

**Village of Dobbs Ferry, New York**

Financial Report

May 31, 2021

# Village of Dobbs Ferry, New York

## Financial Report

May 31, 2021

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Dobbs Ferry, New York (Village) as of and for the year ended May 31, 2021, 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 business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village as of May 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1.p. to the financial statements, in the year ended May 31, 2021, the Village adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

### **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 4 to 12 and the required supplementary information listed in the accompanying table of contents on pages 60 to 64 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 February 15, 2022, 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  
February 15, 2022



# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2021

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, 2021, 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 \$31.9 million. Of this amount, \$14.3 million represents the Village's net investment in capital assets (net capital assets, less long-term liabilities used to acquire capital assets), and \$623 thousand was restricted for special purposes. The remaining amount, which represents an unrestricted deficit, was \$46.9 million. This deficit resulted primarily from the accrual of certain operating liabilities, which will be satisfied in future years, including compensated absences, other postemployment benefits (OPEB), length of service award program obligations (LOSAP), net pension liabilities, and the financing of judgments and claims through bond proceeds.
- For the year ended May 31, 2021, the Village implemented the provisions of GASB Statement No. 84, *Fiduciary Activities* (GASB 84). The Village now reports its fiduciary activities in the Custodial Fund as compared to the Trust and Agency Fund in the prior year. The Custodial Fund's financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. Additionally, some assets and liabilities previously reported in the Trust and Agency Fund are now reported in the Village's General Fund. There was no fund balance impact to the General Fund as a result of adoption GASB 84.
- On March 10, 2020, the Board of Trustees adopted Local Law 2-2020, which established a sewer rent charge to consumers within the Village based on water use. The proceeds from the sewer rents are used for the operation, maintenance, repairs, replacement and equipment of the Village's sanitary sewer system. Effective July 1, 2020, the Village began accounting for all activities associated with the sanitary sewer system in an enterprise fund.
- The Village's total net position increased by \$938 thousand in 2021, from (\$32.9) million as of May 31, 2020. The total increase in net position is driven by a \$314 thousand increase in governmental activities, relatively consistent with the increase in total governmental fund balance, and an increase of \$624 thousand for the Village's enterprise fund. Changes in long-term assets and liabilities in the governmental funds adversely impacted net position by \$203 thousand.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$10.5 million. Of this amount, \$7.0 million of the fund balance was classified as nonspendable, restricted, or assigned for specific purposes. The remaining amount, \$3.5 million, was unassigned and available for spending at the Village's discretion. The combined ending fund balances of \$10.5 million at May 31, 2021, were \$517 greater than the amount reported in the prior year. This increase is primarily due to the Village's surplus in the General Fund.

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2021

### Financial Highlights - Continued

- At the end of the current fiscal year, unassigned fund balance for the General Fund, \$3.5 million, was 19.2% of total General Fund expenditures and debt service related operating transfers of \$18.5 million.
- As of May 31, 2021, the Village had outstanding general obligation bonds of \$13,175,000, a reduction of \$2,055,000 from the previous year.

### Overview of the Financial Statements

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

### Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes, depreciation expense, and earned but unused vacation leave and other postemployment benefit obligations (OPEB)).

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services, and interest. The business-type activities include the Village sanitary sewer system which is principally supported by charges to the users based on water consumption.

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

### Fund Financial Statements

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

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2021

### Fund Financial Statements - Continued

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

Enterprise Fund. The enterprise fund is used to account for Village's sewer rent program established under Local Law No. 2-2020, which amends Chapter 256 of the Code of the Village of Dobbs Ferry. Sewer rents are charged to real property owners based on water consumption. Proceeds from the sewer rents are used to operate, maintain, repair and improve the Village's sanitary sewer system.

Fiduciary Fund. The fiduciary fund is used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Village programs. The Village maintains only one type of fiduciary fund that is known as a custodial fund. The Village holds resources in this fund purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization, or government.

### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. As such, the notes are an integral part of the basic financial statements and should be read in conjunction with the financial statements. The notes to the financial statements are located following the basic financial statements section of this report.

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2021

### Other Information

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

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

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village, governmental activity liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$30.7 million at the close of the 2021 fiscal year, an increase of \$2.2 million from the prior fiscal year.

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

	Governmental Activities			
	2021	2020	\$ Change	% Change
<b>ASSETS</b>				
Current assets	\$ 12,992,257	\$ 11,288,970	\$ 1,703,287	15.09%
Capital assets, net	25,749,847	25,623,617	126,230	0.49%
Total assets	<u>38,742,104</u>	<u>36,912,587</u>	<u>1,829,517</u>	<u>4.96%</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>17,549,500</u>	<u>8,620,883</u>	<u>8,928,617</u>	<u>103.57%</u>
<b>LIABILITIES</b>				
Current liabilities	4,469,361	2,975,352	1,494,009	50.21%
Long-term liabilities	73,636,469	72,919,399	717,070	0.98%
Total liabilities	<u>78,105,830</u>	<u>75,894,751</u>	<u>2,211,079</u>	<u>2.91%</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>10,740,878</u>	<u>2,500,698</u>	<u>8,240,180</u>	<u>329.52%</u>
<b>NET POSITION</b>				
Net investment in capital assets	14,266,711	12,238,908	2,027,803	16.57%
Restricted	622,982	666,962	(43,980)	-6.59%
Unrestricted (deficit)	<u>(47,444,797)</u>	<u>(45,767,849)</u>	<u>(1,676,948)</u>	<u>3.66%</u>
<b>Total net position</b>	<u><b>\$ (32,555,104)</b></u>	<u><b>\$ (32,861,979)</b></u>	<u><b>\$ 306,875</b></u>	<u><b>-0.93%</b></u>

The largest portion of the Village's governmental activities net position is the unrestricted deficit, which is primarily driven by the reporting of OPEB liabilities on the accrual basis of accounting. Total OPEB liability net of deferred outflows and inflows of resources at May 31, 2021 was \$48.4 million, an increase of \$2.3 million from the prior year. Other long-term liabilities contributing to the unrestricted deficit include \$1.2 million in judgment and claims bonds, \$1.8 million in LOSAP liabilities net of deferred outflows/inflows and restricted LOSAP assets, \$2.9 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.



# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2021

### Government-Wide Financial Analysis - Continued

The second largest component of the Village's governmental activities net position is the investment in capital assets (land, buildings and improvements, infrastructure, machinery and equipment, and construction-in-progress), less any related debt outstanding that was used to acquire those assets, \$14.3 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.

The Village's business-type activities consisted solely of the sewer fund, which began charging customers via a sewer rent for sanitary sewer services in the current fiscal year. The Sewer Fund's operating results generated an increase in net position of \$538 thousand. Other income and capital asset transfers from the governmental activities resulted in an additional increase in net position of \$85,664.

A portion of the Village's net position at May 31, 2021, \$623 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, 2021 and 2020**

	Governmental Activities			
	2021	2020	\$ Change	% Change
<b>REVENUES</b>				
Program revenues				
Charges for services	\$ 1,712,119	\$ 2,190,239	\$ (478,120)	-21.83%
Operating grants and contributions	104,295	202,910	(98,615)	-48.60%
Capital grants and contributions	434,341	561,793	(127,452)	-22.69%
General revenues				
Real property tax and related tax items	14,424,154	13,938,804	485,350	3.48%
Real property tax items	51,496	72,374	(20,878)	-28.85%
Sales and use taxes	3,022,884	2,642,109	380,775	14.41%
Use of money and property	451,525	314,796	136,729	43.43%
Sale of property and compensation for loss	76,583	85,206	(8,623)	-10.12%
Unrestricted state aid	316,616	245,728	70,888	28.85%
Miscellaneous local sources	111,721	34,342	77,379	225.32%
Total revenues	<u>20,705,734</u>	<u>20,288,301</u>	<u>417,433</u>	<u>2.06%</u>
<b>EXPENSES</b>				
General government support	3,423,651	3,160,444	263,207	8.33%
Public safety	9,346,270	9,250,920	95,350	1.03%
Health	86,262	106,612	(20,350)	-19.09%
Transportation	2,211,924	1,945,975	265,949	13.67%
Culture and recreation	3,134,694	3,624,248	(489,554)	-13.51%
Home and community services	1,735,988	1,992,382	(256,394)	-12.87%
Interest on long-term debt	421,358	393,216	28,142	7.16%
Total expenses	<u>20,360,147</u>	<u>20,473,797</u>	<u>(113,650)</u>	<u>-0.56%</u>
Transfer to Sewer Fund	(38,712)	-	(38,712)	-
<b>CHANGES IN NET POSITION</b>	<b>306,875</b>	<b>(185,496)</b>	<b>492,371</b>	<b>265.43%</b>
<b>NET POSITION, beginning of year</b>	<u>(32,861,979)</u>	<u>(32,676,483)</u>	<u>(185,496)</u>	<u>0.57%</u>
<b>NET POSITION, end of year, as restated</b>	<u><b>\$ (32,555,104)</b></u>	<u><b>\$ (32,861,979)</b></u>	<u><b>\$ 306,875</b></u>	<u><b>-0.93%</b></u>

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2021

### Governmental Activities

During 2021, governmental activities increased the Village's net position by \$314 thousand, which is relatively consistent with the governmental fund balance increase of \$517 thousand.

For the fiscal year ended May 31, 2021, revenues from governmental activities totaled \$20.7 million, an increase of \$417 thousand, or 2.1%, over prior year revenues of \$20.3 million. Tax revenues of \$17.5 million, comprised of real property taxes, real property tax items, and sales and use taxes, represented the largest revenue source at 84.5%. Tax revenues in the prior year totaled \$16.7 million and represented 82.1% of total 2020 revenues.

Charges for services revenues in 2021, the second largest revenue source, totaled \$1.7 million and represented 8.3% of total revenues. In 2020, this revenue source was \$2.2 million, which was 10.8% of total revenues.

Expenses incurred by governmental activities of the Village in 2021 totaled \$20.4 million, which is relatively consistent with the prior year. The largest components of governmental activities' expenses were public safety (45.9%), culture and recreation (15.4%), and general government support (16.8%). This was similar to last year when the largest components of government activities' expenses were public safety (45.2%), culture and recreation (17.7%), and general government support (15.4%).

### 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.

### 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 \$10.5 million, a net increase of \$517 from the prior year amount of \$10.0 million.

The restricted fund balance component of \$3.8 million at May 31, 2021 (\$3.1 million in 2020) 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 \$3.1 million at the end of 2021 (\$3.7 million in 2020) consists of amounts set aside for purchases on order, and subsequent year expenditures. The remainder of the fund balance at May 31, 2021, \$3.2 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 \$3,584,166 representing 51.0% of the total General Fund balance of \$7,030,050. 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 19.4% unassigned fund balance to total expenditures and other financing uses of \$18,450,500 (excludes capital related transfers), up from 17.8% at the end of 2020.

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2021

### **Governmental Funds - Continued**

#### General Fund - Continued

When the fiscal 2021 General Fund budget was adopted, it included the use of \$889,250 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 \$2,978,688 for the year. For the 2021 year, actual results of operations resulted in a surplus balance of \$668,826 which was favorable from the decrease anticipated in the modified budget by \$2.1 million.

Actual revenues and other financing sources of \$19,314,455 were \$807,838 more than the final budget. All of the Village's revenues exceeded their budgeted amounts, excluding real property taxes which fell \$134,638 below budget.

Actual expenditures and other financing uses of \$18,645,629 were \$1,289,162 less than the final budget. While all expenditure budgeted line items favored positively, significant expenditure variances were for public safety (\$326,657) and general government support (\$220,496) and culture and recreation (\$525,350).

Debt Service Fund - The Debt Service Fund ended its fiscal year with a fund balance of \$720,960, an increase of \$77,309 from the prior year, due primarily to operating transfers in exceeding debt service expenditures.

Capital Projects Fund - The Capital Projects Fund ended its 2021 fiscal year with a fund balance of \$1,880,266, compared to a prior year fund balance of \$2,141,770. The Village received a capital grant from the State of New York for \$324,554 to be used at the community center. Additional project expenditures include the Cedar street repair, pool equipment, and fire equipment gear.

Other Governmental Funds - The Village Other Governmental Funds consist of the Library, Special Purpose and Special Grant. The Library generated a surplus of \$69 thousand, which is attributed to reduced operating and employee benefit expenditures. The Special Purpose Fund generated a deficit of \$44,000, largely due to a transfer to the General Fund in the amount of \$47,000.

### **Capital Asset and Debt Administration**

#### *Capital Assets*

The Village's investment in capital assets for governmental activities at May 31, 2021, net of \$14,270,527 of accumulated depreciation, was \$22,847,004. 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 (\$194 thousand), the Embassy refurbishment project (\$403 thousand) and the Cedar Street Stair Project (\$108 thousand).

# Village of Dobbs Ferry, New York

## Management's Discussion and Analysis May 31, 2021

### Capital Asset and Debt Administration - Continued

#### Capital Assets - Continued

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

	Governmental Activities	
	2021	2020
Land	\$ 1,183,394	\$ 1,183,394
Construction-in-progress	5,563,968	7,297,802
Building and Improvements	5,452,650	5,648,693
Machinery and equipment	10,484,210	8,181,965
Infrastructure	3,065,625	3,311,763
Total capital assets, net of accumulated depreciation	<u>\$ 25,749,847</u>	<u>\$ 25,623,617</u>

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

#### Long-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$13,175,000. As required by New York State law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

During the year, the Village retired \$1,860,000 of general obligation debt from budgetary appropriations and an additional \$195,000 in general obligation debt through a debt refunding transaction.

In August of 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 bond resulted in a net present value cash flow savings of \$164,755.

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

Known as the "constitutional debt limit," and pursuant to New York State Local Finance Law, the Village must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. As of May 31, 2021, the Village had exhausted 32.77% of its constitutional debt limit and had the authority to issue an additional \$26.7 million of general obligation long-term debt.

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

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

## **Management's Discussion and Analysis**

**May 31, 2021**

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

In the 2022 General Fund adopted budget, the Village assigned \$1,122,919 of fund balance for spending in fiscal 2022, which includes \$233,669 for open purchase orders. The real property tax rate for the 2022 Village General Fund is \$7.09 per \$1,000 of taxable assessed value, which is an increase from 6.92% per \$1,000 of taxable assessed value in the prior year. The real property tax levy increased by 3.63% from 2020 to 2021. The 2022 adopted budget was within the property tax levy limitations. No local law was considered to authorize an override of the property tax levy limitations.

### **Requests for Information**

This financial report is designed to provide a general overview of the Village of Dobbs Ferry, New York's finances for all those who are interested. Questions and comments concerning any of the information provided in this report should be addressed to Jeff Chuhta, Village Treasurer, Village of Dobbs Ferry, 112 Main Street, Dobbs Ferry, New York 10522.

# Village of Dobbs Ferry, New York

## Statement of Net Position

	May 31, 2021			Component
	Primary Government		Total	Unit
	Governmental Activities	Business-Type Activities		December 31, 2020
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,260,586	\$ 275,521	\$ 8,536,107	\$ 60,050
Cash and cash equivalents, restricted	1,045,733	-	1,045,733	-
Investments, restricted	2,322,965	-	2,322,965	-
Receivables				
Accounts	236,674	292,938	529,612	2,000
Taxes, net	585,888	-	585,888	-
Other governments	370,839	-	370,839	-
State and Federal aid	159,712	-	159,712	-
Internal balances	9,860	(9,860)	-	-
Due from Village	-	-	-	1,000
Capital assets, net				
Non-depreciable	6,747,362	-	6,747,362	-
Depreciable	19,002,485	77,157	19,079,642	-
Total assets	<u>38,742,104</u>	<u>635,756</u>	<u>39,377,860</u>	<u>63,050</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts on bond refunding	194,358	-	194,358	-
Pension, OPEB and LOSAP deferrals	17,355,142	-	17,355,142	-
Total deferred outflows of resources	<u>17,549,500</u>	<u>-</u>	<u>17,549,500</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>56,291,604</u>	<u>635,756</u>	<u>56,927,360</u>	<u>63,050</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	991,155	11,564	1,002,719	
Interest payable	115,521	-	115,521	-
Due to retirement system	294,683	-	294,683	-
Escrow deposits	332,289	-	332,289	-
Unearned revenue	309,004	-	309,004	-
Long-term liabilities				
Due within one year	2,426,709	-	2,426,709	-
Due in more than one year				
Bonds payable	11,378,470	-	11,378,470	-
Compensated absences	1,035,862	-	1,035,862	-
Net pension liability	1,764,226	-	1,764,226	-
Length of service award programs	4,143,306	-	4,143,306	-
Other postemployment benefits	55,314,605	-	55,314,605	-
Total liabilities	<u>78,105,830</u>	<u>11,564</u>	<u>78,117,394</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension, OPEB and LOSAP deferrals	10,740,878	-	10,740,878	-
Total liabilities and deferred inflows of resources	<u>88,846,708</u>	<u>11,564</u>	<u>88,858,272</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	14,266,711	77,157	14,343,868	-
Restricted for				
Special purposes	622,982	-	622,982	-
Unrestricted (deficit)	<u>(47,444,797)</u>	<u>547,035</u>	<u>(46,897,762)</u>	<u>63,050</u>
Total net position	<u>\$ (32,555,104)</u>	<u>\$ 624,192</u>	<u>\$ (31,930,912)</u>	<u>\$ 63,050</u>

See accompanying Notes to Financial Statements.

# Village of Dobbs Ferry, New York

## Statement of Activities

Year Ended May 31, 2021								
Functions/Programs	Program Revenue				Net (Expenses) Revenues and Changes in Net Position			Component Unit Year Ended December 31, 2020
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activites	Total	
<b>PRIMARY GOVERNMENT</b>								
<i>GOVERNMENTAL ACTIVITIES</i>								
General government support	\$ 3,423,651	\$ 24,088	\$ 1,850	\$ 48,157	(3,349,556)	\$ -	\$ (3,349,556)	\$ -
Public safety	9,346,270	867,822	-	-	(8,478,448)	-	(8,478,448)	-
Health	86,262	-	79,224	-	(7,038)	-	(7,038)	-
Transportation	2,211,924	156,188	66	61,630	(1,994,040)	-	(1,994,040)	-
Culture and recreation	3,134,694	72,888	-	324,554	(2,737,252)	-	(2,737,252)	-
Home and community services	1,735,988	591,133	23,155	-	(1,121,700)	-	(1,121,700)	-
Interest on long-term debt	421,358	-	-	-	(421,358)	-	(421,358)	-
Total governmental activities	<u>20,360,147</u>	<u>1,712,119</u>	<u>104,295</u>	<u>434,341</u>	<u>(18,109,392)</u>	-	<u>(18,109,392)</u>	-
<i>BUSINESS TYPE ACTIVITIES</i>								
Sewer Fund	<u>128,881</u>	<u>667,409</u>	-	-	-	538,528	538,528	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<u><b>\$ 20,489,028</b></u>	<u><b>\$ 2,379,528</b></u>	<u><b>\$ 104,295</b></u>	<u><b>\$ 434,341</b></u>	<u><b>(18,109,392)</b></u>	<u><b>538,528</b></u>	<u><b>(17,570,864)</b></u>	-
<b>COMPONENT UNIT</b>								
Local Development Corporation, December 31, 2020	<u><b>\$ 3,821</b></u>	<u><b>\$ 2,000</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>				<u><b>(1,821)</b></u>
General revenues								
Real property taxes					14,424,154	2,005	14,426,159	-
Real property tax items					51,496	-	51,496	-
Sales and use taxes					3,022,884	-	3,022,884	-
Use of money and property					451,525	110	451,635	330
Sale of property and compensation for loss					76,583	-	76,583	-
Miscellaneous local sources					111,721	44,837	156,558	-
Unrestricted State aid					316,616	-	316,616	-
Total general revenues					<u>18,454,979</u>	<u>46,952</u>	<u>18,501,931</u>	<u>330</u>
Transfer to Sewer Fund					<u>(38,712)</u>	<u>38,712</u>	-	-
<b>CHANGES IN NET POSITION</b>					<b>306,875</b>	<b>624,192</b>	<b>931,067</b>	<b>(1,491)</b>
<b>NET POSITION, beginning of year</b>					<u>(32,861,979)</u>	-	<u>(32,861,979)</u>	<u>64,541</u>
<b>NET POSITION, end of year</b>					<u><b>\$ (32,555,104)</b></u>	<u><b>\$ 624,192</b></u>	<u><b>\$ (31,930,912)</b></u>	<u><b>\$ 63,050</b></u>

See accompanying Notes to Financial Statements.

# Village of Dobbs Ferry, New York

## Balance Sheet - Governmental Funds

May 31, 2021

	Major Funds				Eliminations	Total
	General	Debt Service	Capital Projects	Other Governmental		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,483,121	\$ 300,000	\$ 2,096,256	\$ 381,209	\$ -	\$ 8,260,586
Cash and cash equivalents, restricted	-	420,960	-	624,773	-	1,045,733
Investments, restricted	2,322,965	-	-	-	-	2,322,965
Receivables						
Accounts	236,674	-	-	-	-	236,674
Taxes, net	585,888	-	-	-	-	585,888
Other governments	370,839	-	-	-	-	370,839
State and Federal aid	108,484	-	50,340	888	-	159,712
Due from other funds	103,901	-	-	-	(94,031)	9,870
	<b>\$ 9,211,872</b>	<b>\$ 720,960</b>	<b>\$ 2,146,596</b>	<b>\$ 1,006,870</b>	<b>\$ (94,031)</b>	<b>\$ 12,992,267</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 295,943	\$ -	\$ 214,144	\$ 10,695	\$ -	\$ 520,782
Accrued expenses	424,445	-	-	45,928	-	470,373
Escrow deposits	332,289	-	-	-	-	332,289
Due to other funds	-	-	52,166	41,875	(94,031)	10
Due to retirement system	294,683	-	-	-	-	294,683
Unearned revenue	309,004	-	-	-	-	309,004
	<b>1,656,364</b>	<b>-</b>	<b>266,310</b>	<b>98,498</b>	<b>(94,031)</b>	<b>1,927,141</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>532,640</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>532,640</b>
<b>FUND BALANCES</b>						
Restricted	2,322,965	420,960	466,219	622,982	-	3,833,126
Assigned	1,122,919	300,000	1,414,067	285,390	-	3,122,376
Unassigned	3,576,984	-	-	-	-	3,576,984
Total fund balances	<b>7,022,868</b>	<b>720,960</b>	<b>1,880,286</b>	<b>908,372</b>	<b>-</b>	<b>10,532,486</b>
	<b>\$ 9,211,872</b>	<b>\$ 720,960</b>	<b>\$ 2,146,596</b>	<b>\$ 1,006,870</b>	<b>\$ (94,031)</b>	<b>\$ 12,992,267</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

	<b>May 31, 2021</b>
Total fund balances in the fund financial statements for the governmental funds	\$ 10,532,486
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.	25,749,847
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	194,358
Deferred outflows - pension deferrals	7,720,361
Deferred outflows - OPEB	8,529,705
Deferred outflows - LOSAPs	1,105,076
Deferred inflows - pension deferrals	(8,825,491)
Deferred inflows - OPEB	(1,658,207)
Deferred inflows - LOSAPs	(257,180)
Real property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	532,640
Some liabilities (listed below) are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(13,175,000)
Unamortized bond premiums	(526,179)
Other postemployment benefits	(55,314,605)
Net pension liability	(1,764,226)
Length of service award programs	(4,143,306)
Compensated absences	(1,139,862)
Interest payable	(115,521)
<b>Total net position</b>	<b><u>\$ (32,555,104)</u></b>

# Village of Dobbs Ferry, New York

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

	Year Ended May 31, 2021					
	Major Funds			Other Governmental	Eliminations	Total
	General	Debt Service	Capital Projects			
<b>REVENUES</b>						
Real property taxes	\$ 13,536,147		\$ -	\$ 740,790	\$ -	\$ 14,276,937
Real property tax items	51,496		-	-	-	51,496
Non-property taxes	3,022,884		-	-	-	3,022,884
Departmental revenues	282,794		-	10,605	-	293,399
Intergovernmental charges	557,475		-	-	-	557,475
Use of money and property	442,347	6,054	-	3,124	-	451,525
Licenses and permits	575,713		-	-	-	575,713
Fines and forfeitures	321,213		-	-	-	321,213
Sale of property and compensation for loss	76,583		-	-	-	76,583
Miscellaneous local sources	204,968		12,790	13,785	-	231,543
State aid	242,769		374,894	2,796	-	620,459
Federal aid	66		-	79,224	-	79,290
Total revenues	<u>19,314,455</u>	<u>6,054</u>	<u>387,684</u>	<u>850,324</u>	<u>-</u>	<u>20,558,517</u>
<b>EXPENDITURES</b>						
General government support	2,539,841		-	-	-	2,539,841
Public safety	5,295,379	-	-	-	-	5,295,379
Health	7,318	-	-	78,944	-	86,262
Transportation	1,289,263	-	-	-	-	1,289,263
Culture and recreation	959,612	-	-	598,365	-	1,557,977
Home and community services	1,151,555	-	-	-	-	1,151,555
Employee benefits	4,995,980	-	-	100,621	-	5,096,601
Capital outlays	-	-	812,960	-	-	812,960
Debt service						
Principal	-	1,860,000	-	-	-	1,860,000
Interest	-	358,734	-	-	-	358,734
Total expenditures	<u>16,238,948</u>	<u>2,218,734</u>	<u>812,960</u>	<u>777,930</u>	<u>-</u>	<u>20,048,572</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u><b>3,075,507</b></u>	<u><b>(2,212,680)</b></u>	<u><b>(425,276)</b></u>	<u><b>72,394</b></u>	<u><b>-</b></u>	<u><b>509,945</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from refunding bonds		2,525,000				2,525,000
Premiums on refunding bonds		320,618				320,618
Bond issuance costs		(76,486)				(76,486)
Payments made to escrow agent		(2,769,132)				(2,769,132)
Operating transfers in	-	2,289,989	235,047	-	(2,525,036)	-
Operating transfers out	(2,406,681)	-	(71,255)	(47,100)	2,525,036	-
	<u>(2,406,681)</u>	<u>2,289,989</u>	<u>163,792</u>	<u>(47,100)</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u><b>668,826</b></u>	<u><b>77,309</b></u>	<u><b>(261,484)</b></u>	<u><b>25,294</b></u>	<u><b>-</b></u>	<u><b>509,945</b></u>
<b>FUND BALANCES, beginning of year</b>	<u>6,354,042</u>	<u>643,651</u>	<u>2,141,770</u>	<u>883,078</u>	<u>-</u>	<u>10,022,541</u>
<b>FUND BALANCES, end of year</b>	<u><b>\$ 7,022,868</b></u>	<u><b>\$ 720,960</b></u>	<u><b>\$ 1,880,286</b></u>	<u><b>\$ 908,372</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 10,532,486</b></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

		<u>Year Ended May 31, 2021</u>
Net change in fund balances shown for total governmental funds	\$	509,945
<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	1,174,127	
Transfer to Sewer Fund	(38,712)	
Depreciation expense	<u>(1,009,185)</u>	126,230
<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>		
		147,217
<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		1,860,000
Debt redeemed through refunding		195,000
Amortization of bond premium		(236,677)
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	(49,176)	
Net pension liability, net of deferrals	99,778	
Length of service award programs, net of deferrals	(72,695)	
Other postemployment benefits, net of deferrals	(2,280,106)	
Compensated absences	<u>(20,870)</u>	<u>(2,323,069)</u>
<b>Change in net position of governmental activities shown in the statement of activities</b>		<b><u>\$ 306,875</u></b>

# Village of Dobbs Ferry, New York

## Statement of Net Position - Enterprise Fund

	<u>May 31, 2021</u>
	<u>Sewer</u>
	<u>Fund</u>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 275,521
Accounts receivable	292,938
Due from other funds	10
	<u>568,469</u>
<b>NONCURRENT ASSETS</b>	
Capital assets, net	<u>77,157</u>
	<u><b>\$ 645,626</b></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 8,595
Accrued expenses	2,969
Due to other funds	9,870
	<u>21,434</u>
<b>NET POSITION</b>	
Investment in capital assets	77,157
Unrestricted	547,035
Total fund balances	<u>624,192</u>
	<u><b>\$ 645,626</b></u>

# Village of Dobbs Ferry, New York

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

	<u>Year Ended May 31, 2021</u> <u>Sewer District</u>
<b>OPERATING REVENUES</b>	
Sewer charges	\$ 667,409
<b>OPERATING EXPENSES</b>	
Home and community services	110,556
Employee benefits	18,325
	<u>128,881</u>
<b>OPERATING INCOME</b>	538,528
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Real property tax related items	2,005
Miscellaneous local sources	44,837
Interest income	110
	<u>46,952</u>
<b>Increase in net position before other financing sources</b>	585,480
<b>OTHER FINANCING SOURCES</b>	
Transfer from governmental activities	38,712
	<u>624,192</u>
<b>TOTAL INCREASE IN NET POSITION</b>	624,192
<b>NET POSITION, <i>beginning of year</i></b>	<u>-</u>
<b>NET POSITION, <i>end of year</i></b>	<u><u>\$ 624,192</u></u>

# Village of Dobbs Ferry, New York

## Statement of Cash Flows – Enterprise Fund

	<b>Year Ended May 31, 2021</b>
	<b>Sewer Fund</b>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Cash received from providing services	\$ 374,471
Cash payments for contractual services	(35,342)
Cash payments for personal services	(47,398)
Cash payments for employee benefits	(18,325)
	<b>273,406</b>
<b>NET CASH PROVIDED BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Cash received from property tax related items	2,005
	<b>110</b>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	
Interest income	110
	<b>275,521</b>
<b>Net increase in cash and cash equivalents</b>	<b>275,521</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 275,521</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income	\$ 538,528
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation	6,392
Changes in assets and liabilities	
Accounts receivable	(292,938)
Due from other funds	(10)
Accounts payable	8,595
Accrued expenses	2,969
Due to other funds	9,870
	<b>\$ 273,406</b>

# Village of Dobbs Ferry, New York

## Statement of Fiduciary Fund Net Position

	<u>May 31, 2021</u>
	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 84,300</u>
<b>NET POSITION</b>	
Restricted - Guaranty and bid deposits	<u>\$ 84,300</u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

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

The Village of Dobbs Ferry, New York (Village) was established in 1873 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body charged with governance of the Village. The Village Administrator serves as the chief executive officer and the Village Treasurer serves as the chief fiscal officer. The Village provides services to residents, including public safety, health, transportation, economic opportunity and development, culture and recreation, and home and community services.

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

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

#### *a. Financial Reporting Entity*

The reporting entity consists of: (a) the primary government, the Village; and (b) other organizational entities determined to be includable in the Village's financial reporting entity, based on the nature and significance of their relationship with the Village. The financial reporting entity is based on criteria set forth by GASB.

In evaluating how to define the Village for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component unit is included in the Village's reporting entity because of its operational or financial relationship with the Village.

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

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

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



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. The effect of interfund activity within the governmental activities has been eliminated from these statements.

The statement of net position presents the financial position of the Village at the end of its fiscal year. The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions and programs. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

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

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

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

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

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

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

The Village reports the following major governmental funds:

General Fund - is the principal operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Debt Service Fund - is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

Capital Projects Fund - is used to account for and report financial resources to be used for the acquisition, construction, and renovation of major capital facilities or equipment.

The Village reports the following non-major governmental funds:

Public Library Fund - The Public Library Fund is used to account for the activities of the Village's Public Library.

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

Special Grant Fund - The Grant Fund is used to record the financial activity of certain Federal grant programs.

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

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

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

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

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

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

#### *d. Estimates*

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

#### *e. Budgets*

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

The Village employs the following budgetary procedures:

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

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

Appropriations in the General, Debt Service, and Library funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-appropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

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

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

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

The Village's deposit and investment policies are governed by State statutes and various resolutions of the Board of Trustees. The Village has adopted its own written investment policy, which provides for the deposit of funds in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the Village's policy provides for no credit risk on investments.

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

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

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

During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

#### *i. Capital Assets*

##### Governmental Funds

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

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

Management periodically reviews long-lived assets for impairment to determine whether any events or circumstances indicate the carrying value of the assets may not be recoverable. No impairment was identified in 2021.

#### *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 \$262,318 for summer programs and parking permits received in advance and \$46,686 for an overpayment. 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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

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

The Village reported \$194,358 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 \$532,640 of deferred inflows of resources in the General Fund for property taxes determined to be measurable but not available as of May 31, 2021.

#### *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 expensed 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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

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

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

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

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

#### *n. Net Position*

The following terms are used in reporting net position:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets.

Restricted consists of amounts that have restraints that are either:

- (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, laws, or regulations of other governments, or
- (2) Imposed by law through constitutional provisions or enabling legislation.

Unrestricted is the net amount of assets, liabilities, and deferred outflows and inflows of resources that is not included in the determination of net investment in capital assets or restricted components of net position described above.

#### *o. Fund Balance*

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

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

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

*o. Fund Balance - Continued*

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

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

*p. New Accounting Pronouncement*

Effective June 1, 2020, the Village implemented the provisions of GASB Statement No. 84, *Fiduciary Activities* (GASB 84). This statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally 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 adoption of GASB 84 resulted in the inclusion of an additional statement, the Statement of Changes in Fiduciary Net Position, changed terminology from "trust and agency" to "custodial" when referring to the type of fiduciary funds used by Village, and restatement of a portion of the custodial fund net position, as reflected in the table below:

	Debit (Credit) Balance		
Net Position	As Originally Stated	Adoption of GASB 84	Net Position As Restated
Fiduciary Fund			
Custodial Fund			
Restricted	\$ -	\$ 84,300	\$ 84,300

There was no activity in the custodial fund as of and for the year-ended May 31, 2021.

*q. Subsequent Events*

The Village has evaluated subsequent events for potential recognition or disclosure through February 15, 2022, the date the financial statements were available to be issued.

### Note 2 - Taxes Receivable

Taxes receivable at May 31, 2021 consist of the following:

Taxes, overdue prior years	\$ 610,529
Tax sale certificates	5,359
	615,888
Allowance for uncollectable taxes	(30,000)
	\$ 585,888



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

### Note 2 - Taxes Receivable - Continued

Taxes receivable in the fund financial statements are partially offset by deferred inflows of resources related to tax revenues of \$532,640 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 June 1, 2020	Additions	Disposals	Balance at May 31, 2021
<b>Non-depreciable assets</b>				
Land	\$ 1,183,394	\$ -	\$ -	\$ 1,183,394
Construction in progress	7,297,802	797,976	2,531,810	5,563,968
Total nondepreciable	<u>8,481,196</u>	<u>797,976</u>	<u>2,531,810</u>	<u>6,747,362</u>
<b>Depreciable assets</b>				
Buildings and improvements	11,921,573	90,630	16,627	11,995,576
Infrastructure	9,956,804	2,671,825	42,541	12,586,088
Machinery and equipment	8,700,906	145,506	155,064	8,691,348
Total depreciable assets	<u>30,579,283</u>	<u>2,907,961</u>	<u>214,232</u>	<u>33,273,012</u>
<b>Less accumulated depreciation</b>				
Buildings and Improvements	6,272,880	286,673	16,627	6,542,926
Infrastructure	1,774,839	330,868	3,829	2,101,878
Machinery and equipment	5,389,143	391,644	155,064	5,625,723
Total accumulated depreciation	<u>13,436,862</u>	<u>1,009,185</u>	<u>175,520</u>	<u>14,270,527</u>
Total capital asset depreciated, net of accumulated depreciation	<u>17,142,421</u>	<u>1,898,776</u>	<u>38,712</u>	<u>19,002,485</u>
Total capital assets	<u>\$ 25,623,617</u>	<u>\$ 2,696,752</u>	<u>\$ 2,570,522</u>	<u>\$ 25,749,847</u>

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

<b>Governmental activities</b>	
General government support	\$ 15,642
Public safety	131,497
Transportation	398,830
Culture and recreation	384,499
Home and community services	78,717
Total depreciation expense	<u>\$ 1,009,185</u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

### Note 3 - Capital Assets - Continued

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

	Balance at June 1, 2020	Additions/ Transfers	Disposals	Balance at May 31, 2021
Depreciable assets				
Infrastructure	-	3,992,404		3,992,404
Machinery and equipment	-	51,864		51,864
Total depreciable assets	<u>-</u>	<u>4,044,268</u>	<u>-</u>	<u>4,044,268</u>
Less accumulated depreciation				
Infrastructure	-	3,915,247		3,915,247
Machinery and equipment	-	51,864		51,864
Total accumulated depreciation	<u>-</u>	<u>3,967,111</u>	<u>-</u>	<u>3,967,111</u>
 Total capital assets	 <u>\$ -</u>	 <u>\$ 77,157</u>	 <u>\$ -</u>	 <u>\$ 77,157</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 Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds and related premiums					
Capital construction	\$ 13,674,211	\$ 2,525,000	\$ 4,189,896	\$ 12,009,315	\$ 1,860,000
Judgments and claims	1,555,789	-	390,104	1,165,685	390,104
	<u>15,230,000</u>	<u>2,525,000</u>	<u>4,580,000</u>	<u>13,175,000</u>	<u>2,250,104</u>
 Add unamortized premium on bonds	 289,502	 320,618	 83,941	 526,179	 72,605
	<u>15,519,502</u>	<u>2,845,618</u>	<u>4,663,941</u>	<u>13,701,179</u>	<u>2,322,709</u>
 Other long-term liabilities					
Other postemployment benefits	46,976,734	9,597,601	1,259,730	55,314,605	-
Net pension liability	7,873,237	1,350,769	7,459,780	1,764,226	-
Length of service award programs	3,458,935	883,188	198,817	4,143,306	-
Compensated absences	1,118,992	20,870	-	1,139,862	104,000
Total other long-term liabilities	<u>59,427,898</u>	<u>11,852,428</u>	<u>8,918,327</u>	<u>62,361,999</u>	<u>104,000</u>
 Total long-term liabilities	 <u>\$ 74,947,400</u>	 <u>\$ 14,698,046</u>	 <u>\$ 13,582,268</u>	 <u>\$ 76,063,178</u>	 <u>\$ 2,426,709</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, 2021

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

#### *Bonds Payable*

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

Description	Year of Issue	Maturity Date	Interest Rate	Balance
Various Purpose - Serial Bonds	2012	March, 2026	2.00% to 2.75%	560,000
Various Purpose - Serial Bonds	2013	June, 2021	2.00% to 2.50%	330,000
Refunding Serial Bonds	2015	October, 2026	2.00% to 3.00%	3,280,000
Various Purpose - Serial Bonds	2017	October, 2036	2.00% to 3.00%	6,485,000
Refunding Serial Bonds	2020	September, 2024	5.00%	2,520,000
Total bonds payable				<u>\$ 13,175,000</u>

Interest paid of \$358,734 was recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$421,358 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 \$39.7 million, of which the Village has total outstanding debt obligations of approximately \$13.2 million, leaving a net debt contracting margin of approximately \$26.5 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,			
2022	\$ 1,860,000	\$ 354,688	\$ 2,214,688
2023	1,595,000	295,812	1,890,812
2024	1,660,000	238,388	1,898,388
2025	1,710,000	181,512	1,891,512
2026	1,050,000	142,900	1,192,900
2027-2031	2,555,000	494,164	3,049,164
2032-2036	2,255,000	231,024	2,486,024
2037	490,000	7,350	497,350
	<u>\$ 13,175,000</u>	<u>\$ 1,945,838</u>	<u>\$ 15,120,838</u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

### Note 5 - Fund Balances

Fund balances are as follows at May 31, 2021:

	General	Debt Service	Capital Projects	Non-Major Governmental	Total
<b>Restricted</b>					
Length of Service Award Programs	\$ 2,322,965	\$ -	\$ -	\$ -	\$ 2,322,965
Debt service	-	420,960	-	-	420,960
Capital projects	-	-	466,219	-	466,219
Parklands	-	-	-	384,335	384,335
Trusts	-	-	-	238,647	238,647
<b>Total restricted</b>	<u>2,322,965</u>	<u>420,960</u>	<u>466,219</u>	<u>622,982</u>	<u>3,833,126</u>
<b>Assigned for</b>					
<b>Purchases on order</b>					
General government support	2,909	-	-	-	2,909
Public safety	151,417	-	-	-	151,417
Transportation	67,186	-	-	-	67,186
Culture and recreation	7,187	-	-	230,390	237,577
Home and community services	4,970	-	-	-	4,970
	<u>233,669</u>	<u>-</u>	<u>-</u>	<u>230,390</u>	<u>464,059</u>
<b>For subsequent years expenditures</b>					
General Fund	889,250	-	-	-	889,250
Debt Service Fund	-	300,000	-	-	300,000
Capital projects	-	-	1,414,067	-	1,414,067
Public Library Fund	-	-	-	55,000	55,000
	<u>889,250</u>	<u>300,000</u>	<u>1,414,067</u>	<u>55,000</u>	<u>2,658,317</u>
<b>Total assigned</b>	<u>1,122,919</u>	<u>300,000</u>	<u>1,414,067</u>	<u>285,390</u>	<u>3,122,376</u>
<b>Unassigned</b>	<u>3,576,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,576,984</u>
<b>Total fund balance</b>	<u>\$ 7,022,868</u>	<u>\$ 720,960</u>	<u>\$ 1,880,286</u>	<u>\$ 908,372</u>	<u>\$ 10,532,486</u>

### Note 6 - Interfund Transactions

Interfund balances are as follows at May 31, 2021:

Fund	Due From	Due To
General	\$ 103,901	\$ -
Capital Projects	-	52,166
<b>Non-Major Governmental:</b>		
Library	-	23,302
Special Purpose	-	1,222
Special Grant	-	17,351
Sewer Fund	10	9,870
	<u>\$ 103,911</u>	<u>\$ 103,911</u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

### Note 6 - Interfund Transactions - Continued

Interfund transfers are as follows at May 31, 2021:

Transfers From	Transfers To		
	Capital	Debt Service	Total
General	\$ 187,947	\$ 2,218,734	\$ 2,406,681
Capital Projects	-	71,255	71,255
Special Purpose	47,100	-	47,100
	\$ 235,047	\$ 2,289,989	\$ 2,525,036

### 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.
- 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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

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

##### ERS - Continued

- 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.

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.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

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

*b. Plan Benefits - Continued*

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, 2021 was approximately 14.6 percent of payroll. The average contribution rate for PFRS for the fiscal year ended March 31, 2021 was approximately 24.4 percent of payroll.

The required contributions for the current year ERS and PFRS were \$570,682 and \$871,061, 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	\$ 526,522	\$ 871,061
Library	44,160	-
	\$ 570,682	\$ 871,061

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

### 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*

At May 31, 2021, the Village reported a total liability of \$1,764,226 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2021, and the total pension liability was determined by an actuarial valuation as of April 1, 2020. 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 0.0119234% and the PFRS was 0.1009259%.

For the year ended May 31, 2021, the Village recognized pension expense of \$1,350,769 on the accrual basis of accounting. At May 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources as follows:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 144,997	\$ -	\$ 388,838	\$ -
Changes of assumptions	2,182,989	41,172	4,305,341	-
Net differences between projected and actual earnings on pension plan investments	-	3,410,511	-	5,152,691
Changes in proportion and differences between Village contributions and proportionate share of contributions	212,805	-	187,707	221,117
Contributions subsequent to the measurement date	98,875	-	198,809	-
<b>Total</b>	<b>\$ 2,639,666</b>	<b>\$ 3,451,683</b>	<b>\$ 5,080,695</b>	<b>\$ 5,373,808</b>

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending May 31, 2022. 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
2022	\$ (116,871)	\$ (227,169)
2023	(19,715)	(44,003)
2024	(145,330)	(182,580)
2025	(628,976)	(906,285)
2026	-	868,115
<b>Total</b>	<b>\$ (910,892)</b>	<b>\$ (491,922)</b>



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

### 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*

#### Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. Significant actuarial assumptions used in the valuation were as follows:

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

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

#### Investment Asset Allocation

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

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	4.05%
International equity	15.00%	6.30%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic/ARS portfolio	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed income	23.00%	0.00%
Cash	1.00%	0.50%
	100.00%	

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

### 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*

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension 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 5.9%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	ERS		
	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Village's proportionate share of the net pension liability (asset)	\$ 3,295,376	\$ 11,873	\$ (3,016,286)
	PFRS		
	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Village's proportionate share of the net pension liability (asset)	\$ 7,451,991	\$ 1,752,353	\$ (2,965,475)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2021 were as follows (amounts in thousands):

	ERS	PFRS	Total
Employers' total pension liability	\$ 220,680,157	\$ 41,236,775	\$ 261,916,932
Plan net position	(220,580,583)	(39,500,500)	(260,081,083)
Employers' net pension liability	\$ 99,574	\$ 1,736,275	\$ 1,835,849
Ratio of plan net position to the employers' total pension liability	99.95%	95.79%	99.30%

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

### 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*

#### 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.

- 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:

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

- b. Defined Benefit

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

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

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

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

##### 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.

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	1.93%
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, 2021

### 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, 2021 was determined using an actuarial valuation as of December 31, 2020. The following table presents the changes in total pension liability for the fire service award program:

	Fire
Beginning balance	\$ 2,886,310
Service cost	53,722
Interest	92,766
Changes of assumptions and other inputs	588,273
Difference between expected and actual experience	(47,651)
Benefit payments	(188,886)
Ending balance	\$ 3,384,534

The discount rate used to measure the total pension liability was 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. 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, 2021 calculated using the discount rate of 1.93 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 (.93 percent) or 1-percentage point higher (2.93 percent) than the current rate:

	1% Decrease 0.93%	Current Discount Rate 1.93%	1% Increase 2.93%
Total pension liability - Fire	\$ 3,065,377	\$ 3,384,534	\$ 2,327,344

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

### 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, 2021, the Village recognized pension expense of \$222,600. The following table presents the components of pension expense:

	Fire
Components of Pension Expense	
Service cost	\$ 53,722
Interest	92,766
Changes of assumptions or other inputs	69,739
Differences between expected and actual experience	2,173
Pension plan administrative expenses	4,200
	\$ 222,600

At May 31, 2021, the Village reported deferred outflows of resources related to the fire service award program from the following sources:

	Fire	
	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 55,923	\$ 43,358
Changes of assumptions	785,584	137,174
Contributions subsequent to the measurement date	45,849	-
	\$ 887,356	\$ 180,532

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, 2022. 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,	
2022	\$ 71,912
2023	71,912
2024	71,912
2025	71,912
2026	71,912
Thereafter	301,415
	\$ 660,975

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

### 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, 2021:

<u>Group</u>	<u>Ambulance</u>
Retirees and beneficiaries currently receiving benefits	6
Active, non-vested	8
Terminated members entitled to but not yet receiving benefits	13

#### b. Defined Benefit

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

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

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

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

### 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 granter/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	1.93%
Pre-Entitlement Age Mortality Table	None
Post-Entitlement Age Mortality Table	RP-2014 Mortality Table projected for mortality improvement to 2025 with scale MP 2020, blended 60% male / 40% female.
Entitlement	100% of Entitlement Age (EA).
Realization Rate for Active Participants	100% of Entitlement Age for those who have earned at least one year of service credit in the prior three years, 0% otherwise.
Withdrawal Rates	None
Valuation Age	Exact age on the valuation date, with annuity values linearly interpolated between whole ages.
Contribution Timing Adjustment	Contributions are assumed to be made 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, 2021

### 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, 2021 was determined using an actuarial valuation as of December 31, 2020. The following table presents the changes in total pension liability for the ambulance services award program:

	Ambulance
Beginning balance	\$ 572,625
Service cost	13,895
Interest	18,959
Changes of assumptions and other inputs	171,318
Difference between expected and actual experience	(8,095)
Benefit payments	(9,931)
Ending balance	\$ 758,771

The discount rate used to measure the total pension liability was 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. 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, 2021 calculated using the discount rate of 1.93 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 (.93 percent) or 1-percentage point higher (2.93 percent) than the current rate:

	1% Decrease 0.93%	Current Discount Rate 1.93%	1% Increase 2.93%
Total pension liability - Ambulance	\$ 934,197	\$ 758,771	\$ 624,679

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

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

*Ambulance Service Award - Continued*

g. Pension Expense and Deferred Outflows

For the year ended May 31, 2021, the Village recognized pension expense of \$54,452. The following table presents the components of pension expense:

	Ambulance
Components of pension expense	
Service cost	\$ 13,895
Interest on total pension liability	18,959
Changes of assumptions or other inputs	25,952
Differences between expected and actual experience	(7,394)
Pension plan administrative expenses	3,040
	\$ 54,452

At May 31, 2021, 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 Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 44,745
Changes of assumptions	213,582	31,903
Contributions subsequent to the measurement date	4,138	-
	\$ 217,720	\$ 76,648

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, 2022. 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,	
2022	\$ 18,559
2023	18,559
2024	18,559
2025	18,559
2026	20,210
Thereafter	42,488
	\$ 136,934

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

### 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, 2020 valuation date is as follows:

Actives	68
Retirees	<u>60</u>
	<u><u>128</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, 2021, the Village paid approximately \$1.3 million on behalf of the plan members.

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

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

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

At May 31, 2021, the Village reported a liability of \$55,314,605 in the governmental activities for its OPEB liability. The OPEB liability was measured as of May 31, 2021 by an actuarial valuation as of June 1, 2020. For the year-ended May 31, 2021, the Village recognized OPEB expense of \$3,539,836 in the governmental activities. At May 31, 2021, the Village reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 356,004	\$ 1,658,207
Change of assumptions	8,173,701	-
	\$ 8,529,705	\$ 1,658,207

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

Year ending December 31,	
2022	\$ 1,182,186
2023	1,182,186
2024	1,182,186
2025	1,182,186
2025	1,108,471
Thereafter	1,034,283
	\$ 6,871,498

*Actuarial Methods and Assumptions*

The total OPEB liability in the May 31, 2021 actuarial valuation was determined using the following significant actuarial assumptions:

Valuation Date	June 1, 2020
Discount Rate	1.59% per annum
Salary Scale	3.00% per annum
Mortality	RP-2006 mortality table, MP 2020 projection
Withdrawal	Sarasson T-5 Table
Health Care Cost Trend Rate	Year 1 - 8.00% Year 2 - 7.50% Year 3 - 7.00% Year 4 - 6.50% Year 5 - 6.00% Year 6 - 5.50% Year 7+ - 5.00%
Marital - Actives	Wife is assumed to be same age as husband. 70% of males and 50% of females are assumed to be married.
Inflation Rate	3.00% per annum

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

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

The discount rate used to measure the liability was 1.59%, based on the S&P Municipal 20-year High Grade Rate Index as of May 31, 2021.

#### *Changes in OPEB Liability*

Changes in the OPEB liability are as follows:

Balance as of June 1, 2020	\$ 46,976,734
Changes for the year	
Service cost	1,138,727
Interest	1,218,923
Differences between expected and actual experience	71,339
Change in assumptions	7,168,612
Benefit payments	<u>(1,259,730)</u>
Net changes	<u>8,337,871</u>
Balance as of May 31, 2021	<u><u>\$ 55,314,605</u></u>

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

The following presents the OPEB liability as of May 31, 2021 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower or 1% higher than the current rates:

	<u>1% Decrease</u>	<u>Current Healthcare Trend Rates</u>	<u>1% Increase</u>
OPEB Liability	<u>\$ 48,186,629</u>	<u>\$ 55,314,605</u>	<u>\$ 66,113,375</u>

The following presents the OPEB liability as of May 31, 2021 using the discount rate of 1.59%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease 0.59%</u>	<u>Discount Rate 1.59%</u>	<u>1% Increase 2.59%</u>
OPEB Liability	<u>\$ 62,207,683</u>	<u>\$ 55,314,605</u>	<u>\$ 48,421,527</u>

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

### 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, 2021

### Note 11 - Fair Value Measurements

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

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

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

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

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

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

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

### Note 11 - Fair Value Measurements - Continued

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

The following table summarizes as of May 31, 2021, the Village's Fire Program investments, and categorization with the fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 227,164	\$ -	\$ -	\$ 227,164
Exchange Traded Funds				
Equity				
US Mid Cap	95,927	-	-	95,927
S&P 500 Index	96,136	-	-	96,136
U.S. High Dividend Yield	82,457	-	-	82,457
International Equity	293,828	-	-	293,828
Low Volatility Income	81,385	-	-	81,385
Fixed Income				
International	111,291	-	-	111,291
Preferred Securities	63,352	-	-	63,352
Inflation Hedge	158,583	-	-	158,583
Investment Grade Mortgage Backed	94,607	-	-	94,607
Bank Loans	57,356	-	-	57,356
Corporate Bonds	238,489	-	-	238,489
US Treasury	95,207	-	-	95,207
	<u>\$ 1,695,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695,782</u>

The following table summarizes as of May 31, 2021, the Village's Ambulance Program investments, and categorization with the fair value measurement hierarchy:

	Level 1	Level 2	Level 3	Total
Cash	\$ 3,487	-	-	\$ 3,487
Pooled Investment Fund	-	623,696	-	623,696
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Additionally, the Village has \$2,449,551 invested with NYCLASS that is valued at NAV as a practical expedient and therefore not required to be included in a level within the fair value hierarchy. Investments in NYCLASS are reported as cash and cash equivalents in the financial statements.



# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

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 December 15, 2019.

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. 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, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

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

# Village of Dobbs Ferry, New York

## Notes to Financial Statements May 31, 2021

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

GASB Statement No. 93, *Replacement of Interbank Offered Rate*. This statement is to address governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallbacks provisions to the reference rate. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of IBOR, such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifying the definition of reference rate. The removal of the London IBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The requirements 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.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernment entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

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

# Village of Dobbs Ferry, New York

## Notes to Financial Statements

May 31, 2021

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

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

# Village of Dobbs Ferry, New York

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

	Year Ended May 31, 2021			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Real property taxes	\$ 13,670,785	\$ 13,670,785	\$ 13,536,147	\$ (134,638)
Real property tax items	60,000	60,000	51,496	(8,504)
Non-property taxes	2,390,000	2,390,000	3,022,884	632,884
Departmental revenues	1,178,000	1,178,000	282,794	(895,206)
Intergovernmental charges	88,000	88,000	557,475	469,475
Use of money and property	65,000	65,000	442,347	377,347
Licenses and permits	495,700	495,700	575,713	80,013
Fines and forfeitures	310,000	310,000	321,213	11,213
Sale of property and compensation for loss	2,000	2,000	76,583	74,583
Miscellaneous local sources	8,000	8,000	204,968	196,968
State aid	239,132	239,132	242,769	3,637
Federal aid	-	-	66	66
Total revenues	18,506,617	18,506,617	19,314,455	807,838
<b>EXPENDITURES</b>				
General government support	3,426,093	2,753,155	2,539,841	213,314
Public safety	4,905,800	5,622,036	5,295,379	326,657
Health	11,450	11,437	7,318	4,119
Transportation	1,283,630	1,371,071	1,289,263	81,808
Culture and recreation	1,411,267	1,484,962	959,612	525,350
Home and community services	1,241,055	1,261,522	1,151,555	109,967
Employee benefits	5,177,959	5,016,745	4,995,980	20,765
Total expenditures	17,457,254	17,520,928	16,238,948	1,281,980
<b>Excess of revenues over expenditures</b>	<b>1,049,363</b>	<b>985,689</b>	<b>3,075,507</b>	<b>2,089,818</b>
<b>OTHER FINANCING USES</b>				
Transfers in	300,000	300,000	-	(300,000)
Transfers out	(2,238,613)	(2,426,560)	(2,406,681)	19,879
Total other financing sources (uses)	(1,938,613)	(2,126,560)	(2,406,681)	(280,121)
<b>Net change in fund balance/(appropriated)</b>	<b>(889,250)</b>	<b>(1,140,871)</b>	<b>668,826</b>	<b>\$ 1,809,697</b>
<b>FUND BALANCE, beginning of year</b>	<b>6,354,042</b>	<b>6,354,042</b>	<b>6,354,042</b>	
<b>FUND BALANCE, end of year</b>	<b>\$ 5,464,792</b>	<b>\$ 5,213,171</b>	<b>\$ 7,022,868</b>	

# Village of Dobbs Ferry, New York

## Required Supplementary Information Schedule of Other Postemployment Benefits Liability

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

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

# Village of Dobbs Ferry, New York

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

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

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

## Village of Dobbs Ferry, New York

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

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

PFRS	May 31,					
	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 871,061	\$ 767,071	\$ 749,229	\$ 795,603	\$ 871,061	\$ 925,722
Contributions in relation to the contractually required contribution	(871,061)	(767,071)	(749,229)	(795,603)	(871,061)	(925,722)
Contribution deficiency (excess)	-	-	-	-	-	-
Village's covered-employee payroll	3,652,119	3,463,339	3,457,757	3,419,229	3,800,421	3,695,330
Contributions as a percentage of covered-employee payroll	23.85%	22.15%	21.67%	23.27%	22.92%	25.05%

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

# Village of Dobbs Ferry, New York

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

<b>Ambulance - LOSAP</b>				
Measure date as of December 31,	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total Pension Liability</b>				
Service cost	\$ 13,895	\$ 15,058	\$ 15,469	\$ 18,289
Interest	18,959	19,545	18,374	19,654
Changes of assumptions or other inputs	171,318	40,191	(51,843)	55,911
Differences between expected and actual experience	(8,095)	(15,074)	(12,546)	(30,452)
Benefit payments	<u>(9,931)</u>	<u>(17,957)</u>	<u>(9,143)</u>	<u>(8,663)</u>
Net change in total pension liability	186,146	41,763	(39,689)	54,739
<b>Total pension liability - beginning of year</b>	<u>572,625</u>	<u>530,862</u>	<u>570,551</u>	<u>515,812</u>
<b>Total pension liability - end of year</b>	<u>\$ 758,771</u>	<u>\$ 572,625</u>	<u>\$ 530,862</u>	<u>\$ 570,551</u>
<b>Covered Payroll</b>	None	None	None	None
<b>Total pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A
<b>Fire - LOSAP</b>				
Measure date as of December 31,	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total Pension Liability</b>				
Service cost	\$ 53,722	\$ 46,552	\$ 54,746	\$ 48,063
Interest	92,766	96,538	88,274	94,709
Changes of assumptions or other inputs	588,273	145,590	(184,476)	208,756
Differences between expected and actual experience	(47,651)	46,129	13,484	12,785
Benefit payments	<u>(188,886)</u>	<u>(108,240)</u>	<u>(102,020)</u>	<u>(158,640)</u>
Net change in total pension liability	498,224	226,569	(129,992)	205,673
<b>Total pension liability - beginning of year</b>	<u>2,886,310</u>	<u>2,659,741</u>	<u>2,789,733</u>	<u>2,584,060</u>
<b>Total pension liability - end of year</b>	<u>\$ 3,384,534</u>	<u>\$ 2,886,310</u>	<u>\$ 2,659,741</u>	<u>\$ 2,789,733</u>
<b>Covered Payroll</b>	None	None	None	None
<b>Total pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A

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



# Village of Dobbs Ferry, New York

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

	May 31, 2021			
	Library	Special Purpose	Special Grant	Total Other Governmental
<b>ASSETS</b>				
Cash and cash equivalents	\$ 331,203	\$ -	\$ 50,006	\$ 381,209
Cash and cash equivalents, restricted		624,773	\$ -	624,773
Receivables				
State and Federal aid	888	-	-	888
	<b>\$ 332,091</b>	<b>\$ 624,773</b>	<b>\$ 50,006</b>	<b>\$ 1,006,870</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,058	\$ 569	\$ 4,068	\$ 10,695
Accrued expenses	17,341		28,587	45,928
Due to other funds	23,302	1,222	17,351	41,875
	46,701	1,791	50,006	98,498
<b>FUND BALANCES</b>				
Restricted	-	622,982	-	622,982
Assigned	285,390	-	-	285,390
	285,390	622,982	-	908,372
	<b>\$ 332,091</b>	<b>\$ 624,773</b>	<b>\$ 50,006</b>	<b>\$ 1,006,870</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, 2021			
	Library	Special Purpose	Special Grant	Total
<b>REVENUES</b>				
Real property taxes	\$ 740,790	\$ -	\$ -	\$ 740,790
Departmental revenues	605	10,000	-	10,605
Use of money and property	1,248	1,876	-	3,124
Miscellaneous local sources	7,362	6,423	-	13,785
State aid	2,796	-	-	2,796
Federal aid	-	-	79,224	79,224
Total revenues	752,801	18,299	79,224	850,324
<b>EXPENDITURES</b>				
Health	-	-	78,944	78,944
Culture and recreation	583,186	15,179	-	598,365
Employee benefits	100,341	-	280	100,621
Total expenditures	683,527	15,179	79,224	777,930
<b>Excess of revenues over expenditures</b>	<b>69,274</b>	<b>3,120</b>	<b>-</b>	<b>72,394</b>
<b>OTHER FINANCING USES</b>				
Operating transfers out	-	<b>(47,100)</b>	-	<b>(47,100)</b>
<b>Excess (deficiency) of revenues and other financing uses over expenditures</b>	<b>69,274</b>	<b>(43,980)</b>	<b>-</b>	<b>25,294</b>
<b>FUND BALANCES, beginning of year</b>	216,116	666,962	-	883,078
<b>FUND BALANCES, end of year</b>	<b>\$ 285,390</b>	<b>\$ 622,982</b>	<b>\$ -</b>	<b>\$ 908,372</b>

See Independent Auditor's Report.