



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

Financial Report

May 31, 2020

# Village of Dobbs Ferry, New York

## Financial Report

May 31, 2020

### CONTENTS

|   | <b>Page</b> |
|---|-------------|
| <b>Independent Auditor's Report</b>   | 1-2         |
| <b>Management's Discussion and Analysis</b>   | 3-11        |
| <b>Basic Financial Statements</b>   |             |
| Statement of Net Position   | 12          |
| Statement of Activities   | 13          |
| Balance Sheet - Governmental Funds  | 14          |
| Reconciliation of the Balance Sheet - Governmental Funds to the<br>Statement of Net Position  | 15          |
| Statement of Revenues, Expenditures, and Changes in Fund<br>Balances - Governmental Funds   | 16          |
| Reconciliation of the Statement of Revenues, Expenditures, and<br>Changes in Fund Balances - Governmental Funds to the Statement<br>of Activities | 17          |
| Statement of Net Position - Fiduciary Fund  | 18          |
| Notes to Financial Statements   | 19-54       |
| <b>Required Supplementary Information</b>   |             |
| Statement of Revenues, Expenditures, and Changes in Fund Balance -<br>Budget and Actual - General Fund  | 55          |
| Schedule of Other Postemployment Benefits Liability   | 56          |
| Schedule of Proportionate Share of Net Pension Liability - ERS and PFRS   | 57          |
| Schedule of Pension Contributions - ERS and PFRS  | 58          |
| Schedule of Changes in Total Pension Liability - LOSAP  | 59          |
| <b>Supplementary Information</b>  |             |
| Combining Balance Sheet - Non-Major Governmental Funds  | 60          |
| Combining Statement of Revenues, Expenditures, and Changes in<br>Fund Balances - Non-Major Governmental Funds                                     | 61          |



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental 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, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village as of May 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 11 and the required supplementary information listed in the accompanying table of contents on pages 55 to 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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 financial statements of non-major governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements of non-major governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements of non-major governmental funds 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 12, 2021, 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*

Albany, New York  
January 12, 2021



# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2020

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, 2020, 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 \$32.9 million. Of this amount, \$12.2 million represents the Village's net investment in capital assets (net capital assets, less long-term liabilities used to acquire capital assets), and \$667 thousand was restricted for special purposes. The remaining amount, which represents an unrestricted deficit, was \$45.8 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, length of service award program obligations, net pension liabilities, and the financing of judgments and claims through bond proceeds.
- The Village's total net position decreased by \$195 thousand in 2020, from (\$32.7) million as of May 31, 2019. The total decrease in net position was driven by a variety of items including non-cash expenses such as depreciation and changes in long-term liabilities, offset by positive surpluses in the governmental funds.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$10.0 million. Of this amount, \$6.9 million of the fund balance was classified as nonspendable, restricted, or assigned for specific purposes. The remaining amount, \$3.1 million, was unassigned and available for spending at the Village's discretion. The combined ending fund balances of \$10.0 million at May 31, 2020, were \$1.5 million less than the amount reported in the prior year. This decrease is primarily due to the Village's investment in long-term capital assets of \$3.8 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund, \$3.1 million, was 17.0% of total General Fund expenditures and debt service related operating transfers of \$18.2 million.
- As of May 31, 2020, the Village had outstanding general obligation bonds of \$15,230,000, a reduction of \$1,805,000 from the previous year.

### Overview of the Financial Statements

This discussion and analysis are 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.

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2020

### 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.

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 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, noting that the Village does not have any proprietary 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.

# Village of Dobbs Ferry, New York

Management's Discussion and Analysis  
May 31, 2020

## Fund Financial Statements - Continued

### ***Governmental funds - Continued***

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, Capital Projects, and Special Purpose Funds. These funds are considered to be major funds. The Library and Special Grant Funds are not considered major funds and are combined into a single aggregate presentation.

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.

***Fiduciary funds.*** Fiduciary funds are 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 an agency 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.

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2020

### 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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$32.9 million at the close of the 2020 fiscal year, a decrease of \$195 thousand from the prior fiscal year.

**Table 1 - Net Position as of May 31,**

|                                       | Governmental Activities       |                               |                            |                     |
|---------------------------------------|-------------------------------|-------------------------------|----------------------------|---------------------|
|                                       | 2020                          | 2019                          | \$ Change                  | % Change            |
| <b>ASSETS</b>                         |                               |                               |                            |                     |
| Current assets                        | \$ 11,288,970                 | \$ 13,782,120                 | \$ (2,493,150)             | -18.09%             |
| Capital assets, net                   | 25,623,617                    | 22,847,004                    | 2,776,613                  | 12.15%              |
| Total assets                          | <u>36,912,587</u>             | <u>36,629,124</u>             | <u>283,463</u>             | <u>0.77%</u>        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> | <u>8,620,883</u>              | <u>2,777,675</u>              | <u>5,843,208</u>           | <u>210.36%</u>      |
| <b>LIABILITIES</b>                    |                               |                               |                            |                     |
| Current liabilities                   | 2,975,352                     | 3,964,296                     | (988,944)                  | -24.95%             |
| Long-term liabilities                 | 72,919,399                    | 66,985,012                    | 5,934,387                  | 8.86%               |
| Total liabilities                     | <u>75,894,751</u>             | <u>70,949,308</u>             | <u>4,945,443</u>           | <u>6.97%</u>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  | <u>2,500,698</u>              | <u>1,133,974</u>              | <u>1,366,724</u>           | <u>120.53%</u>      |
| <b>NET POSITION</b>                   |                               |                               |                            |                     |
| Net investment in capital assets      | 12,238,908                    | 8,535,241                     | 3,703,667                  | 43.39%              |
| Restricted                            | 666,962                       | 589,728                       | 77,234                     | 13.10%              |
| Unrestricted (deficit)                | <u>(45,767,849)</u>           | <u>(41,801,452)</u>           | <u>(3,966,397)</u>         | <u>9.49%</u>        |
| <b>Total net position</b>             | <u><b>\$ (32,861,979)</b></u> | <u><b>\$ (32,676,483)</b></u> | <u><b>\$ (185,496)</b></u> | <u><b>0.57%</b></u> |

The largest portion of the Village's 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, 2020 was \$46.2 million, an increase of \$1.6 million from the prior year. Other long-term liabilities contributing to the unrestricted deficit include \$1.6 million in judgment and claims bonds, \$1.2 million in LOSAP liabilities net of deferred outflows/inflows and restricted LOSAP assets, \$3.0 million net pension liability net of deferred outflows/inflows, and compensated absences of \$1.1 million. 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 net position is the Village's 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, \$12.2 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.



# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2020

### Government-Wide Financial Analysis - Continued

A portion of the Village's net position at May 31, 2020, \$667 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.

**Table 2 - Changes in Net Position for the Fiscal Years Ended May 31, 2020 and 2019**

|  | Governmental Activities       |                               |                            |                     |
|--|-------------------------------|-------------------------------|----------------------------|---------------------|
|  | 2020                          | 2019                          | \$ Change                  | % Change            |
| <b>REVENUES</b>                                      |                               |                               |                            |                     |
| Program revenues                                     |                               |                               |                            |                     |
| Charges for services                                 | \$ 2,190,239                  | \$ 2,438,096                  | \$ (247,857)               | -10.17%             |
| Operating grants and contributions                   | 202,910                       | 332,048                       | (129,138)                  | -38.89%             |
| Capital grants and contributions                     | 561,793                       | 577,212                       | (15,419)                   | -2.67%              |
| General revenues                                     |                               |                               |                            |                     |
| Real property tax and related tax items              | 13,938,804                    | 13,274,664                    | 664,140                    | 5.00%               |
| Real property tax items                              | 72,374                        | 61,584                        | 10,790                     | 17.52%              |
| Sales and use taxes                                  | 2,642,109                     | 2,295,822                     | 346,287                    | 15.08%              |
| Use of money and property                            | 314,796                       | 228,730                       | 86,066                     | 37.63%              |
| Sale of property and compensation for loss           | 85,206                        | 171,313                       | (86,107)                   | -50.26%             |
| Unrestricted state aid                               | 245,728                       | 208,300                       | 37,428                     | 17.97%              |
| Miscellaneous local sources                          | 34,342                        | 47,246                        | (12,904)                   | -27.31%             |
| Total revenues                                       | <u>20,288,301</u>             | <u>19,635,015</u>             | <u>653,286</u>             | <u>3.33%</u>        |
| <b>EXPENSES</b>                                      |                               |                               |                            |                     |
| General government support                           | 3,160,444                     | 3,145,268                     | 15,176                     | 0.48%               |
| Public safety  | 9,250,920                     | 8,129,673                     | 1,121,247                  | 13.79%              |
| Health   | 106,612                       | 139,169                       | (32,557)                   | -23.39%             |
| Transportation                                       | 1,945,975                     | 1,991,318                     | (45,343)                   | -2.28%              |
| Culture and recreation                               | 3,624,248                     | 3,436,687                     | 187,561                    | 5.46%               |
| Home and community services                          | 1,992,382                     | 2,003,621                     | (11,239)                   | -0.56%              |
| Interest on long-term debt                           | 393,216                       | 490,847                       | (97,631)                   | -19.89%             |
| Total expenses                                       | <u>20,473,797</u>             | <u>19,336,583</u>             | <u>1,137,214</u>           | <u>5.88%</u>        |
| <b>CHANGES IN NET POSITION</b>                       | <b>(185,496)</b>              | <b>298,432</b>                | <b>(483,928)</b>           | <b>-162.16%</b>     |
| <b>NET POSITION, <i>beginning of year</i></b>        | <u>(32,676,483)</u>           | <u>(32,974,915)</u>           | <u>298,432</u>             | <u>-0.91%</u>       |
| <b>NET POSITION, <i>end of year, as restated</i></b> | <u><b>\$ (32,861,979)</b></u> | <u><b>\$ (32,676,483)</b></u> | <u><b>\$ (185,496)</b></u> | <u><b>0.57%</b></u> |

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2020

### Governmental Activities

During 2020, governmental activities decreased the Village's net position by \$195 thousand.

For the fiscal year ended May 31, 2020, revenues from governmental activities totaled \$20.3 million, an increase of \$653 thousand, or 3.3%, over prior year revenues of \$19.6 million. Tax revenues of \$16.7 million, comprised of real property taxes, real property tax items, and sales and use taxes, represented the largest revenue source at 82.1%. Tax revenues in the prior year totaled \$19.1 million and represented 79.6% of total 2019 revenues.

Charges for services revenues in 2020, the second largest revenue source, totaled \$2.2 million and represented 10.8% of total revenues. In 2019, this revenue source aggregated \$2.4 million, which was 12.4% of total revenues.

Expenses incurred by governmental activities of the Village in 2020 totaled \$20.5 million, an increase of about \$1.2 million, 6.0% over prior year expenses of \$19.3 million. The largest components of governmental activities' expenses were public safety (45.2%), culture and recreation (17.7%), and general government support (15.4%). This was similar to last year when the largest components of government activities' expenses were public safety (42.0%), culture and recreation (17.8%), and general government support (16.3%). The major changes in 2020 vs. 2019 were as follows:

#### Revenue

- Real property taxes increased \$664 thousand, or 5%. Sales and use taxes increased \$346 thousand, or 15%, largely due to greater sales tax distributions and \$90 thousand received from the hotel occupancy tax.
- These increases were offset by various fluctuations in revenue accounts including permit sales, which decreased \$104 thousand or 17% from the prior year and on street parking meters, which decreased \$98 thousand or 40%.

#### Expenses

- In total, the Village's expenses increased \$1.1 million over the prior year, which is a 6% increase.
- A significant component of this increase is the impact from the Village's net pension liability, which was measured as of March 31, 2020. The measurement date reflects the condition of the financial markets, which had significantly deteriorated at that time due to the COVID-19 pandemic. The Village's net pension liability adversely impacted net position by \$1.6 million in 2020, compared to \$389 thousand in 2019.

### 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, 2020

### 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 \$10.0 million, a net decrease of \$1.5 million from the prior year amount of \$11.5 million.

The nonspendable fund balance component was \$23 thousand at May 31, 2020 (\$25 thousand in 2019), consisting of amounts representing prepaid expenditures. The restricted fund balance component of \$3.1 million at May 31, 2019 (\$3.3 million in 2019) 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 \$3.8 million at the end of 2020 (\$5.7 million in 2019) consists of amounts set aside for purchases on order, and subsequent year expenditures. The remainder of the fund balance at May 31, 2020, \$3.1 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 \$3,242,139 representing 51.0% of the total General Fund balance of \$6,354,042. 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 a stable 17.8% unassigned fund balance to total expenditures and other financing uses of \$18,202,270, compared to 16.5% at the end of 2019.

When the fiscal 2020 General Fund budget was adopted, it included the use of \$1,090,000 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 \$1,194,483 for the year. For the 2020 year, actual results of operations resulted in a fund a fund balance of surplus of \$667,725 which was favorable from the decrease anticipated in the modified budget by \$1.87 million.

Actual revenues and other financing sources of \$18,879,788 were \$1,220,097 more than the final budget. Almost all of the Village's revenues exceeded their budgeted amounts, excluding real property taxes which fell \$5,757 below budget.

Actual expenditures and other financing use of \$18,202,270 were \$951,904 less than the final budget. While all expenditure budgeted line items favored positively, significant expenditure variances were for public safety \$181,786, culture and recreation \$177,144, transportation \$198,973 and general government support \$169,545.

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2020

### Governmental Funds - Continued

Debt Service Fund - The Debt Service Fund ended its fiscal year with a fund balance of \$643,651, an increase of \$41,262 from the prior year. The Village's Debt Service Fund is financed through operating transfers from the General Fund.

Special Purpose Fund - The fund balance of the Special Purpose Fund increased by \$77,234 during the year and totaled \$666,962 as of May 31, 2020. The Special Purpose Fund had limited activity during fiscal 2019/2020 generating revenues of \$92,129 from various gifts, contributions and interest income.

Capital Projects Fund - The Capital Projects Fund ended its 2020 fiscal year with a fund balance of \$2,141,770 from a prior year fund balance of \$4,388,705. Revenues and other financing sources totaled \$482,332 for 2020, and expenditures totaled \$2,726,267.

### Capital Asset and Debt Administration

#### Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2020, net of \$13,436,862 of accumulated depreciation, was \$25,623,617. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, and construction-in-progress.

Significant capital outlays included the swimming pool project (\$1.48 million) and the Embassy refurbishment project (\$939 thousand).

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

|   | Governmental Activities |                      |
|---|-------------------------|----------------------|
|   | 2020                    | 2019                 |
| Land  | \$ 1,183,394            | \$ 1,183,394         |
| Construction-in-progress                              | 7,297,802               | 3,999,036            |
| Building and Improvements                             | 5,648,693               | 5,899,784            |
| Machinery and equipment                               | 8,181,965               | 4,693,362            |
| Infrastructure  | 3,311,763               | 7,071,428            |
| Total capital assets, net of accumulated depreciation | <u>\$ 25,623,617</u>    | <u>\$ 22,847,004</u> |

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

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2020

### **Long-Term Debt**

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$15,230,000. 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 \$1,805,000 of general obligation debt from budgetary appropriations.

In August of 2020, the Village refunded \$2,720,000 in public improvement serial bonds. The new refunding bonds will save the Village \$165,466 over the next 5 years.

On October 13, 2017, 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, 2020, the Village had exhausted 31.92% of its constitutional debt limit and had the authority to issue an additional \$26 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.

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

In the 2021 General Fund adopted budget, the Village assigned \$1,023,286 of fund balance for spending in fiscal 2021, which includes \$134,036 for open purchase orders. The real property tax rate for the 2020 Village General Fund is \$6.91 per \$1,000 of taxable assessed value, which is effectively the same rate as for 2019 (\$6.95/\$1,000 AV) after factoring in the change in assessments due to the 100% assessment revaluation in 2016. The real property tax levy increased by 4.97% from 2019 to 2020. Additionally, due to the 100% assessment revaluation, total full value taxable assessments also increased by 5.02% from 2019 to 2020. The 2020 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, 2020               |   |
|---|----------------------------|---|
|   | Primary<br>Government      | Component<br>Unit   |
|   |                            | Local<br>Development<br>Corporation -<br>December 31,<br>2019 |
|   | Governmental<br>Activities | 2019  |
| <b>ASSETS</b>                                       |                            |   |
| Cash and cash equivalents                           | \$ 6,785,194               | \$ 337,231  |
| Cash and cash equivalents, restricted               | 1,107,724                  | -   |
| Investments, restricted                             | 1,968,361                  | -   |
| Receivables   |                            |   |
| Accounts  | 143,570                    | 2,000   |
| Taxes, net  | 391,130                    | -   |
| Other governments                                   | 249,520                    | -   |
| State and Federal aid                               | 325,645                    | -   |
| Due from fiduciary fund                             | 16,718                     | -   |
| Due from LDC  | 278,510                    | -   |
| Prepaid expenses                                    | 22,598                     | -   |
| Capital assets, net                                 |                            |   |
| Non-depreciable                                     | 8,481,196                  | -   |
| Depreciable   | 17,142,421                 | -   |
| Total assets  | 36,912,587                 | 339,231   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |                            |   |
| Deferred amounts on bond refunding                  | 166,129                    | -   |
| Pension, OPEB and LOSAP deferrals                   | 8,454,754                  | -   |
| Total deferred outflows of resources                | 8,620,883                  | -   |
| Total assets and deferred outflows of resources     | 45,533,470                 | 339,231   |
| <b>LIABILITIES</b>                                  |                            |   |
| Accounts payable and accrued expenses               | 622,495                    | 3,125   |
| Interest payable                                    | 66,345                     | -   |
| Due to retirement system                            | 221,465                    | -   |
| Due to other governments                            | -                          | 271,565   |
| Unearned revenue                                    | 37,046                     | -   |
| Long-term liabilities                               |                            |   |
| Due within one year                                 | 2,028,001                  | -   |
| Due in more than one year                           |                            |   |
| Bonds payable                                       | 13,595,501                 | -   |
| Compensated absences                                | 1,014,992                  | -   |
| Net pension liability                               | 7,873,237                  | -   |
| Length of service award programs                    | 3,458,935                  | -   |
| Other postemployment benefits                       | 46,976,734                 | -   |
| Total liabilities                                   | 75,894,751                 | 274,690   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                            |   |
| Pension and LOSAP deferrals                         | 2,500,698                  | -   |
| Total liabilities and deferred inflows of resources | 78,395,449                 | 274,690   |
| <b>NET POSITION</b>                                 |                            |   |
| Net investment in capital assets                    | 12,238,908                 | -   |
| Restricted for                                      |                            |   |
| Special purposes                                    | 666,962                    | -   |
| Unrestricted (deficit)                              | (45,767,849)               | 64,541  |
| Total net position                                  | \$ (32,861,979)            | \$ 64,541   |

See accompanying Notes to Financial Statements.

# Village of Dobbs Ferry, New York

## Statement of Activities

| Functions/Programs                               | Year Ended May 31, 2020 |                         |  |  | Net (Expenses) Revenues<br>and Changes in Net Position |   |
|--|-------------------------|-------------------------|--|--|--|---|
|  | Expenses                | Program Revenue         |  |  | Governmental<br>Activities                             | Component<br>Unit<br>Year Ended<br>December 31,<br>2019 |
|  |                         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |  |   |
| <b>GOVERNMENTAL ACTIVITIES</b>                   |                         |                         |  |  |  |   |
| General government support                       | \$ 3,160,444            | \$ 32,041               | \$ 2,400                                 | \$ 129,213                             | \$ (2,996,790)   | \$ -  |
| Public safety                                    | 9,250,920               | 593,985                 | 6,280                                    | -                                      | (8,650,655)  | -   |
| Health   | 106,612                 | -                       | 98,412                                   | -                                      | (8,200)  | -   |
| Transportation                                   | 1,945,975               | 563,125                 | 8,125                                    | 158,481                                | (1,216,244)  | -   |
| Culture and recreation                           | 3,624,248               | 478,534                 | 87,693                                   | -                                      | (3,058,021)  | -   |
| Home and community services                      | 1,992,382               | 522,554                 | -  | 274,099                                | (1,195,729)  | -   |
| Interest on long-term debt                       | 393,216                 | -                       | -  | -                                      | (393,216)  | -   |
| Total governmental activities                    | \$ 20,473,797           | \$ 2,190,239            | \$ 202,910                               | \$ 561,793                             | (17,518,855)   | -   |
| <b>Component Unit</b>                            |                         |                         |  |  |  |   |
| Local Development Corporation, December 31, 2019 | \$ 214,011              | \$ 2,000                | \$ -                                     | \$ -                                   |  | (212,011)   |
| General revenues                                 |                         |                         |  |  |  |   |
| Real property taxes                              |                         |                         |  |  | 13,938,804   | -   |
| Real property tax items                          |                         |                         |  |  | 72,374   | -   |
| Sales and use taxes                              |                         |                         |  |  | 2,642,109  | -   |
| Use of money and property                        |                         |                         |  |  | 314,796  | 435   |
| Sale of property and compensation for loss       |                         |                         |  |  | 85,206   | -   |
| Miscellaneous local sources                      |                         |                         |  |  | 34,342   | -   |
| Unrestricted State aid                           |                         |                         |  |  | 245,728  | -   |
| Total general revenues                           |                         |                         |  |  | 17,333,359   | 435   |
| <b>CHANGES IN NET POSITION</b>                   |                         |                         |  |  | <b>(185,496)</b>                                       | <b>(211,576)</b>  |
| <b>NET POSITION, beginning of year</b>           |                         |                         |  |  | (32,676,483)   | 276,117   |
| <b>NET POSITION, end of year</b>                 |                         |                         |  |  | <b>\$ (32,861,979)</b>                                 | <b>\$ 64,541</b>  |

See accompanying Notes to Financial Statements.

# Village of Dobbs Ferry, New York

## Balance Sheet - Governmental Funds

May 31, 2020

|                                       | Major Funds         |                   |                     |                   |                    |                     | Total                |
|---------------------------------------|---------------------|-------------------|---------------------|-------------------|--------------------|---------------------|----------------------|
|                                       | General             | Debt Service      | Capital Projects    | Special Purpose   | Other Governmental | Eliminations        |                      |
| <b>ASSETS</b>                         |                     |                   |                     |                   |                    |                     |                      |
| Cash and cash equivalents             | \$ 4,741,687        | \$ 300,000        | \$ 1,319,948        | \$ -              | \$ 423,559         | \$ -                | \$ 6,785,194         |
| Cash and cash equivalents, restricted | 97,658              | 343,651           | -                   | 666,415           | -                  | -                   | 1,107,724            |
| Investments, restricted               | 1,968,361           | -                 | -                   | -                 | -                  | -                   | 1,968,361            |
| Receivables                           |                     |                   |                     |                   |                    |                     |                      |
| Accounts                              | 143,415             | -                 | -                   | -                 | 155                | -                   | 143,570              |
| Taxes, net                            | 391,130             | -                 | -                   | -                 | -                  | -                   | 391,130              |
| Other governments                     | 249,520             | -                 | -                   | -                 | -                  | -                   | 249,520              |
| State and Federal aid                 | 63,581              | -                 | 158,481             | -                 | 103,583            | -                   | 325,645              |
| Due from other funds                  | 278,767             | -                 | 536,045             | 547               | -                  | (815,359)           | -                    |
| Due from fiduciary fund               | 16,718              | -                 | -                   | -                 | -                  | -                   | 16,718               |
| Due from LDC                          | 78,510              | -                 | 200,000             | -                 | -                  | -                   | 278,510              |
| Prepaid expenditures                  | 22,598              | -                 | -                   | -                 | -                  | -                   | 22,598               |
|                                       | <b>\$ 8,051,945</b> | <b>\$ 643,651</b> | <b>\$ 2,214,474</b> | <b>\$ 666,962</b> | <b>\$ 527,297</b>  | <b>\$ (815,359)</b> | <b>\$ 11,288,970</b> |
| <b>LIABILITIES</b>                    |                     |                   |                     |                   |                    |                     |                      |
| Accounts payable                      | \$ 308,797          | \$ -              | \$ 72,704           | \$ -              | \$ 24,398          | \$ -                | \$ 405,899           |
| Accrued expenses                      | 208,580             | -                 | -                   | -                 | 8,016              | -                   | 216,596              |
| Due to other funds                    | 536,592             | -                 | -                   | -                 | 278,767            | (815,359)           | -                    |
| Due to retirement system              | 221,465             | -                 | -                   | -                 | -                  | -                   | 221,465              |
| Unearned revenue                      | 37,046              | -                 | -                   | -                 | -                  | -                   | 37,046               |
|                                       | 1,312,480           | -                 | 72,704              | -                 | 311,181            | (815,359)           | 881,006              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  | 385,423             | -                 | -                   | -                 | -                  | -                   | 385,423              |
| <b>FUND BALANCES</b>                  |                     |                   |                     |                   |                    |                     |                      |
| Nonspendable                          | 22,598              | -                 | -                   | -                 | -                  | -                   | 22,598               |
| Restricted                            | 2,066,019           | 343,651           | -                   | 666,962           | -                  | -                   | 3,076,632            |
| Assigned                              | 1,023,286           | 300,000           | 2,141,770           | -                 | 216,116            | -                   | 3,681,172            |
| Unassigned                            | 3,242,139           | -                 | -                   | -                 | -                  | -                   | 3,242,139            |
| Total fund balances                   | 6,354,042           | 643,651           | 2,141,770           | 666,962           | 216,116            | -                   | 10,022,541           |
|                                       | <b>\$ 8,051,945</b> | <b>\$ 643,651</b> | <b>\$ 2,214,474</b> | <b>\$ 666,962</b> | <b>\$ 527,297</b>  | <b>\$ (815,359)</b> | <b>\$ 11,288,970</b> |

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,<br/>2020</u>       |
|---|-------------------------------|
| Total fund balances in the fund financial statements for the governmental funds   | \$ 10,022,541                 |
| 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.                             | 25,623,617                    |
| 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   | 166,129                       |
| Deferred outflows - pension deferrals   | 5,179,417                     |
| Deferred inflows - pension deferrals  | (275,314)                     |
| Deferred outflows - OPEB  | 2,803,581                     |
| Deferred inflows - OPEB   | (1,989,848)                   |
| Deferred outflows - LOSAPs  | 471,756                       |
| Deferred inflows - LOSAPs   | (235,536)                     |
| Real property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. | 385,423                       |
| Some liabilities (listed below) are not due and payable in the current period and, therefore, are not reported in the funds:                        |                               |
| Bonds payable   | (15,230,000)                  |
| Unamortized bond premiums   | (289,502)                     |
| Other postemployment benefits   | (46,976,734)                  |
| Net pension liability   | (7,873,237)                   |
| Length of service award programs  | (3,458,935)                   |
| Compensated absences  | (1,118,992)                   |
| Interest payable  | (66,345)                      |
| <b>Total net position</b>   | <b><u>\$ (32,861,979)</u></b> |

See accompanying Notes to Financial Statements.

# Village of Dobbs Ferry, New York

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

Year Ended May 31, 2020

|   | Major Funds         |                    |                     |                    |                       |              | Total                |
|---|---------------------|--------------------|---------------------|--------------------|-----------------------|--------------|----------------------|
|   | General             | Debt<br>Service    | Capital<br>Projects | Special<br>Purpose | Other<br>Governmental | Eliminations |                      |
|   |                     |                    |                     |                    |                       |              |                      |
| <b>REVENUES</b>   |                     |                    |                     |                    |                       |              |                      |
| Real property taxes   | \$ 13,224,637       | \$ -               | \$ -                | \$ -               | \$ 705,260            | \$ -         | \$ 13,929,897        |
| Real property tax items   | 72,374              | -                  | -                   | -                  | -                     | -            | 72,374               |
| Non-property taxes  | 2,642,109           | -                  | -                   | -                  | -                     | -            | 2,642,109            |
| Departmental revenues   | 1,115,660           | -                  | -                   | 50,000             | 6,200                 | -            | 1,171,860            |
| Intergovernmental charges   | 295,836             | -                  | -                   | -                  | -                     | -            | 295,836              |
| Use of money and property   | 256,490             | 41,262             | -                   | 7,406              | 9,638                 | -            | 314,796              |
| Licenses and permits  | 501,854             | -                  | -                   | -                  | -                     | -            | 501,854              |
| Fines and forfeitures   | 297,625             | -                  | -                   | -                  | -                     | -            | 297,625              |
| Sale of property and compensation for loss  | 85,206              | -                  | -                   | -                  | -                     | -            | 85,206               |
| Miscellaneous local sources   | 127,864             | -                  | 274,099             | 34,723             | 11,255                | -            | 447,941              |
| State aid   | 248,683             | -                  | 158,481             | -                  | 2,870                 | -            | 410,034              |
| Federal aid   | 11,450              | -                  | -                   | -                  | 98,412                | -            | 109,862              |
| Total revenues  | <u>18,879,788</u>   | <u>41,262</u>      | <u>432,580</u>      | <u>92,129</u>      | <u>833,635</u>        | <u>-</u>     | <u>20,279,394</u>    |
| <b>EXPENDITURES</b>   |                     |                    |                     |                    |                       |              |                      |
| General government support  | 2,985,705           | -                  | -                   | -                  | -                     | -            | 2,985,705            |
| Public safety   | 4,789,900           | -                  | -                   | -                  | -                     | -            | 4,789,900            |
| Health  | 8,519               | -                  | -                   | -                  | 98,093                | -            | 106,612              |
| Transportation  | 974,615             | -                  | -                   | -                  | -                     | -            | 974,615              |
| Culture and recreation  | 1,276,059           | -                  | -                   | 14,895             | 614,865               | -            | 1,905,819            |
| Home and community services   | 1,230,122           | -                  | -                   | -                  | -                     | -            | 1,230,122            |
| Employee benefits   | 4,648,610           | -                  | -                   | -                  | 132,869               | -            | 4,781,479            |
| Capital outlays   | -                   | -                  | 2,729,267           | -                  | -                     | -            | 2,729,267            |
| Debt service  |                     |                    |                     |                    |                       |              |                      |
| Principal   | -                   | 1,805,000          | -                   | -                  | -                     | -            | 1,805,000            |
| Interest  | -                   | 433,988            | -                   | -                  | -                     | -            | 433,988              |
| Total expenditures  | <u>15,913,530</u>   | <u>2,238,988</u>   | <u>2,729,267</u>    | <u>14,895</u>      | <u>845,827</u>        | <u>-</u>     | <u>21,742,507</u>    |
| <b>Excess (deficiency) of revenues over expenditures</b>  | <u>2,966,258</u>    | <u>(2,197,726)</u> | <u>(2,296,687)</u>  | <u>77,234</u>      | <u>(12,192)</u>       | <u>-</u>     | <u>(1,463,113)</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                     |                    |                     |                    |                       |              |                      |
| Operating transfers in  | -                   | 2,238,988          | 49,752              | -                  | -                     | (2,288,740)  | -                    |
| Operating transfers out   | (2,288,740)         | -                  | -                   | -                  | -                     | 2,288,740    | -                    |
|   | <u>(2,288,740)</u>  | <u>2,238,988</u>   | <u>49,752</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>677,518</u>      | <u>41,262</u>      | <u>(2,246,935)</u>  | <u>77,234</u>      | <u>(12,192)</u>       | <u>-</u>     | <u>(1,463,113)</u>   |
| <b>FUND BALANCES, beginning of year</b>   | <u>5,676,524</u>    | <u>602,389</u>     | <u>4,388,705</u>    | <u>589,728</u>     | <u>228,308</u>        | <u>-</u>     | <u>11,485,654</u>    |
| <b>FUND BALANCES, end of year</b>   | <u>\$ 6,354,042</u> | <u>\$ 643,651</u>  | <u>\$ 2,141,770</u> | <u>\$ 666,962</u>  | <u>\$ 216,116</u>     | <u>\$ -</u>  | <u>\$ 10,022,541</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<br/>May 31,<br/>2020</b> |
|---|-------------|--|
|   |             | <b>\$</b>                              |
| Net change in fund balances shown for total governmental funds  |             | \$ (1,463,113)                         |
| <p>This amount differs from the change in net position shown in the statement of activities because of the following:</p>   |             |  |
| <p>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.</p>  |             |  |
| Capital expenditures  | 3,827,111   |  |
| Depreciation expense  | (1,050,498) | 2,776,613                              |
| <p>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.</p>   |             |  |
|   |             | 8,907                                  |
| <p>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.</p> |             |  |
| Principal paid on bonds   |             | 1,805,000                              |
| Amortization of bond premium  |             | 69,001                                 |
| Amortization of deferred loss on refunding  |             | (28,229)                               |
| <p>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.</p>  |             |  |
| Accrued interest  | -           |  |
| Net pension liability, net of deferrals   | (1,648,439) |  |
| Length of service award programs, net of deferrals  | (66,265)    |  |
| Other postemployment benefits, net of deferrals   | (1,559,961) |  |
| Compensated absences  | (79,010)    | (3,353,675)                            |
| <b>Change in net position of governmental activities shown in the statement of activities</b>   |             | <b>\$ (185,496)</b>                    |

# Village of Dobbs Ferry, New York

## Statement of Net Position - Fiduciary Fund

|                           | <u>May 31,<br/>2020</u>     |
|---------------------------|-----------------------------|
|                           | <u>Trust and<br/>Agency</u> |
| <b>ASSETS</b>             |                             |
| Cash and cash equivalents | \$ 416,844                  |
| Accounts receivable       | 17,071                      |
|                           | <hr/>                       |
| Total assets              | <b><u>\$ 433,915</u></b>    |
| <b>LIABILITIES</b>        |                             |
| Agency liabilities        | \$ 417,197                  |
| Due to general fund       | 16,718                      |
|                           | <hr/>                       |
| Total liabilities         | <b><u>\$ 433,915</u></b>    |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### 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, 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, 2020

### **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 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 is the fiduciary fund financial statement. 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, 2020

### 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.
- *Special Purpose Fund* - is used to account for assets held by the Village in accordance with the terms of a trust agreement.

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 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.

- *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.

#### *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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

#### *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:

- i. 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.
- ii. The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments at the second regular meeting in November.
- iii. 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.
- iv. 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, and Library 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.

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.



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

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

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2019.

#### 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.

#### *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, 2020, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

#### *i. Capital Assets*

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. A summary of capital asset useful lives by class is presented below:

| <u>Class</u>               | <u>Life in Years</u> |
|----------------------------|----------------------|
| Buildings and improvements | 15 - 40              |
| Infrastructure             | 40                   |
| Machinery and equipments   | 5 - 20               |

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 2020.

#### *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 \$1,500 for summer programs received in advance and \$35,546 for overpayments. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

#### *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.

The Village reported \$166,129 in deferred outflows related to current 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 \$385,423 of deferred inflows of resources in the General Fund for property taxes determined to be measurable but not available as of May 31, 2020.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

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

The net pension liability represents the Village's proportionate share of the net pension liability 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, 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.

##### 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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

#### 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:
  - i. Externally imposed by creditors (such as debt covenants), grantors, contributors, laws, or regulations of other governments, or
  - ii. 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.
- *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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

*p. Subsequent Events*

The Village has evaluated subsequent events for potential recognition or disclosure through January 12, 2021, the date the financial statements were available to be issued.

### Note 2 - Taxes Receivable

Taxes receivable at May 31, 2020 consist of the following:

|                                   |    |            |
|-----------------------------------|----|------------|
| Taxes, overdue                    | \$ | 415,771    |
| Tax sale certificates             |    | 5,359      |
|                                   |    | 421,130    |
| Allowance for uncollectable taxes |    | (30,000)   |
|                                   |    | \$ 391,130 |

Taxes receivable in the fund financial statements are partially offset by deferred inflows of resources related to tax revenues of \$385,423 which represents an estimate of the taxes receivable which will not be 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:

|   | Balance at<br>June 1,<br>2019 | Additions    | Disposals | Balance at<br>May 31,<br>2020 |
|---|-------------------------------|--------------|-----------|-------------------------------|
| <b>Non-depreciable assets</b>                                       |                               |              |           |                               |
| Land  | \$ 1,183,394                  | \$ -         | \$ -      | \$ 1,183,394                  |
| Construction in progress  | 3,999,036                     | 3,298,766    | -         | 7,297,802                     |
| Total nondepreciable  | 5,182,430                     | 3,298,766    | -         | 8,481,196                     |
| <b>Depreciable assets</b>   |                               |              |           |                               |
| Buildings and improvements  | 11,881,473                    | 40,100       |           | 11,921,573                    |
| Infrastructure  | 9,707,034                     | 249,770      |           | 9,956,804                     |
| Machinery and equipment   | 8,537,683                     | 238,475      | 75,252    | 8,700,906                     |
| Total depreciable assets  | 30,126,190                    | 528,345      | 75,252    | 30,579,283                    |
| <b>Less accumulated depreciation</b>                                |                               |              |           |                               |
| Buildings and Improvements  | 5,981,689                     | 291,191      | -         | 6,272,880                     |
| Infrastructure  | 1,466,255                     | 308,584      | -         | 1,774,839                     |
| Machinery and equipment   | 5,013,672                     | 450,723      | 75,252    | 5,389,143                     |
| Total accumulated depreciation                                      | 12,461,616                    | 1,050,498    | 75,252    | 13,436,862                    |
| Total capital asset depreciated,<br>net of accumulated depreciation | 17,664,574                    | (522,153)    | -         | 17,142,421                    |
| Total capital assets  | \$ 22,847,004                 | \$ 2,776,613 | \$ -      | \$ 25,623,617                 |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### Note 3 - Capital Assets - Continued

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

|                             |                            |
|-----------------------------|----------------------------|
| Governmental activities     |                            |
| General government support  | \$ 16,283                  |
| Public safety               | 136,880                    |
| Transportation              | 415,157                    |
| Culture and recreation      | 400,240                    |
| Home and community services | <u>81,938</u>              |
| Total depreciation expense  | <u><u>\$ 1,050,498</u></u> |

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

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

| Description                      | Beginning<br>Balance | Additions            | Deletions           | Ending<br>Balance    | Due Within<br>One Year |
|----------------------------------|----------------------|----------------------|---------------------|----------------------|------------------------|
| Bonds and related premiums       |                      |                      |                     |                      |                        |
| Capital construction             | \$ 15,082,111        | \$ -                 | \$ 1,407,900        | \$ 13,674,211        | \$ 1,446,900           |
| Judgments and claims             | 1,952,889            | -                    | 397,100             | 1,555,789            | 408,100                |
|                                  | <u>17,035,000</u>    | <u>-</u>             | <u>1,805,000</u>    | <u>15,230,000</u>    | <u>1,855,000</u>       |
| Add unamortized premium on bonds | 358,503              | -                    | 69,001              | 289,502              | 69,001                 |
|                                  | <u>17,393,503</u>    | <u>-</u>             | <u>1,874,001</u>    | <u>15,519,502</u>    | <u>1,924,001</u>       |
| Other long-term liabilities      |                      |                      |                     |                      |                        |
| Other postemployment benefits    | 45,045,324           | 2,923,496            | 992,086             | 46,976,734           | -                      |
| Net pension liability            | 2,293,601            | 6,837,820            | 1,258,184           | 7,873,237            | -                      |
| Length of service award programs | 3,190,603            | 394,529              | 126,197             | 3,458,935            | -                      |
| Compensated absences             | 1,039,982            | 79,010               | -                   | 1,118,992            | 104,000                |
|                                  | <u>51,569,510</u>    | <u>10,234,855</u>    | <u>2,376,467</u>    | <u>59,427,898</u>    | <u>104,000</u>         |
| Total long-term liabilities      | <u>\$ 68,963,013</u> | <u>\$ 10,234,855</u> | <u>\$ 4,250,468</u> | <u>\$ 74,947,400</u> | <u>\$ 2,028,001</u>    |

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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

#### *Bonds Payable*

A summary of the Village's bonds payable at May 31, 2020 is as follows:

| Description                    | Year of Issue | Maturity Date   | Interest Rate  | Balance              |
|--------------------------------|---------------|-----------------|----------------|----------------------|
| Various Purpose - Serial Bonds | 2011          | September, 2024 | 3.00% to 4.00% | \$ 3,770,000         |
| Various Purpose - Serial Bonds | 2012          | June, 2021      | 2.00% to 2.50% | 665,000              |
| Various Purpose - Serial Bonds | 2013          | March, 2026     | 2.00% to 2.75% | 645,000              |
| Refunding Serial Bonds         | 2015          | October, 2026   | 2.00% to 3.00% | 3,330,000            |
| Various Purpose - Serial Bonds | 2017          | October, 2036   | 2.00% to 3.00% | 6,820,000            |
| Total bonds payable            |               |                 |                | <u>\$ 15,230,000</u> |

Interest paid of \$564,555 was recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$490,847 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 \$38 million, of which the Village has total outstanding debt obligations of approximately \$15.2 million, with exclusions of approximately \$2 million, leaving a net debt contracting margin of approximately \$25 million.

#### *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, |                      |                     |                      |
| 2021                        | 1,855,000            | 383,613             | 2,238,613            |
| 2022                        | 1,920,000            | 330,700             | 2,250,700            |
| 2023                        | 1,645,000            | 278,825             | 1,923,825            |
| 2024                        | 1,705,000            | 228,689             | 1,933,689            |
| 2025                        | 1,755,000            | 178,106             | 1,933,106            |
| 2026-2030                   | 3,190,000            | 557,605             | 3,747,605            |
| 2031-2035                   | 2,195,000            | 289,014             | 2,484,014            |
| 2036-2037                   | 965,000              | 63,450              | 1,028,450            |
|                             | <u>\$ 15,230,000</u> | <u>\$ 2,310,002</u> | <u>\$ 17,540,002</u> |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### Note 5 - Fund Balances

Fund balances are as follows at May 31, 2020:

|                                   | General             | Debt Service      | Capital<br>Projects | Special<br>Purpose | Non-Major<br>Governmental | Total                |
|-----------------------------------|---------------------|-------------------|---------------------|--------------------|---------------------------|----------------------|
| Nonspendable                      |                     |                   |                     |                    |                           |                      |
| Prepaid expenditures              | \$ 22,598           | \$ -              | \$ -                | \$ -               | \$ -                      | \$ 22,598            |
| Restricted                        |                     |                   |                     |                    |                           |                      |
| Length of Service Award Programs  | 2,066,019           | -                 | -                   | -                  | -                         | 2,066,019            |
| Debt service                      | -                   | 343,651           | -                   | -                  | -                         | 343,651              |
| Capital projects                  | -                   | -                 | 437,590             | -                  | -                         | 437,590              |
| Parklands                         | -                   | -                 | -                   | 422,618            | -                         | 422,618              |
| Trusts                            | -                   | -                 | -                   | 244,344            | -                         | 244,344              |
| <b>Total restricted</b>           | <b>2,066,019</b>    | <b>343,651</b>    | <b>437,590</b>      | <b>666,962</b>     | <b>-</b>                  | <b>3,514,222</b>     |
| Assigned for                      |                     |                   |                     |                    |                           |                      |
| Purchases on order                |                     |                   |                     |                    |                           |                      |
| General government support        | 5,044               | -                 | -                   | -                  | -                         | 5,044                |
| Public safety                     | 42,335              | -                 | -                   | -                  | -                         | 42,335               |
| Transportation                    | 73,001              | -                 | -                   | -                  | -                         | 73,001               |
| Culture and recreation            | 9,806               | -                 | -                   | -                  | 161,116                   | 170,922              |
| Home and community services       | 3,850               | -                 | -                   | -                  | -                         | 3,850                |
| Capital projects                  | -                   | -                 | 1,704,180           | -                  | -                         | 1,704,180            |
|                                   | <u>134,036</u>      | <u>-</u>          | <u>1,704,180</u>    | <u>-</u>           | <u>161,116</u>            | <u>1,999,332</u>     |
| For subsequent years expenditures |                     |                   |                     |                    |                           |                      |
| General Fund                      | 889,250             | -                 | -                   | -                  | -                         | 889,250              |
| Debt Service Fund                 | -                   | 300,000           | -                   | -                  | -                         | 300,000              |
| Public Library Fund               | -                   | -                 | -                   | -                  | 55,000                    | 55,000               |
|                                   | <u>889,250</u>      | <u>300,000</u>    | <u>-</u>            | <u>-</u>           | <u>55,000</u>             | <u>1,244,250</u>     |
| <b>Total assigned</b>             | <b>1,023,286</b>    | <b>300,000</b>    | <b>1,704,180</b>    | <b>-</b>           | <b>216,116</b>            | <b>3,243,582</b>     |
| Unassigned                        | 3,242,139           | -                 | -                   | -                  | -                         | 3,242,139            |
| <b>Total fund balance</b>         | <b>\$ 6,354,042</b> | <b>\$ 643,651</b> | <b>\$ 2,141,770</b> | <b>\$ 666,962</b>  | <b>\$ 216,116</b>         | <b>\$ 10,022,541</b> |

### Note 6 - Interfund Transactions

Governmental interfund balances are as follows at May 31, 2020:

| Due To           | Due From          |                   |                  | Total             |
|------------------|-------------------|-------------------|------------------|-------------------|
|                  | General           | Library           | Special Grant    |                   |
| General          | \$ -              | \$ 180,743        | \$ 98,024        | \$ 278,767        |
| Capital Projects | 536,045           | -                 | -                | 536,045           |
| Special Purpose  | 547               | -                 | -                | 547               |
| <b>Total</b>     | <b>\$ 536,592</b> | <b>\$ 180,743</b> | <b>\$ 98,024</b> | <b>\$ 815,359</b> |



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### Note 6 - Interfund Transactions - Continued

In addition, the Village Fiduciary Fund owed the General Fund \$16,718.

Interfund transfers are as follows at May 31, 2020:

| Transfers From | Transfers To |              | Total        |
|----------------|--------------|--------------|--------------|
|                | Capital      | Debt Service |              |
| General        | \$ 49,752    | \$ 2,238,988 | \$ 2,288,740 |

### 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:

#### 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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

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

##### ERS - Continued

- 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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### 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, 2020 was approximately 14.6 percent of payroll. The average contribution rate for PFRS for the fiscal year ended March 31, 2020 was approximately 23.5 percent of payroll.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

*c. Funding Policy - Continued*

The required contributions for the current year ERS and PFRS were \$491,113 and \$767,071, 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 | \$ 436,804 | \$ 767,071 |
| Library | 54,309     | -          |
|         | \$ 491,113 | \$ 767,071 |

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

At May 31, 2020, the Village reported a total liability of \$7,873,237 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2020, and the total pension liability was determined by an actuarial valuation as of April 1, 2019. The Village's proportion of the net pension 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, 2020, measurement date, the Village's proportionate share in the ERS was 0.0112273% and the PFRS was 0.0916791%.

For the year ended May 31, 2020, the Village recognized pension expense of \$2,873,439. At May 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources as follows:

|  | ERS                                  |                                     | PFRS                                 |                                     |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
| Differences between expected and actual experience   | \$ 174,976                           | \$ -                                | \$ 326,301                           | \$ 82,078                           |
| Changes of assumptions   | 59,863                               | 51,691                              | 418,848                              | -                                   |
| Net differences between projected and actual earnings on pension plan investments                            | 1,524,128                            | -                                   | 2,206,710                            | -                                   |
| Changes in proportion and differences between Village contributions and proportionate share of contributions | 176,448                              | 14,670                              | 70,679                               | 126,875                             |
| Contributions subsequent to the measurement date   | 85,503                               | -                                   | 135,961                              | -                                   |
| Total  | \$ 2,020,918                         | \$ 66,361                           | \$ 3,158,499                         | \$ 208,953                          |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

*d. Pension Liabilities, 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 a reduction of the net pension liability in the year ending May 31, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ending March 31, | ERS          | PFRS         |
|-----------------------|--------------|--------------|
| 2021                  | \$ 352,150   | \$ 631,413   |
| 2022                  | 485,572      | 647,436      |
| 2023                  | 575,168      | 813,284      |
| 2024                  | 456,164      | 688,696      |
| 2025                  | -            | 32,756       |
| Total                 | \$ 1,869,054 | \$ 2,813,585 |

#### Actuarial Assumptions

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. Significant actuarial assumptions used in the valuation were as follows:

|   | ERS   | PFRS  |
|---|-------|-------|
| Inflation rate  | 2.50% | 2.50% |
| Salary scale  | 4.20% | 5.00% |
| Investment rate of return (net of investment expense,<br>including inflation) | 6.80% | 6.80% |
| Cost of living adjustment   | 1.30% | 1.30% |

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018.

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, 2020

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

d. *Pension Liabilities, 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<br>Allocation | Long-Term<br>Expected<br>Real Rate |
|----------------------------|----------------------|------------------------------------|
| Domestic equity            | 36.00%               | 4.05%                              |
| International equity       | 14.00%               | 6.15%                              |
| Private equity             | 10.00%               | 6.75%                              |
| Real estate                | 10.00%               | 4.95%                              |
| Absolute return strategies | 2.00%                | 3.25%                              |
| Opportunistic portfolio    | 3.00%                | 4.65%                              |
| Real assets                | 3.00%                | 5.95%                              |
| Bonds and mortgages        | 17.00%               | 75.00%                             |
| Cash                       | 1.00%                | 0.00%                              |
| Inflation-Indexed bonds    | 4.00%                | 0.50%                              |
|                            | 100.00%              |                                    |

#### Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.8%) or 1 percentage point higher (7.8%) than the current rate:

|  | ERS                   |                               |                       |
|--|-----------------------|-------------------------------|-----------------------|
|  | 1% Decrease<br>(5.8%) | Current<br>Discount<br>(6.8%) | 1% Increase<br>(7.8%) |
| Village's proportionate share of the net pension liability | \$ 5,456,379          | \$ 2,973,046                  | \$ 685,886            |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

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

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption - Continued

|  | PFRS                  |                               |                       |
|--|-----------------------|-------------------------------|-----------------------|
|  | 1% Decrease<br>(5.8%) | Current<br>Discount<br>(6.8%) | 1% Increase<br>(7.8%) |
| Village's proportionate share of the net pension liability | \$ 8,761,642          | \$ 4,900,191                  | \$ 1,442,175          |

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2020 were as follows (amounts in thousands):

|  | ERS            | PFRS          | Total          |
|--|----------------|---------------|----------------|
| Employers' total pension liability                                   | \$ 194,596,261 | \$ 35,309,017 | \$ 229,905,278 |
| Plan net position  | (168,115,682)  | (29,964,080)  | (198,079,762)  |
| Employers' net pension liability                                     | \$ 26,480,579  | \$ 5,344,937  | \$ 31,825,516  |
| Ratio of plan net position to the employers' total pension liability | 86.4%          | 84.9%         | 86.2%          |

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, 2020

### 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       | 25   |
| Active, non-vested  | 54   |
| Terminated members entitled to but not yet receiving benefits | 11   |

##### (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, 2020

### 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        | 3.26%   |
| 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 one year of service credit in the prior three years, 0% otherwise. |
| Withdrawal Rates                         | None  |
| Administrative Cost                      | Fees paid from the Trust Fund are reimbursed back to the Fund as part of the minimum required contribution.                     |
| Death Benefit                            | The minimum \$10,000 Pre-EA active member death benefit is funded by the program.   |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

#### Fire Service Award Program - Continued

##### (e) Measurement of Total Pension Liability

The total pension liability at May 31, 2020 was determined using an actuarial valuation as of December 31, 2019. The following table presents the changes in total pension liability for the fire service award program:

|   | Fire         |
|---|--------------|
| Beginning balance                                 | \$ 2,659,741 |
| Service cost                                      | 46,552       |
| Interest  | 96,538       |
| Changes of assumptions and other inputs           | 145,590      |
| Difference between expected and actual experience | 46,129       |
| Benefit payments                                  | (108,240)    |
| Ending balance                                    | \$ 2,886,310 |

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

##### (f) Sensitivity of the Total Pension Liability

The following presents the total pension liability of the Village as of May 31, 2020 calculated using the discount rate of 3.26 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.26 percent) or 1-percentage point higher (4.26 percent) than the current rate:

|                                | 1% Decrease<br>(2.26%) | Current<br>Discount Rate<br>(3.26%) | 1% Increase<br>(4.26%) |
|--------------------------------|------------------------|-------------------------------------|------------------------|
| Total pension liability - Fire | \$ 3,325,885           | \$ 2,886,310                        | \$ 2,524,924           |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

#### Fire Service Award Program - Continued

#### (g) Pension Expense and Deferred Outflows

For the year ended May 31, 2020, the Village recognized pension expense of \$175,279. The following table presents the components of pension expense:

|  | Fire       |
|--|------------|
| Components of Pension Expense                      |            |
| Service cost                                       | \$ 46,552  |
| Interest   | 96,539     |
| Changes of assumptions or other inputs             | 16,742     |
| Differences between expected and actual experience | 6,466      |
| Pension plan administrative expenses               | 8,980      |
|  | \$ 175,279 |

At May 31, 2020, the Village reported deferred outflows of resources related to the fire service award program from the following sources:

|  | Fire                 |                     |
|--|----------------------|---------------------|
|  | Deferred<br>Outflows | Deferred<br>Inflows |
| Differences between expected and actual experience | \$ 62,389            | \$ -                |
| Changes of assumptions                             | 282,817              | 152,942             |
| Contributions subsequent to the measurement date   | 47,549               | -                   |
|  | \$ 392,755           | \$ 152,942          |

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, 2020. 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, |            |
| 2021               | \$ 23,208  |
| 2022               | 23,208     |
| 2023               | 23,208     |
| 2024               | 23,208     |
| 2025               | 23,208     |
| Thereafter         | 76,224     |
|                    | \$ 192,264 |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### 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, 2020:

| Group   | Ambulance |
|---|-----------|
| Retirees and beneficiaries currently receiving benefits       | 6         |
| Active, non-vested  | 11        |
| 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 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, 2020

### 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/granter 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        | 3.26%   |
| Pre-Entitlement Age Mortality Table      | None  |
| Post-Entitlement Age Mortality Table     | RP-2014 Mortality Table projected with Scale MP-2016 to 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 21 months after the valuation date.  |
| Administrative Cost                      | Fees paid from the Trust Fund are reimbursed back to the Fund as part of the minimum required contribution.                   |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### 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, 2020 was determined using an actuarial valuation as of December 31, 2019. The following table presents the changes in total pension liability for the ambulance services award program:

|   | Ambulance  |
|---|------------|
| Beginning balance                                 | \$ 530,862 |
| Service cost                                      | 15,058     |
| Interest  | 19,545     |
| Changes of assumptions and other inputs           | 40,191     |
| Difference between expected and actual experience | (15,074)   |
| Benefit payments                                  | (17,957)   |
| Ending balance                                    | \$ 572,625 |

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

##### (f) Sensitivity of the Total Pension Liability

The following presents the total pension liability of the Village as of May 31, 2020 calculated using the discount rate of 3.26 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.26 percent) or 1-percentage point higher (4.26 percent) than the current rate:

|                                     | 1% Decrease<br>(2.26%) | Current<br>Discount Rate<br>(3.26%) | 1% Increase<br>(4.26%) |
|-------------------------------------|------------------------|-------------------------------------|------------------------|
| Total pension liability - Ambulance | \$ 699,297             | \$ 572,625                          | \$ 474,515             |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

#### Ambulance Service Award - Continued

#### (g) Pension Expense and Deferred Outflows

For the year ended May 31, 2020, the Village recognized pension expense of \$35,078. The following table presents the components of pension expense:

|  | Ambulance |
|--|-----------|
| Components of pension expense                      |           |
| Service cost                                       | \$ 15,058 |
| Interest on total pension liability                | 19,545    |
| Changes of assumptions or other inputs             | 3,410     |
| Differences between expected and actual experience | (6,328)   |
| Pension plan administrative expenses               | 3,393     |
|  | \$ 35,078 |

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

|  | Ambulance            |                     |
|--|----------------------|---------------------|
|  | Deferred<br>Outflows | Deferred<br>Inflows |
| Differences between expected and actual experience | \$ -                 | \$ 44,044           |
| Changes of assumptions                             | 74,863               | 38,550              |
| Contributions subsequent to the measurement date   | 4,138                | -                   |
|  | \$ 79,001            | \$ 82,594           |

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, 2020. 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:

|                    | Ambulance  |
|--------------------|------------|
| Year ended May 31, |            |
| 2021               | \$ (2,918) |
| 2022               | (2,918)    |
| 2023               | (2,918)    |
| 2024               | (2,918)    |
| 2025               | (2,918)    |
| Thereafter         | 6,859      |
|                    | \$ (7,731) |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### 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, 2019 valuation date is as follows:

|          |                   |
|----------|-------------------|
| Actives  | 63                |
| Retirees | <u>56</u>         |
|          | <u><u>119</u></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, 2020, the Village paid approximately \$1.0 million on behalf of the plan members.



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

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

At May 31, 2020, the Village reported a liability of \$46,976,734 in the governmental activities for its OPEB liability. The OPEB liability was measured as of May 31, 2020 by an actuarial valuation as of June 1, 2019. For the year-ended May 31, 2020, the Village recognized OPEB expense of \$2,552,047 in the governmental activities. At May 31, 2020, the Village reported deferred outflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows | Deferred<br>Inflows |
|---|----------------------|---------------------|
| Difference between expected and actual experience | \$ 368,570           | \$ 1,989,848        |
| Change of assumptions                             | 2,435,011            | -                   |
|   | \$ 2,803,581         | \$ 1,989,848        |

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

| Year ending May 31, |            |
|---------------------|------------|
| 2021                | \$ 147,908 |
| 2022                | 147,908    |
| 2023                | 147,908    |
| 2024                | 147,908    |
| 2025                | 147,908    |
| 2026                | 74,194     |
|                     | \$ 813,734 |

*Actuarial Methods and Assumptions*

The total OPEB liability in the May 31, 2020 actuarial valuation was determined using the following significant actuarial assumptions:

|                             |   |
|-----------------------------|---|
| Valuation Date              | June 1, 2018  |
| Discount Rate               | 2.63% per annum   |
| Salary Scale                | 3.00% per annum   |
| Mortality                   | RP 2014 mortality table with MP-2016 projection.  |
| Withdrawal                  | Sarasson T-5 Table  |
| Health Care Cost Trend Rate | Year 1 - 8.00%<br>Year 2 - 7.50%<br>Year 3 - 7.00%<br>Year 4 - 6.50%<br>Year 5 - 6.00%<br>Year 6 - 5.50%<br>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, 2020

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

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

The discount rate used to measure the liability was 2.63%, based on the S&P Municipal 20-year High Grade Rate Index as of May 31, 2020.

#### *Changes in OPEB Liability*

Changes in the OPEB liability are as follows:

|  |               |
|--|---------------|
| Balance as of June 1, 2019                         | \$ 45,045,324 |
| Changes for the year                               |               |
| Service cost                                       | 1,045,386     |
| Interest   | 1,358,753     |
| Differences between expected and actual experience | (2,321,489)   |
| Change in assumptions                              | 2,840,846     |
| Benefit payments                                   | (992,086)     |
| Net changes  | 1,931,410     |
| Balance as of May 31, 2020                         | \$ 46,976,734 |

#### *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, 2020 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:

|                | 1% Decrease   | Current Healthcare<br>Trend Rates | 1% Increase   |
|----------------|---------------|-----------------------------------|---------------|
| OPEB Liability | \$ 39,207,294 | \$ 46,976,734                     | \$ 56,172,992 |

The following presents the OPEB liability as of May 31, 2020 using the discount rate of 2.63%, 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:

|                | 1% Decrease<br>1.63% | Discount Rate<br>2.63% | 1% Increase<br>3.63% |
|----------------|----------------------|------------------------|----------------------|
| OPEB Liability | \$ 53,738,945        | \$ 46,976,734          | \$ 40,214,524        |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### 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, 2020

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

#### d. COVID-19 Impact on Village Finances

The Village's operations **may** be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. On March 7, 2020, the Governor of the State of New York declared a disaster emergency for the entire State of New York in response to COVID-19. The ultimate disruption which may be caused by the outbreak is uncertain, however, it may result in a material adverse impact on the Village's financial, operations and cash flows. Possible effects in the 2020/21 fiscal year may include reductions in sales tax allocation, permit fees, recreation program revenues and increased expenses resulting from the implementation of safety protocols. The Village has initiated an application to the Federal Emergency Management Agency (FEMA) for reimbursement of eligible costs.

Additionally, management is closely monitoring the affects that COVID-19 is having on the Village Budget, and plans to review all significant purchases with the Mayor and with the Board of Trustees.

### 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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### Note 11 - Fair Value Measurements - Continued

Exchange Traded Funds: Reported at current quoted fair values.

Federal Agency Securities: Fixed income securities held by the Village are generally priced using pricing matrix models and quoted prices for identical or similar securities.

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.

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, 2020, the Village's Fire Program investments, and categorization with the fair value measurement hierarchy:

|  | Level 1             | Level 2       | Level 3     | Total               |
|--|---------------------|---------------|-------------|---------------------|
| Cash equivalents                           | \$ 246,310          | \$ -          | \$ -        | \$ 246,310          |
| Exchange Traded Funds                      |                     |               |             |                     |
| Equity                                     |                     |               |             |                     |
| S&P 500 Index                              | 261,539             | -             | -           | 261,539             |
| Mid Cap Equities                           | 48,961              |               |             | 48,961              |
| Consumer Equities                          | 36,130              | -             | -           | 36,130              |
| Industrial Equities                        | 43,985              |               |             | 43,985              |
| International Equities - Developed Markets | 152,375             |               |             | 152,375             |
| Fixed Income                               |                     |               |             | -                   |
| International Bond                         | 48,332              |               |             | 48,332              |
| International - Emerging Markets           | 60,329              |               |             | 60,329              |
| U.S. Government and Agency                 | 272,754             |               |             | 272,754             |
| U.S. Corporate                             | 382,882             |               |             | 382,882             |
| Federal Agency Securities                  | -                   | 150           | -           | 150                 |
|  | <u>\$ 1,553,597</u> | <u>\$ 150</u> | <u>\$ -</u> | <u>\$ 1,553,747</u> |

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

### Note 11 - Fair Value Measurements - Continued

The following table summarizes as of May 31, 2020, the Village's Ambulance Program investments, and categorization with the fair value measurement hierarchy:

|                        | <u>Level 1</u> | <u>Level 2</u>    | <u>Level 3</u> | <u>Total</u>      |
|------------------------|----------------|-------------------|----------------|-------------------|
| Pooled Investment Fund | <u>\$ -</u>    | <u>\$ 502,479</u> | <u>\$ -</u>    | <u>\$ 502,479</u> |

Additionally, the Village has \$131,373 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.

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

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. The requirements of this statement are effective for reporting periods beginning after June 15, 2019, as postponed by GASB 95.

GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019, as postponed by GASB 95.

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after June 15, 2021, as postponed by GASB 95.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* (GASB 88). GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2019, as postponed by GASB 95.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement are effective for reporting periods beginning after December 15, 2020, as postponed by GASB 95.

GASB Statement No. 90, *Majority Equity Interests*. This statement will provide financial reporting users with information related to the presentation of majority equity interests in legally separate organizations. In addition, this statement required the reporting of information about component units if the government acquires 100% equity interest about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit. The requirements for this statement are effective for reporting periods beginning after December 15, 2019, as postponed by GASB 95.

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 arrangements associated with conduit debt obligations, and improves note disclosures. The requirements for this statement are effective for reporting periods beginning after December 15, 2021, as postponed by GASB 95.

GASB Statement No. 92, *Omnibus 2020* (GASB 92). This statement enhances comparability of accounting and financial reporting between governmental entities. Additionally, it improves the consistency of authoritative literature by addressing implementation and application inconsistencies of certain GASB statements. Specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements and derivative instruments are all addressed by this statement. The requirements of this statement are effective for reporting periods beginning after June 15, 2021, as postponed by GASB 95.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* (GASB 93). The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). 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 are effective for reporting periods beginning after June 15, 2020.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2020

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

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this statement is to improve financial reporting by addressing issues related to, and providing specific guidance for, public-private and public-public partnership arrangements and availability payment arrangements. The guidance provided by the statement applies to arrangements that do not meet the definitions of a lease and service concession arrangement. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITA) including the definition of a SBITA, establishment of a right-to-use subscription asset and related liability, providing capitalization criteria and requiring note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, and amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* (GASB 97). This statement has three objectives (1) to increase consistency and comparability related 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) to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans (OPEB), and employee benefit plans other than pensions plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) to enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. Certain requirements of this statement are effective immediately and certain requirements are effective for reporting periods beginning after June 15, 2021.

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

### **Note 13 - Subsequent Events**

In August 2020, the Village refunded \$2,720,000 in Series 2011 bonds through the issuance of \$2,525,000 in refunding bonds at a premium of \$320,618. The 2020 refunding bonds will be repaid over a period of 5 years at an interest rate of 5%. The refunding bonds are expected to result in a net present value cash flow savings of \$164,755.



# 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, 2020 |                     |                     |  |
|--|-------------------------|---------------------|---------------------|--|
|  | Original<br>Budget      | Modified<br>Budget  | Actual              | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>                                  |                         |                     |                     |  |
| Real property taxes                              | \$ 13,230,394           | \$ 13,230,394       | \$ 13,224,637       | \$ (5,757)                             |
| Real property tax items                          | 50,000                  | 50,000              | 72,374              | 22,374                                 |
| Non-property taxes                               | 2,010,000               | 2,010,000           | 2,642,109           | 632,109                                |
| Departmental revenues                            | 1,138,500               | 1,138,500           | 1,115,660           | (22,840)                               |
| Intergovernmental charges                        | 85,000                  | 85,000              | 295,836             | 210,836                                |
| Use of money and property                        | 95,000                  | 95,000              | 256,490             | 161,490                                |
| Licenses and permits                             | 495,700                 | 495,700             | 501,854             | 6,154                                  |
| Fines and forfeitures                            | 300,000                 | 300,000             | 297,625             | (2,375)                                |
| Sale of property and compensation for loss       | 2,000                   | 7,965               | 85,206              | 77,241                                 |
| Miscellaneous local sources                      | 8,000                   | 8,000               | 127,864             | 119,864                                |
| State aid  | 239,132                 | 239,132             | 248,683             | 9,551                                  |
| Federal aid                                      | -                       | -                   | 11,450              | 11,450                                 |
| Total revenues                                   | 17,653,726              | 17,659,691          | 18,879,788          | 1,220,097                              |
| <b>EXPENDITURES</b>                              |                         |                     |                     |  |
| General government support                       | 3,215,843               | 3,155,250           | 2,985,705           | 169,545                                |
| Public safety                                    | 4,899,406               | 4,971,675           | 4,789,900           | 181,775                                |
| Health   | 11,400                  | 11,387              | 8,519               | 2,868                                  |
| Transportation                                   | 1,134,389               | 1,173,588           | 974,615             | 198,973                                |
| Culture and recreation                           | 1,365,461               | 1,453,203           | 1,276,059           | 177,144                                |
| Home and community services                      | 1,288,503               | 1,327,628           | 1,230,122           | 97,506                                 |
| Employee benefits                                | 4,889,736               | 4,772,703           | 4,648,610           | 124,093                                |
| Total expenditures                               | 16,804,738              | 16,865,434          | 15,913,530          | 951,904                                |
| <b>Excess of revenues over expenditures</b>      | <b>848,988</b>          | <b>794,257</b>      | <b>2,966,258</b>    | <b>2,172,001</b>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>            |                         |                     |                     |  |
| Transfers in                                     | 300,000                 | 300,000             | -                   | (300,000)                              |
| Transfers out                                    | (2,238,988)             | (2,288,740)         | (2,288,740)         | -                                      |
| <b>Total other financing sources (uses)</b>      | <b>(1,938,988)</b>      | <b>(1,988,740)</b>  | <b>(2,288,740)</b>  | <b>(300,000)</b>                       |
| <b>Net change in fund balance/(appropriated)</b> | <b>(1,090,000)</b>      | <b>(1,194,483)</b>  | <b>677,518</b>      | <b>\$ 1,872,001</b>                    |
| <b>FUND BALANCE, beginning of year</b>           | 5,676,524               | 5,676,524           | 5,676,524           |  |
| <b>FUND BALANCE, end of year</b>                 | <b>\$ 4,586,524</b>     | <b>\$ 4,482,041</b> | <b>\$ 6,354,042</b> |  |

See Independent Auditor's Report.

## Village of Dobbs Ferry, New York

### Required Supplementary Information Schedule of Other Postemployment Benefits Liability

|   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
| <i>Beginning of year</i>                              | \$ 45,045,324     | \$ 43,322,533     |
| Changes for the year                                  |                   |                   |
| Service cost  | 1,045,386         | 957,314           |
| Interest  | 1,358,753         | 1,305,237         |
| Differences between expected<br>and actual experience | (2,321,489)       | 515,998           |
| Change in assumptions                                 | 2,840,846         | -                 |
| Benefit payments                                      | (992,086)         | (1,055,758)       |
| Net changes   | 1,931,410         | 1,722,791         |
| <br><i>End of year</i>                                | <br>\$ 46,976,734 | <br>\$ 45,045,324 |
| Covered payroll                                       | \$ 7,304,472      | \$ 7,351,072      |
| OPEB liability as a percentage of covered payroll     | 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,        |              |            |              |              |
|--|----------------|--------------|------------|--------------|--------------|
|  | 2020           | 2019         | 2018       | 2017         | 2016         |
| Village's proportion of the net pension liability  | 0.0112273%     | 0.0110093%   | 0.0108872% | 0.0095718%   | 0.0113742%   |
| Village's proportionate share of the net pension liability   | \$ 2,973,046   | \$ 780,045   | \$ 351,377 | \$ 899,387   | \$ 1,825,589 |
| Village's covered-employee payroll   | 3,479,347      | 3,702,950    | 3,424,287  | 3,082,335    | 3,127,105    |
| Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 85.45%         | 21.07%       | 10.26%     | 29.18%       | 58.38%       |
| Plan fiduciary net position as a percentage of the total pension liability                                 | 86.39%         | 96.27%       | 98.20%     | 94.70%       | 90.70%       |
|  | <b>May 31,</b> |              |            |              |              |
| PFRS   | 2020           | 2019         | 2018       | 2017         | 2016         |
|  | 2020           | 2019         | 2018       | 2017         | 2016         |
| Village's proportion of the net pension liability  | 0.0916791%     | 0.0902504%   | 0.0984666% | 0.1009137%   | 0.0966558%   |
| Village's proportionate share of the net pension liability   | \$ 4,900,191   | \$ 1,513,556 | \$ 995,257 | \$ 2,091,590 | \$ 2,861,773 |
| Village's covered-employee payroll   | 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 | 141.49%        | 43.77%       | 29.11%     | 55.04%       | 77.44%       |
| Plan fiduciary net position as a percentage of the total pension liability                                 | 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.*

*See Independent Auditor's Report.*

## Village of Dobbs Ferry, New York

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

| ERS  | May 31,        |            |            |            |            |
|--|----------------|------------|------------|------------|------------|
|  | 2020           | 2019       | 2018       | 2017       | 2016       |
| Contractually required contribution                                  | \$ 491,113     | \$ 491,749 | \$ 519,313 | \$ 475,836 | \$ 659,011 |
| Contributions in relation to the contractually required contribution | (491,113)      | (491,749)  | (519,313)  | (475,836)  | (659,011)  |
| Contribution deficiency (excess)                                     | -              | -          | -          | -          | -          |
| Village's covered-employee payroll                                   | 3,479,347      | 3,702,950  | 3,424,287  | 3,082,335  | 3,127,105  |
| Contributions as a percentage of covered-employee payroll            | 14.12%         | 13.28%     | 15.17%     | 15.44%     | 21.07%     |
|  | <b>May 31,</b> |            |            |            |            |
| PFRS   | 2020           | 2019       | 2018       | 2017       | 2016       |
|  | 2020           | 2019       | 2018       | 2017       | 2016       |
| Contractually required contribution                                  | \$ 767,071     | \$ 749,229 | \$ 795,603 | \$ 767,071 | \$ 925,722 |
| Contributions in relation to the contractually required contribution | (767,071)      | (749,229)  | (795,603)  | (767,071)  | (925,722)  |
| Contribution deficiency (excess)                                     | -              | -          | -          | -          | -          |
| Village's covered-employee payroll                                   | 3,463,339      | 3,457,757  | 3,419,229  | 3,800,421  | 3,695,330  |
| Contributions as a percentage of covered-employee payroll            | 22.15%         | 21.67%     | 23.27%     | 20.18%     | 25.05%     |

*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

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

|   | <b>Ambulance - LOSAP</b> |              |              |
|---|--------------------------|--------------|--------------|
| <b>Measure date as of December 31,</b>                            | <b>2019</b>              | <b>2018</b>  | <b>2017</b>  |
| <b>Total Pension Liability</b>                                    |                          |              |              |
| Service cost  | \$ 15,058                | \$ 15,469    | \$ 18,289    |
| Interest  | 19,545                   | 18,374       | 19,654       |
| Changes of assumptions or other inputs                            | 40,191                   | (51,843)     | 55,911       |
| Differences between expected and actual experience                | (15,074)                 | (12,546)     | (30,452)     |
| Benefit payments  | (17,957)                 | (9,143)      | (8,663)      |
| Net change in total pension liability                             | 41,763                   | (39,689)     | 54,739       |
| <b>Total pension liability - beginning of year</b>                | 530,862                  | 570,551      | 515,812      |
| <b>Total pension liability - end of year</b>                      | \$ 572,625               | \$ 530,862   | \$ 570,551   |
| <b>Covered Payroll</b>  | None                     | None         | None         |
| <b>Total pension liability as a percentage of covered payroll</b> | N/A                      | N/A          | N/A          |
|   | <b>Fire LOSAP</b>        |              |              |
| <b>Measure date as of December 31,</b>                            | <b>2019</b>              | <b>2018</b>  | <b>2017</b>  |
| <b>Total Pension Liability</b>                                    |                          |              |              |
| Service cost  | \$ 46,552                | \$ 54,746    | \$ 48,063    |
| Interest  | 96,538                   | 88,274       | 94,709       |
| Changes of assumptions or other inputs                            | 145,590                  | (184,476)    | 208,756      |
| Differences between expected and actual experience                | 46,129                   | 13,484       | 12,785       |
| Benefit payments  | (108,240)                | (102,020)    | (158,640)    |
| Net change in total pension liability                             | 226,569                  | (129,992)    | 205,673      |
| <b>Total pension liability - beginning of year</b>                | 2,659,741                | 2,789,733    | 2,584,060    |
| <b>Total pension liability - end of year</b>                      | \$ 2,886,310             | \$ 2,659,741 | \$ 2,789,733 |
| <b>Covered Payroll</b>  | None                     | None         | None         |
| <b>Total pension liability as a percentage of covered payroll</b> | N/A                      | N/A          | N/A          |

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

# Village of Dobbs Ferry, New York

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

|                           | May 31, 2020      |                   |                             |
|---------------------------|-------------------|-------------------|-----------------------------|
|                           | Library           | Special<br>Grant  | Total Other<br>Governmental |
| <b>ASSETS</b>             |                   |                   |                             |
| Cash and cash equivalents | \$ 423,559        | \$ -              | \$ 423,559                  |
| Receivables               |                   |                   |                             |
| Accounts                  | 155               | -                 | 155                         |
| State and Federal aid     | -                 | 103,583           | 103,583                     |
|                           | <b>\$ 423,714</b> | <b>\$ 103,583</b> | <b>\$ 527,297</b>           |
| <b>LIABILITIES</b>        |                   |                   |                             |
| Accounts payable          | \$ 18,839         | 5,559             | \$ 24,398                   |
| Accrued expenses          | 8,016             | -                 | 8,016                       |
| Due to other funds        | 180,743           | 98,024            | 278,767                     |
|                           | 207,598           | 103,583           | 311,181                     |
| <b>FUND BALANCES</b>      |                   |                   |                             |
| Assigned                  | 216,116           | -                 | 216,116                     |
|                           | <b>\$ 423,714</b> | <b>\$ 103,583</b> | <b>\$ 527,297</b>           |

# 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, 2020 |                  |                   |
|---|-------------------------|------------------|-------------------|
|   | Library                 | Special<br>Grant | Total             |
| <b>REVENUES</b>                                 |                         |                  |                   |
| Real property taxes                             | \$ 705,260              | \$ -             | \$ 705,260        |
| Departmental revenues                           | 6,200                   | -                | 6,200             |
| Use of money and property                       | 9,638                   | -                | 9,638             |
| Miscellaneous local sources                     | 11,255                  | -                | 11,255            |
| State aid                                       | 2,870                   | -                | 2,870             |
| Federal aid                                     | -                       | 98,412           | 98,412            |
| Total revenues                                  | 735,223                 | 98,412           | 833,635           |
| <b>EXPENDITURES</b>                             |                         |                  |                   |
| Health  | -                       | 98,093           | 98,093            |
| Culture and recreation                          | 614,865                 | -                | 614,865           |
| Employee benefits                               | 132,550                 | 319              | 132,869           |
| Total expenditures                              | 747,415                 | 98,412           | 845,827           |
| <b>Deficiency of revenues over expenditures</b> | <b>(12,192)</b>         | -                | <b>(12,192)</b>   |
| <b>FUND BALANCES, <i>beginning of year</i></b>  | 228,308                 | -                | 228,308           |
| <b>FUND BALANCES, <i>end of year</i></b>        | <b>\$ 216,116</b>       | <b>\$ -</b>      | <b>\$ 216,116</b> |