

Village of Spring Valley, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2020

Village of Spring Valley, New York

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Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Village of Spring Valley, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Spring Valley, New York ("Village") as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the Village'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.

Auditors' 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 auditors' 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 Village'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, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2020, and the respective changes in financial position, and the respective budgetary comparison for the General Fund 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 4B in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("Corona Virus"). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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.

Management has omitted management's discussion and analysis, that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinions on the financial statements are not affected by this missing information.

Supplementary and Other Information

Our audit for the year ended May 31, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements 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 for the year ended May 31, 2020 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended May 31, 2020.

We also previously audited, 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, the basic financial statements of the Village as of and for the year ended May 31, 2019 (not presented herein), and have issued our report thereon dated March 31, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended May 31, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2019 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended May 31, 2019.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 6, 2023

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Village of Spring Valley, New YorkStatement of Net Position
May 31, 2020

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 4,984,792
Investments	2,177,948
Receivables	
Accounts	768,281
State and Federal aid	34,854
Due from other governments	898,030
Capital assets	
Not being depreciated	3,109,552
Being depreciated, net	<u>18,053,442</u>
Total Assets	<u>30,026,899</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	11,991
Pension related	9,027,053
OPEB related	<u>19,850,329</u>
Total Deferred Outflows of Resources	<u>28,889,373</u>
LIABILITIES	
Accounts payable	437,866
Accrued liabilities	1,219,004
Due to other governments	80,770
Due to retirement systems	456,128
Unearned revenues	125,362
Accrued interest payable	97,714
Non-current liabilities	
Due within one year	1,706,815
Due in more than one year	<u>118,546,116</u>
Total Liabilities	<u>122,669,775</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	602,150
OPEB related	<u>1,315,433</u>
Total Deferred Inflows of Resources	<u>1,917,583</u>
NET POSITION	
Net investment in capital assets	15,019,794
Restricted	
Retirement contributions	994,864
Debt service	1,139,468
Pension benefits	2,262,216
Special Revenue Funds	
Section 8 - Housing Assistance Fund	844,060
Community Development Fund	(7,877)
Unrestricted	<u>(85,923,611)</u>
Total Net Position	<u><u>\$ (65,671,086)</u></u>

The notes to the financial statements are an integral part of this statement.

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Village of Spring Valley, New York

Statement of Activities Year Ended May 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 9,087,897	\$ 290,849	\$ 1,986	\$ -	\$ (8,795,062)
Public safety	25,123,805	642,958	532,734	-	(23,948,113)
Health	2,090	-	-	-	(2,090)
Transportation	5,196,614	2,121	-	481,115	(4,713,378)
Economic opportunity and development	9,153,194	-	9,665,250	-	512,056
Culture and recreation	318,585	7,107	1,239	-	(310,239)
Home and community services	254,481	1,101,755	96,500	-	943,774
Interest	334,315	-	-	961	(333,354)
Total Governmental Activities	\$ 49,470,981	\$ 2,044,790	\$ 10,297,709	\$ 482,076	(36,646,406)
General revenues					
Real property taxes					24,917,559
Other tax items					
Payments in lieu of taxes					373,429
Interest and penalties on real property taxes					165,908
Non-property taxes					
Franchise fees					281,882
Non-property tax distribution from County					1,383,300
Utilities gross receipts taxes					325,085
Unrestricted use of money and property					104,024
Sale of property and compensation for loss					6,600
Unrestricted State aid					747,431
Miscellaneous					371,001
Insurance recoveries					193,169
Total General Revenues					28,869,388
Change in Net Position					(7,777,018)
NET POSITION					
Beginning					(57,894,068)
Ending					\$ (65,671,086)

The notes to the financial statements are an integral part of this statement.

Village of Spring Valley, New York

Balance Sheet
Governmental Funds
May 31, 2020

	General	Section 8 - Housing Assistance	Capital Projects
ASSETS			
Cash and equivalents	\$ 3,708,792	\$ 1,069,289	\$ 153,496
Investments	2,174,961	-	2,987
Receivables			
Accounts	768,281	-	-
State and Federal aid	34,854	-	-
Due from other governments	898,030	-	-
Due from other funds	3,407,747	-	-
	5,108,912	-	-
Total Assets	\$ 10,992,665	\$ 1,069,289	\$ 156,483
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 394,582	\$ 39,895	\$ 389
Accrued liabilities	1,219,004	-	-
Due to other governments	-	80,770	-
Due to other funds	-	-	4,029,839
Due to retirement systems	456,128	-	-
Unearned revenues	-	104,564	-
Total Liabilities	2,069,714	225,229	4,030,228
Fund balances (deficits)			
Restricted	3,738,521	844,060	-
Assigned	159,577	-	-
Unassigned	5,024,853	-	(3,873,745)
Total Fund Balances (Deficits)	8,922,951	844,060	(3,873,745)
Total Liabilities and Fund Balances (Deficits)	\$ 10,992,665	\$ 1,069,289	\$ 156,483

The notes to the financial statements are an integral part of this statement.

<u>Debt Service</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 53,215	\$ 4,984,792
-	-	2,177,948
-	-	768,281
-	-	34,854
-	-	898,030
658,027	-	4,065,774
658,027	-	5,766,939
<u>\$ 658,027</u>	<u>\$ 53,215</u>	<u>\$ 12,929,679</u>
\$ -	\$ 3,000	\$ 437,866
-	-	1,219,004
-	-	80,770
-	35,935	4,065,774
-	-	456,128
-	20,798	125,362
-	59,733	6,384,904
658,027	(7,877)	5,232,731
-	-	159,577
-	1,359	1,152,467
658,027	(6,518)	6,544,775
<u>\$ 658,027</u>	<u>\$ 53,215</u>	<u>\$ 12,929,679</u>

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Village of Spring Valley, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position May 31, 2020

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

Total Fund Balances - Governmental Funds	<u>\$ 6,544,775</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non depreciable	3,109,552
Capital assets - depreciable	59,684,472
Accumulated depreciation	<u>(41,631,030)</u>
	<u>21,162,994</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	9,027,053
Deferred outflows - OPEB related	19,850,329
Deferred inflows - pension related	(602,150)
Deferred inflows - OPEB related	<u>(1,315,433)</u>
	<u>26,959,799</u>
Long-term and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(97,714)
General obligation bonds payable	(9,355,000)
Compensated absences	(1,306,501)
Claims payable	(247,185)
Net pension liability	(13,641,840)
Other postemployment benefit obligations payable	<u>(95,640,761)</u>
	<u>(120,289,001)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Deferred amount on refunding	11,991
Premium on general obligation bonds	<u>(61,644)</u>
	<u>(49,653)</u>
Net Position of Governmental Activities	<u><u>\$ (65,671,086)</u></u>

The notes to the financial statements are an integral part of this statement.

Village of Spring Valley, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended May 31, 2020

	General	Section 8 - Housing Assistance	Capital Projects
REVENUES			
Real property taxes	\$ 24,917,559	\$ -	\$ -
Other tax items	539,337	-	-
Non-property taxes	1,990,267	-	-
Departmental income	786,740	-	-
Use of money and property	301,455	1,271	-
Licenses and permits	1,200,592	-	-
Fines and forfeitures	414,729	-	-
Sale of property and compensation for loss	6,600	-	-
State aid	964,629	-	472,948
Federal aid	192,086	9,137,638	-
Miscellaneous	372,240	98,036	8,167
Total Revenues	31,686,234	9,236,945	481,115
EXPENDITURES			
Current			
General government support	5,836,595	-	-
Public safety	10,901,767	-	-
Health	2,090	-	-
Transportation	1,972,310	-	-
Economic opportunity and development	275	9,152,919	-
Culture and recreation	351,046	-	-
Home and community services	131,619	-	-
Employee benefits	10,171,444	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	737,059
Total Expenditures	29,367,146	9,152,919	737,059
Excess (Deficiency) of Revenues Over Expenditures	2,319,088	84,026	(255,944)
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	193,169	-	-
Transfers in	69,819	-	-
Transfers out	(1,754,956)	-	-
Total Other Financing Sources (Uses)	(1,491,968)	-	-
Net Change in Fund Balances	827,120	84,026	(255,944)
FUND BALANCES (DEFICITS)			
Beginning of Year	8,095,831	760,034	(3,617,801)
End of Year	\$ 8,922,951	\$ 844,060	\$ (3,873,745)

The notes to the financial statements are an integral part of this statement.

Debt Service	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 24,917,559
-	-	539,337
-	-	1,990,267
-	-	786,740
-	-	302,726
-	-	1,200,592
-	-	414,729
-	-	6,600
-	-	1,437,577
-	96,500	9,426,224
-	-	478,443
-	96,500	41,500,794
-	-	5,836,595
-	-	10,901,767
-	-	2,090
-	-	1,972,310
-	-	9,153,194
-	-	351,046
-	122,862	254,481
-	-	10,171,444
1,370,000	-	1,370,000
360,060	-	360,060
-	-	737,059
1,730,060	122,862	41,110,046
(1,730,060)	(26,362)	390,748
-	-	193,169
1,730,060	24,896	1,824,775
(69,819)	-	(1,824,775)
1,660,241	24,896	193,169
(69,819)	(1,466)	583,917
727,846	(5,052)	5,960,858
\$ 658,027	\$ (6,518)	\$ 6,544,775

Village of Spring Valley, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended May 31, 2020

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

Net Change in Fund Balances - Total Governmental Funds	\$ 583,917
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures	1,276,220
Depreciation expense	<u>(2,089,017)</u>
	<u>(812,797)</u>

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities

Principal paid on bonds	<u>1,370,000</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	16,134
Changes in pension liabilities and related deferred outflows and inflows of resources	(2,551,800)
Compensated absences	(115,811)
Claims payable	602,971
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(6,879,243)
Amortization of premium and loss on refunding bonds	<u>9,611</u>
	<u>(8,918,138)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (7,777,018)</u></u>
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The notes to the financial statements are an integral part of this statement.

Village of Spring Valley, New York

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund Year Ended May 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 24,924,979	\$ 24,924,979	\$ 24,917,559	\$ (7,420)
Other tax items	345,250	345,250	539,337	194,087
Non-property taxes	1,900,000	1,900,000	1,990,267	90,267
Departmental income	731,050	731,050	786,740	55,690
Use of money and property	200,000	200,000	301,455	101,455
Licenses and permits	1,023,100	1,023,100	1,200,592	177,492
Fines and forfeitures	401,000	401,000	414,729	13,729
Sale of property and compen- sation for loss	2,000	2,000	6,600	4,600
State aid	1,099,417	1,099,417	964,629	(134,788)
Federal aid	150,000	150,000	192,086	42,086
Miscellaneous	49,560	49,560	372,240	322,680
Total Revenues	30,826,356	30,826,356	31,686,234	859,878
EXPENDITURES				
Current				
General government support	5,342,403	5,362,671	5,836,595	(473,924)
Public safety	11,312,458	11,292,768	10,901,767	391,001
Health	1,000	1,000	2,090	(1,090)
Transportation	1,768,191	1,768,155	1,972,310	(204,155)
Economic opportunity and development	500	500	275	225
Culture and recreation	496,500	495,958	351,046	144,912
Home and community services	145,000	145,000	131,619	13,381
Employee benefits	10,422,500	10,422,500	10,171,444	251,056
Total Expenditures	29,488,552	29,488,552	29,367,146	121,406
Excess of Revenues Over Expenditures	1,337,804	1,337,804	2,319,088	981,284
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	125,000	125,000	193,169	68,169
Transfers in	-	-	69,819	69,819
Transfers out	(1,730,062)	(1,730,062)	(1,754,956)	(24,894)
Total Other Financing Uses	(1,605,062)	(1,605,062)	(1,491,968)	113,094
Net Change in Fund Balance	(267,258)	(267,258)	827,120	1,094,378
FUND BALANCE				
Beginning of Year	267,258	267,258	8,095,831	7,828,573
End of Year	\$ -	\$ -	\$ 8,922,951	\$ 8,922,951

The notes to the financial statements are an integral part of this statement.

Village of Spring Valley, New York

Statement of Assets and Liabilities
Fiduciary Fund
May 31, 2020

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 910,149
Accounts receivable	<u>53,261</u>
Total Assets	<u><u>\$ 963,410</u></u>
LIABILITIES	
Accounts payable	\$ 141,080
Deposits	<u>822,330</u>
Total Liabilities	<u><u>\$ 963,410</u></u>

The notes to the financial statements are an integral part of this statement.

Village of Spring Valley, New York

Notes to Financial Statements

May 31, 2020

Note 1 - Summary of Significant Accounting Policies

The Village of Spring Valley, New York ("Village") was established in 1902 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Mayor serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounting as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Village's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the Village, b) organizations for which the Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The following organization is related to the Village:

The Spring Valley Housing Authority ("Authority") is a public benefit corporation created by State legislation to promote the development of adequate housing for citizens of the Village. The members of the Authority's board are appointed by the Village. The Authority does not impose a financial burden to the primary government since the Village is not obligated to guarantee the Authority's debt. The Authority does not provide services entirely or almost entirely to the Village.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Village as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Village does not allocate indirect expenses to functions in the Statement of Activities.

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Village's major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted, committed or

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

assigned to expenditures for certain defined purposes. The major special revenue fund of the Village is as follows -

Section 8 - Housing Assistance Fund - The Section 8 - Housing Assistance Fund is used to account for Federal aid received from the U.S. Department of Housing and Urban Development and used for housing assistance payment purposes. A fiscal year end of June 30th is mandated for this program. The major revenue of this fund is Federal aid.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Debt Service Fund - The Debt Service Fund is provided 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.

The Village also reports the following non-major governmental funds.

Special Revenue Funds

Community Development Fund - The Community Development Fund is used to account for projects financed primarily by entitlements from the U.S. Department of Housing and Urban Development.

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

- b. Fiduciary Funds (Not Included in Government-Wide Statements) – The Fiduciary Fund is used to account for assets held by the Village on behalf of others. This includes the Agency Fund. The Agency Fund accounts for payroll tax withholdings, deposits that are payable to other jurisdictions or individuals.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenue when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, certain claims, net pension liability and other post-employment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Village's deposits and investment policies are governed by State statutes. The Village has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

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.

Investments (except Length of Service Awards Program investments, which are discussed in Note 3D) - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Village follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Village does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*" directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2020.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Village does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Village's investment policy limits the amount on deposit at each of its banking institutions.

Taxes Receivable - Property taxes attach as an enforceable lien on real property as of June 1st and are payable in June. The Village is responsible for the billing and collection of its taxes through November 1st of the tax year, at which time the responsibility for uncollected taxes is transferred to the County of Rockland, New York ("County"). On or about May 1st, the County remits to the Village the balance of all uncollected taxes. The County has the responsibility for conducting in-rem foreclosure proceedings.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Village. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2020, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provide for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by a reservation of fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (i.e., roads, bridges and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation.

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

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

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

<u>Class</u>	<u>Life In Years</u>
Infrastructure	20 - 50
Buildings and improvements	10 - 40
Machinery and equipment	3 - 8

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of revenue 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 \$20,798 and \$104,564 for amounts received in advance pursuant to grants in the Community Development Funds and Section 8 – Housing Assistance Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The Village reported deferred amounts on refunding bonds resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Village also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the government-wide financial statements. These amounts are detailed in the discussion of the Village's pension and other postemployment benefit liabilities in Note 3D.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects of Debt Service funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation of service. The liability for such

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Other Postemployment Benefit Liability ("OPEB") – In addition to providing pension benefits, the Village provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Board of Trustees or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Village includes restricted for retirement contributions, debt service, pension benefits, the Section 8 Housing Assistance Fund and the Community Development fund.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Fund Balances - Generally, fund balance represents the difference between the current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they

Note 1 - Summary of Significant Accounting Policies (Continued)

are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

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

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Village Board of Trustees, the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds except the General Fund includes all remaining amounts, except for negative balances that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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

F. Encumbrances

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

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 6, 2023

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General and Debt Service funds.
- f) Budgets for General and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects and Community Development funds are budgeted on a project basis. The Village does not adopt a budget for the Section 8 - Housing Assistance Fund or the Special Purpose Fund since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 2 - Stewardship, Compliance and Accountability (Continued)

- g) The Village Board 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 of Trustees. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in General and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Board of Trustees.

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2019-2020 fiscal year was \$25,265,386 which exceeded the actual levy by \$340,407.

In addition to this constitutional tax limitation, Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board first enacts, by a vote of at least sixty percent of the total voting power of the Village Board, a local law to override such limit for such coming fiscal year.

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Capital Projects Fund Deficit

The Capital Projects Fund reflects an unassigned deficit of \$3,873,745. This deficit results from expenditures exceeding current financing on the projects. This deficit will be eliminated with the receipt or issuance of subsequent authorized financing.

D. Other Fund Deficits

The County Program and the Elderly Emergency Home Repair Program sub-fund within the Community Development Fund reflects a deficit of \$29,985 and \$24,094, respectively. The Village will address these deficits in the ensuing year.

E. Expenditures in Excess of Budget

The following functional expenditures exceeded their budgetary authorizations by the amounts indicated:

General Fund	
General Government Support	
Treasurer	\$ 7,128
Attorney	202,502
Buildings	302,882
Central garage	24,153
Central storeroom	26,662
Central mailing	2,678
Unallocated insurance	32,812
Judgements and claims	282,500
Refunds of real property taxes	303,195
Metropolitan Transportation Commuter Mobility Tax	2,658
Public Safety	
Traffic control	1,795
Control of animals	31,301
Safety inspection	128,616
Emergency operations	3,750
Health	
Registrar of Vital Statistics	1,090
Transportation	
Street maintenance	251,266
Bus operations	3,462
Street lighting	95,040
Culture and Recreation	
Parks and playgrounds	51,168
Civic center	5,199

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 2 - Stewardship, Compliance and Accountability (Continued)

General Fund (Continued)

Home and Community Services

Refuse and garbage	\$	3,834
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Employee Benefits

Fire service awards		16,197
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Life insurance		24,605
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Hospital and medical insurance		163,261
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Other Financing Uses

Transfers Out

Special Purpose Fund		24,896
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Note 3 - Detailed Notes on All Funds**A. Interfund Receivables/Payables**

The balances reflected as due from/to other funds at May 31, 2020 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 3,407,747	\$ -
Capital Projects	-	4,029,839
Debt Service	658,027	-
Non-Major Governmental	-	35,935
	<u>\$ 4,065,774</u>	<u>\$ 4,065,774</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

B. Capital Assets

Changes in the Village's capital assets are as follows:

	<u>Balance June 1, 2019</u>	<u>Additions</u>	<u>Balance May 31, 2020</u>
Capital Assets, not being depreciated:			
Land	\$ 2,681,662	\$ -	\$ 2,681,662
Construction-in-progress	<u>427,890</u>	<u>-</u>	<u>427,890</u>
Total Capital Assets, not being depreciated	<u>\$ 3,109,552</u>	<u>\$ -</u>	<u>\$ 3,109,552</u>

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

	Balance June 1, 2019	Additions	Balance May 31, 2020
Capital Assets, being depreciated:			
Infrastructure	\$ 28,649,249	\$ -	\$ 28,649,249
Buildings and improvements	22,587,805	211,472	22,799,277
Machinery and equipment	7,171,198	1,064,748	8,235,946
Total Capital Assets, being depreciated	58,408,252	1,276,220	59,684,472
Less Accumulated Depreciation for:			
Infrastructure	25,584,053	1,027,412	26,611,465
Buildings and improvements	7,790,406	824,592	8,614,998
Machinery and equipment	6,167,554	237,013	6,404,567
Total Accumulated Depreciation	39,542,013	2,089,017	41,631,030
Total Capital Assets, being depreciated, net	<u>\$ 18,866,239</u>	<u>\$ (812,797)</u>	<u>\$ 18,053,442</u>
Governmental Activities			
Capital Assets, net	<u>\$ 21,975,791</u>	<u>\$ (812,797)</u>	<u>\$ 21,162,994</u>

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

General Governmental Support	\$ 419,315
Public Safety	234,233
Transportation	1,381,227
Culture and Recreation	54,242
Total Depreciation Expense	<u>\$ 2,089,017</u>

C. Accrued Liabilities

Accrued liabilities at May 31, 2020 were as follows:

	General Fund
Payroll and employee benefits	\$ 1,102,542
Tax certiorari refunds	116,462
	<u>\$ 1,219,004</u>

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

D. Long-Term Liabilities

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

	Balance June 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2020	Due Within One Year
General Obligation Bonds Payable					
Capital Construction	\$ 7,045,477	\$ -	\$ 951,931	\$ 6,093,546	\$ 983,789
Judgments and Claims	3,154,523	-	368,069	2,786,454	386,211
Other	525,000	-	50,000	475,000	50,000
	10,725,000	-	1,370,000	9,355,000	1,420,000
Plus - Issuance Premium	73,575	-	11,931	61,644	-
	10,798,575	-	1,381,931	9,416,644	1,420,000
Other Non-Current Liabilities					
Compensated Absences	1,190,690	234,811	119,000	1,306,501	131,000
Claims Payable	850,156	-	602,971	247,185	155,815
Net Pension Liability - ERS	830,194	2,975,575	-	3,805,769	-
Net Pension Liability - PFRS	3,418,944	6,417,127	-	9,836,071	-
Other Post Employment Benefit Obligations Liability	73,642,931	23,938,389	1,940,559	95,640,761	-
Total Non-Current Liabilities	79,932,915	33,565,902	2,662,530	110,836,287	286,815
Total Long-Term Liabilities	\$ 90,731,490	\$ 33,565,902	\$ 4,044,461	\$ 120,252,931	\$ 1,706,815

Each governmental fund's liability for general obligation bonds payable, compensated absences, claims payable, net pension liability and other postemployment benefit obligations is liquidated by the General Fund. The Village's indebtedness for bonds is satisfied by the Debt Service Fund, which is funded primarily from the General Fund. The schedule of funding progress for the defined benefit pension plan immediately following the notes to the financial statements present multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

General Obligation Bonds Payable

General Obligation bonds payable at May 31, 2020 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2020
Various Purposes	2005	\$ 5,000,000	May, 2025	4.250-5.000 %	\$ 1,685,000
Various Purposes	2007	600,000	August, 2021	4.250-4.700	110,000
Various Purposes	2008	4,300,000	June, 2022	5.000	1,160,000
Tax Certioraris	2010	3,000,000	December, 2024	3.125-3.875	1,440,000
Public Improvement/Housing Authority	2013	750,000	July, 2027	3.500-4.250	475,000
Various Purposes - Refunding	2017	225,060	April, 2025	2.000-5.000	134,850
Tax Certioraris - Refunding	2017	984,940	April, 2025	2.000-5.000	590,150
Various Purposes	2017	3,630,000	August, 2031	2.000-2.500	3,003,696
Tax Certioraris	2017	914,000	August, 2031	2.000-2.500	756,304
					<u>\$ 9,355,000</u>

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$360,060 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$334,315 was recorded in the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of May 31, 2020 including interest payments of \$1,186,539 are as follows:

Year Ending May 31,	Principal	Interest
2021	\$ 1,420,000	\$ 304,407
2022	1,470,000	246,217
2023	1,465,000	186,381
2024	1,100,000	140,231
2025	1,135,000	102,500
2026-2030	2,065,000	189,609
2031	700,000	17,194
	<u>\$ 9,355,000</u>	<u>\$ 1,186,539</u>

The above general obligation bonds are direct obligations of the Village for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Village.

Compensated Absences

Pursuant to the terms of the collective bargaining agreements, all Village employees, except police officers, may accumulate up to 165 days of sick leave to be used as compensatory time. All Village employees, except police officers, may request to be paid for accumulated sick leave up to a maximum of one-half of that employee's past year's accumulated sick leave at the rate of \$75 per day. For police officers with accumulated sick leave as of May 31, 2020, such leave will be paid upon separation of service at the rate of seventy-five percent of the amount accumulated at current salary levels.

Vacation leave for all employees, except department heads, is earned on the employee's anniversary date and must be taken within one year of that anniversary date, except if an extension has been approved by the Mayor and the Board. Any unused vacation leave is paid upon separation of service. Employees are permitted to accumulate compensatory time which can be used as vacation leave. Upon separation of employment, employees will be paid for unused compensatory time. The value of such compensated absences has been reflected in the government-wide financial statements.

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Claims Payable

Claims payable reflects a liability of \$247,185 for court ordered tax certiorari refunds, which were not due and payable at year-end. The amounts have been recorded as an expense in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2020 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75I/41J	19.5%
	3 A14/41J	15.8
	4 A15/41J	15.8
	5 A15/41J	13.2
	6 A15/41J	9.3

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
PFRS	2 384D	24.3%
	5 384D	19.8
	6 384D	14.6

At May 31, 2020, the Village reported the following for its proportion share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2020	March 31, 2020
Net pension liability	\$ 3,805,769	\$ 9,836,071
Villages' proportion of the net pension liability	0.0143719 %	0.1840259 %
Change in proportion since the prior measurement date	0.0026548 %	(0.0198390) %

The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended May 31, 2020, the Village recognized its proportionate share of pension expense in the government-wide financial statements of \$1,403,976 for ERS and \$3,460,977 for PFRS. Pension expenditures of \$617,555 for ERS and \$1,695,601 for PFRS were recorded in the fund financial statements and were charged to the General Fund.

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

	<u>ERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 223,985	\$ -	\$ 654,976	\$ 164,753
Changes of assumptions	76,630	66,169	840,746	-
Net difference between projected and actual earnings on pension plan investments	1,951,022	-	4,429,492	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	299,230	63,000	94,843	308,228
Village contributions subsequent to the measurement date	109,035	-	347,094	-
	<u>\$ 2,659,902</u>	<u>\$ 129,169</u>	<u>\$ 6,367,151</u>	<u>\$ 472,981</u>

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 878,961	\$ 164,753
Changes of assumptions	917,376	66,169
Net difference between projected and actual earnings on pension plan investments	6,380,514	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	394,073	371,228
Village contributions subsequent to the measurement date	456,129	-
	<u>\$ 9,027,053</u>	<u>\$ 602,150</u>

\$109,035 and \$347,094 are reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2021	\$ 431,915	\$ 1,158,454
2022	619,311	1,310,389
2023	760,755	1,670,722
2024	609,717	1,373,159
2025	-	34,352
	<u>\$ 2,421,698</u>	<u>\$ 5,547,076</u>

The total pension liability for the March 31, 2020 measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	ERS	PFRS
Measurement date	March 31, 2020	March 31, 2020
Actuarial valuation date	April 1, 2019	April 1, 2019
Investment rate of return	6.8% *	6.8% *
Salary scale	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustments	1.3%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Annuitant mortality rates are based on the April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.05 %
International Equity	14	6.15
Private Equity	10	6.75
Real Estate	10	4.95
Absolute Return Strategies	2	3.25
Opportunistic Portfolio	3	4.65
Real Assets	3	5.95
Bonds and Mortgages	17	0.75
Cash	1	-
Inflation Indexed Bonds	4	0.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation of 2.5%.

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those 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.

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Village's proportionate share of the ERS net pension liability	<u>\$ 6,984,660</u>	<u>\$ 3,805,769</u>	<u>\$ 877,996</u>
Village's proportionate share of the PFRS net pension liability	<u>\$ 17,587,095</u>	<u>\$ 9,836,071</u>	<u>\$ 2,894,853</u>

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

	ERS	PFRS	Total
Total pension liability	\$ 194,596,261,000	\$ 35,309,017,000	\$ 229,905,278,000
Fiduciary net position	<u>168,115,682,000</u>	<u>29,964,080,000</u>	<u>198,079,762,000</u>
Employers' net pension liability	<u>\$ 26,480,579,000</u>	<u>\$ 5,344,937,000</u>	<u>\$ 31,825,516,000</u>
Fiduciary net position as a percentage of total pension liability	<u>86.39%</u>	<u>84.86%</u>	<u>86.16%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2020 represent the employer contribution for the period of April 1, 2020 through May 31, 2020 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly. Accrued retirement contributions to ERS and PFRS within the General Fund as of May 31, 2020 were \$109,035 and \$347,094 respectively.

Voluntary Defined Contribution Plan

The Village can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning 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 will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

E. Pension Trust - Fire Service Award Program

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Award Program ("Program") for volunteer firefighters. This Program is a single employer defined benefit plan. Active volunteer firefighters, upon attainment of age 16, and after a year of service credit in a calendar year after 1994 under the provisions of the Program point system, are eligible to become participants in the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 65 or the participant's age after earning one year of service credit) shall be 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 30 years. The Program also provides disability and death benefits. The trustees of the 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 program.

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>December 31, 2020</u>
Retirees and beneficiaries currently receiving benefits	9
Terminated members entitled to but not yet receiving benefits	47
Active - vested	59

The Village's Board has retained and designated Penflex, Inc. to assist in the administration of the Program. Based on the certified calendar year volunteer firefighter listings, Penflex, Inc. determines and certifies in writing the amount of the service award to be paid to a participant or to a participant's designated beneficiary. As authorized by the Village, Penflex Inc. then directs the paying agent to pay the service award. No service award benefit payment is made without the written certification from Penflex, Inc. and written confirmation to the Village.

Program assets are required to be held in 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 Program. Authority to invest the Program's assets is vested in the Trustee. 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 retain an actuary to determine the amount of the Village's contributions to the Program. The actuarial firm retained for this purpose is Penflex, Inc. Portions of the following information are derived from a report prepared by the actuary dated September 22, 2020.

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Present Value of Benefits at December 31, 2019				\$	2,342,038
Less: Assets Available for Benefits					
		<u>% of total</u>			
Cash	2.54 %	\$	57,805		
Money Market Mutual Funds	88.53		2,017,073		
United States Government Securities	0.02		369		
Certificates of Deposits	8.91		<u>203,071</u>		
					2,278,318
Less: Liabilities - Benefits payable					<u>(5,006)</u>
Total Net Assets Available for Benefits					<u>2,273,312</u>
Total Funded (Unfunded) Benefits					68,726
Less: Unfunded Liability for Prior Service					<u>68,726</u>
Funded (Unfunded) Normal Benefits				\$	<u>-</u>

Prior service costs are being amortized over a range of 10 to 18 years at a discount rate of 5.50%.

The Village is required to contribute the amounts necessary to finance the plan as actuarially determined using the attained age normal frozen initial liability cost method. The asset valuation method is fair value. The assumed investment rate of return is 5.50% and there is 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 post-retirement aged members are not projected to earn service credits.

The Village's annual Program cost, the percentage of the annual Program cost contributed to the plan and the net pension obligation for the current and two preceding fiscal years were as follows:

	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage of Annual Program Cost Contributed</u>	<u>Net Pension Obligation</u>
2020	\$ 88,457	\$ 88,457	100.00 %	\$ -
2019	64,538	64,538	100.00 %	-
2018	80,673	80,673	100.00	-

Since the net pension obligation is not separately amortized, the annual required contribution is equal to the annual pension cost. Per the actuary, the 2019 required contribution was made in calendar year 2019.

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Other Postemployment Benefit Liability ("OPEB")

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit OPEB 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 employee as noted below. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At May 31, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	101
Active employees	140
	<hr/>
	241
	<hr/>

The Village's total OPEB liability of \$95,640,761 was measured as of May 31, 2020, and was determined by an actuarial valuation as of June 1, 2018.

The total OPEB liability in the June 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%
Discount rate	2.16%
Healthcare cost trend rates	6.50% for 2020, decreasing by up to .5% per year to an ultimate rate of 5.0% for 2023
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was based on the Bond Buyer's 20 Bond Index.

Mortality rates were based on the RPH-2014 Total Dataset Mortality Table with Projection Scale MP-2019

The actuarial assumptions used in the June 1, 2018 valuation for turnover and retirement for ERS and PFRS were based on rates developed in the report "Annual Report to the Comptroller on Actuarial Assumptions".

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The Village's change in the total OPEB liability for the year ended May 31, 2020 is as follows:

Total OPEB Liability - Beginning of Year	\$ 73,642,931
Service cost	2,602,701
Interest	2,642,459
Changes of benefit terms	-
Differences between expected and actual experience	(1,538,541)
Changes in assumptions or other inputs	20,231,770
Benefit payments	<u>(1,940,559)</u>
Total OPEB Liability - End of Year	<u>\$ 95,640,761</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	<u>\$ 116,198,083</u>	<u>\$ 95,640,761</u>	<u>\$ 79,991,727</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.50% decreasing to 4.00%) or 1 percentage point higher (7.50% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease (5.50% decreasing to 4.0%)	Healthcare Cost Trend Rates (6.50% decreasing to 5.0%)	1% Increase (7.50% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 78,066,529</u>	<u>\$ 95,640,761</u>	<u>\$ 119,195,632</u>

For the year ended May 31, 2020, the Village recognized OPEB expense of \$8,819,803 in the government-wide financial statements. At May 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 19,850,329	\$ -
Differences between expected and actual experience	<u>-</u>	<u>1,315,433</u>
	<u>\$ 19,850,329</u>	<u>\$ 1,315,433</u>

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended May 31,	
2021	\$ 3,574,643
2022	3,214,932
2023	3,156,375
2024	3,156,375
2025	3,156,375
Thereafter	<u>2,276,196</u>
	<u><u>\$ 18,534,896</u></u>

F. Revenues and Expenditures**Interfund Transfers**

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

	Transfers In			Total
	General Fund	Debt Service Fund	Non Major Governmental Funds	
<u>Transfers Out</u>				
General Fund	\$ -	\$ 1,730,060	\$ 24,896	\$ 1,754,956
Debt Service Fund	<u>69,819</u>	<u>-</u>	<u>-</u>	<u>69,819</u>
	<u><u>\$ 69,819</u></u>	<u><u>\$ 1,730,060</u></u>	<u><u>\$ 24,896</u></u>	<u><u>\$ 1,824,775</u></u>

Transfers are used to move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and from the Debt Service Fund to the General Fund to offset the costs of debt, and to the Special Purpose Fund to reduce the fund deficit.

G. Net Position

The components of net position are detailed below:

Net Investment in capital assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Village of Spring Valley, New York

Notes to Financial Statements (Continued)

May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Retirement Contributions - the component of net position that reports the amounts set aside to be used for retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Pension Benefits - The component of net position that has been set aside to be used for LOSAP pension benefits in accordance with Article 11-A of the General Municipal Law of the State of New York

Restricted for Special Revenue Funds - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2020						2019					
	General Fund	Section 8 Housing Assistance Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total	General Fund	Section 8 Housing Assistance	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Nonspendable -												
Prepaid expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:												
Retirement contributions	994,864	-	-	-	-	994,864	992,878	-	-	-	-	992,878
Debt service	481,441	-	-	658,027	-	1,139,468	480,480	-	-	727,846	-	1,208,326
Pension benefits	2,262,216	-	-	-	-	2,262,216	2,198,438	-	-	-	-	2,198,438
Section 8 Fund	-	844,060	-	-	-	844,060	-	760,034	-	-	-	760,034
Community Development	-	-	-	-	-	-	-	-	-	-	18,485	18,485
Total Restricted	3,738,521	844,060	-	658,027	-	5,240,608	3,671,796	760,034	-	727,846	18,485	5,178,161
Assigned -												
Purchases on order:												
General government support	46,969	-	-	-	-	46,969	88,585	-	-	-	-	88,585
Public safety	103,348	-	-	-	-	103,348	139,645	-	-	-	-	139,645
Culture and recreation	98,750	-	-	-	-	98,750	268,340	-	-	-	-	268,340
Transportation	18,191	-	-	-	-	18,191	1,695	-	-	-	-	1,695
Total Assigned	267,258	-	-	-	-	267,258	498,265	-	-	-	-	498,265
Unassigned	4,917,172	-	(3,873,745)	-	(6,518)	1,036,909	3,925,770	-	(3,617,801)	-	(23,537)	284,432
Total Fund Balances	\$ 8,922,951	\$ 844,060	\$ (3,873,745)	\$ 658,027	\$ (6,518)	\$ 6,544,775	\$ 8,095,831	\$ 760,034	\$ (3,617,801)	\$ 727,846	\$ (5,052)	\$ 5,960,858

Village of Spring Valley, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for certain payments made in advance. The amount is classified as nonspendable to indicate that these funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Purchases on order are assigned and represent the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transaction.

Unassigned fund balance represents amounts not classified as non-spendable, restricted or assigned. Unassigned fund balance in the Capital Projects and Non-Major Governmental funds represents the deficit balance in those funds.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are pending tax 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 these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

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

B. Risk Management

The Village purchases various insurance coverages to reduce its exposure to loss. The Village maintains general liability, law enforcement liability, automobile and public officials' liability insurance coverage with basic policy limits of \$1 million per occurrence and \$2 million in the aggregate. The Village also maintains an excess liability policy which provides for additional liability coverage up to \$10 million per occurrence and \$20 million in the aggregate. The Village purchases conventional workers' compensation insurance with coverage at statutory levels. Health benefits are provided by commercial carriers including health maintenance organizations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Village of Spring Valley, New York

Notes to Financial Statements (Concluded)
May 31, 2020

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Contingencies

The Village participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the Village anticipates such amounts, if any, to be immaterial.

Village of Spring Valley, New York

Fire Service Award Program Schedule of Funding Progress Last Six Fiscal Years

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	(Unfunded) Overfunded Actuarial Accrued Liability	Funded Ratio
2014	\$ 1,756,284	\$ 1,710,460	\$ 45,824	102.68 %
2015	1,758,997	1,901,188	(142,191)	92.52
2016	1,900,269	2,091,332	(191,063)	90.86
2017	2,127,511	2,189,622	(62,111)	97.16
2018	1,971,178	2,236,348	(265,170)	88.14

See independent auditors' report.

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Village of Spring Valley, New York

Required Supplementary Information - Schedule of Changes in the Village's Total OPEB Liability and Related Ratios Last Ten Fiscal Years (1) (2)

	2020	2019
Total OPEB Liability:		
Service cost	\$ 2,602,701	\$ 2,303,098
Interest	2,642,459	2,618,304
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,538,541)	815,311
Changes of assumptions or other inputs	20,231,770	3,416,310
Benefit payments	(1,940,559)	(1,710,594)
Net Change in Total OPEB Liability	21,997,830	7,442,429
Total OPEB Liability – Beginning of Year	73,642,931	66,200,502 (3)
Total OPEB Liability – End of Year	<u>\$ 95,640,761</u>	<u>\$ 73,642,931</u>
Village's covered-employee payroll	<u>\$ 10,626,050</u>	<u>\$ 10,366,878</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>900.06%</u>	<u>710.37%</u>
Discount Rate	<u>2.16%</u>	<u>3.51%</u>

(1) Data not available prior to fiscal year 2019 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

Village of Spring Valley, New York

Required Supplementary Information - Schedule of the
Village's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the Village's Proportionate Share of the Net Pension Liability (2)					
	2020 (3)	2019	2018	2017	2016
Village's proportion of the net pension liability	0.0143719%	0.0117171%	0.0122260%	0.0133205%	0.0160565%
Village's proportionate share of the net pension liability	\$ 3,805,769	\$ 830,194	\$ 394,587	\$ 1,251,623	\$ 2,577,109
Village's covered payroll	\$ 4,779,917	\$ 4,327,631	\$ 3,855,230	\$ 4,217,375	\$ 4,151,800
Village's proportionate share of the net pension liability as a percentage of its covered payroll	79.62%	19.18%	10.24%	29.68%	62.07%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%
Discount Rate	6.80%	7.00%	7.00%	7.00%	7.00%
Schedule of Contributions					
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 610,224	\$ 551,098	\$ 616,266	\$ 607,092	\$ 924,457
Contributions in relation to the contractually required contribution	(610,224)	(551,098)	(616,266)	(607,092)	(924,457)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 4,907,895	\$ 4,327,631	\$ 3,855,230	\$ 4,200,963	\$ 4,154,963
Contributions as a percentage of covered payroll	12.43%	12.73%	15.99%	14.45%	22.25%

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.

(3) Increase in proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

Village of Spring Valley, New York

Required Supplementary Information - Schedule of the
Village's Proportionate Share of the Net Pension Liability
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

Schedule of the Village's Proportionate Share of the Net Pension Liability (2)					
	2020 (3)	2019	2018	2017	2016
Village's proportion of the net pension liability	<u>0.1840259%</u>	<u>0.2038649%</u>	<u>0.2092932%</u>	<u>0.2017005%</u>	<u>0.2316704%</u>
Village's proportionate share of the net pension liability	<u>\$ 9,836,071</u>	<u>\$ 3,418,944</u>	<u>\$ 2,115,446</u>	<u>\$ 4,180,549</u>	<u>\$ 6,859,267</u>
Village's covered payroll	<u>\$ 8,768,032</u>	<u>\$ 7,069,632</u>	<u>\$ 7,559,893</u>	<u>\$ 7,897,467</u>	<u>\$ 7,400,862</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>112.18%</u>	<u>48.36%</u>	<u>27.98%</u>	<u>52.94%</u>	<u>92.68%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.86%</u>	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>
Discount Rate	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>
Schedule of Contributions					
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,618,210	\$ 1,732,559	\$ 1,880,008	\$ 1,728,418	\$ 1,547,371
Contributions in relation to the contractually required contribution	<u>(1,618,210)</u>	<u>(1,732,559)</u>	<u>(1,880,008)</u>	<u>(1,728,418)</u>	<u>(1,547,371)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 8,746,581</u>	<u>\$ 7,069,632</u>	<u>\$ 7,559,893</u>	<u>\$ 7,987,442</u>	<u>\$ 7,516,353</u>
Contributions as a percentage of covered payroll	<u>18.50%</u>	<u>24.51%</u>	<u>24.87%</u>	<u>21.64%</u>	<u>20.59%</u>

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.

(3) Increase in proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

Village of Spring Valley, New York

General Fund
Combining Balance Sheet - Sub-Funds
May 31, 2020
(With Comparative Actuals for 2019)

		Fire	Totals	
	General	Service Awards Program	2020	2019
ASSETS				
Cash and equivalents	\$ 3,708,792	\$ -	\$ 3,708,792	\$ 3,929,071
Investments	1,202	2,173,759	2,174,961	2,135,102
Other receivables				
Accounts	679,824	88,457	768,281	415,043
State and Federal aid	34,854	-	34,854	497,687
Due from other governments	898,030	-	898,030	324,915
Due from other funds	3,407,747	-	3,407,747	6,337,516
Total Assets	<u>\$ 8,730,449</u>	<u>\$ 2,262,216</u>	<u>\$ 10,992,665</u>	<u>\$ 13,639,334</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 394,582	\$ -	\$ 394,582	\$ 699,358
Accrued Liabilities	1,219,004	-	1,219,004	1,420,516
Due to other funds	-	-	-	3,052,223
Due to retirement systems	456,128	-	456,128	371,406
Total Liabilities	<u>2,069,714</u>	<u>-</u>	<u>2,069,714</u>	<u>5,543,503</u>
Fund balances				
Restricted	1,476,305	2,262,216	3,738,521	3,671,796
Assigned	159,577	-	159,577	267,258
Unassigned	5,024,853	-	5,024,853	4,156,777
Total Fund Balances	<u>6,660,735</u>	<u>2,262,216</u>	<u>8,922,951</u>	<u>8,095,831</u>
Total Liabilities and Fund Balances	<u>\$ 8,730,449</u>	<u>\$ 2,262,216</u>	<u>\$ 10,992,665</u>	<u>\$ 13,639,334</u>

See independent auditors' report.

Village of Spring Valley, New York

General Fund

Combining Schedules of Revenues, Expenditures and Changes in Fund Balances - Sub-Funds

Year Ended May 31, 2020

(With Comparative Actuals for 2019)

		Fire Service Award Program		Totals	
	General		Eliminations	2020	2019
REVENUES					
Real property taxes	\$ 24,917,559	\$ -	\$ -	\$ 24,917,559	\$ 23,925,016
Other tax items	539,337	-	-	539,337	431,124
Non-property taxes	1,990,267	-	-	1,990,267	1,973,134
Departmental income	786,740	88,457	(88,457)	786,740	846,034
Use of money and property	178,005	123,450	-	301,455	242,087
Licenses and permits	1,200,592	-	-	1,200,592	1,057,633
Fines and forfeitures	414,729	-	-	414,729	474,122
Sale of property and compensation for loss	6,600	-	-	6,600	4,469
State aid	964,629	-	-	964,629	1,432,975
Federal aid	192,086	-	-	192,086	19,486
Miscellaneous	372,240	-	-	372,240	107,089
Total Revenues	31,562,784	211,907	(88,457)	31,686,234	30,513,169
EXPENDITURES					
Current					
General government support	5,836,595	-	-	5,836,595	5,729,814
Public safety	10,842,095	148,129	(88,457)	10,901,767	10,492,576
Health	2,090	-	-	2,090	2,602
Transportation	1,972,310	-	-	1,972,310	2,428,109
Economic opportunity and development	275	-	-	275	250
Culture and recreation	351,046	-	-	351,046	470,962
Home and community services	131,619	-	-	131,619	179,964
Employee benefits	10,171,444	-	-	10,171,444	10,470,225
Total Expenditures	29,307,474	148,129	(88,457)	29,367,146	29,774,502
Excess (Deficiency) of Revenues Over Expenditures	2,255,310	63,778	-	2,319,088	738,667
OTHER FINANCING USES					
Insurance recoveries	193,169	-	-	193,169	261,014
Transfers in	69,819	-	-	69,819	71,409
Transfers out	(1,754,956)	-	-	(1,754,956)	(2,204,848)
Total Other Financing Uses	(1,491,968)	-	-	(1,491,968)	(1,872,425)
Net Change in Fund Balances	763,342	63,778	-	827,120	(1,133,758)
FUND BALANCES					
Beginning of Year	5,897,393	2,198,438	-	8,095,831	9,229,589
End of Year	\$ 6,660,735	\$ 2,262,216	\$ -	\$ 8,922,951	\$ 8,095,831

See independent auditors' report.

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Village of Spring Valley, New York

General Fund
Comparative Balance Sheet
May 31,

	2020	2019
ASSETS		
Cash and equivalents	\$ 3,708,792	\$ 3,929,071
Investments	1,202	1,202
Receivables		
Accounts	679,824	350,505
State and Federal aid	34,854	497,687
Due from other governments	898,030	324,915
Due from other funds	3,407,747	6,337,516
	5,020,455	7,510,623
Total Assets	\$ 8,730,449	\$ 11,440,896
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 394,582	\$ 699,358
Accrued liabilities	1,219,004	1,420,516
Due to other funds	-	3,052,223
Due to retirement systems	456,128	371,406
Total Liabilities	2,069,714	5,543,503
Fund balance		
Restricted	1,476,305	1,473,358
Assigned	159,577	267,258
Unassigned	5,024,853	4,156,777
Total Fund Balance	6,660,735	5,897,393
Total Liabilities and Fund Balance	\$ 8,730,449	\$ 11,440,896

See independent auditors' report.

Village of Spring Valley, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended May 31,

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 24,924,979	\$ 24,924,979	\$ 24,917,559	\$ (7,420)
Other tax items	345,250	345,250	539,337	194,087
Non-property taxes	1,900,000	1,900,000	1,990,267	90,267
Departmental income	731,050	731,050	786,740	55,690
Use of money and property	200,000	200,000	178,005	(21,995)
Licenses and permits	1,023,100	1,023,100	1,200,592	177,492
Fines and forfeitures	401,000	401,000	414,729	13,729
Sale of property and compensation for loss	2,000	2,000	6,600	4,600
State aid	1,099,417	1,099,417	964,629	(134,788)
Federal aid	150,000	150,000	192,086	42,086
Miscellaneous	49,560	49,560	372,240	322,680
Total Revenues	30,826,356	30,826,356	31,562,784	736,428
EXPENDITURES				
Current				
General government support	5,342,403	5,362,671	5,836,595	(473,924)
Public safety	11,312,458	11,292,768	10,842,095	450,673
Health	1,000	1,000	2,090	(1,090)
Transportation	1,768,191	1,768,155	1,972,310	(204,155)
Economic opportunity and development	500	500	275	225
Culture and recreation	496,500	495,958	351,046	144,912
Home and community services	145,000	145,000	131,619	13,381
Employee benefits	10,422,500	10,422,500	10,171,444	251,056
Total Expenditures	29,488,552	29,488,552	29,307,474	181,078
Excess of Revenues Over Expenditures	1,337,804	1,337,804	2,255,310	917,506
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	125,000	125,000	193,169	68,169
Transfers in	-	-	69,819	69,819
Transfers out	(1,730,062)	(1,730,062)	(1,754,956)	(24,894)
Total Other Financing Uses	(1,605,062)	(1,605,062)	(1,491,968)	113,094
Net Change in Fund Balance	(267,258)	(267,258)	763,342	1,030,600
FUND BALANCE				
Beginning of Year	267,258	267,258	5,897,393	5,630,135
End of Year	\$ -	\$ -	\$ 6,660,735	\$ 6,660,735

See independent auditors' report.

2019

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 24,937,279	\$ 24,937,279	\$ 23,925,016	\$ (1,012,263)
455,000	455,000	431,124	(23,876)
1,805,000	1,805,000	1,973,134	168,134
767,650	767,650	846,034	78,384
205,000	205,000	191,351	(13,649)
879,800	879,800	1,057,633	177,833
415,000	415,000	474,122	59,122
1,000	1,000	4,469	3,469
924,417	924,417	1,432,975	508,558
195,000	195,000	19,486	(175,514)
39,560	39,560	107,089	67,529
30,624,706	30,624,706	30,462,433	(162,273)
4,968,573	4,945,074	5,729,814	(784,740)
11,118,742	11,100,716	10,450,755	649,961
3,000	3,000	2,602	398
2,317,190	2,306,214	2,428,109	(121,895)
47,000	47,000	250	46,750
464,366	462,750	470,962	(8,212)
116,600	116,600	179,964	(63,364)
10,147,500	10,147,500	10,470,225	(322,725)
29,182,971	29,128,854	29,732,681	(603,827)
1,441,735	1,495,852	729,752	(766,100)
135,000	135,000	261,014	126,014
-	-	71,409	71,409
(2,225,000)	(2,225,000)	(2,204,848)	20,152
(2,090,000)	(2,090,000)	(1,872,425)	217,575
(648,265)	(594,148)	(1,142,673)	(548,525)
648,265	594,148	7,040,066	6,445,918
\$ -	\$ -	\$ 5,897,393	\$ 5,897,393

Village of Spring Valley, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REAL PROPERTY TAXES	\$ 24,924,979	\$ 24,924,979	\$ 24,917,559	\$ (7,420)	\$ 23,925,016
OTHER TAX ITEMS					
Payments in lieu of taxes	300,000	300,000	373,429	73,429	298,673
Interest and penalties on real property taxes	45,250	45,250	165,908	120,658	132,451
	345,250	345,250	539,337	194,087	431,124
NON-PROPERTY TAXES					
Franchise fees	250,000	250,000	281,882	31,882	299,642
Non-property tax distribution from County	1,250,000	1,250,000	1,383,300	133,300	1,278,530
Utilities gross receipts taxes	400,000	400,000	325,085	(74,915)	394,962
	1,900,000	1,900,000	1,990,267	90,267	1,973,134
DEPARTMENTAL INCOME					
Clerk/Treasurer fees	1,000	1,000	564	(436)	1,589
Police fees	1,300	1,300	2,371	1,071	1,539
Registrar fees	1,500	1,500	2,858	1,358	2,362
Bus operations	-	-	-	-	4,692
Mass transportation	2,000	2,000	2,121	121	32,010
Zoning fees	40,000	40,000	42,565	2,565	41,105
Planning board fees	30,000	30,000	43,321	13,321	29,232
Parking fees	1,000	1,000	-	(1,000)	-
Emergency Tenant Protection Act	23,000	23,000	9,950	(13,050)	16,720
Fire protection	205,000	205,000	225,858	20,858	250,201
Snow removal	26,250	26,250	-	(26,250)	-
Pool fees	10,000	10,000	7,107	(2,893)	11,445
Refuse and garbage recycling	40,000	40,000	21,720	(18,280)	47,187
Administrative cost reimbursements	350,000	350,000	428,305	78,305	407,952
	731,050	731,050	786,740	55,690	846,034

USE OF MONEY AND PROPERTY

Earnings on investments	125,000	125,000	106,971	(18,029)	113,324
Rental of real property	75,000	75,000	71,034	(3,966)	78,027
	200,000	200,000	178,005	(21,995)	191,351

LICENSES AND PERMITS

Business and occupational licenses	93,100	93,100	95,295	2,195	139,950
Building permits	750,000	750,000	888,904	138,904	691,649
Other permits and licenses	180,000	180,000	216,393	36,393	226,034
	1,023,100	1,023,100	1,200,592	177,492	1,057,633

FINES AND FORFEITURES

Fines and forfeited bail	401,000	401,000	414,729	13,729	474,122
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**SALE OF PROPERTY AND COMPENSATION
FOR LOSS**

Sale of equipment	2,000	2,000	6,600	4,600	4,469
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STATE AID

Per capita	416,082	416,082	416,082	-	416,082
Mortgage tax	225,000	225,000	331,349	106,349	244,175
Public safety grants	458,335	458,335	217,198	(241,137)	772,718
	1,099,417	1,099,417	964,629	(134,788)	1,432,975

FEDERAL AID

Crime control	90,000	90,000	-	(90,000)	-
Department of Justice grants	60,000	60,000	192,086	132,086	19,486
	150,000	150,000	192,086	42,086	19,486

MISCELLANEOUS

Unclassified	37,560	37,560	371,001	333,441	102,292
Gifts and donations	12,000	12,000	1,239	(10,761)	4,797
	49,560	49,560	372,240	322,680	107,089

TOTAL REVENUES

	30,826,356	30,826,356	31,562,784	736,428	30,462,433
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Village of Spring Valley, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended May 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
OTHER FINANCING SOURCES					
Insurance recoveries	125,000	125,000	193,169	68,169	261,014
Transfers in					
Debt Service Fund	-	-	69,819	69,819	71,409
TOTAL OTHER FINANCING SOURCES	<u>125,000</u>	<u>125,000</u>	<u>262,988</u>	<u>137,988</u>	<u>332,423</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 30,951,356</u>	<u>\$ 30,951,356</u>	<u>\$ 31,825,772</u>	<u>\$ 874,416</u>	<u>\$ 30,794,856</u>

See independent auditors' report.

Village of Spring Valley, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 108,223	\$ 108,000	\$ 103,054	\$ 4,946	\$ 104,848
Justice	567,662	565,662	477,838	87,824	617,424
Mayor	384,784	384,532	371,536	12,996	464,511
Auditor	60,000	60,000	45,630	14,370	64,494
Treasurer	321,215	320,764	327,892	(7,128)	298,256
Clerk	379,500	379,500	372,133	7,367	333,423
Assessment	139,306	166,358	93,856	72,502	30,992
Attorney	398,000	398,000	600,502	(202,502)	730,530
Buildings	489,475	489,475	792,357	(302,882)	720,012
Central garage	681,350	679,099	703,252	(24,153)	773,244
Central storeroom	19,888	18,281	44,943	(26,662)	28,817
Central mailing	16,000	16,000	18,678	(2,678)	24,586
Unallocated insurance	800,000	800,000	832,812	(32,812)	809,837
Municipal association dues	7,000	7,000	6,962	38	6,962
Judgements and claims	100,000	100,000	382,500	(282,500)	250,311
Taxes and assessments on real property	60,000	60,000	51,797	8,203	56,310
Refunds of real property taxes	275,000	275,000	578,195	(303,195)	375,994
Fiscal agent and financial advisor fees	5,000	5,000	-	5,000	6,250
Metropolitan Transportation Commuter Mobility Tax	30,000	30,000	32,658	(2,658)	33,013
Contingency account	500,000	500,000	-	500,000	-
	<u>5,342,403</u>	<u>5,362,671</u>	<u>5,836,595</u>	<u>(473,924)</u>	<u>5,729,814</u>
PUBLIC SAFETY					
Police department	9,654,936	9,648,913	9,197,799	451,114	8,964,148
Fire department	591,029	587,598	570,748	16,850	687,476
Traffic control	4,754	4,754	6,549	(1,795)	2,274
Control of animals	3,000	3,000	34,301	(31,301)	-
Safety inspection	508,313	498,242	626,858	(128,616)	392,098
Housing	412,926	412,761	399,590	13,171	398,716
Anti-Violence Program	135,000	135,000	-	135,000	0
Emergency operations	2,500	2,500	6,250	(3,750)	6,043
	<u>11,312,458</u>	<u>11,292,768</u>	<u>10,842,095</u>	<u>450,673</u>	<u>10,450,755</u>

HEALTH

Registrar of Vital Statistics

	1,000	1,000	2,090	(1,090)	2,602
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TRANSPORTATION

Superintendent of Public Works

	1,351,000	92,000	50	91,950	35
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Street maintenance

	136,314	1,395,286	1,646,552	(251,266)	1,875,674
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Bus operations

	-	-	3,462	(3,462)	139,328
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Snow removal

	115,197	115,189	71,393	43,796	141,709
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Street lighting

	100,000	100,000	195,040	(95,040)	206,953
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Transportation aid

	-	-	-	-	1,428
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Parking

	65,680	65,680	55,813	9,867	62,982
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	1,768,191	1,768,155	1,972,310	(204,155)	2,428,109
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ECONOMIC OPPORTUNITY AND DEVELOPMENT

Publicity

	500	500	275	225	250
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CULTURE AND RECREATION

Parks and playgrounds

	12,500	12,500	63,668	(51,168)	102,013
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Youth programs

	162,000	162,000	117,500	44,500	111,445
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Civic center

	23,000	23,000	28,199	(5,199)	155,100
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King facility

	82,000	82,000	16,000	66,000	38,300
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Senior citizens

	5,000	5,000	3,800	1,200	1,800
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Adult recreation

	212,000	211,458	121,879	89,579	62,304
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	496,500	495,958	351,046	144,912	470,962
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HOME AND COMMUNITY SERVICES

Zoning Board

	16,000	16,000	9,905	6,095	19,275
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Planning Board

	76,000	76,000	66,330	9,670	94,705
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Refuse and garbage

	30,000	30,000	33,834	(3,834)	44,324
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Emergency Tenant Protection Act

	23,000	23,000	21,550	1,450	21,660
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	145,000	145,000	131,619	13,381	179,964
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(Continued)

Village of Spring Valley, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended May 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 650,000	\$ 650,000	\$ 617,555	\$ 32,445	\$ 560,952
Police retirement	1,950,000	1,950,000	1,695,601	254,399	1,713,501
Fire service awards	80,000	80,000	96,197	(16,197)	64,538
Social security	975,000	975,000	951,174	23,826	915,688
Workers' compensation benefits	1,300,000	1,300,000	1,156,282	143,718	1,250,905
Life insurance	245,000	245,000	269,605	(24,605)	262,933
Unemployment benefits	17,500	17,500	16,769	731	14,746
Hospital and medical insurance	5,205,000	5,205,000	5,368,261	(163,261)	5,686,962
	<u>10,422,500</u>	<u>10,422,500</u>	<u>10,171,444</u>	<u>251,056</u>	<u>10,470,225</u>
TOTAL EXPENDITURES	29,488,552	29,488,552	29,307,474	181,078	29,732,681
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	1,730,062	1,730,062	1,730,060	2	2,204,848
Special Purpose Fund	-	-	24,896	(24,896)	-
	<u>1,730,062</u>	<u>1,730,062</u>	<u>1,754,956</u>	<u>(24,894)</u>	<u>2,204,848</u>
TOTAL OTHER FINANCING USES	1,730,062	1,730,062	1,754,956	(24,894)	2,204,848
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 31,218,614</u>	<u>\$ 31,218,614</u>	<u>\$ 31,062,430</u>	<u>\$ 156,184</u>	<u>\$ 31,937,529</u>

See independent auditors' report.

Village of Spring Valley, New YorkSection 8 - Housing Assistance Fund
Comparative Balance Sheet
May 31,

	2020	2019
ASSETS		
Cash and equivalents	\$ 1,069,289	\$ 867,768
Due from other governments	-	12,356
Total Assets	<u>\$ 1,069,289</u>	<u>\$ 880,124</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 39,895	\$ 73,406
Due to other governments	80,770	46,684
Unearned revenue	104,564	-
Total Liabilities	225,229	120,090
Fund balance		
Restricted	<u>844,060</u>	<u>760,034</u>
Total Liabilities and Fund Balance	<u>\$ 1,069,289</u>	<u>\$ 880,124</u>

See independent auditors' report.

Village of Spring Valley, New York

Section 8 - Housing Assistance Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended May 31,

	<u>2020</u>	<u>2019</u>
REVENUES		
Use of money and property	\$ 1,271	\$ 1,397
Federal aid	9,137,638	8,905,822
Miscellaneous	<u>98,036</u>	<u>661,017</u>
Total Revenues	9,236,945	9,568,236
EXPENDITURES		
Current		
Economic opportunity and development	<u>9,152,919</u>	<u>9,653,422</u>
Excess (Deficiency) of Revenues Over Expenditures	84,026	(85,186)
FUND BALANCE		
Beginning of Year	<u>760,034</u>	<u>845,220</u>
End of Year	<u><u>\$ 844,060</u></u>	<u><u>\$ 760,034</u></u>

See independent auditors' report.

Village of Spring Valley, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 153,496	\$ 358,992
Investments	<u>2,987</u>	<u>2,987</u>
Total Assets	<u>\$ 156,483</u>	<u>\$ 361,979</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 389	\$ 1,214
Due to other funds	<u>4,029,839</u>	<u>3,978,566</u>
Total Liabilities	4,030,228	3,979,780
Fund deficit		
Unassigned	<u>(3,873,745)</u>	<u>(3,617,801)</u>
Total Liabilities and Fund Deficit	<u>\$ 156,483</u>	<u>\$ 361,979</u>

See independent auditors' report.

Village of Spring Valley, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended May 31,

	<u>2020</u>	<u>2019</u>
REVENUES		
State aid	\$ 472,948	\$ 1,270
Miscellaneous	<u>8,167</u>	<u>-</u>
Total Revenues	<u>481,115</u>	<u>1,270</u>
EXPENDITURES		
Capital outlay	<u>737,059</u>	<u>173,688</u>
Deficiency of Revenues Over Expenditures	(255,944)	(172,418)
OTHER FINANCING USES		
Transfers out	<u>-</u>	<u>(1,268)</u>
Net Change in Fund Balance	(255,944)	(173,686)
FUND DEFICIT		
Beginning of Year	<u>(3,617,801)</u>	<u>(3,444,115)</u>
End of Year	<u><u>\$ (3,873,745)</u></u>	<u><u>\$ (3,617,801)</u></u>

See independent auditors' report.

Village of Spring Valley, New York

Debt Service Fund
Comparative Balance Sheet
May 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Due from other funds	<u>\$ 658,027</u>	<u>\$ 727,846</u>
FUND BALANCE		
Restricted	<u>\$ 658,027</u>	<u>\$ 727,846</u>

See independent auditors' report.

Village of Spring Valley, New York

Debt Service Fund
 Comparative Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Years Ended May 31,

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Serial bonds				
Principal	1,370,000	1,370,000	1,370,000	-
Interest	360,062	360,062	360,060	2
Total Expenditures	1,730,062	1,730,062	1,730,060	2
Deficiency of Revenues Over Expenditures	(1,730,062)	(1,730,062)	(1,730,060)	2
OTHER FINANCING SOURCES (USES)				
Transfers in	1,730,062	1,730,062	1,730,060	(2)
Transfers out	-	-	(69,819)	(69,819)
Total Other Financing Sources	1,730,062	1,730,062	1,660,241	(69,821)
Net Change in Fund Balance	-	-	(69,819)	(69,819)
FUND BALANCE				
Beginning of Year	-	-	727,846	727,846
End of Year	\$ -	\$ -	\$ 658,027	\$ 658,027

See independent auditors' report.

2019

Original Budget	Final Budget	Actual	Variance with Final Budget
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
1,775,000	1,775,000	1,775,000	-
450,000	450,000	429,848	20,152
<u>2,225,000</u>	<u>2,225,000</u>	<u>2,204,848</u>	<u>20,152</u>
<u>(2,225,000)</u>	<u>(2,225,000)</u>	<u>(2,204,848)</u>	<u>20,152</u>
2,225,000	2,225,000	2,206,116	(18,884)
-	-	(71,409)	(71,409)
<u>2,225,000</u>	<u>2,225,000</u>	<u>2,134,707</u>	<u>(90,293)</u>
-	-	(70,141)	(70,141)
-	-	797,987	797,987
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 727,846</u>	<u>\$ 727,846</u>

Village of Spring Valley, New York

Combining Balance Sheet
Non-Major Governmental Funds
May 31, 2020
(With Comparative Totals for 2019)

			Total Non-Major Governmental Funds	
	Community Development	Special Purpose	2020	2019
ASSETS				
Cash and equivalents	\$ 51,856	\$ 1,359	\$ 53,215	\$ 53,215
Accounts receivable	-	-	-	663
Total Assets	<u>\$ 51,856</u>	<u>\$ 1,359</u>	<u>\$ 53,215</u>	<u>\$ 53,878</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 3,000	\$ -	\$ 3,000	\$ 3,559
Due to other funds	35,935	-	35,935	34,573
Unearned revenues	20,798	-	20,798	20,798
Total Liabilities	<u>59,733</u>	<u>-</u>	<u>59,733</u>	<u>58,930</u>
Fund balances (deficits)				
Restricted	(7,877)	-	(7,877)	18,485
Unassigned	-	1,359	1,359	(23,537)
Total Fund Balances (Deficits)	<u>(7,877)</u>	<u>1,359</u>	<u>(6,518)</u>	<u>(5,052)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 51,856</u>	<u>\$ 1,359</u>	<u>\$ 53,215</u>	<u>\$ 53,878</u>

See independent auditors' report.

Village of Spring Valley, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended May 31, 2020
(With Comparative Totals for 2019)

			Total Non-Major Governmental Funds	
	Community Development	Special Purpose	2020	2019
REVENUES				
Use of money and property	\$ -	\$ -	\$ -	\$ 24
Federal aid	96,500	-	96,500	-
Total Revenues	96,500	-	96,500	24
EXPENDITURES				
Current				
Home and community services	122,862	-	122,862	-
Excess (Deficiency) of Revenues Over Expenditures	(26,362)	-	(26,362)	24
OTHER FINANCING SOURCES				
Transfers in	-	24,896	24,896	-
Net Change in Fund Balance (Deficit)	(26,362)	24,896	(1,466)	24
FUND BALANCES (DEFICITS)				
Beginning of Year	18,485	(23,537)	(5,052)	(5,076)
End of Year	<u>\$ (7,877)</u>	<u>\$ 1,359</u>	<u>\$ (6,518)</u>	<u>\$ (5,052)</u>

See independent auditors' report.

Village of Spring Valley, New York

Community Development Fund
Combining Balance Sheet - Sub-Funds
May 31, 2020
(With Comparative Totals for 2019)

	Federal Program	County Program	Elderly Emergency Home Repair Program
ASSETS			
Cash and equivalents	<u>\$ 49,275</u>	<u>\$ 201</u>	<u>\$ 2,380</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 3,000
Due to other funds	3,073	26,362	6,500
Unearned revenues	<u>-</u>	<u>3,824</u>	<u>16,974</u>
Total Liabilities	3,073	30,186	26,474
Fund balances (deficits)			
Restricted	<u>46,202</u>	<u>(29,985)</u>	<u>(24,094)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 49,275</u>	<u>\$ 201</u>	<u>\$ 2,380</u>

See independent auditors' report.

Totals	
2020	2019
<u>\$ 51,856</u>	<u>\$ 51,856</u>
\$ 3,000	\$ 3,000
35,935	9,573
<u>20,798</u>	<u>20,798</u>
59,733	33,371
<u>(7,877)</u>	<u>18,485</u>
<u>\$ 51,856</u>	<u>\$ 51,856</u>

Village of Spring Valley, New York

Community Development Fund
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances - Sub-Funds
Year Ended May 31, 2020
(With Comparative Totals for 2019)

	Federal Program	County Program	Elderly Emergency Home Repair Program
REVENUES			
Federal aid	\$ -	\$ 96,500	\$ -
EXPENDITURES			
Current			
Home and community services	-	122,862	-
Deficiency of Revenues Over Expenditures	-	(26,362)	-
FUND BALANCES (DEFICITS)			
Beginning of Year	46,202	(3,623)	(24,094)
End of Year	<u>\$ 46,202</u>	<u>\$ (29,985)</u>	<u>\$ (24,094)</u>

See independent auditors' report.

Totals	
2020	2019
\$ 96,500	\$ -
122,862	-
(26,362)	-
18,485	18,485
<u>\$ (7,877)</u>	<u>\$ 18,485</u>

Village of Spring Valley, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 1,359	\$ 1,359
Accounts receivable	<u>-</u>	<u>663</u>
 Total Assets	 <u>\$ 1,359</u>	 <u>\$ 2,022</u>
 LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ -	\$ 559
Due to other funds	<u>-</u>	<u>25,000</u>
 Total Liabilities	 -	 25,559
 Fund balance (deficit)		
Unassigned	<u>1,359</u>	<u>(23,537)</u>
 Total Liabilities and Fund Balance (Deficit)	 <u>\$ 1,359</u>	 <u>\$ 2,022</u>

See independent auditors' report.

Village of Spring Valley, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended May 31,

	<u>2020</u>	<u>2019</u>
REVENUES		
Use of money and property	<u>\$ -</u>	<u>\$ 24</u>
EXPENDITURES		
Current		
Culture and recreation	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	24
OTHER FINANCING SOURCES		
Transfers in	<u>24,896</u>	<u>-</u>
Net Change in Fund Balance (Deficit)	24,896	24
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(23,537)</u>	<u>(23,561)</u>
End of Year	<u><u>\$ 1,359</u></u>	<u><u>\$ (23,537)</u></u>

See independent auditors' report.