

**Village of Spring Valley, New York**

Financial Statements and  
Supplementary Information

Year Ended May 31, 2021



## 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, 2021, 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 ("GAAS") 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 Village'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, 2021, and the respective changes in financial position and the 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***

We draw attention to Note 2F in the notes to financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". 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 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.

### ***Supplementary and Other Information***

Our audit for the year ended May 31, 2021 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 and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* for the year ended May 31, 2021 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 and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended May 31, 2021 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended May 31, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended May 31, 2020 (not presented herein), and have issued our report thereon dated October 6, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended May 31, 2020 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 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 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, combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended May 31, 2020.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2024 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
June 19, 2024

**Village of Spring Valley, New York**Statement of Net Position  
May 31, 2021

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 7,501,810
Investments	2,627,249
Receivables	
Accounts	292,890
State and Federal aid	14,030
Due from other governments	1,490,976
Prepaid expenses	5,581
Capital assets	
Not being depreciated	3,109,552
Being depreciated, net	16,749,601
Total Assets	<u>31,791,689</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding bonds	9,670
Pension related	13,871,837
Length of service award program	816,744
OPEB related	<u>29,118,059</u>
Total Deferred Outflows of Resources	<u>43,816,310</u>
<b>LIABILITIES</b>	
Accounts payable	382,379
Accrued liabilities	1,173,756
Due to other governments	77,628
Due to retirement systems	562,300
Employee payroll deductions	70,279
Deposits payable	857,486
Unearned revenues	239,544
Accrued interest payable	79,679
Non-current liabilities	
Due within one year	1,593,005
Due in more than one year	<u>129,423,843</u>
Total Liabilities	<u>134,459,899</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	15,022,255
Length of service award program	16,307
OPEB related	<u>2,560,782</u>
Total Deferred Inflows of Resources	<u>17,599,344</u>
<b>NET POSITION</b>	
Net investment in capital assets	14,709,353
Restricted	
Retirement contributions	994,864
Debt service	1,071,337
Pension benefits	2,701,377
Special Revenue Funds	
Section 8 - Housing Assistance Fund	932,248
Community Development Fund	48,783
Unrestricted	<u>(96,909,206)</u>
Total Net Position	<u>\$ (76,451,244)</u>

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

**Village of Spring Valley, New York**

Statement of Activities  
Year Ended May 31, 2021

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	\$ 8,202,751	\$ 309,007	\$ 3,000	\$ -	\$ (7,890,744)
Public safety	26,895,652	735,284	843,700	-	(25,316,668)
Health	1,924	-	-	-	(1,924)
Transportation	4,721,000	-	-	-	(4,721,000)
Economic opportunity and development	9,095,060	-	9,631,936	-	536,876
Culture and recreation	197,626	1,925	-	-	(195,701)
Home and community services	166,703	824,559	-	-	657,856
Interest	276,762	-	-	-	(276,762)
<b>Total Governmental Activities</b>	<b>\$ 49,557,478</b>	<b>\$ 1,870,775</b>	<b>\$ 10,478,636</b>	<b>\$ -</b>	<b>(37,208,067)</b>
General revenues					
Real property taxes					25,712,245
Other tax items					
Payments in lieu of taxes					343,725
Interest and penalties on real property taxes					57,633
Non-property taxes					
Franchise fees					248,544
Non-property tax distribution from County					1,590,922
Utilities gross receipts taxes					386,254
Unrestricted use of money and property					16,566
Sale of property and compensation for loss					73,482
Unrestricted State aid					387,684
Miscellaneous					775,253
Insurance recoveries					154,039
<b>Total General Revenues</b>					<b>29,746,347</b>
<b>Change in Net Position</b>					<b>(7,461,720)</b>
<b>NET POSITION</b>					
Beginning, as reported					(65,671,086)
Cumulative Effect of Change in Accounting Principle					(3,318,438)
Beginning, as restated					(68,989,524)
Ending					<b>\$ (76,451,244)</b>

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, 2021

	General	Section 8 - Housing Assistance	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 6,052,628	\$ 1,253,948	\$ 142,019
Investments	2,624,262	-	2,987
Receivables			
Accounts	254,349	38,541	-
State and Federal aid	14,030	-	-
Due from other governments	1,490,976	-	-
Due from other funds	3,444,569	-	-
	5,203,924	38,541	-
Prepaid expenditures	5,581	-	-
Total Assets	<u>\$ 13,886,395</u>	<u>\$ 1,292,489</u>	<u>\$ 145,006</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ 338,921	\$ 43,069	\$ 389
Employee payroll deductions	70,279	-	-
Deposits payable	857,486	-	-
Accrued liabilities	1,173,756	-	-
Due to other governments	-	77,628	-
Due to other funds	-	-	4,031,392
Due to retirement systems	562,300	-	-
Unearned revenues	-	239,544	-
Total Liabilities	<u>3,002,742</u>	<u>360,241</u>	<u>4,031,781</u>
Fund balances (deficits)			
Nonspendable	5,581	-	-
Restricted	4,177,682	932,248	-
Assigned	938,203	-	-
Unassigned	5,762,187	-	(3,886,775)
Total Fund Balances (Deficits)	<u>10,883,653</u>	<u>932,248</u>	<u>(3,886,775)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 13,886,395</u>	<u>\$ 1,292,489</u>	<u>\$ 145,006</u>

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	\$ 7,501,810
-	-	2,627,249
-	-	292,890
-	-	14,030
-	-	1,490,976
589,896	-	4,034,465
589,896	-	5,832,361
-	-	5,581
<u>\$ 589,896</u>	<u>\$ 53,215</u>	<u>\$ 15,967,001</u>
\$ -	\$ -	\$ 382,379
-	-	70,279
-	-	857,486
-	-	1,173,756
-	-	77,628
-	3,073	4,034,465
-	-	562,300
-	-	239,544
-	3,073	7,397,837
-	-	5,581
589,896	48,783	5,748,609
-	-	938,203
-	1,359	1,876,771
589,896	50,142	8,569,164
<u>\$ 589,896</u>	<u>\$ 53,215</u>	<u>\$ 15,967,001</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, 2021

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

Total Fund Balances - Governmental Funds	\$ 8,569,164
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	59,814,609
Accumulated depreciation	(43,065,008)
	<u>19,859,153</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	13,871,837
Deferred outflows - length of service awards program	816,744
Deferred outflows - OPEB related	29,118,059
Deferred inflows - pension related	(15,022,255)
Deferred inflows - length of service awards program	(16,307)
Deferred inflows - OPEB related	(2,560,782)
	<u>26,207,296</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	(79,679)
General obligation bonds payable	(7,935,000)
Compensated absences	(1,266,635)
Total pension liability	(4,255,277)
Net pension liability	(3,630,369)
Other postemployment benefit obligations payable	(113,879,854)
	<u>(131,046,814)</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	9,670
Premium on general obligation bonds	(49,713)
	<u>(40,043)</u>
Net Position of Governmental Activities	<u>\$ (76,451,244)</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, 2021

	General	Section 8 - Housing Assistance	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 25,712,245	\$ -	\$ -
Other tax items	401,358	-	-
Non-property taxes	2,225,720	-	-
Departmental income	1,137,346	-	-
Use of money and property	555,410	764	-
Licenses and permits	850,625	-	-
Fines and forfeitures	233,016	-	-
Sale of property and compensation for loss	73,482	-	-
State aid	621,555	-	-
Federal aid	149,238	9,538,497	-
Miscellaneous	775,253	92,675	-
Total Revenues	32,735,248	9,631,936	-
<b>EXPENDITURES</b>			
Current			
General government support	4,874,115	-	-
Public safety	11,258,094	-	-
Health	1,924	-	-
Transportation	1,874,366	-	-
Economic opportunity and development	575	9,543,748	-
Culture and recreation	143,115	-	-
Home and community services	166,703	-	-
Employee benefits	10,920,555	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	13,030
Total Expenditures	29,239,447	9,543,748	13,030
Excess (Deficiency) of Revenues Over Expenditures	3,495,801	88,188	(13,030)
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance recoveries	154,039	-	-
Transfers in	68,131	-	-
Transfers out	(1,757,269)	-	-
Total Other Financing Sources (Uses)	(1,535,099)	-	-
Net Change in Fund Balances	1,960,702	88,188	(13,030)
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	8,922,951	844,060	(3,873,745)
End of Year	\$ 10,883,653	\$ 932,248	\$ (3,886,775)

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

Debt Service	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 25,712,245
-	-	401,358
-	-	2,225,720
-	20,798	1,158,144
-	-	556,174
-	-	850,625
-	-	233,016
-	-	73,482
-	-	621,555
-	-	9,687,735
-	3,000	870,928
-	23,798	42,390,982
-	-	4,874,115
-	-	11,258,094
-	-	1,924
-	-	1,874,366
-	-	9,544,323
-	-	143,115
-	-	166,703
-	-	10,920,555
1,420,000	-	1,420,000
304,407	-	304,407
-	-	13,030
1,724,407	-	40,520,632
(1,724,407)	23,798	1,870,350
-	-	154,039
1,724,407	32,862	1,825,400
(68,131)	-	(1,825,400)
1,656,276	32,862	154,039
(68,131)	56,660	2,024,389
658,027	(6,518)	6,544,775
\$ 589,896	\$ 50,142	\$ 8,569,164

## 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, 2021

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

Net Change in Fund Balances - Total Governmental Funds	\$ 2,024,389
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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	130,137
Depreciation expense	<u>(1,433,978)</u>
	<u>(1,303,841)</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>1,420,000</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	18,035
Changes in pension liabilities and related deferred outflows and inflows of resources	436,150
Compensated absences	39,866
Claims payable	247,185
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(10,216,712)
Changes in total pension liabilities and related deferred outflows and inflows of resources	(136,402)
Amortization of premium and loss on refunding bonds	<u>9,610</u>
	<u>(9,602,268)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (7,461,720)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 26,041,948	\$ 26,041,948	\$ 25,712,245	\$ (329,703)
Other tax items	375,000	375,000	401,358	26,358
Non-property taxes	2,060,000	2,060,000	2,225,720	165,720
Departmental income	799,750	799,750	1,137,346	337,596
Use of money and property	200,000	200,000	555,410	355,410
Licenses and permits	1,245,800	1,245,800	850,625	(395,175)
Fines and forfeitures	426,000	426,000	233,016	(192,984)
Sale of property and compen- sation for loss	3,500	3,500	73,482	69,982
State aid	1,045,000	1,045,000	621,555	(423,445)
Federal aid	170,000	170,000	149,238	(20,762)
Miscellaneous	486,082	486,082	775,253	289,171
Total Revenues	32,853,080	32,853,080	32,735,248	(117,832)
<b>EXPENDITURES</b>				
Current				
General government support	6,298,243	6,297,710	4,874,115	1,423,595
Public safety	12,154,381	12,153,584	11,258,094	895,490
Health	1,200	1,200	1,924	(724)
Transportation	1,883,584	1,882,046	1,874,366	7,680
Economic opportunity and development	500	500	575	(75)
Culture and recreation	315,589	315,589	143,115	172,474
Home and community services	124,750	124,750	166,703	(41,953)
Employee benefits	10,635,300	10,635,300	10,920,555	(285,255)
Total Expenditures	31,413,547	31,410,679	29,239,447	2,171,232
Excess of Revenues Over Expenditures	1,439,533	1,442,401	3,495,801	2,053,400
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	125,000	125,000	154,039	29,039
Transfers in	-	-	68,131	68,131
Transfers out	(1,724,110)	(1,724,110)	(1,757,269)	(33,159)
Total Other Financing Uses	(1,599,110)	(1,599,110)	(1,535,099)	64,011
Net Change in Fund Balance	(159,577)	(156,709)	1,960,702	2,117,411
<b>FUND BALANCE</b>				
Beginning of Year	159,577	156,709	8,922,951	8,766,242
End of Year	\$ -	\$ -	\$ 10,883,653	\$ 10,883,653

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

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## **Village of Spring Valley, New York**

Notes to Financial Statements

May 31, 2021

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### **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, 2021

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### **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 Funds are used to account for assets held by the Village on behalf of others. This includes the Agency Fund. In accordance with GASB Statement No. 84, “*Fiduciary Activities*”, the Village had no such activity to report in this fund category.

### **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 are the fiduciary funds. The Custodial Fund has no measurement focus but utilizes the accrual basis of accounting.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the 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 postemployment 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. As of May 31, 2021, the Village's bank accounts were under collateralized.

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

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)

May 31, 2021

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### **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 exposed to custodial credit risk at May 31, 2021.

**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 1<sup>st</sup> and are payable in June. The Village is responsible for the billing and collection of its taxes through November 1<sup>st</sup> of the tax year, at which time the responsibility for uncollected taxes is transferred to the County of Rockland, New York ("County"). On or about May 1<sup>st</sup>, 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, 2021

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### **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, 2021, 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 inventorable 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 239,544 for amounts received in advance pursuant to grants in the 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, length of service award program 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 3.

**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 accumulated leave is reflected in the government-wide Statement of Net Position as current and

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)

May 31, 2021

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

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.

**Total Pension Liability – Length of Service Award Program** – The total pension liabilities for the Fire Service Awards programs are presented in accordance with the provisions of GASB Statement No. 73, *“Accounting and Financial Reporting for pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”*.

**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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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.

**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 June 19, 2024.

**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.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 2 - Stewardship, Compliance and Accountability (Continued)**

- 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.
- 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 2020-21 fiscal year was \$26,783,867 which exceeded the actual levy by \$3,016,029.

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

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 2 - Stewardship, Compliance and Accountability (Continued)**

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.

#### **C. Capital Projects Fund Deficit**

The Capital Projects Fund reflects an unassigned deficit of \$3,886,775. 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. Adoption of Accounting Standard**

For the year ended May 31, 2021, the Village implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within Fiduciary Fund are now reflected within governmental funds.

#### **E. Reclassification of Prior Year Presentation**

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statements No. 73 and No. 84.

#### **F. Cumulative Effect of Change in Accounting Principle**

The Village, for the year ended May 31, 2021, implemented the requirements of GASB Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68, and Amendments to Certain Provision of GASB 67 and 68*" that address financial reporting for assets accumulated for purpose of providing the Length of Service Awards Program ("LOSAP") pensions. As a result of this standard, a cumulative effect of changes in accounting principle of (\$3,318,438) was recorded in the government-wide financial statement.

The Village also implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*", for the year ended May 31, 2021. Certain amounts previously reported in the Village's Fiduciary Fund are now being reported within the General Fund. As a result, the Village has reported a cumulative effect of change in accounting principle of \$-0- to the June 1, 2020 fund balance of the General Fund (the earliest year presented). The Village also reported on its Statement of Activities a cumulative effect of change in accounting principle of \$-0- to the June 1, 2020 net position of governmental activities for this same reason.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 2 - Stewardship, Compliance and Accountability (Continued)**

#### **G. Expenditures in Excess of Budget**

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

General Fund	
General Government Support	
Mayor	\$ 39,701
Auditor	49,500
Treasurer	47,431
Clerk	9,644
Buildings	197,530
Central storeroom	29,214
Central mailing	4,299
Unallocated insurance	42,078
Fiscal agent and financial advisor fees	2,065
Public Safety	
DARE program	313
Safety inspection	551
Housing	8,187
Emergency operations	246
Health	
Registrar of Vital Statistics	724
Transportation	
Street maintenance	134,411
Street lighting	17,397
Economic Opportunity and Development	
Publicity	75
Culture and Recreation	
Civic center	5,179
Home and Community Services	
Zoning Board	1,190
Planning Board	13,184
Refuse and garbage	11,399
Emergency Tenant Protection Act	16,180
Employee Benefits	
Police retirement	219,332
Fire service awards	3,457
Life insurance	16,884
Hospital and medical insurance	193,432
Other Financing Uses	
Transfers Out	
Debt Service Fund	297
Community Development Funds	32,862

**Village of Spring Valley, New York**

Notes to Financial Statements (Continued)  
May 31, 2021

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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, 2021 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 3,444,569	\$ -
Capital Projects	-	4,031,392
Debt Service	589,896	-
Non-Major Governmental	-	3,073
	<u>\$ 4,034,465</u>	<u>\$ 4,034,465</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, 2020</u>	<u>Additions</u>	<u>Balance May 31, 2021</u>
Capital Assets, not being depreciated:			
Land	\$ 2,681,662	\$ -	\$ 2,681,662
Construction-in-progress	427,890	-	427,890
Total Capital Assets, not being depreciated	<u>\$ 3,109,552</u>	<u>\$ -</u>	<u>\$ 3,109,552</u>
Capital Assets, being depreciated:			
Infrastructure	\$ 28,649,249	\$ -	\$ 28,649,249
Buildings and improvements	22,799,277	-	22,799,277
Machinery and equipment	8,235,946	130,137	8,366,083
Total Capital Assets, being depreciated	<u>59,684,472</u>	<u>130,137</u>	<u>59,814,609</u>
Less Accumulated Depreciation for:			
Infrastructure	26,611,465	318,270	26,929,735
Buildings and improvements	8,614,998	835,246	9,450,244
Machinery and equipment	6,404,567	280,462	6,685,029
Total Accumulated Depreciation	<u>41,631,030</u>	<u>1,433,978</u>	<u>43,065,008</u>
Total Capital Assets, being depreciated, net	<u>\$ 18,053,442</u>	<u>\$ (1,303,841)</u>	<u>\$ 16,749,601</u>
Governmental Activities Capital Assets, net	<u>\$ 21,162,994</u>	<u>\$ (1,303,841)</u>	<u>\$ 19,859,153</u>

# Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

## Note 3 - Detailed Notes on All Funds (Continued)

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

General Governmental Support	\$ 421,225
Public Safety	261,634
Transportation	694,413
Culture and Recreation	56,706
Total Depreciation Expense	<u>\$ 1,433,978</u>

### C. Accrued Liabilities

Accrued liabilities at May 31, 2021 were as follows:

	General Fund
Payroll and employee benefits	\$ 1,057,294
Tax certiorari refunds	116,462
	<u>\$ 1,173,756</u>

### D. Long-Term Liabilities

The following table summarizes changes in the Village's long-term liabilities for the year ended May 31, 2021:

	Balance June 1, 2020 As Reported	Cumulative Effect of Change in Accounting Principle	Balance June 1, 2020 As Restated	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2021	Due Within One Year
General Obligation Bonds Payable							
Capital Construction	\$ 6,093,546	\$ -	\$ 6,093,546	\$ -	\$ 983,789	\$ 5,109,757	\$ 1,014,719
Judgments and Claims	2,786,454	-	2,786,454	-	386,211	2,400,243	396,286
Other	475,000	-	475,000	-	50,000	425,000	55,000
	9,355,000	-	9,355,000	-	1,420,000	7,935,000	1,466,005
Plus - Issuance Premium	61,644	-	61,644	-	11,931	49,713	-
	9,416,644	-	9,416,644	-	1,431,931	7,984,713	1,466,005
Other Non-Current Liabilities							
Compensated Absences	1,306,501	-	1,306,501	91,134	131,000	1,266,635	127,000
Claims Payable	247,185	-	247,185	-	247,185	-	-
Net Pension Liability - ERS	3,805,769	-	3,805,769	-	3,791,465	14,304	-
Net Pension Liability - PFRS	9,836,071	-	9,836,071	-	6,220,006	3,616,065	-
Total pension Liability - Length of service award program	-	3,318,438	3,318,438	1,026,497	89,658	4,255,277	-
Other Post Employment Benefit Obligations Liability	95,640,761	-	95,640,761	20,158,608	1,919,514	113,879,855	-
Total Non-Current Liabilities	110,836,287	3,318,438	114,154,725	21,276,239	12,398,828	123,032,136	127,000
Total Long-Term Liabilities	<u>\$ 120,252,931</u>	<u>\$ 3,318,438</u>	<u>\$ 123,571,369</u>	<u>\$ 21,276,239</u>	<u>\$ 13,830,759</u>	<u>\$ 131,016,849</u>	<u>\$ 1,593,005</u>

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

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

### **Note 3 - Detailed Notes on All Funds (Continued)**

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, 2021 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2021
Various Purposes	2005	\$ 5,000,000	May, 2025	4.250-5.000 %	\$ 1,375,000
Various Purposes	2007	600,000	August, 2021	4.250-4.700	55,000
Various Purposes	2008	4,300,000	June, 2022	5.000	790,000
Tax Certioraris	2010	3,000,000	December, 2024	3.125-3.875	1,220,000
Public Improvement/Housing Authority	2013	750,000	July, 2027	4.000-4.250	425,000
Various Purposes - Refunding	2017	225,060	April, 2025	2.000-5.000	109,740
Tax Certioraris - Refunding	2017	984,940	April, 2025	2.000-5.000	480,260
Various Purposes	2017	3,630,000	August, 2031	2.000-2.500	2,780,017
Tax Certioraris	2017	914,000	August, 2031	2.000-2.500	699,983
					<u>\$ 7,935,000</u>

Interest expenditures of \$304,407 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$276,762 was recorded in the government-wide financial statements.

#### **Payments to Maturity**

The annual requirements to amortize all bonded debt outstanding as of May 31, 2021 including interest payments of \$1,186,539 are as follows:

Year Ending May 31,	Principal	Interest
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	630,000	63,087
2027-2031	1,780,000	139,378
2032	355,000	4,438
	<u>\$ 7,935,000</u>	<u>\$ 882,232</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.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

#### **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, 2021, 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.

#### **Claims Payable**

Claims payable reflects a liability of \$- 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](http://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.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

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 2021 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
PFRS	2 384D	24.3
	5 384D	19.8
	6 384D	14.6

At May 31, 2021, 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, 2021	March 31, 2021
Net pension liability	\$ 14,304	\$ 3,616,065
Villages' proportion of the net pension liability	0.0143648 %	0.2082656 %
Change in proportion since the prior measurement date	(0.0000071) %	0.0242397 %

The net pension liability was measured as of March 31, 2021, 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, 2021, the Village recognized its proportionate share of pension expense in the government-wide financial statements of \$411,553 for ERS and \$1,995,238 for PFRS. Pension expenditures of \$673,606 for ERS and \$2,169,332 for PFRS were recorded in the fund financial statements and were charged to the General Fund.

# Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

## Note 3 - Detailed Notes on All Funds (Continued)

At May 31, 2021, the Village reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 174,686	\$ -	\$ 802,386	\$ -
Changes of assumptions	2,629,971	49,602	8,884,281	-
Net difference between projected and actual earnings on pension plan investments	-	4,108,837	-	10,632,828
Changes in proportion and differences between Village contributions and proportionate share of contributions	250,450	23,781	567,762	207,207
Village contributions subsequent to the measurement date	128,434	-	433,867	-
	<u>\$ 3,183,541</u>	<u>\$ 4,182,220</u>	<u>\$ 10,688,296</u>	<u>\$ 10,840,035</u>
Total				
	Deferred Outflows of Resources	Deferred Inflows of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 977,072	\$ -		
Changes of assumptions	11,514,252	49,602		
Net difference between projected and actual earnings on pension plan investments	-	14,741,665		
Changes in proportion and differences between Village contributions and proportionate share of contributions	818,212	230,988		
Village contributions subsequent to the measurement date	562,301	-		
	<u>\$ 13,871,837</u>	<u>\$ 15,022,255</u>		

\$128,434 and \$433,867 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
2022	\$ (159,959)	\$ (373,164)
2023	(18,592)	32,567
2024	(169,563)	(301,668)
2025	(778,999)	(1,818,112)
2026	-	1,874,771
	<u>\$ (1,127,113)</u>	<u>\$ (585,606)</u>

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

The total pension liability for the March 31, 2021 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, 2021	March 31, 2021
Actuarial valuation date	April 1, 2020	April 1, 2020
Investment rate of return	5.9% *	5.9% *
Salary scale	4.4%	6.2%
Inflation rate	2.7%	2.7%
Cost of living adjustments	1.4%	1.4%

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

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected 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.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %
International Equity	15	6.30
Private Equity	10	6.75
Real Estate	9	4.95
Opportunistic/ARS Portfolio	3	4.50
Credit	4	3.63
Real Assets	3	5.95
Fixed Income	23	-
Cash	1	0.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation of 2.7%.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

### **Note 3 - Detailed Notes on All Funds (Continued)**

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially 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.

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 3,970,127</u>	<u>\$ 14,304</u>	<u>\$ (3,633,891)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 15,377,546</u>	<u>\$ 3,616,065</u>	<u>\$ (6,119,402)</u>

The components of the collective net pension liability as of the March 31, 2021 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 220,680,157,000	\$ 41,236,775,000	\$ 261,916,932,000
Fiduciary net position	<u>220,580,583,000</u>	<u>39,500,500,000</u>	<u>260,081,083,000</u>
Employers' net pension liability	<u>\$ 99,574,000</u>	<u>\$ 1,736,275,000</u>	<u>\$ 1,835,849,000</u>
Fiduciary net position as a percentage of total pension liability	<u>99.95%</u>	<u>95.79%</u>	<u>99.30%</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 31<sup>st</sup>. Retirement contributions as of May 31, 2021 represent the employer contribution for the period of April 1, 2021 through May 31, 2021 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, 2021 were \$128,434 and \$433,867 respectively.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

#### *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.

#### **E. Fire Service Award Program**

The Village's financial statements are for the year ended May 31, 2021. The information contained in this note is based on information for the Village of Spring Valley Volunteer Fire Department Length of Service Award Program for the program year ending December 31, 2020, which is the most recent program year for which complete information is available. The Program is accounted for in the Village's financial statements within the General Fund.

#### *Plan description*

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Length of Service Award Program (referred to as a "LOSAP" – Length of Service Award Program – under Section 457(e)(11) of the Internal Revenue Code) for active volunteer firefighter members of the Village of Spring Valley Volunteer Fire Department. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village is the Sponsor of the Program and the Program administrator.

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.

#### *Benefits provided*

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.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

#### *Participants covered by the benefit terms*

At the December 31, 2020 measurement date, the following participants were covered by the benefit terms:

<u>Group</u>	<u>December 31, 2020</u>
Retirees and beneficiaries currently receiving benefits	15
Terminated members entitled to but not yet receiving benefits	45
Active - vested	<u>79</u>
	<u>139</u>

#### *Contributions*

New York State General Municipal Law §219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village.

#### **Measurement of Total Pension Liability**

The total pension liability at the December 31, 2020 measurement date was determined using an actuarial valuation as of that date.

*Actuarial Assumptions:* The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Scale: None assumed

Mortality rates were based on RP-2014 Male Mortality Table without projection for mortality improvement.

*Discount Rate:* The discount rate used to measure the total pension liability was 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Services, AA by Fitch, or AA by Standard & Poor's Rating Services.

**Village of Spring Valley, New York**

Notes to Financial Statements (Continued)  
 May 31, 2021

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**Note 3 - Detailed Notes on All Funds (Continued)****Changes in the Total Pension Liability**

Balance as of 12/31/19 measurement date	\$ 3,318,438
Service cost	79,827
Interest	109,322
Changes in assumptions or other inputs	855,014
Differences between expected and actual experience	(17,666)
Benefit payments	<u>(89,658)</u>
Balance as of 12/31/20 measurement date	<u>\$ 4,255,277</u>

*Sensitivity of the Total Pension Liability to changes in the discount rate.* The following presents the total pension liability of the Village as of the December 31, 2020 measurement date, calculated using the discount rate of 1.93%, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.93%) of 1 percentage point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	<u>\$ 5,117,848</u>	<u>\$ 4,255,277</u>	<u>\$ 3,587,390</u>

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

For the year ended May 31, 2021, the Village recognized pension expense of \$269,719 in the Government-wide financial statements. At May 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 16,307
Changes of assumptions or other inputs	789,244	-
Benefit payments & administrative expenses subsequent to the measurement date	<u>27,500</u>	<u>-</u>
	<u>\$ 816,744</u>	<u>\$ 16,307</u>

\$27,500 reported as deferred outflows of resources to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended May 31, 2021.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended May 31,	
2022	\$ 64,411
2023	64,411
2024	64,411
2025	64,411
2026	64,411
Thereafter	<u>450,882</u>
	<u>\$ 772,937</u>

#### **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, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	103
Active employees	<u>144</u>
	<u>247</u>

The Village's total OPEB liability of \$113,879,855 was measured as of May 31, 2021, and was determined by an actuarial valuation as of June 1, 2020.

The total OPEB liability in the June 1, 2020 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	2.20%
Healthcare cost trend rates	7.00% for 2021, decreasing by up to .5% per year to an ultimate rate of 5.0% for 2025
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

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".

The Village's change in the total OPEB liability for the year ended May 31, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 95,640,761
Service cost	4,213,822
Interest	2,446,610
Changes of benefit terms	-
Differences between expected and actual experience	15,207,364
Changes in assumptions or other inputs	(1,709,188)
Benefit payments	<u>(1,919,514)</u>
Total OPEB Liability - End of Year	<u><u>\$ 113,879,855</u></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 (1.20%) or 1 percentage point higher (3.20%) than the current discount rate:

	1% Decrease (1.20%)	Current Discount Rate (2.20%)	1% Increase (3.20%)
Total OPEB Liability	<u>\$ 138,813,105</u>	<u>\$ 113,879,855</u>	<u>\$ 94,865,219</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 (6.00% decreasing to 4.00%) or 1 percentage point higher (8.00% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.0% decreasing to 5.0%)	1% Increase (8.0% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 93,032,669</u>	<u>\$ 113,879,854</u>	<u>\$ 141,908,541</u>

**Village of Spring Valley, New York**

Notes to Financial Statements (Continued)  
 May 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

For the year ended May 31, 2021, the Village recognized OPEB expense of \$12,136,227 in the government-wide financial statements. At May 31, 2021, 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	\$ 16,052,578	\$ 1,468,457
Differences between expected and actual experience	<u>13,065,481</u>	<u>1,092,325</u>
	<u>\$ 29,118,059</u>	<u>\$ 2,560,782</u>

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,	
2022	\$ 5,116,084
2023	5,057,527
2024	5,057,527
2025	5,057,527
2026	3,894,893
Thereafter	<u>2,373,719</u>
	<u>\$ 26,557,277</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			
Transfers Out	General Fund	Debt Service Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ 1,724,407	\$ 32,862	\$ 1,757,269
Debt Service Fund	<u>68,131</u>	<u>-</u>	<u>-</u>	<u>68,131</u>
	<u>\$ 68,131</u>	<u>\$ 1,724,407</u>	<u>\$ 32,862</u>	<u>\$ 1,825,400</u>

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)

May 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

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.

*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, 2021

## Note 3 - Detailed Notes on All Funds (Continued)

### H. Fund Balances

	2021						2020					
	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	\$ 5,581	\$ -	\$ -	\$ -	\$ -	\$ 5,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:												
Retirement contributions	994,864	-	-	-	-	994,864	994,864	-	-	-	-	994,864
Debt service	481,441	-	-	589,896	-	1,071,337	481,441	-	-	658,027	-	1,139,468
Pension benefits	2,701,377	-	-	-	-	2,701,377	2,262,216	-	-	-	-	2,262,216
Section 8 Fund	-	932,248	-	-	-	932,248	-	844,060	-	-	-	844,060
Community Development	-	-	-	-	-	-	-	-	-	-	(7,877)	(7,877)
Total Restricted	4,177,682	932,248	-	589,896	-	5,699,826	3,738,521	844,060	-	658,027	(7,877)	5,232,731
Assigned -												
Purchases on order:												
General government support	38,393	-	-	-	-	38,393	46,969	-	-	-	-	46,969
Public safety	78,799	-	-	-	-	78,799	103,348	-	-	-	-	103,348
Culture and recreation	61,753	-	-	-	-	61,753	98,750	-	-	-	-	98,750
Transportation	59,258	-	-	-	-	59,258	18,191	-	-	-	-	18,191
	238,203	-	-	-	-	238,203	267,258	-	-	-	-	267,258
Subsequent years' expenditures - General Fund	700,000	-	-	-	-	700,000	-	-	-	-	-	-
Total Assigned	938,203	-	-	-	-	938,203	267,258	-	-	-	-	267,258
Unassigned	5,762,187	-	(3,886,775)	-	50,142	1,925,554	4,917,172	-	(3,873,745)	-	1,359	1,044,786
Total Fund Balances	\$ 10,883,653	\$ 932,248	\$ (3,886,775)	\$ 589,896	\$ 50,142	\$ 8,569,164	\$ 8,922,951	\$ 844,060	\$ (3,873,745)	\$ 658,027	\$ (6,518)	\$ 6,544,775

## Village of Spring Valley, New York

### Notes to Financial Statements (Continued)

May 31, 2021

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#### **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, 2021

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**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.

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**Village of Spring Valley, New York**Fire Service Award Program  
Schedule of Funding Progress  
Last Six Fiscal Years

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Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	(Unfunded) Overfunded Actuarial Accrued Liability	Funded Ratio
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
2019	2,273,312	2,342,038	(68,726)	97.07
2020	2,488,207	2,506,207	(18,136)	99.28

See independent auditors' report.

# 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)

	2021	2020	2019
Total OPEB Liability:			
Service cost	\$ 4,213,822	\$ 2,602,701	\$ 2,303,098
Interest	2,446,610	2,642,459	2,618,304
Changes of benefit terms	-	-	-
Differences between expected and actual experience	15,207,364	(1,538,541)	815,311
Changes of assumptions or other inputs	(1,709,188)	20,231,770	3,416,310
Benefit payments	(1,919,514)	(1,940,559)	(1,710,594)
Net Change in Total OPEB Liability	18,239,094	21,997,830	7,442,429
Total OPEB Liability – Beginning of Year	95,640,761	73,642,931	66,200,502 (3)
Total OPEB Liability – End of Year	<u>\$ 113,879,855</u>	<u>\$ 95,640,761</u>	<u>\$ 73,642,931</u>
Village's covered-employee payroll	<u>\$ N/A</u>	<u>\$ 10,626,050</u>	<u>\$ 10,366,878</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>N/A</u>	<u>900.06%</u>	<u>710.37%</u>
Discount Rate	<u>2.20%</u>	<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 pay

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

See independent auditors' report.

**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)						
	2021 (4)	2020 (3)	2019	2018	2017	2016
Village's proportion of the net pension liability	0.0143648%	0.0143719%	0.0117171%	0.0122260%	0.0133205%	0.0160565%
Village's proportionate share of the net pension liability	\$ 14,304	\$ 3,805,769	\$ 830,194	\$ 394,587	\$ 1,251,623	\$ 2,577,109
Village's covered payroll	\$ 4,867,207	\$ 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	0.29%	79.62%	19.18%	10.24%	29.68%	62.07%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
Discount Rate	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%
Schedule of Contributions						
	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 654,225	\$ 610,224	\$ 551,098	\$ 616,266	\$ 607,092	\$ 924,457
Contributions in relation to the contractually required contribution	(654,225)	(610,224)	(551,098)	(616,266)	(607,092)	(924,457)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 4,766,021	\$ 4,907,895	\$ 4,327,631	\$ 3,855,230	\$ 4,200,963	\$ 4,154,963
Contributions as a percentage of covered payroll	13.73%	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.

(4) Decrease in proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

**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)					
	2021 (4)	2020 (3)	2019	2018	2017	2016
Village's proportion of the net pension liability	<u>0.2082656%</u>	<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>\$ 3,616,065</u>	<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>\$ 8,722,533</u>	<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>41.46%</u>	<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>95.79%</u>	<u>84.86%</u>	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>
Discount Rate	<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>
	Schedule of Contributions					
	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,082,855	\$ 1,618,210	\$ 1,732,559	\$ 1,880,008	\$ 1,728,418	\$ 1,547,371
Contributions in relation to the contractually required contribution	<u>(2,082,855)</u>	<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>	<u>\$ -</u>
Village's covered payroll	<u>\$ 8,872,105</u>	<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>23.48%</u>	<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.

(4) Decrease in proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

**Village of Spring Valley, New York**

General Fund  
Combining Balance Sheet - Sub-Funds  
May 31, 2021  
(With Comparative Totals for 2020)

		Fire	Totals	
	General	Service Awards Program	2021	2020
<b>ASSETS</b>				
Cash and equivalents	\$ 6,052,628	\$ -	\$ 6,052,628	\$ 4,618,941
Investments	1,202	2,623,060	2,624,262	2,174,961
Other receivables				
Accounts	176,032	78,317	254,349	821,542
State and Federal aid	14,030	-	14,030	34,854
Due from other governments	1,490,976	-	1,490,976	898,030
Due from other funds	3,444,569	-	3,444,569	3,407,747
Prepaid expenditures	5,581	-	5,581	-
Total Assets	<u>\$ 11,185,018</u>	<u>\$ 2,701,377</u>	<u>\$ 13,886,395</u>	<u>\$ 11,956,075</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 338,921	\$ -	\$ 338,921	\$ 505,520
Employee payroll deductions	70,279	-	70,279	98,094
Deposits payable	857,486	-	857,486	754,378
Accrued liabilities	1,173,756	-	1,173,756	1,219,004
Due to retirement systems	562,300	-	562,300	456,128
Total Liabilities	<u>3,002,742</u>	<u>-</u>	<u>3,002,742</u>	<u>3,033,124</u>
Fund balances				
Nonspendable	5,581	-	5,581	-
Restricted	1,476,305	2,701,377	4,177,682	3,738,521
Assigned	938,203	-	938,203	159,577
Unassigned	5,762,187	-	5,762,187	5,024,853
Total Fund Balances	<u>8,182,276</u>	<u>2,701,377</u>	<u>10,883,653</u>	<u>8,922,951</u>
Total Liabilities and Fund Balances	<u>\$ 11,185,018</u>	<u>\$ 2,701,377</u>	<u>\$ 13,886,395</u>	<u>\$ 11,956,075</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, 2021

(With Comparative Totals for 2020)

		Fire Service Award Program		Totals	
	General		Eliminations	2021	2020
REVENUES					
Real property taxes	\$ 25,712,245	\$ -	\$ -	\$ 25,712,245	\$ 24,917,559
Other tax items	401,358	-	-	401,358	539,337
Non-property taxes	2,225,720	-	-	2,225,720	1,990,267
Departmental income	1,137,346	78,317	(78,317)	1,137,346	786,740
Use of money and property	94,819	460,591	-	555,410	301,455
Licenses and permits	850,625	-	-	850,625	1,200,592
Fines and forfeitures	233,016	-	-	233,016	414,729
Sale of property and compensation for loss	73,482	-	-	73,482	6,600
State aid	621,555	-	-	621,555	964,629
Federal aid	149,238	-	-	149,238	192,086
Miscellaneous	775,253	-	-	775,253	372,240
Total Revenues	32,274,657	538,908	(78,317)	32,735,248	31,686,234
EXPENDITURES					
Current					
General government support	4,874,115	-	-	4,874,115	5,836,595
Public safety	11,236,664	99,747	(78,317)	11,258,094	10,901,767
Health	1,924	-	-	1,924	2,090
Transportation	1,874,366	-	-	1,874,366	1,972,310
Economic opportunity and development	575	-	-	575	275
Culture and recreation	143,115	-	-	143,115	351,046
Home and community services	166,703	-	-	166,703	131,619
Employee benefits	10,920,555	-	-	10,920,555	10,171,444
Total Expenditures	29,218,017	99,747	(78,317)	29,239,447	29,367,146
Excess (Deficiency) of Revenues Over Expenditures	3,056,640	439,161	-	3,495,801	2,319,088
OTHER FINANCING USES					
Insurance recoveries	154,039	-	-	154,039	193,169
Transfers in	68,131	-	-	68,131	69,819
Transfers out	(1,757,269)	-	-	(1,757,269)	(1,754,956)
Total Other Financing Uses	(1,535,099)	-	-	(1,535,099)	(1,491,968)
Net Change in Fund Balances	1,521,541	439,161	-	1,960,702	827,120
FUND BALANCES					
Beginning of Year	6,660,735	2,262,216	-	8,922,951	8,095,831
End of Year	\$ 8,182,276	\$ 2,701,377	\$ -	\$ 10,883,653	\$ 8,922,951

See independent auditors' report.

# Village of Spring Valley, New York

General Fund  
Comparative Balance Sheet  
May 31,

	2021	2020
<b>ASSETS</b>		
Cash and equivalents	\$ 6,052,628	\$ 4,618,941
Investments	1,202	1,202
Receivables		
Accounts	176,032	733,085
State and Federal aid	14,030	34,854
Due from other governments	1,490,976	898,030
Due from other funds	3,444,569	3,407,747
	5,125,607	5,073,716
Prepaid expenditures	5,581	-
Total Assets	\$ 11,185,018	\$ 9,693,859
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 338,921	\$ 505,520
Employee payroll deductions	70,279	98,094
Deposits payable	857,486	754,378
Accrued liabilities	1,173,756	1,219,004
Due to retirement systems	562,300	456,128
Total Liabilities	3,002,742	3,033,124
Fund balance		
Nonspendable	5,581	-
Restricted	1,476,305	1,476,305
Assigned	938,203	159,577
Unassigned	5,762,187	5,024,853
Total Fund Balance	8,182,276	6,660,735
Total Liabilities and Fund Balance	\$ 11,185,018	\$ 9,693,859

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,

	2021			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 26,041,948	\$ 26,041,948	\$ 25,712,245	\$ (329,703)
Other tax items	375,000	375,000	401,358	26,358
Non-property taxes	2,060,000	2,060,000	2,225,720	165,720
Departmental income	799,750	799,750	1,137,346	337,596
Use of money and property	200,000	200,000	94,819	(105,181)
Licenses and permits	1,245,800	1,245,800	850,625	(395,175)
Fines and forfeitures	426,000	426,000	233,016	(192,984)
Sale of property and compensation for loss	3,500	3,500	73,482	69,982
State aid	1,045,000	1,045,000	621,555	(423,445)
Federal aid	170,000	170,000	149,238	(20,762)
Miscellaneous	486,082	486,082	775,253	289,171
Total Revenues	32,853,080	32,853,080	32,274,657	(578,423)
<b>EXPENDITURES</b>				
Current				
General government support	6,298,243	6,297,710	4,874,115	1,423,595
Public safety	12,154,381	12,153,584	11,236,664	916,920
Health	1,200	1,200	1,924	(724)
Transportation	1,883,584	1,882,046	1,874,366	7,680
Economic opportunity and development	500	500	575	(75)
Culture and recreation	315,589	315,589	143,115	172,474
Home and community services	124,750	124,750	166,703	(41,953)
Employee benefits	10,635,300	10,635,300	10,920,555	(285,255)
Total Expenditures	31,413,547	31,410,679	29,218,017	2,192,662
Excess of Revenues Over Expenditures	1,439,533	1,442,401	3,056,640	1,614,239
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	125,000	125,000	154,039	29,039
Transfers in	-	-	68,131	68,131
Transfers out	(1,724,110)	(1,724,110)	(1,757,269)	(33,159)
Total Other Financing Uses	(1,599,110)	(1,599,110)	(1,535,099)	64,011
Net Change in Fund Balance	(159,577)	(156,709)	1,521,541	1,678,250
<b>FUND BALANCE</b>				
Beginning of Year	159,577	156,709	6,660,735	6,504,026
End of Year	\$ -	\$ -	\$ 8,182,276	\$ 8,182,276

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 24,924,979	\$ 24,924,979	\$ 24,917,559	\$ (7,420)
345,250	345,250	539,337	194,087
1,900,000	1,900,000	1,990,267	90,267
731,050	731,050	786,740	55,690
200,000	200,000	178,005	(21,995)
1,023,100	1,023,100	1,200,592	177,492
401,000	401,000	414,729	13,729
2,000	2,000	6,600	4,600
1,099,417	1,099,417	964,629	(134,788)
150,000	150,000	192,086	42,086
49,560	49,560	372,240	322,680
30,826,356	30,826,356	31,562,784	736,428
5,342,403	5,362,671	5,836,595	(473,924)
11,312,458	11,292,768	10,842,095	450,673
1,000	1,000	2,090	(1,090)
1,768,191	1,768,155	1,972,310	(204,155)
500	500	275	225
496,500	495,958	351,046	144,912
145,000	145,000	131,619	13,381
10,422,500	10,422,500	10,171,444	251,056
29,488,552	29,488,552	29,307,474	181,078
1,337,804	1,337,804	2,255,310	917,506
125,000	125,000	193,169	68,169
-	-	69,819	69,819
(1,730,062)	(1,730,062)	(1,754,956)	(24,894)
(1,605,062)	(1,605,062)	(1,491,968)	113,094
(267,258)	(267,258)	763,342	1,030,600
267,258	267,258	5,897,393	5,630,135
\$ -	\$ -	\$ 6,660,735	\$ 6,660,735

# **Village of Spring Valley, New York**

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2021

(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
<b>REAL PROPERTY TAXES</b>	\$ 26,041,948	\$ 26,041,948	\$ 25,712,245	\$ (329,703)	\$ 24,917,559
<b>OTHER TAX ITEMS</b>					
Payments in lieu of taxes	300,000	300,000	343,725	43,725	373,429
Interest and penalties on real property taxes	75,000	75,000	57,633	(17,367)	165,908
	375,000	375,000	401,358	26,358	539,337
<b>NON-PROPERTY TAXES</b>					
Franchise fees	260,000	260,000	248,544	(11,456)	281,882
Non-property tax distribution from County	1,350,000	1,350,000	1,590,922	240,922	1,383,300
Utilities gross receipts taxes	450,000	450,000	386,254	(63,746)	325,085
	2,060,000	2,060,000	2,225,720	165,720	1,990,267
<b>DEPARTMENTAL INCOME</b>					
Clerk/Treasurer fees	2,000	2,000	785	(1,215)	564
Police fees	2,000	2,000	1,090	(910)	2,371
Registrar fees	1,500	1,500	1,006	(494)	2,858
Mass transportation	-	-	-	-	2,121
Zoning fees	40,000	40,000	39,225	(775)	42,565
Planning board fees	50,000	50,000	31,239	(18,761)	43,321
Parking fees	10,000	10,000	-	(10,000)	-
Emergency Tenant Protection Act	23,000	23,000	33,270	10,270	9,950
Fire protection	225,000	225,000	501,178	276,178	225,858
Snow removal	26,250	26,250	-	(26,250)	-
Pool fees	10,000	10,000	1,925	(8,075)	7,107
Refuse and garbage recycling	35,000	35,000	78,365	43,365	21,720
Administrative cost reimbursements	375,000	375,000	449,263	74,263	428,305
	799,750	799,750	1,137,346	337,596	786,740

**USE OF MONEY AND PROPERTY**

Earnings on investments	125,000	125,000	16,566	(108,434)	106,971
Rental of real property	75,000	75,000	78,253	3,253	71,034

	200,000	200,000	94,819	(105,181)	178,005
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**LICENSES AND PERMITS**

Business and occupational licenses	105,800	105,800	69,435	(36,365)	95,295
Building permits	900,000	900,000	552,227	(347,773)	888,904
Other permits and licenses	240,000	240,000	228,963	(11,037)	216,393

	1,245,800	1,245,800	850,625	(395,175)	1,200,592
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**FINES AND FORFEITURES**

Fines and forfeited bail	426,000	426,000	175,238	(250,762)	414,729
Forfeiture of deposits	-	-	57,778	57,778	-

	426,000	426,000	233,016	(192,984)	414,729
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**SALE OF PROPERTY AND COMPENSATION  
FOR LOSS**

Sale of equipment	3,500	3,500	73,482	69,982	6,600
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**STATE AID**

Per capita	-	-	-	-	416,082
Mortgage tax	270,000	270,000	387,684	117,684	331,349
Public safety grants	775,000	775,000	233,871	(541,129)	217,198

	1,045,000	1,045,000	621,555	(423,445)	964,629
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**FEDERAL AID**

Crime control	-	-	-	-	-
Department of Justice grants	170,000	170,000	149,238	(20,762)	192,086

	170,000	170,000	149,238	(20,762)	192,086
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**MISCELLANEOUS**

Aim-related payments	416,082	416,082	416,082	-	-
Unclassified	58,000	58,000	353,343	295,343	371,001
Gifts and donations	12,000	12,000	5,828	(6,172)	1,239

	486,082	486,082	775,253	289,171	372,240
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**TOTAL REVENUES**

	32,853,080	32,853,080	32,274,657	(578,423)	31,562,784
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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, 2021

(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
<b>OTHER FINANCING SOURCES</b>					
Insurance recoveries	125,000	125,000	154,039	29,039	193,169
Transfers in					
Debt Service Fund	-	-	68,131	68,131	69,819
<b>TOTAL OTHER FINANCING SOURCES</b>	125,000	125,000	222,170	97,170	262,988
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 32,978,080</u>	<u>\$ 32,978,080</u>	<u>\$ 32,496,827</u>	<u>\$ (481,253)</u>	<u>\$ 31,825,772</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, 2021

(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Board of Trustees	\$ 170,750	\$ 170,750	\$ 168,092	\$ 2,658	\$ 103,054
Justice	511,205	511,205	396,115	115,090	477,838
Mayor	342,166	342,166	381,867	(39,701)	371,536
Auditor	60,000	60,000	109,500	(49,500)	45,630
Treasurer	382,717	382,657	430,088	(47,431)	327,892
Clerk	362,625	362,625	372,269	(9,644)	372,133
Assessment	172,727	172,727	124,918	47,809	93,856
Attorney	482,750	482,750	479,957	2,793	600,502
Buildings	489,798	489,798	687,328	(197,530)	792,357
Central garage	686,561	686,088	633,020	53,068	703,252
Central storeroom	23,944	23,944	53,158	(29,214)	44,943
Central mailing	16,000	16,000	20,299	(4,299)	18,678
Unallocated insurance	800,000	800,000	842,078	(42,078)	832,812
Municipal association dues	7,000	7,000	6,962	38	6,962
Judgements and claims	125,000	125,000	-	125,000	382,500
Taxes and assessments on real property	55,000	55,000	31,633	23,367	51,797
Refunds of real property taxes	275,000	275,000	100,784	174,216	578,195
Fiscal agent and financial advisor fees	5,000	5,000	7,065	(2,065)	-
Metropolitan Transportation Commuter Mobility Tax	30,000	30,000	28,982	1,018	32,658
Contingency account	1,300,000	1,300,000	-	1,300,000	-
	<u>6,298,243</u>	<u>6,297,710</u>	<u>4,874,115</u>	<u>1,423,595</u>	<u>5,836,595</u>
<b>PUBLIC SAFETY</b>					
Police department	10,494,595	10,494,587	9,610,141	884,446	9,197,799
Fire department	567,896	567,556	530,845	36,711	570,748
Traffic control	5,000	5,000	1,440	3,560	6,549
Control of animals	1,500	1,500	-	1,500	34,301
DARE Program	-	-	313	(313)	-
Safety inspection	688,842	688,393	688,944	(551)	626,858
Housing	394,048	394,048	402,235	(8,187)	399,590
Emergency operations	2,500	2,500	2,746	(246)	6,250
	<u>12,154,381</u>	<u>12,153,584</u>	<u>11,236,664</u>	<u>916,920</u>	<u>10,842,095</u>

**HEALTH**

Registrar of Vital Statistics

1,200	1,200	1,924	(724)	2,090
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**TRANSPORTATION**

Superintendent of Public Works

Street maintenance

Bus operations

Snow removal

Street lighting

Parking

85,000	85,000	-	85,000	50
1,464,678	1,463,146	1,597,557	(134,411)	1,646,552
-	-	-	-	3,462
133,148	133,142	71,317	61,825	71,393
150,000	150,000	167,397	(17,397)	195,040
50,758	50,758	38,095	12,663	55,813

1,883,584	1,882,046	1,874,366	7,680	1,972,310
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**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Publicity

500	500	575	(75)	275
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**CULTURE AND RECREATION**

Parks and playgrounds

Youth programs

Civic center

King facility

Senior citizens

Adult recreation

70,089	70,089	57,533	12,556	63,668
137,000	137,000	51,500	85,500	117,500
23,000	23,000	28,179	(5,179)	28,199
45,000	45,000	-	45,000	16,000
5,000	5,000	3,250	1,750	3,800
35,500	35,500	2,653	32,847	121,879

315,589	315,589	143,115	172,474	351,046
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**HOME AND COMMUNITY SERVICES**

Zoning Board

Planning Board

Refuse and garbage

Emergency Tenant Protection Act

16,000	16,000	17,190	(1,190)	9,905
55,750	55,750	68,934	(13,184)	66,330
30,000	30,000	41,399	(11,399)	33,834
23,000	23,000	39,180	(16,180)	21,550

124,750	124,750	166,703	(41,953)	131,619
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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, 2021

(With Comparative Actuals for 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
<b>EMPLOYEE BENEFITS</b>					
State retirement	\$ 740,300	\$ 740,300	\$ 673,606	\$ 66,694	\$ 617,555
Police retirement	1,950,000	1,950,000	2,169,332	(219,332)	1,695,601
Fire service awards	85,000	85,000	88,457	(3,457)	96,197
Social security	996,000	996,000	950,714	45,286	951,174
Workers' compensation benefits	1,160,000	1,160,000	1,125,626	34,374	1,156,282
Life insurance	255,000	255,000	271,884	(16,884)	269,605
Unemployment benefits	19,000	19,000	17,504	1,496	16,769
Hospital and medical insurance	5,430,000	5,430,000	5,623,432	(193,432)	5,368,261
	<u>10,635,300</u>	<u>10,635,300</u>	<u>10,920,555</u>	<u>(285,255)</u>	<u>10,171,444</u>
<b>TOTAL EXPENDITURES</b>	<u>31,413,547</u>	<u>31,410,679</u>	<u>29,218,017</u>	<u>2,192,662</u>	<u>29,307,474</u>
<b>OTHER FINANCING USES</b>					
Transfers out					
Debt Service Fund	1,724,110	1,724,110	1,724,407	(297)	1,730,060
Community Development Funds	-	-	32,862	(32,862)	-
Special Purpose Fund	-	-	-	-	24,896
	<u>1,724,110</u>	<u>1,724,110</u>	<u>1,757,269</u>	<u>(33,159)</u>	<u>1,754,956</u>
<b>TOTAL OTHER FINANCING USES</b>	<u>1,724,110</u>	<u>1,724,110</u>	<u>1,757,269</u>	<u>(33,159)</u>	<u>1,754,956</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 33,137,657</u>	<u>\$ 33,134,789</u>	<u>\$ 30,975,286</u>	<u>\$ 2,159,503</u>	<u>\$ 31,062,430</u>

See independent auditors' report.

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

	2021	2020
<b>ASSETS</b>		
Cash and equivalents	\$ 1,253,948	\$ 1,069,289
Accounts receivable	38,541	-
Total Assets	<u>\$ 1,292,489</u>	<u>\$ 1,069,289</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 43,069	\$ 39,895
Due to other governments	77,628	80,770
Unearned revenue	239,544	104,564
Total Liabilities	360,241	225,229
Fund balance		
Restricted	932,248	844,060
Total Liabilities and Fund Balance	<u>\$ 1,292,489</u>	<u>\$ 1,069,289</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>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Use of money and property	\$ 764	\$ 1,271
Federal aid	9,538,497	9,137,638
Miscellaneous	<u>92,675</u>	<u>98,036</u>
Total Revenues	9,631,936	9,236,945
<b>EXPENDITURES</b>		
Current		
Economic opportunity and development	<u>9,543,748</u>	<u>9,152,919</u>
Excess (Deficiency) of Revenues Over Expenditures	88,188	84,026
<b>FUND BALANCE</b>		
Beginning of Year	<u>844,060</u>	<u>760,034</u>
End of Year	<u><u>\$ 932,248</u></u>	<u><u>\$ 844,060</u></u>

See independent auditors' report.

**Village of Spring Valley, New York**

Capital Projects Fund  
Comparative Balance Sheet  
May 31,

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	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 142,019	\$ 153,496
Investments	<u>2,987</u>	<u>2,987</u>
Total Assets	<u>\$ 145,006</u>	<u>\$ 156,483</u>
<b>LIABILITIES AND FUND DEFICIT</b>		
Liabilities		
Accounts payable	\$ 389	\$ 389
Due to other funds	<u>4,031,392</u>	<u>4,029,839</u>
Total Liabilities	4,031,781	4,030,228
Fund deficit		
Unassigned	<u>(3,886,775)</u>	<u>(3,873,745)</u>
Total Liabilities and Fund Deficit	<u>\$ 145,006</u>	<u>\$ 156,483</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>2021</u>	<u>2020</u>
<b>REVENUES</b>		
State aid	\$ -	\$ 472,948
Miscellaneous	-	8,167
	<u>-</u>	<u>481,115</u>
Total Revenues	-	481,115
<b>EXPENDITURES</b>		
Capital outlay	<u>13,030</u>	<u>737,059</u>
Deficiency of Revenues Over Expenditures	(13,030)	(255,944)
<b>FUND DEFICIT</b>		
Beginning of Year	<u>(3,873,745)</u>	<u>(3,617,801)</u>
End of Year	<u>\$ (3,886,775)</u>	<u>\$ (3,873,745)</u>

See independent auditors' report.

Village of Spring Valley, New York

Debt Service Fund  
Comparative Balance Sheet  
May 31,

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Due from other funds	<u>\$ 589,896</u>	<u>\$ 658,027</u>
<b>FUND BALANCE</b>		
Restricted	<u>\$ 589,896</u>	<u>\$ 658,027</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,

	2021			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Debt service				
Serial bonds				
Principal	1,420,000	1,420,000	1,420,000	-
Interest	304,110	304,110	304,407	(297)
Total Expenditures	1,724,110	1,724,110	1,724,407	(297)
Deficiency of Revenues Over Expenditures	(1,724,110)	(1,724,110)	(1,724,407)	(297)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,724,110	1,724,110	1,724,407	297
Transfers out	-	-	(68,131)	(68,131)
Total Other Financing Sources	1,724,110	1,724,110	1,656,276	(67,834)
Net Change in Fund Balance	-	-	(68,131)	(68,131)
<b>FUND BALANCE</b>				
Beginning of Year	-	-	658,027	658,027
End of Year	\$ -	\$ -	\$ 589,896	\$ 589,896

See independent auditors' report.

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2020

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Original Budget	Final Budget	Actual	Variance with Final Budget
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
1,370,000	1,370,000	1,370,000	-
<u>360,062</u>	<u>360,062</u>	<u>360,060</u>	<u>2</u>
<u>1,730,062</u>	<u>1,730,062</u>	<u>1,730,060</u>	<u>2</u>
<u>(1,730,062)</u>	<u>(1,730,062)</u>	<u>(1,730,060)</u>	<u>2</u>
1,730,062	1,730,062	1,730,060	(2)
<u>-</u>	<u>-</u>	<u>(69,819)</u>	<u>(69,819)</u>
<u>1,730,062</u>	<u>1,730,062</u>	<u>1,660,241</u>	<u>(69,821)</u>
-	-	(69,819)	(69,819)
-	-	727,846	727,846
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 658,027</u>	<u>\$ 658,027</u>

# Village of Spring Valley, New York

Combining Balance Sheet  
Non-Major Governmental Funds  
May 31, 2021  
(With Comparative Totals for 2020)

			Total Non-Major Governmental Funds	
	Community Development	Special Purpose	2021	2020
<b>ASSETS</b>				
Cash and equivalents	\$ 51,856	\$ 1,359	\$ 53,215	\$ 53,215
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 3,000
Due to other funds	3,073	-	3,073	35,935
Unearned revenues	-	-	-	20,798
Total Liabilities	3,073	-	3,073	59,733
Fund balances (deficits)				
Restricted	48,783	-	48,783	(7,877)
Unassigned	-	1,359	1,359	1,359
Total Fund Balances (Deficits)	48,783	1,359	50,142	(6,518)
Total Liabilities and Fund Balances (Deficits)	\$ 51,856	\$ 1,359	\$ 53,215	\$ 53,215

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, 2021  
(With Comparative Totals for 2020)

			Total Non-Major Governmental Funds	
	Community Development	Special Purpose	2021	2020
<b>REVENUES</b>				
Departmental income	\$ 20,798	\$ -	\$ 20,798	\$ -
Federal aid	-	-	-	96,500
Miscellaneous	3,000	-	3,000	-
Total Revenues	23,798	-	23,798	96,500
<b>EXPENDITURES</b>				
Current				
Home and community services	-	-	-	122,862
Excess (Deficiency) of Revenues Over Expenditures	23,798	-	23,798	(26,362)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	32,862	-	32,862	24,896
Net Change in Fund Balance	56,660	-	56,660	(1,466)
<b>FUND BALANCES (DEFICITS)</b>				
Beginning of Year	(7,877)	1,359	(6,518)	(5,052)
End of Year	\$ 48,783	\$ 1,359	\$ 50,142	\$ (6,518)

See independent auditors' report.

**Village of Spring Valley, New York**

Community Development Fund  
Combining Balance Sheet - Sub-Funds  
May 31, 2021  
(With Comparative Totals for 2020)

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	Federal Program	County Program	Elderly Emergency Home Repair Program
<b>ASSETS</b>			
Cash and equivalents	<u>\$ 49,275</u>	<u>\$ 201</u>	<u>\$ 2,380</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	3,073	-	-
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	3,073	-	-
Fund balances (deficits)			
Restricted	<u>46,202</u>	<u>201</u>	<u>2,380</u>
Total Liabilities and Fund Balances	<u>\$ 49,275</u>	<u>\$ 201</u>	<u>\$ 2,380</u>

See independent auditors' report.

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Totals	
2021	2020
\$ 51,856	\$ 51,856
\$ -	\$ 3,000
3,073	35,935
-	20,798
3,073	59,733
48,783	(7,877)
\$ 51,856	\$ 51,856

**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, 2021  
(With Comparative Totals for 2020)

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	Federal Program	County Program	Elderly Emergency Home Repair Program
<b>REVENUES</b>			
Departmental income	\$ -	\$ 3,824	\$ 16,974
Federal aid	-	-	-
Miscellaneous	-	-	3,000
Total Revenues	-	3,824	19,974
<b>EXPENDITURES</b>			
Current			
Home and community services	-	-	-
(Excess) Deficiency of Revenues Over Expenditures	-	3,824	19,974
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		26,362	6,500
Net Change in Fund Balance	-	30,186	26,474
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	46,202	(29,985)	(24,094)
End of Year	\$ 46,202	\$ 201	\$ 2,380

See independent auditors' report.

Totals	
2021	2020
\$ 20,798	\$ -
-	96,500
3,000	-
23,798	96,500
-	122,862
23,798	(26,362)
32,862	-
56,660	-
(7,877)	18,485
<u>\$ 48,783</u>	<u>\$ (7,877)</u>

Village of Spring Valley, New York

Special Purpose Fund  
Comparative Balance Sheet  
May 31,

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 1,359</u>	<u>\$ 1,359</u>
<b>FUND BALANCE</b>		
Unassigned	<u>\$ 1,359</u>	<u>\$ 1,359</u>

**Village of Spring Valley, New York**

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

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>	\$ -	\$ -
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-
<b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>-</u>	<u>24,896</u>
Net Change in Fund Balance	-	24,896
<b>FUND BALANCE (DEFICIT)</b>		
Beginning of Year	<u>1,359</u>	<u>(23,537)</u>
End of Year	<u><u>\$ 1,359</u></u>	<u><u>\$ 1,359</u></u>

See independent auditors' report.

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**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2021 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 19, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

## Purpose of This Report

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

*PKF O'Connor Davies, LLP*

PKF O'Connor Davies, LLP

Harrison, New York

June 19, 2024



**Report on Compliance for Each Major Federal Program; Report on  
Internal Control Over Compliance; and Report on the Schedule of Expenditures  
of Federal Awards Required by the Uniform Guidance**

**Independent Auditors' Report**

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

**Report on Compliance for Each Major Federal Program**

We have audited the Village of Spring Valley, New York's ("Village") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended May 31, 2021. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the Federal statutes, requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Village's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Village's compliance.

### ***Basis for Qualified Opinion on CFDA 14.871 Section 8 Housing Choice Vouchers Program***

As described in Findings 2021-001 and 2021-002 in the accompanying schedule of findings and questioned costs, the Village did not comply with requirements regarding the following:

<b>Finding #</b>	<b>CFDA#</b>	<b>Program Name</b>	<b>Compliance Requirement</b>
2021-001	14.871	Section 8 Housing Choice Vouchers	Reporting

Compliance with such requirements is necessary, in our opinion, for the Village to comply with the requirements applicable to the program.

### ***Qualified Opinion on Section 8 Housing Choice Vouchers Program***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Section 8 Housing Choice Vouchers Program for the year ended May 31, 2021.

The Village's response to the noncompliance findings identified in our audit is described in a separate corrective action plan. The Village's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in

the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 to be material weaknesses.

The Village's response to the internal control over compliance findings identified in our audit is described in a separate corrective action plan. The Village's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

June 19, 2024

**Village of Spring Valley, New York**Schedule of Expenditures of Federal Awards  
Year Ended May 31, 2021

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number (1)</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers Program	14.871	N/A	N/A	<u>\$ 9,543,748</u>
<u>U.S. Department of Justice</u>				
Direct Programs				
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	N/A	<u>6,238</u>
Total U.S. Department of Justice				<u>6,238</u>
<u>U.S. Department of Homeland Security</u>				
Direct Program				
Assistance to Firefighters Grant	97.044	EMW-2017-FF-00297	N/A	<u>143,000</u>
Total U.S. Department of Homeland Security				<u>143,000</u>
Total Expenditures of Federal Awards				<u><u>\$ 9,692,986</u></u>

(1) Federal Assistance Listing number.  
N/A - Not Available

The accompanying notes are an integral part of this schedule.

## Village of Spring Valley, New York

Notes to Schedule of Expenditures of Federal Awards  
Year Ended May 31, 2021

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### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Village of Spring Valley, New York ("Village") under programs of the federal government for the year ended May 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position or cash flows of the Village.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

### **Note 3 - Indirect Cost Rate**

The Village has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## Village of Spring Valley, New York

Schedule of Findings and Questioned Costs  
Year Ended May 31, 2021

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### Section I - Summary of Auditors' Results

#### Financial Statements

Type of report the auditor issued on  
whether the financial statements audited were  
prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

     Yes        X   No  
     Yes        X   None reported

Noncompliance material to financial  
statements noted?

     Yes        X   No

#### Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

  X   Yes           No  
     Yes        X   None reported

Type of auditors' report issued on compliance  
for major federal programs

Qualified

Any audit findings disclosed that are  
required to be reported in accordance with  
2 CFR 200.516(a)?

  X   Yes           No

Identification of major federal programs:

Assistance

<u>Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
------------------------	---

14.871	Housing Voucher Cluster - Section 8 Housing Choice Voucher Program
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Dollar threshold used to distinguish  
between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

     Yes   X   No

## Village of Spring Valley, New York

Schedule of Findings and Questioned Costs (Continued)  
Year Ended May 31, 2021

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### Section II - Financial Statement Findings

None Reported

### Section III - Federal Award Findings and Questioned Costs

#### **Finding 2021-001: Financial Reporting Requirements for Financial Assessment Submission-PHA ("FASPHA")**

##### **Material Weakness**

Federal Agency: U.S. Department of Housing and Urban Development  
CFDA 14.871, Section 8 Housing Choice Vouchers

##### **Criteria:**

The Financial Assessment Sub-system, FASS-PH and (24 CFR section 5.801) require PHAs to submit timely GAAP-based unaudited and audited financial information electronically to HUD. The FASS-PH system is one of HUD's main monitoring and oversight systems for the Housing Choice Voucher Program ("HCVP").

##### **Condition:**

PHA Management has not filed the audited data for the years 2009 through 2020. This condition continues from previous years. Reference prior year finding 2020-001.

##### **Cause:**

PHA management uses an outside accounting service to submit the required information to the Financial Assessment Sub-system. Since 2009 only unaudited data has been submitted by the outside accounting service. The outside service has not reconciled and reported the audited data.

##### **Effect:**

Since the required audited information has not been submitted to the FASS-PH System, as the PHA's Independent Public Accountant, ("IPA") we have not been able to verify that the actual audit information was correctly entered into the system. We are not able to certify and agree to the PHA's submission.

##### **Questioned Costs:**

None

##### **Recommendation:**

Management must comply with the requirements to submit timely GAAP-based unaudited and audited financial information to the FASS-PH system.

##### **Management's Views and Corrective Action Plan**

Management's views and corrective action plan are included at the end of this report.

**Section III - Federal Awards Findings and Questioned Costs (Continued)**

**Finding 2021-002: Rolling Forward Equity Balances**

**Material Weakness**

Federal Agency: U.S. Department of Housing and Urban Development  
CFDA 14.871, Section 8 Housing Choice Vouchers

***Criteria:***

PHAs are required to maintain complete and accurate accounts. HUD enters into an Annual Contributions Contract ("ACC"). The ACC requires the PHA to properly account for program activity. Proper accounting requires that (1) account balances are properly maintained, (2) records and accounting transactions support a proper roll-forward of equity, and (3) errors are corrected as detected.

***Condition:***

The unaudited year end working trial balance reflected total positive equity of \$932,248 and did not reflect correct HAP and Administrative Fee equity balances. This condition continues from previous years. Reference prior year finding 2020-002.

***Cause:***

PHA management is not making the proper entries to ensure the HAP and Administrative Fee equity balances are stated correctly.

***Effect:***

This could result in the PHA not being funded correctly and may result in HUD's Office of Inspector General findings against the PHAs.

**Questioned Costs:**

None

***Recommendation:***

PHA management must close the books each year and ensure that the HAP and Administrative Fee equity accounts are properly stated.

**Management's Views and Corrective Action Plan**

Management's views and corrective action plan are included at the end of this report.

**Village of Spring Valley, New York**

Summary Schedule of Prior Audit Findings  
Year Ended May 31, 2021

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**Financial Statement Findings**

None

**Federal Award Findings**

**Finding 2020-001: Financial Reporting Requirements for Financial Assessment Submission-PHA (FASPHA)**

**Status:** This condition continues and is repeated as finding 2021-001

**Finding 2020-002: Rolling Forward Equity Balances**

**Status:** This condition continues and is repeated as finding 2021-002