 2 - 7.50% Year 3 - 7.00% Year 4 - 6.50% Year 5 - 6.00% Year 6 - 5.50% Year 7+ - 5.00%
Marital - Actives	Wife is assumed to be same age as husband. 70% of males and 50% of females are assumed to be married.
Inflation Rate	3.00% per annum

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 9 - Other Postemployment Benefits (OPEB) - Continued

#### *Actuarial Methods and Assumptions - Continued*

The discount rate used to measure the liability was 3.70%, based on the S&P Municipal 20-year High Grade Rate Index as of May 31, 2022.

#### *Changes in OPEB Liability*

Changes in the OPEB liability are as follows:

Balance as of June 1, 2021	<u>\$ 55,314,605</u>
Changes for the year	
Service cost	1,741,175
Interest	869,662
Differences between expected and actual experience	1,305,752
Change in assumptions	(15,505,226)
Benefit payments	(1,237,811)
Net changes	<u>(12,826,448)</u>
Balance as of May 31, 2022	<u><u>\$ 42,488,157</u></u>

#### *Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates and Discount Rate*

The following presents the OPEB liability as of May 31, 2022 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower or 1% higher than the current rates:

	<u>1% Decrease</u>	<u>Current Healthcare Trend Rates</u>	<u>1% Increase</u>
OPEB Liability	<u>\$ 35,599,106</u>	<u>\$ 42,488,157</u>	<u>\$ 50,605,168</u>

The following presents the OPEB liability as of May 31, 2022 using the discount rate of 3.70%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease 2.70%</u>	<u>Discount Rate 3.70%</u>	<u>1% Increase 4.70%</u>
OPEB Liability	<u>\$ 49,836,127</u>	<u>\$ 42,188,157</u>	<u>\$ 35,140,186</u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### **Note 10 - Contingencies, Risks, and Uncertainties**

#### *a. Litigation*

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

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

#### *b. Risk Management*

The Village and other villages, counties, towns, cities and district corporations within the State have formed a reciprocal insurance company to be owned by these municipalities. This reciprocal operates under an agreement effective September 1, 1993. The purpose of this reciprocal is to provide local governments with the opportunity to gain control over their insurance programs and bring stability to their insurance costs. The reciprocal provides general liability, automobile, property, umbrella and police and public official liability coverage. The reciprocal retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-Fact. The Board of Governors is comprised of employees of the subscribers. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Attorney-in-Fact derives all of its authority from the Board of Governors and New York Insurance Laws and is the entity which enters into contracts on behalf of the reciprocal. The reciprocal is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the reciprocal and can be assessed their proportionate share by the State Insurance Department if the funds of the reciprocal are less than what is required to satisfy its liabilities. The subscribers are required to pay premiums as well as a minimal capital contribution.

The Village purchases various insurance coverages from the reciprocal to reduce its exposure to loss. The Village maintains a general liability policy with coverage up to \$1 million per occurrence and up to \$3 million in the aggregate. The Village maintains public officials and law enforcement liability policies with coverage up to \$1 million per occurrence and up to \$2 million in the aggregate. The Village also maintains an umbrella policy with coverage up to \$10 million per occurrence and up to \$10 million in the aggregate. Workers' compensation insurance is secured with coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### *c. Grant Programs*

The Village has received grants which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on past audits, the Village believes disallowances, if any, will be immaterial.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 11 - Fair Value Measurements

The framework for measuring fair values includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of inputs used to measure fair value are as follows:

**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Village has the ability to access.

**Level 2** Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

**Level 3** Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value:

**Cash Equivalents:** The carrying amount approximates fair value because of the short maturity of the instruments.

**Exchange Traded Funds and Mutual Funds:** Reported at current quoted fair values.

**Pooled Investment Fund:** The Village is a participant in a pooled investment account whose underlying securities are generally composed of money market funds, corporate bonds, mutual funds and individual equity securities that trade on public markets. The pooled investment account overall value is calculated using quoted market prices for the underlying investments. The pool administrator allocates investment income, and accounts for contributions and withdrawals of each individual participant. The Village is provided a summary account statement on a quarterly basis.

**New York Cooperative Liquid Assets Securities System (NYCLASS):** NYCLASS, a short-term highly liquid investment fund, operates like money market mutual funds with each share valued at \$1.00, its net asset value (NAV) as reported by NYCLASS. The NAV, which is based on the fair value of the underlying investments held by NYCLASS less its liabilities, is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that NYCLASS will sell the investments for an amount different from the reported NAV. Participants can conduct transactions (deposits, withdrawal, or transfers) on a normal business day. There are no limits on the dollar amount or number of daily transactions, except that total daily withdrawals may not exceed the total balance on deposit.



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 11 - Fair Value Measurements - Continued

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The following table summarizes as of May 31, 2022, the Village's Fire Program investments, and categorization with the fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 193,335	\$ -	\$ -	\$ 193,335
Exchange Traded Funds				
Equity				
US Mid Cap	88,918	-	-	88,918
S&P 500 Index	72,187	-	-	72,187
U.S. High Dividend Yield	47,975	-	-	47,975
International	203,839	-	-	203,839
Energy Infrastructure Fund	48,330	-	-	48,330
Select Sector SPDR	41,152	-	-	41,152
Fixed Income				
International	45,455	-	-	45,455
Emerging Markets	84,863	-	-	84,863
Preferred Securities	81,491	-	-	81,491
Inflation Hedge	95,835	-	-	95,835
Bank Loans	104,711	-	-	104,711
Corporate Bonds	120,708	-	-	120,708
US Treasury	272,729	-	-	272,729
Mixed Assets		-	-	
Inflation Response	24,807	-	-	24,807
Other Assets		-	-	
Strategies	54,513	-	-	54,513
	<u>\$ 1,580,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,580,849</u>

The following table summarizes as of May 31, 2022, the Village's Ambulance Program investments, and categorization with the fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
Cash	\$ 3,491	\$ -	\$ -	\$ 3,491
Pooled Investment Fund	-	580,062	-	580,062
	<u>\$ 3,491</u>	<u>\$ 580,062</u>	<u>\$ -</u>	<u>\$ 583,553</u>

Additionally, the Village has \$1,632,103 invested with NYCLASS that is valued at NAV as a practical expedient and therefore not required to be included in a level within the fair value hierarchy. Investments in NYCLASS are reported as cash and cash equivalents in the financial statements.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 12 - Accounting Pronouncements Issued But Not Yet Implemented

GASB Statement No. 87, *Leases* (GASB 87). GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. Under this statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. This statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangement associated with conduit debt obligations, and improves note disclosures. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risk pools/reinsurance recoveries, fair value measurements, and derivative instrument terminology. Guidance related to leases, reinsurance recoveries and derivative instrument terminology was effective upon the issuance of the standard in January 2020. The remaining components of this standard, as delayed by GASB 95, are effective for periods beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of interbank offered rates (IBOR), such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment. The removal of the London IBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The requirements relating to lease modifications, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. All other requirements of this statement were effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 12 - Accounting Pronouncements Issued But Not Yet Implemented - Continued

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Service Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this statement are to: (1) increase consistency and comparability relating to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board would typically perform. The requirements of this statement that: (1) exempt primary governments that perform duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other postemployment benefit plans, or other employee benefit plans; and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics. The requirements of this statement related to the extension of the use of LIBOR, accounting for Supplement Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of the provisions of GASB Statement No. 34, *Basis Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended, and terminology updates related to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, were effective upon issuance of the statement in April 2022. The requirements of this statement related to leases, PPPs, and SBITAs are effective for reporting periods beginning after June 15, 2022. The requirements of this statement related to financial guarantees and the classification of reporting of derivative instruments within the scope of GASB 53 are effective for reporting periods beginning after June 15, 2023.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2022

### Note 12 - Accounting Pronouncements Issued But Not Yet Implemented - Continued

GASB Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and change to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for (1) each type of accounting changes and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This statement requires disclosures in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about quantitative effects of beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. For periods that are earlier than those included in the basic financial statements, information presented as required supplementary information and supplementary information should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical

# **Village of Dobbs Ferry, New York**

## **Notes to Financial Statements May 31, 2022**

### **Note 12 - Accounting Pronouncements Issued But Not Yet Implemented - Continued**

information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Management has not yet estimated the extent of the potential impact of these statements on the Department's financial statements.

# Village of Dobbs Ferry, New York

## Required Supplementary Information Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

	Year Ended May 31, 2022			Variance
	Original Budget	Modified Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Real property taxes	\$ 14,162,147	\$ 14,162,147	\$ 13,946,610	\$ (215,537)
Real property tax items	50,000	50,000	118,604	68,604
Non-property taxes	2,565,000	2,565,000	3,400,171	835,171
Departmental revenues	884,000	884,000	924,960	40,960
Intergovernmental charges	153,000	153,000	211,729	58,729
Use of money and property	55,000	55,000	114,604	59,604
Change in fair value of LOSAP assets	-	-	(173,683)	(173,683)
Licenses and permits	495,700	495,700	900,815	405,115
Fines and forfeitures	310,000	310,000	352,210	42,210
Sale of property and compensation for loss	2,000	2,000	69,277	67,277
Miscellaneous local sources	85,132	85,132	139,516	54,384
State aid	179,000	179,000	386,948	207,948
Federal aid	-	8,231	199,195	199,964
Total revenues	<u>18,940,979</u>	<u>18,949,210</u>	<u>20,590,956</u>	<u>1,641,746</u>
<b>EXPENDITURES</b>				
General government support	3,585,692	2,891,057	2,690,834	200,223
Public safety	5,092,272	5,838,282	5,468,720	369,562
Health	11,450	11,437	7,111	4,326
Transportation	1,335,871	1,429,780	1,327,165	102,615
Culture and recreation	1,437,967	1,493,943	1,266,342	227,601
Home and community services	1,244,378	1,736,642	1,646,623	90,019
Employee benefits	5,207,911	5,166,075	5,113,114	52,961
Total expenditures	<u>17,915,541</u>	<u>18,567,216</u>	<u>17,519,909</u>	<u>1,047,307</u>
Excess of revenues over expenditures	<u>1,025,438</u>	<u>381,994</u>	<u>3,071,047</u>	<u>2,689,053</u>
<b>OTHER FINANCING USES</b>				
Transfers in	300,000	300,000	-	(300,000)
Transfers out	(2,214,688)	(2,214,688)	(2,214,688)	-
Total other financing sources (uses)	<u>(1,914,688)</u>	<u>(1,914,688)</u>	<u>(2,214,688)</u>	<u>(300,000)</u>
Net change in fund balance/(appropriated)	<u>(889,250)</u>	<u>(1,532,694)</u>	<u>856,359</u>	<u>\$ 2,389,053</u>
<b>FUND BALANCE, beginning of year</b>	<u>7,022,868</u>	<u>7,022,868</u>	<u>7,022,868</u>	
<b>FUND BALANCE, end of year</b>	<u>\$ 6,133,618</u>	<u>\$ 5,490,174</u>	<u>\$ 7,879,227</u>	

See Independent Auditor's Report.

# Village of Dobbs Ferry, New York

## Required Supplementary Information Schedule of Other Postemployment Benefits Liability

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Beginning of year</i>	\$ 55,314,605	\$ 46,976,734	\$ 45,045,324	\$ 43,322,533
Changes for the year				
Service cost	1,741,175	1,138,727	1,045,386	957,314
Interest	869,662	1,218,923	1,358,753	1,305,237
Differences between expected and actual experience	1,305,752	71,339	(2,321,489)	515,998
Change in assumptions	(15,505,226)	7,168,612	2,840,846	-
Benefit payments	<u>(1,237,811)</u>	<u>(1,259,730)</u>	<u>(992,086)</u>	<u>(1,055,758)</u>
Net changes	<u>(12,826,448)</u>	<u>8,337,871</u>	<u>1,931,410</u>	<u>1,722,791</u>
<i>End of year</i>	<u>\$ 42,488,157</u>	<u>\$ 55,314,605</u>	<u>\$ 46,976,734</u>	<u>\$ 45,045,324</u>
Covered payroll	\$ 8,389,076	\$ 7,910,207	\$ 7,304,472	\$ 7,351,072
OPEB liability as a percentage of covered payroll	506.47%	699.28%	643.12%	612.77%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*

# Village of Dobbs Ferry, New York

## Required Supplementary Information Schedule of Proportionate Share of Net Pension Liability - ERS and PFRS

ERS	May 31,						
	2022	2021	2020	2019	2018	2017	2016
Village's proportion of the net pension liability/asset	0.0120961%	0.0119234%	0.0112273%	0.0110093%	0.0108872%	0.0095718%	0.0113742%
Village's proportionate share of the net pension liability (asset)	\$ (988,806)	\$ 11,873	\$ 2,973,046	\$ 780,045	\$ 351,377	\$ 899,387	\$ 1,825,589
Village's covered-employee payroll	\$ 4,060,144	\$ 3,919,989	3,479,347	3,702,950	3,424,287	3,082,335	3,127,105
Village's proportionate share of the net pension liability/asset as a percentage of its covered-employee payroll	-24.35%	0.30%	85.45%	21.07%	10.26%	29.18%	58.38%
Plan fiduciary net position as a percentage of the total pension liability/asset	103.65%	99.95%	86.39%	96.27%	98.20%	94.70%	90.70%
PFRS	May 31,						
	2022	2021	2020	2019	2018	2017	2016
Village's proportion of the net pension liability	0.0982476%	0.1009259%	0.0916791%	0.0902504%	0.0984666%	0.1009137%	0.0966558%
Village's proportionate share of the net pension liability	\$ 558,090	\$ 1,752,353	\$ 4,900,191	\$ 1,513,556	\$ 995,257	\$ 2,091,590	\$ 2,861,773
Village's covered-employee payroll	4,087,768	3,652,119	3,463,339	3,457,757	3,419,229	3,800,421	3,695,330
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	13.65%	47.98%	141.49%	43.77%	29.11%	55.04%	77.44%
Plan fiduciary net position as a percentage of the total pension liability	98.66%	95.79%	84.86%	95.09%	96.90%	93.46%	90.20%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*



# Village of Dobbs Ferry, New York

## Required Supplementary Information Schedule of Pension Contributions - ERS and PFRS

ERS	May 31,						
	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 567,873	570682	\$ 491,113	\$ 491,749	\$ 519,313	\$ 475,836	\$ 659,011
Contributions in relation to the contractually required contribution	(567,873)	(570,682)	(491,113)	(491,749)	(519,313)	(475,836)	(659,011)
Contribution deficiency (excess)	-	-	-	-	-	-	-
Village's covered-employee payroll	4,060,144	3,919,989	3,479,347	3,702,950	3,424,287	3,082,335	3,127,105
Contributions as a percentage of covered-employee payroll	13.99%	14.56%	14.12%	13.28%	15.17%	15.44%	21.07%

PFRS	May 31,						
	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 987,903	\$ 871,061	\$ 767,071	\$ 749,229	\$ 795,603	\$ 987,903	\$ 925,722
Contributions in relation to the contractually required contribution	(987,903)	(871,061)	(767,071)	(749,229)	(795,603)	(987,903)	(925,722)
Contribution deficiency (excess)	-	-	-	-	-	-	-
Village's covered-employee payroll	4,087,768	3,652,119	3,463,339	3,457,757	3,419,229	3,800,421	3,695,330
Contributions as a percentage of covered-employee payroll	24.17%	23.85%	22.15%	21.67%	23.27%	25.99%	25.05%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*

# Village of Dobbs Ferry, New York

## Required Supplementary Information Schedule of Changes in Total Pension Liability - LOSAP

	<b>Ambulance - LOSAP</b>				
Measure date as of December 31,	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total Pension Liability</b>					
Service cost	\$ 19,084	\$ 13,895	\$ 15,058	\$ 15,469	\$ 18,289
Interest	14,917	18,959	19,545	18,374	19,654
Changes of assumptions or other inputs	(46,129)	171,318	40,191	(51,843)	55,911
Differences between expected and actual experience	(29,249)	(8,095)	(15,074)	(12,546)	(30,452)
Benefit payments	<u>(9,931)</u>	<u>(9,931)</u>	<u>(17,957)</u>	<u>(9,143)</u>	<u>(8,663)</u>
Net change in total pension liability	(51,308)	186,146	41,763	(39,689)	54,739
<b>Total pension liability - beginning of year</b>	<u>758,771</u>	<u>572,625</u>	<u>530,862</u>	<u>570,551</u>	<u>515,812</u>
<b>Total pension liability - end of year</b>	<u><b>\$ 707,463</b></u>	<u><b>\$ 758,771</b></u>	<u><b>\$ 572,625</b></u>	<u><b>\$ 530,862</b></u>	<u><b>\$ 570,551</b></u>
<b>Covered Payroll</b>	None	None	None	None	None
<b>Total pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A	N/A

  

	<b>Fire - LOSAP</b>				
Measure date as of December 31,	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total Pension Liability</b>					
Service cost	\$ 76,307	\$ 53,722	\$ 46,552	\$ 54,746	\$ 48,063
Interest	65,716	92,766	96,538	88,274	94,709
Changes of assumptions or other inputs	(149,778)	588,273	145,590	(184,476)	208,756
Differences between expected and actual experience	(22,051)	(47,651)	46,129	13,484	12,785
Benefit payments	<u>(111,800)</u>	<u>(188,886)</u>	<u>(108,240)</u>	<u>(102,020)</u>	<u>(158,640)</u>
Net change in total pension liability	(141,606)	498,224	226,569	(129,992)	205,673
<b>Total pension liability - beginning of year</b>	<u>3,384,534</u>	<u>2,886,310</u>	<u>2,659,741</u>	<u>2,789,733</u>	<u>2,584,060</u>
<b>Total pension liability - end of year</b>	<u><b>\$ 3,242,928</b></u>	<u><b>\$ 3,384,534</b></u>	<u><b>\$ 2,886,310</b></u>	<u><b>\$ 2,659,741</b></u>	<u><b>\$ 2,789,733</b></u>
<b>Covered Payroll</b>	None	None	None	None	None
<b>Total pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A	N/A

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*

*See Independent Auditor's Report.*

# Village of Dobbs Ferry, New York

## Supplementary Information Combining Balance Sheet - Non-Major Governmental Funds

	May 31, 2022			
	<u>Library</u>	<u>Special Purpose</u>	<u>Special Grant</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 424,735	\$ -	\$ 1,285	\$ 426,020
Cash and cash equivalents, restricted	-	793,014	-	793,014
Receivables				
State and Federal aid	-	-	52,021	52,021
	<u>\$ 424,735</u>	<u>\$ 793,014</u>	<u>\$ 53,306</u>	<u>\$ 1,271,055</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 12,655	\$ 2,997	\$ 8,681	\$ 24,333
Accrued expenses	30,862	-	1,285	32,147
Due to other funds	52,109	-	43,340	95,449
	<u>95,626</u>	<u>2,997</u>	<u>53,306</u>	<u>151,929</u>
<b>FUND BALANCES</b>				
Restricted	-	790,017	-	790,017
Assigned	329,109	-	-	329,109
	<u>329,109</u>	<u>790,017</u>	<u>-</u>	<u>1,119,126</u>
	<u>\$ 424,735</u>	<u>\$ 793,014</u>	<u>\$ 53,306</u>	<u>\$ 1,271,055</u>

# Village of Dobbs Ferry, New York

## Supplementary Information Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds

	Year Ended May 31, 2022			
	Library	Special Purpose	Special Grant	Total
<b>REVENUES</b>				
Real property taxes	\$ 772,715	\$ -	\$ -	\$ 772,715
Departmental revenues	673	143,000	-	143,673
Use of money and property	2,509	782	-	3,291
Miscellaneous local sources	38,208	43,750	-	81,958
State aid	3,417	-	-	3,417
Federal aid	-	-	79,348	79,348
Total revenues	<u>817,522</u>	<u>187,532</u>	<u>79,348</u>	<u>1,084,402</u>
<b>EXPENDITURES</b>				
Health	-	-	79,251	79,251
Culture and recreation	659,151	20,497	-	679,648
Employee benefits	114,652	-	97	114,749
Total expenditures	<u>773,803</u>	<u>20,497</u>	<u>79,348</u>	<u>873,648</u>
<b>Excess of revenues over expenditures</b>	<b>43,719</b>	<b>167,035</b>	<b>-</b>	<b>210,754</b>
<b>FUND BALANCES, beginning of year</b>	<u>285,390</u>	<u>622,982</u>	<u>-</u>	<u>908,372</u>
<b>FUND BALANCES, end of year</b>	<u><u>\$ 329,109</u></u>	<u><u>\$ 790,017</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,119,126</u></u>