

**Village of Spring Valley, New York**

Financial Statements and  
Supplementary Information

Year Ended May 31, 2022



## Village of Spring Valley, New York

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## 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 Audit of the Financial Statements**

#### ***Opinions***

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village, as of May 31, 2022, and the respective changes in financial position and 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.

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

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

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

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

## **Supplementary Information**

Our audit for the year ended May 31, 2022, 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, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended May 31, 2022 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 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, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Village as of and for the year ended May 31, 2021 (not presented herein), and have issued our report thereon dated June 19, 2024 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended May 31, 2021, 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 related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025 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

January 31, 2025

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**Village of Spring Valley, New York**

## Statement of Net Position

May 31, 2022

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 8,329,156
Investments	2,195,181
Receivables	
Accounts	237,494
Due from other governments	1,762,708
Net pension asset - ERS	1,201,091
Prepaid expenses	5,581
Capital assets	
Not being depreciated	3,109,552
Being depreciated, net	15,622,703
Total Assets	<u>32,463,466</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding bonds	7,349
Pension related	11,109,227
Length of service award program	894,975
OPEB related	<u>23,538,136</u>
Total Deferred Outflows of Resources	<u>35,549,687</u>
<b>LIABILITIES</b>	
Accounts payable	517,338
Accrued liabilities	1,183,481
Due to other governments	19,510
Due to retirement systems	480,361
Deposits payable	1,014,685
Unearned revenues	1,834,250
Accrued interest payable	61,213
Non-current liabilities	
Due within one year	4,103,525
Due in more than one year	<u>108,539,139</u>
Total Liabilities	<u>117,753,502</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	14,013,084
Length of service award program	223,241
OPEB related	<u>18,170,244</u>
Total Deferred Inflows of Resources	<u>32,406,569</u>
<b>NET POSITION</b>	
Net investment in capital assets	14,610,779
Restricted	
Retirement contributions	994,864
Debt service	1,004,995
Section 8 housing assistance purposes	1,057,829
Community development purposes	48,783
Special purposes	1,359
Unrestricted	<u>(99,865,527)</u>
Total Net Position	<u>\$ (82,146,918)</u>

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

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**Village of Spring Valley, New York**

Statement of Activities  
Year Ended May 31, 2022

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	\$ 7,747,164	\$ 366,987	\$ -	\$ 13,699	\$ (7,366,478)
Public safety	25,204,099	596,389	129,400	-	(24,478,310)
Health	3,410	-	-	-	(3,410)
Transportation	4,650,904	-	-	-	(4,650,904)
Economic opportunity and development	9,180,827	-	9,828,885	-	648,058
Culture and recreation	303,819	15,211	-	-	(288,608)
Home and community services	206,339	1,027,210	-	-	820,871
Interest	218,142	-	-	4,814	(213,328)
<b>Total Governmental Activities</b>	<b>\$ 47,514,704</b>	<b>\$ 2,005,797</b>	<b>\$ 9,958,285</b>	<b>\$ 18,513</b>	<b>(35,532,109)</b>
General revenues					
Real property taxes					24,665,198
Other tax items					
Payments in lieu of taxes					363,177
Interest and penalties on real property taxes					121,489
Non-property taxes					
Franchise fees					208,858
Non-property tax distribution from County					1,777,477
Utilities gross receipts taxes					433,983
Unrestricted use of money and property					62,455
Sale of property and compensation for loss					3,046
Unrestricted State aid					510,772
Miscellaneous					1,034,385
Insurance recoveries					655,595
<b>Total General Revenues</b>					<b>29,836,435</b>
<b>Change in Net Position</b>					<b>(5,695,674)</b>
<b>Net Position - Beginning</b>					<b>(76,451,244)</b>
<b>Net Position - Ending</b>					<b>\$ (82,146,918)</b>

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

**Village of Spring Valley, New York**

Balance Sheet  
Governmental Funds  
May 31, 2022

	General	Section 8 - Housing Assistance	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 6,835,347	\$ 1,300,253	\$ 140,341
Investments	2,192,195	-	2,986
Receivables			
Accounts	237,494	-	-
Due from other governments	1,762,708	-	-
Due from other funds	-	-	-
	2,000,202	-	-
Prepaid expenditures	5,581	-	-
Total Assets	<u>\$ 11,033,325</u>	<u>\$ 1,300,253</u>	<u>\$ 143,327</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 474,269	\$ 43,069	\$ -
Accrued liabilities	1,183,481	-	-
Deposits payable	1,014,685	-	-
Due to other governments	-	19,510	-
Due to other funds	372,340	-	143,327
Due to retirement systems	480,361	-	-
Unearned revenues	1,654,405	179,845	-
Total Liabilities	<u>5,179,541</u>	<u>242,424</u>	<u>143,327</u>
Fund balances			
Nonspendable	5,581	-	-
Restricted	3,907,534	1,057,829	-
Assigned	345,552	-	-
Unassigned	1,595,117	-	-
Total Fund Balances	<u>5,853,784</u>	<u>1,057,829</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 11,033,325</u>	<u>\$ 1,300,253</u>	<u>\$ 143,327</u>

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

Debt Service	Non-Major Governmental	Total Governmental Funds
\$ -	\$ 53,215	\$ 8,329,156
-	-	2,195,181
-	-	237,494
-	-	1,762,708
518,740	-	518,740
518,740	-	2,518,942
-	-	5,581
<u>\$ 518,740</u>	<u>\$ 53,215</u>	<u>\$ 13,048,860</u>
\$ -	\$ -	\$ 517,338
-	-	1,183,481
-	-	1,014,685
-	-	19,510
-	3,073	518,740
-	-	480,361
-	-	1,834,250
-	3,073	5,568,365
-	-	5,581
518,740	50,142	5,534,245
-	-	345,552
-	-	1,595,117
518,740	50,142	7,480,495
<u>\$ 518,740</u>	<u>\$ 53,215</u>	<u>\$ 13,048,860</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, 2022

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

Total Fund Balances - Governmental Funds	<u>\$ 7,480,495</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non depreciable	3,109,552
Capital assets - depreciable	60,098,519
Accumulated depreciation	<u>(44,475,816)</u>
	<u>18,732,255</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, length of service awards and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	11,109,227
Deferred outflows - length of service awards program	894,975
Deferred outflows - OPEB related	23,538,136
Deferred inflows - pension related	(14,013,084)
Deferred inflows - length of service awards program	(223,241)
Deferred inflows - OPEB related	<u>(18,170,244)</u>
	<u>3,135,769</u>
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - ERS	<u>1,201,091</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	(61,213)
General obligation bonds payable	(6,465,000)
Compensated absences	(1,237,304)
Net pension liability - PFRS	(1,153,229)
Total pension liability - length of service awards program	(4,158,987)
Total OPEB liability	<u>(99,590,362)</u>
	<u>(112,666,095)</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 amounts on refunding	7,349
Premium on general obligation bonds	<u>(37,782)</u>
	<u>(30,433)</u>
Net Position of Governmental Activities	<u><u>\$ (82,146,918)</u></u>

The notes to 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, 2022

	General	Section 8 - Housing Assistance	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 24,665,198	\$ -	\$ -
Other tax items	484,666	-	-
Non-property taxes	2,420,318	-	-
Departmental income	1,033,336	-	-
Use of money and property	29,487	589	-
Licenses and permits	1,102,199	-	-
Fines and forfeitures	294,429	-	-
Sale of property and compensation for loss	3,046	-	-
State aid	621,596	-	-
Federal aid	18,576	9,671,377	-
Miscellaneous	1,170,477	156,919	13,699
Total Revenues	31,843,328	9,828,885	13,699
<b>EXPENDITURES</b>			
Current			
General government support	5,176,630	-	-
Public safety	12,307,397	-	-
Health	3,410	-	-
Transportation	1,978,259	-	-
Economic opportunity and development	-	9,703,304	-
Culture and recreation	345,671	-	-
Home and community services	206,339	-	-
Employee benefits	11,757,890	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	235,058
Total Expenditures	31,775,596	9,703,304	235,058
Excess (Deficiency) of Revenues Over Expenditures	67,732	125,581	(221,359)
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance recoveries	655,595	-	-
Transfers in	71,156	-	4,108,134
Transfers out	(5,824,352)	-	-
Total Other Financing Sources (Uses)	(5,097,601)	-	4,108,134
Net Change in Fund Balances	(5,029,869)	125,581	3,886,775
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	10,883,653	932,248	(3,886,775)
End of Year	\$ 5,853,784	\$ 1,057,829	\$ -

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



Debt Service	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 24,665,198
-	-	484,666
-	-	2,420,318
-	-	1,033,336
-	-	30,076
-	-	1,102,199
-	-	294,429
-	-	3,046
-	-	621,596
-	-	9,689,953
-	-	1,341,095
-	-	41,685,912
-	-	5,176,630
-	-	12,307,397
-	-	3,410
-	-	1,978,259
-	-	9,703,304
-	-	345,671
-	-	206,339
-	-	11,757,890
1,470,000	-	1,470,000
246,218	-	246,218
-	-	235,058
1,716,218	-	43,430,176
(1,716,218)	-	(1,744,264)
-	-	655,595
1,716,218	-	5,895,508
(71,156)	-	(5,895,508)
1,645,062	-	655,595
(71,156)	-	(1,088,669)
589,896	50,142	8,569,164
\$ 518,740	\$ 50,142	\$ 7,480,495

## 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, 2022

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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	\$ (1,088,669)
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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	283,910
Depreciation expense	<u>(1,410,808)</u>
	<u>(1,126,898)</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>1,470,000</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	18,466
Changes in pension liabilities and related deferred outflows and inflows of resources	1,924,792
Compensated absences	29,331
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(6,899,893)
Changes in length of service awards program pension liabilities and related deferred outflows and inflows of resources	(32,413)
Amortization of premium and loss on refunding bonds	<u>9,610</u>
	<u>(4,950,107)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (5,695,674)</u></u>
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The notes to 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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 24,996,608	\$ 24,996,608	\$ 24,665,198	\$ (331,410)
Other tax items	570,000	570,000	484,666	(85,334)
Non-property taxes	2,060,000	2,060,000	2,420,318	360,318
Departmental income	1,027,250	1,027,250	1,033,336	6,086
Use of money and property	155,000	155,000	29,487	(125,513)
Licenses and permits	1,278,600	1,278,600	1,102,199	(176,401)
Fines and forfeitures	476,000	476,000	294,429	(181,571)
Sale of property and compen- sation for loss	3,500	3,500	3,046	(454)
State aid	1,045,000	1,045,000	621,596	(423,404)
Federal aid	170,000	170,000	18,576	(151,424)
Miscellaneous	471,082	471,082	1,170,477	699,395
Total Revenues	32,253,040	32,253,040	31,843,328	(409,712)
<b>EXPENDITURES</b>				
Current				
General government support	5,199,505	5,206,879	5,176,630	30,249
Public safety	12,061,184	12,104,379	12,307,397	(203,018)
Health	1,200	1,200	3,410	(2,210)
Transportation	2,128,478	2,130,893	1,978,259	152,634
Economic opportunity and development	400	400	-	400
Culture and recreation	318,508	325,220	345,671	(20,451)
Home and community services	141,750	141,750	206,339	(64,589)
Employee benefits	11,749,000	11,749,000	11,757,890	(8,890)
Total Expenditures	31,600,025	31,659,721	31,775,596	(115,875)
Excess of Revenues Over Expenditures	653,015	593,319	67,732	(525,587)
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	125,000	125,000	655,595	530,595
Transfers in	-	-	71,156	71,156
Transfers out	(1,716,218)	(1,716,218)	(5,824,352)	(4,108,134)
Total Other Financing Uses	(1,591,218)	(1,591,218)	(5,097,601)	(3,506,383)
Net Change in Fund Balance	(938,203)	(997,899)	(5,029,869)	(4,031,970)
<b>FUND BALANCE</b>				
Beginning of Year	938,203	997,899	10,883,653	9,885,754
End of Year	\$ -	\$ -	\$ 5,853,784	\$ 5,853,784

The notes to 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, 2022

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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 financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and the Uniform System of Accounts 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 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 used to account for and report the proceeds of specific revenue sources that are restricted, committed or

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

assigned to expenditures for specified purposes other than debt service or capital projects. 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 grantor or contributor stipulations.

- 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. In accordance with the provisions of 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 is the Fiduciary Fund. 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.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

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, net pension liability, total 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. Issuances 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. At May 31, 2022, \$1,813,458 of the Village's cash balances were uninsured or undercollateralized as follows:

Aggregate bank balances at May 31, 2022		\$ 8,519,140
Less		
Bank balances insured by the FDIC	\$ 2,592,266	
Bank balances fully collateralized	<u>4,113,416</u>	<u>6,705,682</u>
Bank balances undercollateralized and uninsured at May 31, 2022		<u><u>\$ 1,813,458</u></u>



## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

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

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 the 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.

The Village participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30th.

The Village's position in the pool at May 31, 2022 of \$4,188 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

CLASS is rated AAAm by Standard & Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17th Street, Suite 1850, Denver, CO 80202.

### **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.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

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

**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.

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

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

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance in the

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

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 the 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

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 the government-wide financial statements, unearned revenues consist of revenue received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues of \$1,654,405 for unspent American Rescue Plan Act funds received in advance in the General Fund and \$179,845 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.

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of net 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 net 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 awards program and other postemployment benefit liabilities in the government-wide financial statements. These amounts are detailed in the discussion of the Village's pension, length of service awards program and other postemployment benefit liabilities in Note 3E.

**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 expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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 or 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 long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

**Total Pension Liability – Length of Service Awards Program** - The total pension liability represents the Village's liability for its Length of Service Awards Program ("LOSAP") for its volunteer firefighters. The financial reporting of this amount is 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 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.

**Net Pension Liability (Asset)** - The net pension liability (asset) represents the Village's proportionate share of the net pension liability (asset) of the New York State and Local

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

Employees' Retirement System and the New York State and Local 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** - 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 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 and deferred outflows of resources 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, Section 8 housing assistance purposes, community development purposes and special purposes.

*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.

Sometimes the Village and fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

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

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

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

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Village Board of Trustees or a person with delegated authority from the governing board to assign amounts for a specific intended purpose or the Village Treasurer for amounts assigned for encumbrances. 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 represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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

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

**F. Encumbrances**

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the

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

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 January 31, 2025.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

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

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

- g) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in the 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 Limitations**

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 2021-22 fiscal year was \$29,015,769 which exceeded the actual levy (inclusive of exclusions) by \$5,985,379.

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 Department of Labor with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board first enacts, by a vote of at least sixty percent of the total voting power of the Village Board, a local law to override such limit for such coming fiscal year.



## Village of Spring Valley, New York

Notes to Financial Statements (Continued)

May 31, 2022

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

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

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

General Fund:

General Government Support:

Board of Trustees	\$ 4,977
Auditor	113,313
Treasurer	47,167
Attorney	69,806
Buildings	218,746
Unallocated insurance	91,774
Taxes and assessments on real property	11,253
Refunds of real property taxes	74,120

Public Safety:

Fire department	172,064
Safety inspection	118,188
Housing	25,323
Emergency operations	429

Health -

Registrar of Vital Statistics	2,210
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Transportation -

Street lighting	36,367
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Culture and Recreation:

Parks and playgrounds	18,158
Civic center	71,404
Adult recreation	40,389

Home and Community Services:

Zoning Board	19,650
Planning Board	36,670
Refuse and garbage	9,109

Employee Benefits:

State retirement	1,407
Police retirement	215,449
Fire service awards	1,154
Life insurance	4,453
Hospital and medical insurance	25,758

Other Financing Uses -

Transfers out - Capital Projects Fund	4,108,134
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Debt Service Fund

Transfers out	71,156
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In addition, General Fund expenditures and other financing uses exceeded the total budget by \$4,085,139 and Debt Service Fund expenditures and other financing uses exceeded the total budget by \$71,156.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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### **Note 3 - Detailed Notes on All Funds**

#### **A. Investments**

Investment of the Fire Service Awards Program are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Village.

The Village had the following investments with average maturities and credit ratings in its Fire Service Awards Program.

Type of Investment	Fair Value	N/A	1-5 Years	6-10 Years	Thereafter
Bond funds	\$ 585,198	\$ -	\$ -	\$ 585,198	\$ -
U.S. and international equities funds	1,605,795	1,605,795	-	-	-
	<u>\$ 2,190,993</u>	<u>\$ 1,605,795</u>	<u>\$ -</u>	<u>\$ 585,198</u>	<u>\$ -</u>

  

Type of Investment	Fair Value	N/A	A or better	BBB	BB	B or less
Bond funds	\$ 585,198	\$ -	\$ 374,268	\$ 119,925	\$ 44,832	\$ 46,173
U.S. and international equities funds	1,605,795	1,605,795	-	-	-	-
	<u>\$ 2,190,993</u>	<u>\$ 1,605,795</u>	<u>\$ 374,268</u>	<u>\$ 119,925</u>	<u>\$ 44,832</u>	<u>\$ 46,173</u>

Investments in bond funds and U.S. and international equities fund are valued using Level I inputs.

#### **B. Interfund Receivables/Payables**

The composition of due from/to other funds at May 31, 2022 were as follows:

Fund	Due From	Due To
General	\$ -	\$ 372,340
Capital Projects	-	143,327
Debt Service	518,740	-
Non-Major Governmental	-	3,073
	<u>\$ 518,740</u>	<u>\$ 518,740</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.

**Village of Spring Valley, New York**

Notes to Financial Statements (Continued)  
May 31, 2022

**Note 3 - Detailed Notes on All Funds (Continued)****C. Capital Assets**

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

	Balance June 1, 2021	Additions	Balance May 31, 2022
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	14,250	22,813,527
Machinery and equipment	8,366,083	269,660	8,635,743
Total Capital Assets, being depreciated	<u>59,814,609</u>	<u>283,910</u>	<u>60,098,519</u>
Less Accumulated Depreciation for:			
Infrastructure	26,929,735	318,270	27,248,005
Buildings and improvements	9,450,244	830,003	10,280,247
Machinery and equipment	6,685,029	262,535	6,947,564
Total Accumulated Depreciation	<u>43,065,008</u>	<u>1,410,808</u>	<u>44,475,816</u>
Total Capital Assets, being depreciated, net	<u>\$ 16,749,601</u>	<u>\$ (1,126,898)</u>	<u>\$ 15,622,703</u>
Governmental Activities Capital Assets, net	<u>\$ 19,859,153</u>	<u>\$ (1,126,898)</u>	<u>\$ 18,732,255</u>

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

General Governmental Support	\$ 413,182
Public Safety	249,681
Transportation	685,664
Culture and Recreation	62,281
Total Depreciation Expense	<u>\$ 1,410,808</u>

# Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

### D. Accrued Liabilities

Accrued liabilities at May 31, 2022 were as follows:

	General Fund
Payroll and employee benefits	\$ 810,226
Tax certiorari refunds	239,525
Other	133,730
	<u>\$ 1,183,481</u>

### E. Long-Term Liabilities

The following table summarizes changes in the Village's long-term liabilities for the year ended May 31, 2022:

	Balance June 1, 2021	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2022	Due Within One Year
General Obligation Bonds Payable					
Capital Construction	\$ 5,109,757	\$ -	\$ 1,018,714	\$ 4,091,043	\$ 998,638
Judgments and Claims	2,400,243	-	396,286	2,003,957	411,362
Other	425,000	-	55,000	370,000	55,000
	7,935,000	-	1,470,000	6,465,000	1,465,000
Plus - Issuance Premium	49,713	-	11,931	37,782	-
	7,984,713	-	1,481,931	6,502,782	1,465,000
Other Non-Current Liabilities					
Compensated Absences	1,266,635	97,669	127,000	1,237,304	124,000
Net Pension Liability - ERS	14,304	-	14,304	-	-
Net Pension Liability - PFRS	3,616,065	-	2,462,836	1,153,229	-
Total Pension Liability - Length of Service Awards Program	4,255,277	98,813	195,103	4,158,987	-
Other Post Employment Benefit Liability	113,879,855	6,842,299	21,131,792	99,590,362	2,514,525
Total Other Non-Current Liabilities	123,032,136	7,038,781	23,931,035	106,139,882	2,638,525
Government Activities Long- Term Liabilities	\$ 131,016,849	\$ 7,038,781	\$ 25,412,966	\$ 112,642,664	\$ 4,103,525

Each governmental fund's liability for general obligation bonds payable, compensated absences, net pension liability, total pension liability and other postemployment benefit liability 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.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

#### **General Obligation Bonds Payable**

General obligation bonds payable at May 31, 2022 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2022
Various Purposes	2005	\$ 5,000,000	May, 2025	4.25-5.000 %	\$ 1,050,000
Various Purposes	2008	4,300,000	June, 2022	5.000	405,000
Tax Certioraris	2010	3,000,000	December, 2025	3.50-3.875	995,000
Public Improvement/Housing Authority	2013	750,000	July, 2027	4.00-4.250	370,000
Various Purposes - Refunding	2017	225,060	April, 2025	2.00%	83,700
Tax Certioraris - Refunding	2017	984,940	April, 2025	2.00%	366,300
Various Purposes	2017	3,630,000	August, 2031	2.00-2.500	2,552,343
Tax Certioraris	2017	914,000	August, 2031	2.00-2.500	642,657
					<u>\$ 6,465,000</u>

Interest expenditures of \$246,218 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$218,142 was recorded in the government-wide financial statements.

#### **Payments to Maturity**

The annual requirements to amortize all bonded debt outstanding as of May 31, 2022 including interest payments of \$635,914 are as follows:

Year Ending May 31,	Principal	Interest
2023	\$ 1,465,000	\$ 186,381
2024	1,100,000	140,231
2025	1,135,000	102,500
2026	630,000	63,087
2027	380,000	44,222
2028-2032	1,755,000	99,493
	<u>\$ 6,465,000</u>	<u>\$ 635,914</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, 2022

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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, 2022, 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.

#### **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, 2022

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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 2022 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 A14/41J	23.0%
	4 A15/41J	18.2
	5 A15/41J	15.2
	6 A15/41J	10.6
PFRS	2 384D	30.4
	5 384D	25.5
	6 384D	19.8

At May 31, 2022, the Village reported the following for its proportionate share of the net pension liability (asset) for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2022	March 31, 2022
Net pension liability (asset)	\$ (1,201,091)	\$ 1,153,229
Villages' proportion of the net pension liability (asset)	0.0146930 %	0.2030174 %
Change in proportion since the prior measurement date	0.0003282 %	(0.0052482) %

The net pension liability (asset) was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability (asset) 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, 2022, the Village recognized pension expense in the government-wide financial statements of \$167,148 for ERS and \$1,199,916 for PFRS. Pension expenditures of \$726,407 for ERS and \$2,565,449 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, 2022

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

At May 31, 2022, 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	\$ 90,960	\$ 117,981	\$ 621,714	\$ -
Changes of assumptions	2,004,487	33,824	6,902,326	-
Net difference between projected and actual earnings on pension plan investments	-	3,933,070	-	9,690,137
Changes in proportion and differences between Village contributions and proportionate share of contributions	256,408	6,034	752,971	232,038
Village contributions subsequent to the measurement date	84,239	-	396,122	-
	<u>\$ 2,436,094</u>	<u>\$ 4,090,909</u>	<u>\$ 8,673,133</u>	<u>\$ 9,922,175</u>
Total				
	Deferred Outflows of Resources	Deferred Inflows of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 712,674	\$ 117,981		
Changes of assumptions	8,906,813	33,824		
Net difference between projected and actual earnings on pension plan investments	-	13,623,207		
Changes in proportion and differences between Village contributions and proportionate share of contributions	1,009,379	238,072		
Village contributions subsequent to the measurement date	480,361	-		
	<u>\$ 11,109,227</u>	<u>\$ 14,013,084</u>		

\$84,239 and \$396,122 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 (asset) in the plan's year ended March 31, 2023. 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
2023	\$ (207,281)	\$ (346,103)
2024	(361,368)	(672,398)
2025	(983,761)	(2,150,381)
2026	(186,644)	1,450,304
2027	-	73,414
	<u>\$ (1,739,054)</u>	<u>\$ (1,645,164)</u>



## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

The total pension liability for the March 31, 2022 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, 2022	March 31, 2022
Actuarial valuation date	April 1, 2021	April 1, 2021
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 %	3.30 %
International Equity	15	5.85
Private Equity	10	6.50
Real Estate	9	5.00
Opportunistic/ARS Portfolio	3	4.10
Credit	4	3.78
Real Assets	3	5.80
Fixed Income	23	-
Cash	1	(1.00)
	<u>100 %</u>	

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

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 3,091,596</u>	<u>\$ (1,201,091)</u>	<u>\$ (4,791,717)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 12,827,894</u>	<u>\$ 1,153,229</u>	<u>\$ (8,510,294)</u>

The components of the collective net pension liability (asset) as of the March 31, 2022 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 223,874,888,000	\$ 42,237,292,000	\$ 266,112,180,000
Fiduciary net position	<u>232,049,473,000</u>	<u>41,669,250,000</u>	<u>273,718,723,000</u>
Employers' net pension liability (asset)	<u>\$ (8,174,585,000)</u>	<u>\$ 568,042,000</u>	<u>\$ (7,606,543,000)</u>
Fiduciary net position as a percentage of total pension liability	<u>103.65%</u>	<u>98.66%</u>	<u>102.86%</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, 2022 represent the employer contribution for the period of April 1, 2022 through May 31, 2022 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, 2022 were \$84,239 and \$396,122, respectively.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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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.

#### **Length of Service Awards Program**

The Village's financial statements are for the year ended May 31, 2022. The information contained in this note is based on information for the Village of Spring Valley Volunteer Fire Department Length of Service Awards Program ("Program") for the program year ended December 31, 2021, 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.

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Length of Service Awards Program ("LOSAP") 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 pension-like benefits 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.

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.

At the December 31, 2021 measurement date, the following participants were covered by the benefit terms:

Retirees and beneficiaries	
currently receiving benefits	20
Terminated members entitled to	
but not yet receiving benefits	42
Active - vested	<u>76</u>
	<u>138</u>

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

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.

The total pension liability at the December 31, 2021 measurement date was determined using an actuarial valuation as of that date.

The total pension liability in the December 31, 2021 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.

The discount rate used to measure the total pension liability was 2.24%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Services, AA by Fitch, or AA by S&P's Rating Services.

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

Total Pension Liability - Beginning of Year	\$ 4,255,277
Service cost	115,856
Interest	82,480
Changes in assumptions or other inputs	(228,516)
Differences between expected and actual experience	128,993
Benefit payments	<u>(195,103)</u>
Total Pension Liability - End of Year	<u>\$ 4,158,987</u>

The following presents the total pension liability of the Village as of the December 31, 2021 measurement date, calculated using the discount rate of 2.24%, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.24%) of 1 percentage point higher (3.24%) than the current rate:

	1% Decrease (1.24%)	Current Discount Rate (2.24%)	1% Increase (3.24%)
Total Pension Liability	<u>\$ 4,958,491</u>	<u>\$ 4,158,987</u>	<u>\$ 3,526,251</u>

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

For the year ended May 31, 2022, the Village recognized pension expense of \$238,596 in the government-wide financial statements. At May 31, 2022, 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	\$ 117,578	\$ 14,948
Changes of assumptions or other inputs	723,474	208,293
Benefit payments and administrative expenses subsequent to the measurement date	<u>53,923</u>	<u>-</u>
	<u><u>\$ 894,975</u></u>	<u><u>\$ 223,241</u></u>

\$53,923 reported as deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the plan year ended December 31, 2022.

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,	
2023	\$ 55,603
2024	55,603
2025	55,603
2026	55,603
2027	55,603
Thereafter	<u>339,796</u>
	<u><u>\$ 617,811</u></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.

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

At May 31, 2022, the following employees were covered by the benefit terms:

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

The Village's total OPEB liability of \$99,590,362 was measured as of May 31, 2022, 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	3.16%
Healthcare cost trend rates	6.5% for 2022, 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 50%, depending on applicable retirement year and bargaining unit

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

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

The actuarial assumptions used in the June 1, 2020 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, 2022 is as follows:

Total OPEB Liability - Beginning of Year	\$ 113,879,855
Service cost	4,267,600
Interest	2,574,699
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(18,888,241)
Benefit payments	<u>(2,243,551)</u>
Total OPEB Liability - End of Year	<u><u>\$ 99,590,362</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 (2.16%) or 1 percentage point higher (4.16%) than the current discount rate:

**Village of Spring Valley, New York**

Notes to Financial Statements (Continued)  
May 31, 2022

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

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Total OPEB Liability	<u>\$ 119,374,123</u>	<u>\$ 99,590,362</u>	<u>\$ 84,254,164</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5% decreasing to 4.0%) or 1 percentage point higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 81,984,308</u>	<u>\$ 99,590,362</u>	<u>\$ 122,995,202</u>

For the year ended May 31, 2022, the Village recognized OPEB expense of \$9,143,444 in the government-wide financial statements. At May 31, 2022, 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	\$ 12,614,538	\$ 17,301,027
Differences between expected and actual experience	10,923,598	869,217
	<u>\$ 23,538,136</u>	<u>\$ 18,170,244</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,	
2023	\$ 2,242,588
2024	2,242,588
2025	2,242,588
2026	1,079,954
2027	(631,332)
Thereafter	<u>(1,808,494)</u>
	<u>\$ 5,367,892</u>

## Village of Spring Valley, New York

Notes to Financial Statements (Continued)  
May 31, 2022

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

#### **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 Out	Transfers In			Total
	General Fund	Capital Fund	Debt Service Fund	
General Fund	\$ -	\$ 4,108,134	\$ 1,716,218	\$ 5,824,352
Debt Service Fund	71,156	-	-	71,156
	<u>\$ 71,156</u>	<u>\$ 4,108,134</u>	<u>\$ 1,716,218</u>	<u>\$ 5,895,508</u>

Transfers are used to move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and from the Debt Service Fund to the General Fund to offset the costs of debt, and to the Capital Projects Fund to eliminate 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 Section 8 Housing Assistance Purposes* - the component of net position that has been set aside to be used to provide housing assistance payments in accordance with guidelines from the U.S. Department of Housing and Urban Development.

*Restricted for Community Development Purposes* - the component of net position that reports the difference between assets and liabilities of the Community Development funds with constraints placed on their use by the U.S. Department of Housing and Urban Development.



**Village of Spring Valley, New York**

Notes to Financial Statements (Continued)  
May 31, 2022

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

*Restricted for Special Purposes* - the component of net position that has been established to set funds to be used for other purposes with constraints placed on their use by either external parties and/or statute.

*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, 2022

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

### H. Fund Balances

	2022						2021					
	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	\$ 5,581	\$ -	\$ -	\$ -	\$ -	\$ 5,581
Restricted:												
Retirement contributions	994,864	-	-	-	-	994,864	994,864	-	-	-	-	994,864
Debt service	486,255	-	-	518,740	-	1,004,995	481,441	-	-	589,896	-	1,071,337
Pension benefits	2,426,415	-	-	-	-	2,426,415	2,701,377	-	-	-	-	2,701,377
Section 8 housing assistance	-	1,057,829	-	-	-	1,057,829	-	932,248	-	-	-	932,248
Community development purposes	-	-	-	-	48,783	48,783	-	-	-	-	48,783	48,783
Special purposes	-	-	-	-	1,359	1,359	-	-	-	-	1,359	1,359
Total Restricted	3,907,534	1,057,829	-	518,740	50,142	5,534,245	4,177,682	932,248	-	589,896	50,142	5,749,968
Assigned:												
Purchases on order:												
General government support	18,333	-	-	-	-	18,333	38,393	-	-	-	-	38,393
Public safety	19,050	-	-	-	-	19,050	78,799	-	-	-	-	78,799
Culture and recreation	-	-	-	-	-	-	61,753	-	-	-	-	61,753
Transportation	3,749	-	-	-	-	3,749	59,258	-	-	-	-	59,258
Home and community services	4,420	-	-	-	-	4,420	-	-	-	-	-	-
	45,552	-	-	-	-	45,552	238,203	-	-	-	-	238,203
For subsequent year's expenditures - General Fund	300,000	-	-	-	-	300,000	700,000	-	-	-	-	700,000
Total Assigned	345,552	-	-	-	-	345,552	938,203	-	-	-	-	938,203
Unassigned	1,595,117	-	-	-	-	1,595,117	5,762,187	-	(3,886,775)	-	-	1,875,412
Total Fund Balances	\$ 5,853,784	\$ 1,057,829	\$ -	\$ 518,740	\$ 50,142	\$ 7,480,495	\$ 10,883,653	\$ 932,248	\$ (3,886,775)	\$ 589,896	\$ 50,142	\$ 8,569,164

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

Notes to Financial Statements (Continued)  
May 31, 2022

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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.

Pension Benefits - the component of fund balance 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.

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.

Subsequent year's expenditures represent that at May 31, 2022 the Board of Trustees has utilized the above amounts to be appropriated for ensuing year's budget.

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, wrongful death, 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 (Continued)  
May 31, 2022

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### **Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

#### **C. Contingencies**

The collective bargaining agreements for the Village of Spring Valley Administrators, Civil Service Employees Association, Inc. and Spring Valley Police Department Superior Officers Association have expired between May 31, 2015 and May 31, 2021. No provision has been made in these financial statements for the retroactive settlement of these agreements.

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.

### **Note 5 - Tax Abatement**

The Village has real property tax abatement agreements with housing development and redevelopment companies organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York ("PHFL") for the purpose of creating or preserving affordable housing in the Village.

Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on a percentage of shelter rents, and continue until the property no longer provides the required affordable housing or no longer complies with the requirements of the PHFL.

Property Owner	Taxable Assessed Value	Tax Rate Per \$1000	Tax Value	Pilot Received	Taxes Abated
FLG Company LLC	\$ 1,109,928	250.1842	\$ 277,686	\$ 107,000	\$ 170,686
SV Lakehigh Housing Development	1,140,300	250.1842	285,285	89,389	195,896
SV Lakehigh Housing Development	568,500	250.1842	142,230	8,423	133,807
SV Housing Authority	622,800	250.1842	155,815	49,638	106,177
Spring Valley Site III	180,800	250.1842	45,233	20,658	24,575
Spring Valley Site IV	994,500	250.1842	248,808	27,000	221,808
	<u>\$ 4,616,828</u>	<u>\$ 250.1842</u>	<u>\$ 1,155,057</u>	<u>\$ 302,108</u>	<u>\$ 852,949</u>

### **Note 6 - Recently Issued GASB Pronouncements**

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

**Note 6 - Recently Issued GASB Pronouncements (Continued)**

GASB Statement No. 101, "*Compensated Absences*" provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Village believes will most impact its financial statements. The Village will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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## Village of Spring Valley, New York

### Required Supplementary Information - Schedule of Changes in the Village's Total Pension Liability and Related Ratios - Fire Service Awards Program Last Ten Fiscal Years (1) (2)

	2022	2021
Total Pension Liability:		
Service cost	\$ 115,856	\$ 79,827
Interest	82,480	109,322
Changes of assumptions or other inputs	(228,516)	855,014
Differences between expected and actual experience	128,993	(17,666)
Benefit payments	(195,103)	(89,658)
Net Change in Total Pension Liability	(96,290)	936,839
Total Pension Liability – Beginning of Year	4,255,277	3,318,438
Total Pension Liability – End of Year	\$ 4,158,987	\$ 4,255,277
Village's covered payroll	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A
Discount Rate	2.24%	1.93%

(1) Data not available prior to the Village's fiscal year 2021 implementation of Governmental Accounting Standards Board Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68".

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

N/A - Information not available

# 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)

	2022	2021	2020	2019
Total OPEB Liability:				
Service cost	\$ 4,267,600	\$ 4,213,822	\$ 2,602,701	\$ 2,303,098
Interest	2,574,699	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	(18,888,241)	(1,709,188)	20,231,770	3,416,310
Benefit payments	(2,243,551)	(1,919,514)	(1,940,559)	(1,710,594)
Net Change in Total OPEB Liability	(14,289,493)	18,239,094	21,997,830	7,442,429
Total OPEB Liability – Beginning of Year	113,879,855	95,640,761	73,642,931	66,200,502 (3)
Total OPEB Liability – End of Year	<u>\$ 99,590,362</u>	<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>\$ 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>N/A</u>	<u>900.06%</u>	<u>710.37%</u>
Discount Rate	<u>3.16%</u>	<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 related benefits.

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

N/A - Information not available

# **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 (Asset) (2)			
	2022 (4)	2021 (4)	2020 (3)	2019
Village's proportion of the net pension liability (asset)	0.0146930%	0.0143648%	0.0143719%	0.0117171%
Village's proportionate share of the net pension liability (asset)	\$ (1,201,091)	\$ 14,304	\$ 3,805,769	\$ 830,194
Village's covered payroll	\$ 5,727,622	\$ 4,867,207	\$ 4,779,917	\$ 4,327,631
Village's proportionate share of the net pension liability as a percentage of its covered payroll	(20.97%)	0.29%	79.62%	19.18%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%
Discount Rate	5.90%	5.90%	6.80%	7.00%

	Schedule of Contributions			
	2022	2021	2020	2019
Contractually required contribution	\$ 738,063	\$ 654,225	\$ 610,224	\$ 551,098
Contributions in relation to the contractually required contribution	(738,063)	(654,225)	(610,224)	(551,098)
Contribution excess	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 5,574,670	\$ 4,766,021	\$ 4,907,895	\$ 4,327,631
Contributions as a percentage of covered payroll	13.24%	13.73%	12.43%	12.73%

(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.

See independent auditors' report.



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<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>0.0122260%</u>	<u>0.0133205%</u>	<u>0.0160565%</u>
<u>\$ 394,587</u>	<u>\$ 1,251,623</u>	<u>\$ 2,577,109</u>
<u>\$ 3,855,230</u>	<u>\$ 4,217,375</u>	<u>\$ 4,151,800</u>

<u>10.24%</u>	<u>29.68%</u>	<u>62.07%</u>
<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>
<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>

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<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>\$ 616,266</u>	<u>\$ 607,092</u>	<u>\$ 924,457</u>
<u>(616,266)</u>	<u>(607,092)</u>	<u>(924,457)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 3,855,230</u>	<u>\$ 4,200,963</u>	<u>\$ 4,154,963</u>
<u>15.99%</u>	<u>14.45%</u>	<u>22.25%</u>

# 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)			
	2022 (4)	2021 (4)	2020 (3)	2019
Village's proportion of the net pension liability	0.2030174%	0.2082656%	0.1840259%	0.2038649%
Village's proportionate share of the net pension liability	\$ 1,153,229	\$ 3,616,065	\$ 9,836,071	\$ 3,418,944
Village's covered payroll	\$ 9,073,366	\$ 8,722,533	\$ 8,768,032	\$ 7,069,632
Village's proportionate share of the net pension liability as a percentage of its covered payroll	12.71%	41.46%	112.18%	48.36%
Plan fiduciary net position as a percentage of the total pension liability	98.66%	95.79%	84.86%	95.09%
Discount Rate	5.90%	5.90%	6.80%	7.00%
	Schedule of Contributions			
	2022	2021	2020	2019
Contractually required contribution	\$ 2,421,549	\$ 2,082,855	\$ 1,618,210	\$ 1,732,559
Contributions in relation to the contractually required contribution	(2,421,549)	(2,082,855)	(1,618,210)	(1,732,559)
Contribution excess	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 9,181,074	\$ 8,872,105	\$ 8,746,581	\$ 7,069,632
Contributions as a percentage of covered payroll	26.38%	23.48%	18.50%	24.51%

(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.

See independent auditors' report.

2018	2017	2016
0.2092932%	0.2017005%	0.2316704%
\$ 2,115,446	\$ 4,180,549	\$ 6,859,267
\$ 7,559,893	\$ 7,897,467	\$ 7,400,862
27.98%	52.94%	92.68%
96.93%	93.50%	90.20%
7.00%	7.00%	7.00%
2018	2017	2016
\$ 1,880,008	\$ 1,728,418	\$ 1,547,371
(1,880,008)	(1,728,418)	(1,547,371)
\$ -	\$ -	\$ -
\$ 7,559,893	\$ 7,987,442	\$ 7,516,353
24.87%	21.64%	20.59%

# Village of Spring Valley, New York

General Fund  
Combining Balance Sheet - Sub-Funds  
May 31, 2022  
(With Comparative Totals for 2021)

		Fire	Totals	
	General	Service Awards Program	2022	2021
<b>ASSETS</b>				
Cash and equivalents	\$ 6,757,592	\$ 77,755	\$ 6,835,347	\$ 6,052,628
Investments	1,202	2,190,993	2,192,195	2,624,262
Other receivables				
Accounts	79,827	157,667	237,494	254,349
State and Federal aid	-	-	-	14,030
Due from other governments	1,762,708	-	1,762,708	1,490,976
Due from other funds	-	-	-	3,444,569
Prepaid expenditures	5,581	-	5,581	5,581
Total Assets	<u>\$ 8,606,910</u>	<u>\$ 2,426,415</u>	<u>\$ 11,033,325</u>	<u>\$ 13,886,395</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 474,269	\$ -	\$ 474,269	\$ 338,921
Accrued liabilities	1,183,481	-	1,183,481	1,173,756
Employee payroll deductions	-	-	-	70,279
Deposits payable	1,014,685	-	1,014,685	857,486
Due to other funds	372,340	-	372,340	-
Due to retirement systems	480,361	-	480,361	562,300
Unearned revenues	1,654,405	-	1,654,405	-
Total Liabilities	<u>5,179,541</u>	<u>-</u>	<u>5,179,541</u>	<u>3,002,742</u>
Fund balances				
Nonspendable	5,581	-	5,581	5,581
Restricted	1,481,119	2,426,415	3,907,534	4,177,682
Assigned	345,552	-	345,552	938,203
Unassigned	1,595,117	-	1,595,117	5,762,187
Total Fund Balances	<u>3,427,369</u>	<u>2,426,415</u>	<u>5,853,784</u>	<u>10,883,653</u>
Total Liabilities and Fund Balances	<u>\$ 8,606,910</u>	<u>\$ 2,426,415</u>	<u>\$ 11,033,325</u>	<u>\$ 13,886,395</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, 2022

(With Comparative Totals for 2021)

	General	Fire Service Award Program	Eliminations	Totals	
				2022	2021
<b>REVENUES</b>					
Real property taxes	\$ 24,665,198	\$ -	\$ -	\$ 24,665,198	\$ 25,712,245
Other tax items	484,666	-	-	484,666	401,358
Non-property taxes	2,420,318	-	-	2,420,318	2,225,720
Departmental income	1,033,336	79,350	(79,350)	1,033,336	1,137,346
Use of money and property	165,579	(136,092)	-	29,487	555,410
Licenses and permits	1,102,199	-	-	1,102,199	850,625
Fines and forfeitures	294,429	-	-	294,429	233,016
Sale of property and compensation for loss	3,046	-	-	3,046	73,482
State aid	621,596	-	-	621,596	621,555
Federal aid	18,576	-	-	18,576	149,238
Miscellaneous	1,170,477	-	-	1,170,477	775,253
<b>Total Revenues</b>	<b>31,979,420</b>	<b>(56,742)</b>	<b>(79,350)</b>	<b>31,843,328</b>	<b>32,735,248</b>
<b>EXPENDITURES</b>					
Current					
General government support	5,176,630	-	-	5,176,630	4,874,115
Public safety	12,168,527	218,220	(79,350)	12,307,397	11,258,094
Health	3,410	-	-	3,410	1,924
Transportation	1,978,259	-	-	1,978,259	1,874,366
Economic opportunity and development	-	-	-	-	575
Culture and recreation	345,671	-	-	345,671	143,115
Home and community services	206,339	-	-	206,339	166,703
Employee benefits	11,757,890	-	-	11,757,890	10,920,555
<b>Total Expenditures</b>	<b>31,636,726</b>	<b>218,220</b>	<b>(79,350)</b>	<b>31,775,596</b>	<b>29,239,447</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>342,694</b>	<b>(274,962)</b>	<b>-</b>	<b>67,732</b>	<b>3,495,801</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Insurance recoveries	655,595	-	-	655,595	154,039
Transfers in	71,156	-	-	71,156	68,131
Transfers out	(5,824,352)	-	-	(5,824,352)	(1,757,269)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,097,601)</b>	<b>-</b>	<b>-</b>	<b>(5,097,601)</b>	<b>(1,535,099)</b>
<b>Net Change in Fund Balances</b>	<b>(4,754,907)</b>	<b>(274,962)</b>	<b>-</b>	<b>(5,029,869)</b>	<b>1,960,702</b>
<b>FUND BALANCES</b>					
Beginning of Year	8,182,276	2,701,377	-	10,883,653	8,922,951
End of Year	\$ 3,427,369	\$ 2,426,415	\$ -	\$ 5,853,784	\$ 10,883,653

See independent auditors' report.

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**Village of Spring Valley, New York**

General Fund  
Comparative Balance Sheet  
May 31,

	2022	2021
<b>ASSETS</b>		
Cash and equivalents	\$ 6,757,592	\$ 6,052,628
Investments	1,202	1,202
Receivables		
Accounts	79,827	176,032
State and Federal aid	-	14,030
Due from other governments	1,762,708	1,490,976
Due from other funds	-	3,444,569
	1,842,535	5,125,607
Prepaid expenditures	5,581	5,581
Total Assets	\$ 8,606,910	\$ 11,185,018
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 474,269	\$ 338,921
Accrued liabilities	1,183,481	1,173,756
Employee payroll deductions	-	70,279
Deposits payable	1,014,685	857,486
Due to other funds	372,340	-
Due to retirement systems	480,361	562,300
Unearned revenues	1,654,405	-
Total Liabilities	5,179,541	3,002,742
Fund balance		
Nonspendable	5,581	5,581
Restricted	1,481,119	1,476,305
Assigned	345,552	938,203
Unassigned	1,595,117	5,762,187
Total Fund Balance	3,427,369	8,182,276
Total Liabilities and Fund Balance	\$ 8,606,910	\$ 11,185,018

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,

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 24,996,608	\$ 24,996,608	\$ 24,665,198	\$ (331,410)
Other tax items	570,000	570,000	484,666	(85,334)
Non-property taxes	2,060,000	2,060,000	2,420,318	360,318
Departmental income	1,027,250	1,027,250	1,033,336	6,086
Use of money and property	155,000	155,000	165,579	10,579
Licenses and permits	1,278,600	1,278,600	1,102,199	(176,401)
Fines and forfeitures	476,000	476,000	294,429	(181,571)
Sale of property and compensation for loss	3,500	3,500	3,046	(454)
State aid	1,045,000	1,045,000	621,596	(423,404)
Federal aid	170,000	170,000	18,576	(151,424)
Miscellaneous	471,082	471,082	1,170,477	699,395
Total Revenues	32,253,040	32,253,040	31,979,420	(273,620)
<b>EXPENDITURES</b>				
Current				
General government support	5,199,505	5,206,879	5,176,630	30,249
Public safety	12,061,184	12,104,379	12,168,527	(64,148)
Health	1,200	1,200	3,410	(2,210)
Transportation	2,128,478	2,130,893	1,978,259	152,634
Economic opportunity and development	400	400	-	400
Culture and recreation	318,508	325,220	345,671	(20,451)
Home and community services	141,750	141,750	206,339	(64,589)
Employee benefits	11,749,000	11,749,000	11,757,890	(8,890)
Total Expenditures	31,600,025	31,659,721	31,636,726	22,995
Excess of Revenues Over Expenditures	653,015	593,319	342,694	(250,625)
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	125,000	125,000	655,595	530,595
Transfers in	-	-	71,156	71,156
Transfers out	(1,716,218)	(1,716,218)	(5,824,352)	(4,108,134)
Total Other Financing Uses	(1,591,218)	(1,591,218)	(5,097,601)	(3,506,383)
Net Change in Fund Balance	(938,203)	(997,899)	(4,754,907)	(3,757,008)
<b>FUND BALANCE</b>				
Beginning of Year	938,203	997,899	8,182,276	7,184,377
End of Year	\$ -	\$ -	\$ 3,427,369	\$ 3,427,369

See independent auditors' report.



2021			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 26,041,948	\$ 26,041,948	\$ 25,712,245	\$ (329,703)
375,000	375,000	401,358	26,358
2,060,000	2,060,000	2,225,720	165,720
799,750	799,750	1,137,346	337,596
200,000	200,000	94,819	(105,181)
1,245,800	1,245,800	850,625	(395,175)
426,000	426,000	233,016	(192,984)
3,500	3,500	73,482	69,982
1,045,000	1,045,000	621,555	(423,445)
170,000	170,000	149,238	(20,762)
486,082	486,082	775,253	289,171
32,853,080	32,853,080	32,274,657	(578,423)
6,298,243	6,297,710	4,874,115	1,423,595
12,154,381	12,153,584	11,236,664	916,920
1,200	1,200	1,924	(724)
1,883,584	1,882,046	1,874,366	7,680
500	500	575	(75)
315,589	315,589	143,115	172,474
124,750	124,750	166,703	(41,953)
10,635,300	10,635,300	10,920,555	(285,255)
31,413,547	31,410,679	29,218,017	2,192,662
1,439,533	1,442,401	3,056,640	1,614,239
125,000	125,000	154,039	29,039
-	-	68,131	68,131
(1,724,110)	(1,724,110)	(1,757,269)	(33,159)
(1,599,110)	(1,599,110)	(1,535,099)	64,011
(159,577)	(156,709)	1,521,541	1,678,250
159,577	156,709	6,660,735	6,504,026
\$ -	\$ -	\$ 8,182,276	\$ 8,182,276

# Village of Spring Valley, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>REAL PROPERTY TAXES</b>	\$ 24,996,608	\$ 24,996,608	\$ 24,665,198	\$ (331,410)	\$ 25,712,245
<b>OTHER TAX ITEMS</b>					
Payments in lieu of taxes	375,000	375,000	363,177	(11,823)	343,725
Interest and penalties on real property taxes	195,000	195,000	121,489	(73,511)	57,633
	570,000	570,000	484,666	(85,334)	401,358
<b>NON-PROPERTY TAXES</b>					
Franchise fees	260,000	260,000	208,858	(51,142)	248,544
Non-property tax distribution from County	1,350,000	1,350,000	1,777,477	427,477	1,590,922
Utilities gross receipts taxes	450,000	450,000	433,983	(16,017)	386,254
	2,060,000	2,060,000	2,420,318	360,318	2,225,720
<b>DEPARTMENTAL INCOME</b>					
Clerk/Treasurer fees	2,000	2,000	5,058	3,058	785
Police fees	2,000	2,000	5,076	3,076	1,090
Registrar fees	2,000	2,000	3,340	1,340	1,006
Zoning fees	50,000	50,000	53,476	3,476	39,225
Planning board fees	40,000	40,000	37,866	(2,134)	31,239
Parking fees	10,000	10,000	-	(10,000)	-
Emergency Tenant Protection Act	35,000	35,000	23,171	(11,829)	33,270
Fire protection	375,000	375,000	296,884	(78,116)	501,178
Snow removal	26,250	26,250	-	(26,250)	-
Pool fees	10,000	10,000	15,211	5,211	1,925
Refuse and garbage recycling	50,000	50,000	70,777	20,777	78,365
Administrative cost reimbursements	425,000	425,000	522,477	97,477	449,263
	1,027,250	1,027,250	1,033,336	6,086	1,137,346

**USE OF MONEY AND PROPERTY**

Earnings on investments	75,000	75,000	67,269	(7,731)	16,566
Rental of real property	80,000	80,000	98,310	18,310	78,253

	155,000	155,000	165,579	10,579	94,819
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**LICENSES AND PERMITS**

Business and occupational licenses	103,600	103,600	145,120	41,520	69,435
Building permits	900,000	900,000	696,800	(203,200)	552,227
Other permits and licenses	275,000	275,000	260,279	(14,721)	228,963

	1,278,600	1,278,600	1,102,199	(176,401)	850,625
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**FINES AND FORFEITURES**

Fines and forfeited bail	426,000	426,000	294,429	(131,571)	175,238
Forfeiture of deposits	50,000	50,000	-	(50,000)	57,778

	476,000	476,000	294,429	(181,571)	233,016
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**SALE OF PROPERTY AND COMPENSATION  
FOR LOSS**

Sale of equipment	3,500	3,500	3,046	(454)	73,482
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**STATE AID**

Mortgage tax	270,000	270,000	510,772	240,772	387,684
Public safety grants	775,000	775,000	110,824	(664,176)	233,871

	1,045,000	1,045,000	621,596	(423,404)	621,555
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**FEDERAL AID**

Department of Justice grants	170,000	170,000	18,576	(151,424)	149,238
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**MISCELLANEOUS**

AIM related payments	416,082	416,082	416,082	-	416,082
Unclassified	38,000	38,000	675,807	637,807	353,343
Gifts and donations	17,000	17,000	78,588	61,588	5,828

	471,082	471,082	1,170,477	699,395	775,253
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**TOTAL REVENUES**

	32,253,040	32,253,040	31,979,420	(273,620)	32,274,657
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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, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>OTHER FINANCING SOURCES</b>					
Insurance recoveries	\$ 125,000	\$ 125,000	\$ 655,595	\$ 530,595	\$ 154,039
Transfers in					
Debt Service Fund	-	-	71,156	71,156	68,131
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>125,000</u>	<u>125,000</u>	<u>726,751</u>	<u>601,751</u>	<u>222,170</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 32,378,040</u>	<u>\$ 32,378,040</u>	<u>\$ 32,706,171</u>	<u>\$ 328,131</u>	<u>\$ 32,496,827</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, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Board of Trustees	\$ 170,500	\$ 170,500	\$ 175,477	\$ (4,977)	\$ 168,092
Justice	478,582	477,943	436,600	41,343	396,115
Mayor	432,800	433,890	322,836	111,054	381,867
Auditor	60,000	60,000	173,313	(113,313)	109,500
Treasurer	462,512	462,512	509,679	(47,167)	430,088
Clerk	367,141	368,000	355,516	12,484	372,269
Assessment	165,408	165,408	137,825	27,583	124,918
Attorney	381,000	381,000	450,806	(69,806)	479,957
Buildings	520,062	520,503	739,249	(218,746)	687,328
Central garage	654,000	659,396	556,164	103,232	633,020
Central storeroom	42,500	42,727	41,065	1,662	53,158
Central mailing	16,000	16,000	15,597	403	20,299
Unallocated insurance	840,000	840,000	931,774	(91,774)	842,078
Municipal association dues	7,000	7,000	6,962	38	6,962
Judgements and claims	100,000	100,000	89,800	10,200	-
Taxes and assessments on real property	45,000	45,000	56,253	(11,253)	31,633
Refunds of real property taxes	75,000	75,000	149,120	(74,120)	100,784
Fiscal agent and financial advisor fees	-	-	-	-	7,065
Metropolitan Transportation Commuter Mobility Tax	32,000	32,000	28,594	3,406	28,982
Contingency account	350,000	350,000	-	350,000	-
	<u>5,199,505</u>	<u>5,206,879</u>	<u>5,176,630</u>	<u>30,249</u>	<u>4,874,115</u>
<b>PUBLIC SAFETY</b>					
Police department	10,411,569	10,427,520	10,183,064	244,456	9,610,141
Fire department	540,556	559,262	731,326	(172,064)	530,845
Traffic control	5,000	5,000	-	5,000	1,440
Control of animals	1,500	1,500	-	1,500	-
DARE Program	-	-	(900)	900	313
Safety inspection	697,296	705,834	824,022	(118,188)	688,944
Housing	403,263	403,263	428,586	(25,323)	402,235
Emergency operations	2,000	2,000	2,429	(429)	2,746
	<u>12,061,184</u>	<u>12,104,379</u>	<u>12,168,527</u>	<u>(64,148)</u>	<u>11,236,664</u>

**HEALTH**

Registrar of Vital Statistics	1,200	1,200	3,410	(2,210)	1,924
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**TRANSPORTATION**

Superintendent of Public Works	85,000	85,000	-	85,000	-
Street maintenance	1,724,203	1,726,022	1,681,266	44,756	1,597,557
Snow removal	115,075	115,671	63,433	52,238	71,317
Street lighting	150,000	150,000	186,367	(36,367)	167,397
Parking	54,200	54,200	47,193	7,007	38,095
	2,128,478	2,130,893	1,978,259	152,634	1,874,366

**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Publicity	400	400	-	400	575
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**CULTURE AND RECREATION**

Parks and playgrounds	48,500	53,589	71,747	(18,158)	57,533
Youth programs	112,000	112,000	52,500	59,500	51,500
Civic center	82,008	82,008	153,412	(71,404)	28,179
King facility	45,000	46,140	1,140	45,000	-
Senior citizens	5,000	5,000	-	5,000	3,250
Adult recreation	26,000	26,483	66,872	(40,389)	2,653
	318,508	325,220	345,671	(20,451)	143,115

**HOME AND COMMUNITY SERVICES**

Zoning Board	16,000	16,000	35,650	(19,650)	17,190
Planning Board	55,750	55,750	92,420	(36,670)	68,934
Refuse and garbage	30,000	30,000	39,109	(9,109)	41,399
Emergency Tenant Protection Act	40,000	40,000	39,160	840	39,180
	141,750	141,750	206,339	(64,589)	166,703

**EMPLOYEE BENEFITS**

State retirement	725,000	725,000	726,407	(1,407)	673,606
Police retirement	2,350,000	2,350,000	2,565,449	(215,449)	2,169,332
Fire service awards	85,000	85,000	86,154	(1,154)	88,457
Social security	1,125,000	1,125,000	1,045,842	79,158	950,714
Workers' compensation benefits	1,160,000	1,160,000	1,015,606	144,394	1,125,626
Life insurance	255,000	255,000	259,453	(4,453)	271,884
Unemployment benefits	19,000	19,000	3,221	15,779	17,504
Hospital and medical insurance	6,030,000	6,030,000	6,055,758	(25,758)	5,623,432
	11,749,000	11,749,000	11,757,890	(8,890)	10,920,555
<b>TOTAL EXPENDITURES</b>	31,600,025	31,659,721	31,636,726	22,995	29,218,017

(Continued)

**Village of Spring Valley, New York**

General Fund

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

Year Ended May 31, 2022

(With Comparative Actuals for 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
<b>OTHER FINANCING USES</b>					
Transfers out					
Capital Projects Fund	\$ -	\$ -	\$ 4,108,134	\$ (4,108,134)	\$ -
Debt Service Fund	1,716,218	1,716,218	1,716,218	-	1,724,407
Community Development Funds	-	-	-	-	32,862
<b>TOTAL OTHER FINANCING USES</b>	<u>1,716,218</u>	<u>1,716,218</u>	<u>5,824,352</u>	<u>(4,108,134)</u>	<u>1,757,269</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 33,316,243</u>	<u>\$ 33,375,939</u>	<u>\$ 37,461,078</u>	<u>\$ (4,085,139)</u>	<u>\$ 30,975,286</u>

See independent auditors' report.



**Village of Spring Valley, New York**

Section 8 - Housing Assistance Fund  
Comparative Balance Sheet  
May 31,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,300,253	\$ 1,253,948
Accounts receivable	<u>-</u>	<u>38,541</u>
Total Assets	<u><u>\$ 1,300,253</u></u>	<u><u>\$ 1,292,489</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 43,069	\$ 43,069
Due to other governments	19,510	77,628
Unearned revenue	<u>179,845</u>	<u>239,544</u>
Total Liabilities	242,424	360,241
Fund balance		
Restricted	<u>1,057,829</u>	<u>932,248</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,300,253</u></u>	<u><u>\$ 1,292,489</u></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,

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	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Use of money and property	\$ 589	\$ 764
Federal aid	9,671,377	9,538,497
Miscellaneous	<u>156,919</u>	<u>92,675</u>
Total Revenues	9,828,885	9,631,936
<b>EXPENDITURES</b>		
Current		
Economic opportunity and development	<u>9,703,304</u>	<u>9,543,748</u>
Excess of Revenues Over Expenditures	125,581	88,188
<b>FUND BALANCE</b>		
Beginning of Year	<u>932,248</u>	<u>844,060</u>
End of Year	<u><u>\$ 1,057,829</u></u>	<u><u>\$ 932,248</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>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 140,341	\$ 142,019
Investments	<u>2,986</u>	<u>2,987</u>
Total Assets	<u><u>\$ 143,327</u></u>	<u><u>\$ 145,006</u></u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>		
Liabilities		
Accounts payable	\$ -	\$ 389
Due to other funds	<u>143,327</u>	<u>4,031,392</u>
Total Liabilities	143,327	4,031,781
Fund balance (deficit)		
Unassigned	<u>-</u>	<u>(3,886,775)</u>
Total Liabilities and Fund Balance (Deficit)	<u><u>\$ 143,327</u></u>	<u><u>\$ 145,006</u></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>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Miscellaneous	\$ 13,699	\$ -
<b>EXPENDITURES</b>		
Capital outlay	<u>235,058</u>	<u>13,030</u>
Deficiency of Revenues Over Expenditures	(221,359)	(13,030)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>4,108,134</u>	<u>-</u>
Net Change in Fund Balance	3,886,775	(13,030)
<b>FUND BALANCE (DEFICIT)</b>		
Beginning of Year	<u>(3,886,775)</u>	<u>(3,873,745)</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ (3,886,775)</u></u>

See independent auditors' report.

Village of Spring Valley, New York

Debt Service Fund  
Comparative Balance Sheet  
May 31,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Due from other funds	<u>\$ 518,740</u>	<u>\$ 589,896</u>
<b>FUND BALANCE</b>		
Restricted	<u>\$ 518,740</u>	<u>\$ 589,896</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,

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Debt service				
Serial bonds				
Principal	1,470,000	1,470,000	1,470,000	-
Interest	246,218	246,218	246,218	-
Total Expenditures	1,716,218	1,716,218	1,716,218	-
Deficiency of Revenues Over Expenditures	(1,716,218)	(1,716,218)	(1,716,218)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,716,218	1,716,218	1,716,218	-
Transfers out	-	-	(71,156)	(71,156)
Total Other Financing Sources	1,716,218	1,716,218	1,645,062	(71,156)
Net Change in Fund Balance	-	-	(71,156)	(71,156)
<b>FUND BALANCE</b>				
Beginning of Year	-	-	589,896	589,896
End of Year	\$ -	\$ -	\$ 518,740	\$ 518,740

See independent auditors' report.

2021			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -
1,420,000	1,420,000	1,420,000	-
304,110	304,110	304,407	(297)
1,724,110	1,724,110	1,724,407	(297)
(1,724,110)	(1,724,110)	(1,724,407)	(297)
1,724,110	1,724,110	1,724,407	297
-	-	(68,131)	(68,131)
1,724,110	1,724,110	1,656,276	(67,834)
-	-	(68,131)	(68,131)
-	-	658,027	658,027
\$ -	\$ -	\$ 589,896	\$ 589,896

**Village of Spring Valley, New York**

Combining Balance Sheet  
Non-Major Governmental Funds  
May 31, 2022  
(With Comparative Totals for 2021)

---

	Community Development	Special Purpose	Total Non-Major Governmental Funds	
			2022	2021
<b>ASSETS</b>				
Cash and equivalents	<u>\$ 51,856</u>	<u>\$ 1,359</u>	<u>\$ 53,215</u>	<u>\$ 53,215</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Due to other funds	\$ 3,073	\$ -	\$ 3,073	\$ 3,073
Fund balances				
Restricted	<u>48,783</u>	<u>1,359</u>	<u>50,142</u>	<u>50,142</u>
Total Liabilities and Fund Balances	<u>\$ 51,856</u>	<u>\$ 1,359</u>	<u>\$ 53,215</u>	<u>\$ 53,215</u>

See independent auditors' report.



# Village of Spring Valley, New York

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Non-Major Governmental Funds  
Year Ended May 31, 2022  
(With Comparative Totals for 2021)

			Total Non-Major Governmental Funds	
	Community Development	Special Purpose	2022	2021
<b>REVENUES</b>				
Departmental income	\$ -	\$ -	\$ -	\$ 20,798
Miscellaneous	-	-	-	3,000
Total Revenues	-	-	-	23,798
<b>EXPENDITURES</b>	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	23,798
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	32,862
Net Change in Fund Balances	-	-	-	56,660
<b>FUND BALANCES (DEFICITS)</b>				
Beginning of Year	48,783	1,359	50,142	(6,518)
End of Year	<u>\$ 48,783</u>	<u>\$ 1,359</u>	<u>\$ 50,142</u>	<u>\$ 50,142</u>

See independent auditors' report.

**Village of Spring Valley, New York**

Community Development Fund  
Combining Balance Sheet - Sub-Funds  
May 31, 2022  
(With Comparative Totals for 2021)

---

	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</b>			
Liabilities			
Due to other funds	\$ 3,073	\$ -	\$ -
Fund balances			
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	
2022	2021
<u>\$ 51,856</u>	<u>\$ 51,856</u>
\$ 3,073	\$ 3,073
<u>48,783</u>	<u>48,783</u>
<u>\$ 51,856</u>	<u>\$ 51,856</u>

**Village of Spring Valley, New York**

Community Development Fund  
Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Sub-Funds  
Year Ended May 31, 2022  
(With Comparative Totals for 2021)

---

	Federal Program	County Program	Elderly Emergency Home Repair Program
<b>REVENUES</b>			
Departmental income	\$ -	\$ -	\$ -
Miscellaneous	-	-	-
Total Revenues	-	-	-
<b>EXPENDITURES</b>	-	-	-
Excess of Revenues Over Expenditures	-	-	-
<b>OTHER FINANCING SOURCES</b>			
Transfers in		-	-
Net Change in Fund Balances	-	-	-
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	46,202	201	2,380
End of Year	\$ 46,202	\$ 201	\$ 2,380

See independent auditors' report.

Totals	
2022	2021
\$ -	\$ 20,798
-	3,000
-	23,798
-	-
-	23,798
-	32,862
-	56,660
48,783	(7,877)
<u>\$ 48,783</u>	<u>\$ 48,783</u>

Village of Spring Valley, New York

Special Purpose Fund  
Comparative Balance Sheet  
May 31,

---

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 1,359</u>	<u>\$ 1,359</u>
<b>FUND BALANCE</b>		
Restricted	<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>2022</u>	<u>2021</u>
<b>REVENUES</b>	\$ -	\$ -
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-
<b>FUND BALANCE</b>		
Beginning of Year	<u>1,359</u>	<u>1,359</u>
End of Year	<u>\$ 1,359</u>	<u>\$ 1,359</u>

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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, 2022 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated January 31, 2025.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

## **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*.

## **Village's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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  
January 31, 2025



**Report on Compliance for Each Major Federal Program and  
Report on Internal Control Over Compliance  
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**

*Qualified Opinion on Section 8 Housing Choice Vouchers Program*

We have audited the Village of Spring Valley, New York's ("Village") compliance with the types of compliance requirements identified as subject to audit 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, 2022. The Village's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the Village complied, in all material respects, with the 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, 2022.

***Basis for Qualified Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit 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*"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

### *Matters Giving Rise to Qualified Opinion on Section 8 Housing Choice Vouchers Program*

As described in the accompanying schedule of findings and questioned costs, the Village did not comply with requirements regarding the Housing Voucher Cluster as described in finding numbers 2022-002 and 2022-003 for Reporting.

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

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Village's federal programs.

### ***Auditors' Responsibilities for Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Village's internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify 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 a 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 2022-002 and 2022-003 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

January 31, 2025

**Village of Spring Valley, New York**

Schedule of Expenditures of Federal Awards  
Year Ended May 31, 2022

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</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				
<i>Housing Voucher Cluster</i>				
Section 8 Housing Choice Vouchers	14.871		\$ -	\$ 9,703,304
<u>U.S. Department of Justice</u>				
Direct Programs				
Bulletproof Vest Partnership Program	16.607		-	7,838
Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	10,738
Total U.S. Department of Justice			-	18,576
Total Expenditures of Federal Awards			\$ -	\$ 9,721,880

See independent auditors' report and notes to schedule of expenditures of federal awards.

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

Notes to Schedule of Expenditures of Federal Awards  
Year Ended May 31, 2022

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

The accompanying schedule of expenditures of federal awards ("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, 2022. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. 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, 2022

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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  
  X   Yes           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
--------	---

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, 2022

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### Section II - Financial Statement Findings

#### Finding 2022-001: Audit Readiness (*Significant Deficiency*)

**Criteria:**

The Village has a fiduciary responsibility to ensure the timely completion of its annual financial audit in compliance with applicable laws, regulations, and standards.

**Condition:**

The Village's May 31, 2022 financial audit was not completed timely as the Village was unable to provide trial balances and supporting schedules in a timely manner.

**Cause:**

During our audit, we noted significant delays in the preparation of trial balances and supporting schedules, which are critical for the timely completion of the financial reporting process. These delays were primarily attributed to turnover within the finance department and insufficient transition planning to ensure continuity of operations.

**Effect:**

The lack of timely preparation of trial balances and schedules increases the risk of errors in financial reporting and reduces the Village's ability to provide accurate and complete financial information. Additionally, the delays may hinder the ability to meet audit deadlines, impacting overall audit readiness.

**Questioned Costs:**

None

**Recommendation:**

In order to provide more accurate and timely accounting information, we recommend the Village establish more effective review and reconciliation policies and procedures as a customary part of the accounting process. This would involve monthly reconciliations of all accounts, making adjustments throughout the year that have typically been made at year-end only and performing more frequent reviews of the general ledger throughout the year, including making any necessary adjustments.

**Management's Response:**

See corrective action plan.

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

#### Finding 2022-002: Financial Reporting Requirements for Financial Assessment Submission (*Material Weakness*)

Federal Agency: U.S. Department of Housing and Urban Development ("HUD")  
Assistance Listing No. 14.871 Section 8 Housing Choice Vouchers

**Criteria:**

The Financial Assessment of Public Housing 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.

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

**Finding 2022-002: Financial Reporting Requirements for Financial Assessment Submission (Material Weakness) (Continued)**

**Condition:**

PHA management has not filed the audited data for the years 2009 through 2021. This condition continues from previous years. Reference prior year finding 2021-001.

**Cause:**

PHA management uses an outside accounting service to submit the required information to FASS-PH. 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 been unable 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:**

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

**Management's Response:**

See corrective action plan.

**Finding 2022-003: Rolling Forward Equity Balances (Material Weakness)**

Federal Agency: U.S. Department of Housing and Urban Development ("HUD")  
Assistance Listing No. 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 \$1,057,829 and did not reflect correct HAP and Administrative Fee equity balances. This condition continues from previous years. Reference prior year finding 2021-002.

**Cause:**

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

**Village of Spring Valley, New York**

Schedule of Findings and Questioned Costs (Concluded)  
Year Ended May 31, 2022

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

**Finding 2022-003: Rolling Forward Equity Balances (Material Weakness) (Continued)**

***Effect:***

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

***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 Response:***

See corrective action plan.

**Village of Spring Valley, New York**

Summary Schedule of Prior Audit Findings  
Year Ended May 31, 2022

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**Financial Statement Findings**

None

**Federal Award Findings**

**Finding 2021-001: Financial Reporting Requirements for Financial Assessment Submission**

**Status:** This condition continues and is repeated as finding 2022-002

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

**Status:** This condition continues and is repeated as finding 2022-003