

Village of Croton-on-Hudson, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2018

Village of Croton-on-Hudson, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Reconciliation of Governmental Funds Balance Sheet to the Government - Wide Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Water Funds	23
Statement of Assets and Liabilities - Fiduciary Fund	25
Notes to Financial Statements	26
Required Supplementary Information	
Other Post Employment Benefits	
Schedule of Funding Progress - Last Three Fiscal Years	55
New York State and Local Employees' Retirement System	
Schedule of the Village's Proportionate Share of the Net Pension Liability	56
Schedule of Contributions	57
New York State and Local Police and Fire Retirement System	
Schedule of the Village's Proportionate Share of the Net Pension Liability	58
Schedule of Contributions	59
Fire Service Awards Program	
Schedule of Changes in the Village's Total Pension Liability	60
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Combining Balance Sheet – Sub-Funds	61
Combining Schedules of Revenues, Expenditures and Changes in Fund Balances – Sub-Funds	62
Comparative Balance Sheet – Sub-Fund	63
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Sub Funds	64
Schedule of Revenues and Other Financing Sources Compared to Budget – Sub Fund	66
Schedule of Expenditures and Other Financing Uses Compared to Budget – Sub Fund	69

Village of Croton-on-Hudson, New York

Table of Contents (Concluded)

	<u>Page No.</u>
Water Fund	
Comparative Balance Sheet	73
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	74
Schedule of Revenues and Other Financing Sources Compared to Budget	76
Schedule of Expenditures and Other Financing Uses Compared to Budget	77
Debt Service Fund	
Comparative Balance Sheet	79
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	80
Capital Projects Fund	
Comparative Balance Sheet	82
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	83
Project-Length Schedule	84
Non-Major Governmental Funds	
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	89
Special Purpose Fund	
Comparative Balance Sheet	90
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	91
Sewer Fund	
Comparative Balance Sheet	92
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	93
Schedule of Expenditures and Other Financing Uses Compared to Budget	95

Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Village of Croton-on-Hudson, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Croton-on-Hudson, New York ("Village") as of and for the year ended May 31, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2018, and the respective changes in financial position and the respective budgetary comparison for the General and Water Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Notes 2F and 3G in the notes to financial statements which disclose the effects of the Village's adoption of the provisions 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". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended May 31, 2018 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 for the year ended May 31, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended May 31, 2018 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended May 31, 2018.

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended May 31, 2017 (not presented herein) and have issued our report thereon dated October 16, 2017, 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, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2017 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in the relation to the basic financial statements as a whole for the year ended May 31, 2017.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 17, 2018

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Village of Croton-on-Hudson, New York

Management's Discussion and Analysis May 31, 2018

Introduction

As management of the Village of Croton-on-Hudson, New York ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2018. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

Financial Highlights for Fiscal Year 2018

- On the government-wide financial statements, the assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,719,571.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$12,868,163.
- The General Fund completed fiscal year 2018 with a fund balance totaling \$7,741,323 a decrease of \$1,714,885. Of the total General Fund, the unassigned fund balance totaled \$5,154,698. In addition, the nonspendable classification included \$3,764 for prepaid expenditures and \$236,623 for advances to other funds. The assigned classification included \$121,709 for encumbrances, \$102,000 for subsequent year's expenditures and \$311,376 for future retirement expenditures. \$651,567 was restricted for employee benefits which represents accumulated vacation and sick leave in accordance with various collective bargaining agreements. In addition, \$1,159,586 is restricted for pension benefits for the LOSAP.
- The Capital Projects Fund expenditures totaled \$6,957,451 and the fund balance at May 31, 2018 was \$3,532,046.
- The Village issued \$646,434 of new bond anticipation notes and retired \$660,068 of bond anticipation notes outstanding during the current fiscal year. At May 31, 2018, the Village had \$646,434 of bond anticipation notes outstanding to finance capital projects.
- During the 2018 fiscal year, the Village issued \$1,616,700 of serial bonds and retired \$2,206,780 of previously outstanding indebtedness. The Village's total outstanding general obligation bonds payable at May 31, 2018 totaled \$34,571,700 exclusive of unamortized issuance premiums of \$544,708. This represents a reduction in total debt of \$590,080 from the prior year.

Overview of the Financial Statements

The Village's financial statements are comprised of this Management Discussion and Analysis ("MD&A") and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides an analysis and overview of the Village's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents.

Government-wide Financial Statements

The government-wide financial statements are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: the statement of net position and the statement of activities. Fiduciary activities, whose resources are not available to the Village's programs, are excluded from these statements.

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

The statement of activities presents information showing the change in the Village's net position during the current fiscal year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes and earned but unused vacation and sick leave. The focus of this statement is on the net cost of providing various services to the citizens of the Village.

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues ("*governmental activities*"). The governmental activities of the Village include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Governmental resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds - Most of the basic services provided by the Village are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the Village's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

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

The Village of Croton-on-Hudson has six (6) individual governmental funds: General, Water, Debt Service, Capital Projects, Special Purpose and Sewer funds. Of these, the General, Water, Debt Service and Capital Projects funds are reported as major funds, and are presented in separate columns on the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major funds can be found on the *combining statements* elsewhere in this report.

The Village adopts an annual budget for its General, Water, Sewer and Debt Service funds. A budgetary comparison statement has been provided in the basic financial statements for the General and Water Funds to demonstrate compliance with the respective budgets.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are *not* reflected in the government-wide financial statements because the assets of these funds are *not* available to support the activities of the Village. The Village maintains one type of fiduciary fund, the Agency Fund. The Pension Trust Fund accounts for the Service Awards Program for volunteer firefighters, was previously recorded as a Fiduciary Fund, see Note 2F. Resources are held in the Agency Fund by the Village purely in a custodial capacity. The activity in this fund is limited to the receipt and remittance of resources to the appropriate individual, organization or government.

The financial statement for the Fiduciary Fund can be found in the basic financial statements section of this report.

Notes to Financial Statement

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the Village's Service Awards Program, other post employment benefit obligations, the New York State Local Employees and Local Police and Fire Retirement Systems, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Village's financial position. The Village's assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$9,719,571 for fiscal year 2018.

The following table reflects the condensed Statement of Net Position:

Statement of Net Position

	May 31,	
	2018	2017
Current Assets	\$ 15,509,495	\$ 20,219,930
Capital Assets, net	48,732,487	47,469,281
Total Assets	64,241,982	67,689,211
Deferred Outflows of Resources*	3,869,788	2,802,664
Current Liabilities	2,860,446	3,073,469
Long-Term Liabilities	51,812,091	51,766,506
Total Liabilities	54,672,537	54,839,975
Deferred Inflows of Resources*	3,719,662	688,748
Net Position		
Net investment in capital assets	16,110,692	16,697,826
Restricted	1,296,509	2,321,374
Unrestricted	(7,687,630)	(4,056,048)
Total Net Position	\$ 9,719,571	\$ 14,963,152

****Detailed information pertaining to the Village's Deferred Outflows/Inflows of Resources is presented in Notes 1 and 3 of the financial statements. The amounts are as follows:***

	2018 Deferred Amounts	
	Outflows	Inflows
Employee ("ERS")	\$ 1,795,930	\$ 2,215,121
Police and Fire ("PFRS")	1,766,532	1,504,541
Fire Service Awards	171,591	-
Deferred Loss on Refunding Bonds	135,735	-
	<u>\$ 3,869,788</u>	<u>\$ 3,719,662</u>

One component of the Village's net position is net investment in capital assets of \$16,110,692 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

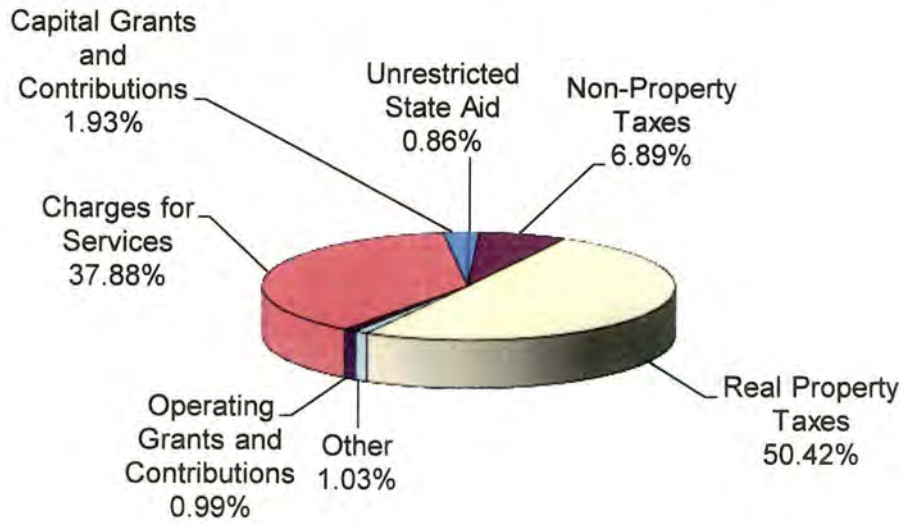
The restricted net position of \$1,296,509 represents resources that are subject to external restrictions on their use. The restrictions are:

	May 31,	
	2018	2017
Future Capital Projects	\$ 78,636	\$ 78,440
Pension Benefits	-	987,557
Debt Service	467,098	422,386
Special Purpose	750,775	832,991
	<u>1,296,509</u>	<u>2,321,374</u>
Restricted Net Assets	\$ 1,296,509	\$ 2,321,374

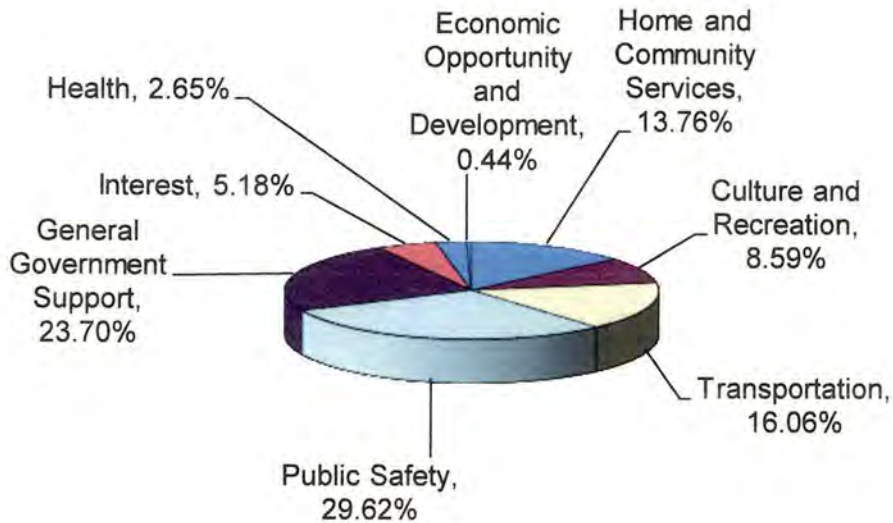
Changes in Net Position

	Year Ended May 31,	
	2018	2017
REVENUES		
Program Revenues		
Charges for Services	\$ 8,623,842	\$ 8,410,633
Operating Grants and Contributions	225,194	240,075
Capital Grants and Contributions	438,403	460,429
Total Program Revenues	9,287,439	9,111,137
General Revenues		
Real Property Taxes	11,477,278	11,329,900
Other Tax Items	34,165	33,613
Non-Property Taxes	1,568,708	1,425,545
Unrestricted Use of Money and Property	27,246	24,992
Sale of Property and Compensation for Loss	125,441	78,994
Unrestricted State Aid	196,663	187,484
Miscellaneous	1,560	5,222
Insurance recoveries	46,399	37,433
Total General Revenues	13,477,460	13,123,183
Total Revenues	22,764,899	22,234,320
PROGRAM EXPENSES		
General Government Support	5,280,154	4,781,222
Public Safety	6,599,583	6,594,319
Health	589,878	585,273
Transportation	3,578,021	3,505,910
Economic Opportunity and Development	97,481	96,973
Culture and Recreation	1,913,352	2,180,583
Home and Community Services	3,065,495	3,007,604
Interest	1,153,819	1,192,482
Total Expenses	22,277,783	21,944,366
Change in Net Position	487,116	289,954
NET POSITION		
Beginning, as reported	14,963,152	13,784,347
Prior year adjustment	(4,136,704)	
Cumulative Effect of Change in Accounting Principle*	(1,593,993)	888,851
Beginning, as restated	9,232,455	14,673,198
Ending	\$ 9,719,571	\$ 14,963,152

Sources of Revenue for Fiscal Year 2018 Governmental Activities



Sources of Expenses for Fiscal Year 2018 Governmental Activities



Governmental Activities: Governmental activities increased the Village's net position by \$487,116.

For the fiscal year ended May 31, 2018, revenues from governmental activities totaled \$22,764,899. Tax revenues of \$13,080,151, consisting of real property taxes, other tax items and non-property taxes, represented the largest revenue source at 57%.

Financial Analysis of the Government's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund Balance Reporting

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the fiscal period ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

Governmental Funds - The table below outlines the various balances that comprise the total fund balance of the Village as of May 31, 2018 according to their GASB Statement No. 54 classifications along with what the former classifications would have been. More detailed information about the Village's fund balance is presented in note 3J in the notes to financial statements.

<u>GASB No. 54 Classification</u>	<u>Includes Former Classifications</u>	<u>Fund Balance</u>
Nonspendable Fund Balance	Prepaid Expenditures Advances	\$ 3,764 236,623
		<u>240,387</u>
Restricted Fund Balance	Reserved for Employee Benefits Reserved for Future Capital Projects Reserved for Pension Benefits Reserved for Debt Service Debt Service - for Subsequent Year's Expenditures Reserved for Capital Projects Reserved for Parklands Reserved for Trusts	666,782 78,636 1,159,586 94,712 372,386 3,532,046 750,647 128
		<u>6,654,923</u>
Assigned Fund Balance	Reserved for Encumbrances: General Government Support Public Safety Health Transportation Culture and Recreation Home and Community Services Designated for Subsequent Year's Expenditures: Unassigned Fund Balance Designated for Future Retirement Expenditures Water	34,714 29,977 11,846 13,799 13,327 67,058 102,000 341,676 354,714
		<u>969,111</u>
Unassigned Fund Balance	Unreserved and Undesignated: General Fund Sewer	5,154,698 (150,956)
		<u>5,003,742</u>
Total Fund Balances (as of May 31, 2018)		<u>\$ 12,868,163</u>

The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Village Board.

As of the end of the current fiscal year, the Village's governmental funds reported combined fund balances of \$12,868,163 a decrease of \$4,516,406 from the prior year. The decrease is due primarily to the reduction in the capital projects fund of \$2,726,118 reflecting the completion of infrastructure projects in the Village and a reduction in the general fund by \$1,714,885 reflecting the use of fund balance for the purchase of the new DPW facility.

General Fund Budgetary Highlights

When the fiscal 2017-2018 budget was adopted, it anticipated the use of \$2,325,000 of unassigned fund balance of which \$425,000 was anticipated for the balancing of the operating budget and \$1,900,000 to help purchase the new DPW facility. Actual results of operations resulted in a decrease of \$1,886,914 to the overall general fund balance. This represents \$438,086 less than was anticipated to be used. The restricted fund balance decreased by \$243,281, reflecting payout of accrued employee benefits. The assigned fund balance was reduced by \$352,297 reflecting a reduction of subsequent year's expenditures. Unassigned fund balance decreased by \$1,314,860.

Capital Asset and Debt Administration

Capital Assets: The Village's investment in capital assets for its governmental activities as of May 31, 2018, amounted to \$48,732,487 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction-in-progress.

Capital Assets (Net of Depreciation)

	May 31,	
	2018	2017
Land	\$ 4,773,011	\$ 4,773,011
Buildings and improvements	6,367,455	6,494,484
Machinery and equipment	3,421,275	3,594,739
Infrastructure	12,722,702	12,136,759
Construction-in-Progress	21,448,044	20,470,288
Total	<u>\$ 48,732,487</u>	<u>\$ 47,469,281</u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

Long-term Debt: At the end of the current fiscal year, the Village had total debt outstanding of \$35,830,535 comprised of general obligation bonded debt of \$34,571,700 and installment purchase debt of \$1,258,835. The Village issued \$1,616,700 of serial bonds and retired \$2,206,780 of serial bonds and made principal payment of \$169,725 of the debt installment. All of this debt is backed by the full faith and credit of the Village.

Additional information on the Village's long-term debt can be found in Note 3 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Janine King, Village Manager, Village of Croton-on-Hudson, One Van Wyck Street, Croton-on-Hudson, New York 10520.

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Village of Croton-on-Hudson, New York

Statement of Net Position

May 31, 2018

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 13,150,181
Investments	1,124,616
Receivables	
Taxes, net	39,297
Accounts	86,604
Water rents	617,088
Sewer rents	81,550
State and Federal aid	78,100
Due from other governments	328,295
Prepaid expenses	3,764
Capital assets	
Not being depreciated	26,221,055
Being depreciated, net	22,511,432
Total Assets	<u>64,241,982</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,869,788</u>
LIABILITIES	
Accounts payable	918,491
Accrued liabilities	447,267
Bond anticipation notes payable	646,434
Unearned revenues	593,134
Accrued interest payable	255,120
Non-current liabilities	
Due within one year	2,593,762
Due in more than one year	49,218,329
Total Liabilities	<u>54,672,537</u>
DEFERRED INFLOWS OF RESOURCES	<u>3,719,662</u>
NET POSITION	
Net investment in capital assets	16,110,692
Restricted	
Future capital projects	78,636
Debt service	467,098
Special purpose	750,775
Unrestricted	(7,687,630)
Total Net Position	<u>\$ 9,719,571</u>

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

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Village of Croton-on-Hudson, New York

Statement of Activities
Year Ended May 31, 2018

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	\$ 5,280,154	\$ 467,765	\$ 10,767	\$ -	\$ (4,801,622)
Public safety	6,599,583	621,467	32,699	-	(5,945,417)
Health	589,878	298,918	113,800	-	(177,160)
Transportation	3,578,021	3,597,656	47,263	367,165	434,063
Economic opportunity and development	97,481	-	-	-	(97,481)
Culture and recreation	1,913,352	285,593	16,670	-	(1,611,089)
Home and community services	3,065,495	3,352,443	3,995	-	290,943
Interest	1,153,819	-	-	71,238	(1,082,581)
Total Governmental Activities	\$ 22,277,783	\$ 8,623,842	\$ 225,194	\$ 438,403	(12,990,344)
General revenues					
Real property taxes					11,477,278
Other tax items					34,165
Interest and penalties on real property taxes					
Non-property taxes					
Non-property tax distribution from County					1,298,079
Franchise fees					156,923
Utilities gross receipts taxes					113,706
Unrestricted use of money and property					27,246
Sale of property and compensation for loss					125,441
Unrestricted State aid					196,663
Miscellaneous					1,560
Insurance recoveries					46,399
Total General Revenues					13,477,460
Change in Net Position					487,116
NET POSITION					14,963,152
Beginning, as reported					
Prior Period Adjustment					(4,136,704)
Cumulative Effect of Change in Accounting Principle					(1,593,993)
Beginning, as restated					9,232,455
Ending					\$ 9,719,571

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

Village of Croton-on-Hudson, New York

Balance Sheet
Governmental Funds
May 31, 2018

	General	Water	Debt Service
ASSETS			
Cash and equivalents	\$ 2,571,303	\$ 136,525	\$ 371,596
Investments	1,124,616	-	-
Taxes receivable, net of allowance for uncollectible amounts	39,297	-	-
Other receivables			
Accounts	81,693	-	-
Water rents	-	617,088	-
Sewer rents	-	-	-
State and Federal aid	49,486	-	-
Due from other governments	328,295	-	-
Due from other funds	5,210,271	232,349	271,967
Advances to other funds	236,623	-	-
Prepaid expenditures	3,764	-	-
Total Assets	\$ 9,645,348	\$ 985,962	\$ 643,563
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 590,650	\$ 37,624	\$ -
Accrued liabilities	420,575	24,658	-
Bond anticipation notes payable	-	-	-
Due to other funds	263,660	395,803	176,465
Unearned revenues	593,134	-	-
Advances from other funds	-	-	-
Total Liabilities	1,868,019	458,085	176,465
Deferred inflows of resources			
Deferred tax revenues	36,006	-	-
Total Liabilities and Deferred Inflows of Resources	1,904,025	458,085	176,465
Fund balances (deficits)			
Nonspendable	240,387	-	-
Restricted	1,811,153	93,851	467,098
Assigned	535,085	434,026	-
Unassigned	5,154,698	-	-
Total Fund Balances	7,741,323	527,877	467,098
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,645,348	\$ 985,962	\$ 643,563

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 9,268,808	\$ 801,949	\$ 13,150,181
-	-	1,124,616
-	-	39,297
4,911	-	86,604
-	-	617,088
-	81,550	81,550
28,614	-	78,100
-	-	328,295
17,798	295,790	6,028,175
-	-	236,623
-	-	3,764
<u>\$ 9,320,131</u>	<u>\$ 1,179,289</u>	<u>\$ 21,774,293</u>

\$ 268,889	\$ 21,328	\$ 918,491
-	2,034	447,267
646,434	-	646,434
4,787,095	405,152	6,028,175
-	-	593,134
85,667	150,956	236,623
5,788,085	579,470	8,870,124
-	-	36,006
<u>5,788,085</u>	<u>579,470</u>	<u>8,906,130</u>
-	-	240,387
3,532,046	750,775	6,654,923
-	-	969,111
-	(150,956)	5,003,742
<u>3,532,046</u>	<u>599,819</u>	<u>12,868,163</u>
<u>\$ 9,320,131</u>	<u>\$ 1,179,289</u>	<u>\$ 21,774,293</u>

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Village of Croton-on-Hudson, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
May 31, 2018

Fund Balances - Total Governmental Funds		<u>\$12,868,163</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		<u>48,732,487</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Real property taxes		<u>36,006</u>
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension liabilities whereas these amounts are deferred and amortized in the statement of activities.		
Deferred amounts on net pension liabilities		
Police and Fire Retirement System	261,991	
Employee Retirement System	(419,191)	
Fire Service Award Program	<u>171,591</u>	
Total deferred amounts on net pension assets (liabilities)		14,391
Deferred amounts on refunding bonds		<u>135,735</u>
		<u>150,126</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		(255,120)
Bonds payable		(35,116,408)
Installment purchase debt payable		(1,258,835)
Compensated absences		(1,916,753)
Net pension liability		
Police and Fire Retirement System	(785,873)	
Employee Retirement System	(667,565)	
Fire Service Award Program	<u>(1,869,544)</u>	
Total net pension liability		(3,322,982)
Other post employment benefit obligations payable		<u>(10,197,113)</u>
		<u>(52,067,211)</u>
Net Position of Governmental Activities		<u>\$ 9,719,571</u>

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

Village of Croton-on-Hudson, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended May 31, 2018

	General	Water	Debt Service
REVENUES			
Real property taxes	\$ 11,474,834	\$ -	\$ -
Other tax items	34,165	-	-
Non-property taxes	1,568,708	-	-
Departmental income	4,562,884	2,954,964	-
Net change in fair value of investments	83,015	-	-
Use of money and property	204,043	2,814	71,238
Licenses and permits	228,883	-	-
Fines and forfeitures	316,976	-	-
Sale of property and compensation for loss	125,441	1,181	-
Interfund revenues	490,000	-	-
State aid	257,657	-	-
Federal aid	118,393	-	-
Miscellaneous	1,560	-	-
Total Revenues	19,466,559	2,958,959	71,238
EXPENDITURES			
Current			
General government support	3,427,261	256,166	-
Public safety	4,142,491	-	-
Health	471,548	-	-
Transportation	1,860,734	-	-
Economic opportunity and development	60,511	-	-
Culture and recreation	1,133,096	-	-
Home and community services	1,051,803	1,307,614	-
Employee benefits	4,565,574	295,017	-
Debt service			
Principal	-	-	2,376,505
Interest	13,201	-	1,198,027
Capital outlay	-	-	-
Total Expenditures	16,726,219	1,858,797	3,574,532
Excess (Deficiency) of Revenues Over Expenditures	2,740,340	1,100,162	(3,503,294)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Insurance recoveries	46,399	-	-
Transfers in	50,761	4,292	3,598,006
Transfers out	(4,552,385)	(1,190,602)	(50,000)
Total Other Financing Sources (Uses)	(4,455,225)	(1,186,310)	3,548,006
Net Change in Fund Balances	(1,714,885)	(86,148)	44,712
FUND BALANCES			
Beginning of Year	9,456,208	614,025	422,386
End of Year	\$ 7,741,323	\$ 527,877	\$ 467,098

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 11,474,834
-	-	34,165
-	-	1,568,708
-	328,429	7,846,277
-	-	83,015
-	4,706	282,801
-	-	228,883
-	-	316,976
-	-	126,622
-	-	490,000
243,424	-	501,081
123,741	-	242,134
-	9,000	10,560
<u>367,165</u>	<u>342,135</u>	<u>23,206,056</u>
-	18,518	3,701,945
-	-	4,142,491
-	-	471,548
-	-	1,860,734
-	-	60,511
-	95,922	1,229,018
-	148,415	2,507,832
-	5,707	4,866,298
-	-	2,376,505
-	-	1,211,228
<u>6,957,451</u>	<u>-</u>	<u>6,957,451</u>
<u>6,957,451</u>	<u>268,562</u>	<u>29,385,561</u>
<u>(6,590,286)</u>	<u>73,573</u>	<u>(6,179,505)</u>
1,616,700	-	1,616,700
-	-	46,399
2,275,992	-	5,929,051
<u>(28,524)</u>	<u>(107,540)</u>	<u>(5,929,051)</u>
<u>3,864,168</u>	<u>(107,540)</u>	<u>1,663,099</u>
<u>(2,726,118)</u>	<u>(33,967)</u>	<u>(4,516,406)</u>
<u>6,258,164</u>	<u>633,786</u>	<u>17,384,569</u>
<u>\$ 3,532,046</u>	<u>\$ 599,819</u>	<u>\$ 12,868,163</u>

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Village of Croton-on-Hudson, 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, 2018

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

Net Change in Fund Balances - Total Governmental Funds	\$ (4,516,406)
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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. This amount may be less than total capital outlay since capital outlay includes amounts that are under the capitalization threshold.

Capital outlay expenditures	6,948,781
Depreciation expense	<u>(1,548,871)</u>
	5,399,910

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	<u>2,444</u>
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Issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 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.

Bonds issued	(1,616,700)
Principal paid on serial bonds	2,206,780
Principal paid on installment purchase debt	169,725
Amortization of loss on refunding and issuance premium	<u>40,859</u>
	800,664

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	16,550
Compensated absences	304,687
Pension obligations	(172,674)
Other post employment benefit obligations	<u>(1,348,059)</u>
	(1,199,496)

Change in Net Position of Governmental Activities	<u>\$ 487,116</u>
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The notes to the financial statements are an integral part of this statement.

Village of Croton-on-Hudson, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Water Funds
Year Ended May 31, 2018

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 11,487,056	\$ 11,487,056	\$ 11,474,834	\$ (12,222)
Other tax items	45,001	45,001	34,165	(10,836)
Non-property taxes	1,415,000	1,415,000	1,568,708	153,708
Departmental income	4,349,606	4,394,579	4,562,884	168,305
Net change in fair value of investments	-	-	83,015	83,015
Use of money and property	142,500	146,875	204,043	57,168
Licenses and permits	164,250	164,250	228,883	64,633
Fines and forfeitures	250,000	250,000	316,976	66,976
Sale of property and compensation for loss	23,000	23,000	125,441	102,441
Interfund revenues	490,000	490,000	490,000	-
State aid	185,347	188,347	257,657	69,310
Federal aid	-	113,800	118,393	4,593
Miscellaneous	-	2,241	1,560	(681)
Total Revenues	18,551,760	18,720,149	19,466,559	746,410
EXPENDITURES				
Current				
General government support	3,451,616	3,478,832	3,427,261	51,571
Public safety	3,836,483	4,333,353	4,142,491	190,862
Health	413,400	489,147	471,548	17,599
Transportation	2,452,117	1,919,131	1,860,734	58,397
Economic opportunity and development	62,988	60,788	60,511	277
Culture and recreation	1,143,697	1,156,145	1,133,096	23,049
Home and community services	478,205	1,073,867	1,051,803	22,064
Employee benefits	4,644,722	4,722,674	4,565,574	157,100
Debt service				
Interest	8,827	13,202	13,201	1
Total Expenditures	16,492,055	17,247,139	16,726,219	520,920
Excess of Revenues Over Expenditures	2,059,705	1,473,010	2,740,340	1,267,330
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	22,885	46,399	23,514
Transfers in	50,000	50,000	50,761	761
Transfers out	(2,647,087)	(4,552,385)	(4,552,385)	-
Total Other Financing Uses	(2,597,087)	(4,479,500)	(4,455,225)	24,275
Net Change in Fund Balances	(537,382)	(3,006,490)	(1,714,885)	1,291,605
FUND BALANCES				
Beginning of Year	537,382	3,006,490	9,456,208	6,449,718
End of Year	\$ -	\$ -	\$ 7,741,323	\$ 7,741,323

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

Water			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
2,954,511	2,954,511	2,954,964	453
-	-	-	-
-	-	2,814	2,814
-	-	-	-
-	-	-	-
-	1,181	1,181	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,954,511	2,955,692	2,958,959	3,267
341,356	273,378	256,166	17,212
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,317,019	1,371,636	1,307,614	64,022
293,497	308,039	295,017	13,022
-	-	-	-
1,951,872	1,953,053	1,858,797	94,256
1,002,639	1,002,639	1,100,162	97,523
-	-	-	-
-	-	4,292	4,292
(1,040,602)	(1,190,602)	(1,190,602)	-
(1,040,602)	(1,190,602)	(1,186,310)	4,292
(37,963)	(187,963)	(86,148)	101,815
37,963	187,963	614,025	426,062
\$ -	\$ -	\$ 527,877	\$ 527,877

Village of Croton-on-Hudson, New York

Statement of Assets and Liabilities

Fiduciary Funds

May 31, 2018

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 62,012
Accounts receivable	<u>196,260</u>
 Total Assets	 <u><u>\$ 258,272</u></u>
 LIABILITIES	
Accounts payable	14,110
Employee payroll deductions	9,557
Deposits	<u>234,605</u>
 Total Liabilities	 <u><u>\$ 258,272</u></u>

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

Note 1 - Summary of Significant Accounting Policies

The Village of Croton-on-Hudson, New York ("Village") was established in 1898 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 Village Manager serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village conform to generally accepted accounting principles for local 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.

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.

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 are 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. 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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/net position, revenues and expenditures/expenses. 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 explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for certain defined purposes. The major special revenue fund of the Village is the Water Fund. The Water Fund is used to record the water utility operations of the Village, which renders services on a user charge basis to the general public.

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

Capital Projects Fund - 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds:

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

Sewer Fund - The Sewer Fund is used to record the sewer utility operations of the Village, which renders services on a user charge basis to the general public.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. 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 post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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

Investments - (except Service Awards Investments which are discussed in Note 3A) -The Village's 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. 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 Measurements 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.

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2018.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in June. The Village is responsible for the billing and collection of its own taxes. The Village also has the responsibility for 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 expenses/expenditures are incurred. Allowances are recorded where 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, 2018, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Advances To/From Other Funds - Advances to/from other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by a nonspendable fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Village. Purchases of inventorable items at various locations are recorded as expenses/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 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 (e.g., roads, bridges, sidewalks 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 \$2,500 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.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

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 backtrending (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).

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 asset lives is not capitalized.

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>
Buildings and Improvements	20-50
Machinery and Equipment	5-20
Infrastructure	15-50

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 sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in 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 \$593,134 for parking permit fees received in advance in the General Fund. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position 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 inflows of resources of \$36,006 for real property taxes in the General Fund.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
New York State Police and Fire Retirement System	\$ 1,766,532	\$ 1,504,541
New York State and Local Employees' Retirement System	1,795,930	2,215,121
Fire Service Awards Program	171,591	-
Deferred loss on refunding bonds	135,735	-
	<u>\$ 3,869,788</u>	<u>\$ 3,719,662</u>

The Village reported deferred outflows of resources of \$135,735 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results 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 inflows of resources of \$36,006 for uncollected taxes in the General Fund. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The Village also reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Village's pension plans in Note 3G.

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

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick time upon separation from service. The liability for such accumulated time is reflected in the government-wide Statement of 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.

Net Position - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of

Note 1 - Summary of Significant Accounting Policies (Continued)

other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for future capital projects, debt service and special purpose. The balance is classified as unrestricted.

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

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they 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 entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds 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 amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations is generally employed as an extension of formal budgetary integration in the General, Water and Sewer funds. 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 October 17, 2018.

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 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- e) Formal budgetary integration is employed during the year as a management control device for General, Water, Debt Service and Sewer funds.
- f) Budgets for General, Water, Debt Service and Sewer funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund.
- g) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in General, Water, Debt Service and Sewer funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2017-2018 was \$22,442,218 which exceeded the actual levy (inclusive of exclusions) by \$10,955,162.

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

C. Expenditures in Excess of Budget

The following capital projects exceeded their budgetary authorization by the amounts indicated:

Farrington Road Improvements	\$ 265,242
Cascade System	389
Personal Protection Equipment Compliance	70
2 Stryker Lift Systems	434
Patrol Vehicle Computers	404
Police Vehicles	197
Sanitation Truck	115
Harmon Fire Upgrades	220
Uniform Equipment Upgrades	1,061
Police Vehicles	1,186
Fingerprint Upgrade	66
Replace Damaged Pole – Municipal Building	335
4x4 Pickup (2)	446
Rescue 18 Replacement	2,441
Thermal Imaging Camera	35
Police Vehicle 4WD	274
Commercial Lawn Tractor	169
DPW Vehicles 2016/17	1,351
Relocate Garage, Office and Land	3,551

D. Fund Deficits

The Sewer Fund has an unassigned deficit of \$150,956 at May 31, 2018. The Village plans to address this deficit in the subsequent year.

E. Capital Projects Fund Deficits

The deficits in various individual projects arise in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. This deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 2 - Stewardship, Compliance and Accountability (Continued)

deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

F. Cumulative Effect of Change in Accounting Principle

The Village, for the year ended February 28, 2018, implemented the requirements of GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68" that address financial reporting for assets accumulated for purposes of providing the Length of Service Awards Program ("LOSAP") pensions. As a result of adopting this standard, a cumulative effect for the change in accounting principle of \$(1,593,993) was recorded in the government-wide financial statement.

G. Prior Period Adjustment

The Village during the current fiscal year, conducted an extensive analysis of capital assets for existence and classification. Accordingly, it was determined that certain capital assets were duplicated erroneously and needed to be reflected as a prior period adjustment. As a result of these adjustments, a decrease to the net position as of June 1, 2017 of \$4,136,704 was required on the government-wide financial statements for governmental activities.

Note 3 - Detailed Notes on All Funds

A. Investments

The Village had the following investments and average maturities in its Service Awards Program.

Type of Investment	Fair Value	N/A	1-5 Years	5-10 Years			
Bond funds	\$ 462,136	\$ -	\$ 231,617	\$ 230,519			
U.S. and International Equities funds	435,788	435,788	-	-			
Mixed asset funds	226,692	226,692	-	-			
	<u>\$ 1,124,616</u>	<u>\$ 662,480</u>	<u>\$ 231,617</u>	<u>\$ 230,519</u>			

Type of Investment	Fair Value	N/A	A or better	BBB	BB	B or less	Not Rated
Bond funds	\$ 462,136	\$ -	\$ 42,227	\$ 28,919	\$ 18,148	\$ 241,364	\$ 131,478
U.S. and International Equities funds	435,788	435,788	-	-	-	-	-
Mixed asset funds	226,692	226,692	-	-	-	-	-
	<u>\$ 1,124,616</u>	<u>\$ 662,480</u>	<u>\$ 42,227</u>	<u>\$ 28,919</u>	<u>\$ 18,148</u>	<u>\$ 241,364</u>	<u>\$ 131,478</u>

B. Taxes Receivable

Taxes receivable at May 31, 2018 consisted of the following:

Current year	\$ 47,507
Prior years	<u>135,816</u>
	183,323
Less - Allowance for uncollectible amounts	<u>(144,026)</u>
	<u>\$ 39,297</u>

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

C. Due From/To Other Funds, Advances From/To Other Funds

The balances reflected as due from/to other funds and advances from/to other funds at May 31, 2018 were as follows:

Fund	Due From	Due To	Advances From/To
General	\$ 5,210,271	\$ 263,660	\$ 236,623
Water	232,349	395,803	-
Debt Service	271,967	176,465	-
Capital Projects	17,798	4,787,095	(85,667)
Non-Major Governmental	295,790	405,152	(150,956)
	<u>\$ 6,028,175</u>	<u>\$ 6,028,175</u>	<u>\$ -</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.

D. Capital Assets

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

	Balance June 1, 2017	Prior Period Adjustment	Balance June 1, 2017 as restated	Additions	Deletions	Balance May 31, 2018
Capital Assets, not being depreciated						
Land	\$ 4,773,011	\$ -	\$ 4,773,011	\$ -	\$ -	\$ 4,773,011
Construction-in-progress	20,470,288	(4,136,704)	16,333,584	6,446,672	1,332,212	21,448,044
Total Capital Assets, not being depreciated	<u>\$ 25,243,299</u>	<u>\$ (4,136,704)</u>	<u>\$ 21,106,595</u>	<u>\$ 6,446,672</u>	<u>\$ 1,332,212</u>	<u>\$ 26,221,055</u>
Capital Assets, being depreciated						
Buildings and improvements	\$ 12,064,833	\$ -	\$ 12,064,833	\$ 278,314	\$ -	\$ 12,343,147
Machinery and equipment	10,023,150	-	10,023,150	492,102	26,501	10,488,751
Infrastructure	36,934,132	-	36,934,132	1,063,905	-	37,998,037
Total Capital Assets, being depreciated	<u>59,022,115</u>	<u>-</u>	<u>59,022,115</u>	<u>1,834,321</u>	<u>26,501</u>	<u>60,829,935</u>
Less Accumulated Depreciation for						
Buildings and improvements	5,570,349	-	5,570,349	405,343	-	5,975,692
Machinery and equipment	6,428,411	-	6,428,411	665,566	26,501	7,067,476
Infrastructure	24,797,373	-	24,797,373	477,962	-	25,275,335
Total Accumulated Depreciation	<u>36,796,133</u>	<u>-</u>	<u>36,796,133</u>	<u>1,548,871</u>	<u>26,501</u>	<u>38,318,503</u>
Total Capital Assets, being depreciated, net	<u>\$ 22,225,982</u>	<u>\$ -</u>	<u>\$ 22,225,982</u>	<u>\$ 285,450</u>	<u>\$ -</u>	<u>\$ 22,511,432</u>
Capital Assets, net	<u>\$ 47,469,281</u>	<u>\$ (4,136,704)</u>	<u>\$ 43,332,577</u>	<u>\$ 6,732,122</u>	<u>\$ 1,332,212</u>	<u>\$ 48,732,487</u>

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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

General Government Support	\$ 167,642
Public Safety	332,315
Health	41,416
Transportation	732,668
Economic Opportunity and Development	684
Culture and Recreation	102,789
Home and Community Services	171,357
	<u>\$ 1,548,871</u>

E. Accrued Liabilities

Accrued liabilities at May 31, 2018 were as follows:

	General Fund	Water Fund	Non-Major Governmental Funds	Total
Payroll and employee benefits	<u>\$ 420,575</u>	<u>\$ 24,658</u>	<u>\$ 2,034</u>	<u>\$ 447,267</u>

F. Short-Term Capital Borrowings - Bond Anticipation Notes

The schedule below details the changes in short-term capital borrowings.

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance June 1, 2017	New Issues	Redemptions	Balance May 31, 2018
Various	12/16/2016	12/15/2017	- %	\$ 660,068	\$ -	\$ 660,068	\$ -
Various	12/14/2017	12/14/2018	1.19	-	646,434	-	646,434
Total				<u>\$ 660,068</u>	<u>\$ 646,434</u>	<u>\$ 660,068</u>	<u>\$ 646,434</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$13,201 were recorded in the fund financial statements in the General Fund and in the government-wide financial statements for governmental activities.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

The changes in the Village's long-term indebtedness during the year ended May 31, 2018 are summarized as follows:

	Balance As Reported, June 1, 2017	Change in Accounting Principle *	Balance As Restated, June 1, 2017	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2018	Due Within One Year
Bonds Payable	\$ 35,161,780	\$ -	\$ 35,161,780	\$ 1,616,700	\$ 2,206,780	\$ 34,571,700	\$ 2,221,700
Plus							
Unamortized premium on bonds	606,120	-	606,120	-	61,412	544,708	-
	<u>35,767,900</u>	<u>-</u>	<u>35,767,900</u>	<u>1,616,700</u>	<u>2,268,192</u>	<u>35,116,408</u>	<u>2,221,700</u>
Other Non-Current Liabilities:							
Installment Purchase							
Debt Payable	1,428,560	-	1,428,560	-	169,725	1,258,835	180,062
Net Pension Liability	3,499,552	-	3,499,552	-	2,046,114	1,453,438	-
Total Pension Liability - Length of service award program	-	1,593,993	1,593,993	327,291	51,740	1,869,544	-
Compensated Absences	2,221,440	-	2,221,440	-	304,687	1,916,753	192,000
Other Post Employment Benefit Obligations Payable	8,849,054	-	8,849,054	2,345,378	997,319	10,197,113	-
Total Long-Term Liabilities	<u>\$ 51,766,506</u>	<u>\$ 1,593,993</u>	<u>\$ 53,360,499</u>	<u>\$ 4,289,369</u>	<u>\$ 5,837,777</u>	<u>\$ 51,812,091</u>	<u>\$ 2,593,762</u>

*See Note 2F.

Each governmental fund's liability for net pension liability, total pension liability – fire service award program, compensated absences and other post employment benefit obligations is liquidated by the General, Water and Sewer funds. The Village's indebtedness for bonds and installment purchase debt is liquidated by the Debt Service Fund which is funded by the General, Water and Sewer Funds.

Bonds Payable

Bonds payable at May 31, 2018 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2018
Various Purposes	2008	\$ 1,058,548	April, 2022	4.00-4.200 %	\$ 365,000
Various Purposes	2009	4,972,500	May, 2028	4.00-4.375	3,050,000
Refunding Bond	2011	3,080,000	May, 2019	2.500	275,000
Various Purposes	2011	3,801,500	March, 2030	3.00-3.625	2,635,000
Various Purposes	2012	1,686,060	April, 2028	2.00-4.000	1,115,000
Refunding Bond	2013	3,270,000	November, 2024	1.00-3.00	1,230,000
Various Purposes	2013	4,717,500	May, 2033	1.00-3.00	3,700,000
Various Purposes	2014	6,089,500	April, 2044	3.00-4.00	5,550,000
Various Purposes	2015	4,360,531	January, 2040	2.50-5.000	4,000,000
Refunding Bond	2016	2,035,000	July, 2026	2.00-5.000	1,860,000
Various Purposes	2016	8,578,200	April, 2036	2.00-3.000	7,915,000
Various Purposes	2017	1,331,780	February, 2032	2.00-3.000	1,260,000
Various Purposes	2018	1,616,700	December, 2032	2.25-3.000	1,616,700
					<u>\$ 34,571,700</u>

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$1,114,822 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$1,061,232 was recorded in the government-wide financial statements for governmental activities.

Installment Purchase Debt

The Village had entered into a contract to purchase land at a cost of \$4,000,000. An initial payment of \$500,000 was made at the closing and the balance of \$3,500,000 is payable in semi-annual installments of \$126,465, including interest at a rate of 6.0% per annum through 2024. The balance due at May 31, 2018 was \$1,258,835.

Interest expenditures of \$83,205 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$79,386 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded and installment purchase debt outstanding as of May 31, 2018, including interest payments of \$10,946,499 are as follows:

Year Ending May 31,	Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 2,221,700	\$ 1,088,297	\$ 180,062	\$ 72,869	\$ 2,401,762	\$ 1,161,166
2020	2,000,000	1,026,010	191,027	61,903	2,191,027	1,087,913
2021	2,070,000	961,935	202,661	50,270	2,272,661	1,012,205
2022	2,120,000	896,909	215,003	37,928	2,335,003	934,837
2023	2,100,000	832,100	228,097	24,834	2,328,097	856,934
2024-2028	10,640,000	3,155,614	241,985	10,943	10,881,985	3,166,557
2029-2033	7,240,000	1,696,106	-	-	7,240,000	1,696,106
2034-2038	3,895,000	751,931	-	-	3,895,000	751,931
2039-2043	1,955,000	265,650	-	-	1,955,000	265,650
2044	330,000	13,200	-	-	330,000	13,200
	<u>\$ 34,571,700</u>	<u>\$ 10,687,752</u>	<u>\$ 1,258,835</u>	<u>\$ 258,747</u>	<u>\$ 35,830,535</u>	<u>\$ 10,946,499</u>

The above general obligation bonds and installment purchase debt 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 located within the Village.

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 net

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2018 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14/41J	16.0%
	4 A15/41J	16.0
	5 A15/41J	13.1
	6 A15/41J	9.3
PFRS	1 384D/3029D	26.0%
	2 384D	24.6
	5 384D	19.9
	6 384D	14.8

At May 31, 2018, the Village reported a liability of \$667,565 for its proportionate share of the net pension liabilities of ERS and a liability of \$785,873 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2018, the Village's proportion was 0.0206840% for ERS and 0.0777509% for PFRS, which was an increase of 0.0001636% and 0.0019346% for ERS and PFRS, respectively, from its proportion measured as of March 31, 2016.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended May 31, 2018, the Village recognized pension expense in the government-wide financial statements of \$752,955 for ERS and \$783,254 for PFRS. Pension expenditures of \$773,966 for ERS and \$703,784 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 703,929	\$ 703,784
Water Fund	66,958	-
Sewer Fund	3,079	-
	<u>\$ 773,966</u>	<u>\$ 703,784</u>

At May 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 238,099	\$ 196,756	\$ 323,458	\$ 208,824
Changes of assumptions	442,651	-	595,441	-
Net difference between projected and actual earnings on pension plan investments	969,586	1,913,865	636,072	1,281,015
Changes in proportion and differences between Village contributions and proportionate share of contributions	17,771	104,500	96,367	14,702
Village contributions subsequent to the measurement date	127,823	-	115,194	-
	<u>\$ 1,795,930</u>	<u>\$ 2,215,121</u>	<u>\$ 1,766,532</u>	<u>\$ 1,504,541</u>

The amounts reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2018. 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,	<u>ERS</u>	<u>PFRS</u>
2019	\$ 103,874	\$ 192,973
2020	82,971	175,010
2021	(502,434)	(155,445)
2022	(231,425)	(103,806)
2023	-	38,065

The total pension liability for the March 31, 2018 measurement date was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liabilities to March 31, 2018. The total pension liabilities for the March 31, 2017 measurement date were determined by using an actuarial valuation as of April 1, 2017. Significant actuarial assumptions used in the April 1, 2017 valuation were as follows:

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary scale	3.8% in ERS, 4.5% in PFRS indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

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

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

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

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	<u>100 %</u>	

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

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 5,050,980</u>	<u>\$ 667,565</u>	<u>\$ (3,040,628)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 3,849,419</u>	<u>\$ 785,873</u>	<u>\$ (1,783,723)</u>

The components of the collective net pension liability as of the March 31, 2018 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 183,400,590,000	\$ 32,914,423,000	\$ 216,315,013,000
Fiduciary net position	<u>180,173,145,000</u>	<u>31,903,666,000</u>	<u>212,076,811,000</u>
Employers' net pension liability	<u>\$ 3,227,445,000</u>	<u>\$ 1,010,757,000</u>	<u>\$ 4,238,202,000</u>
Fiduciary net position as a percentage of total pension liability	<u>98.24%</u>	<u>96.93%</u>	<u>98.04%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2018 represent the employer contribution for the period of April 1, 2018 through May 31, 2018 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS and PFRS within the General Fund as of May 31, 2018 were \$114,700 and \$115,194 respectively. In addition, accrued retirement contributions to ERS as of May 31, 2018 within the Water Fund and Sewer Fund were \$12,272 and \$851 respectively.

Voluntary Defined Contribution Plan

The Village can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Village will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Defined Benefit - Fire Service Awards Program

The Village's financial statements are for the year ended May 31, 2018. The information contained in this note is based on information for the Croton Volunteer Fire Department Length of Service Award Program for the program year ending on December 31, 2017, 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 Fire Service Awards Program – sub-fund.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Plan description

The Croton Volunteer Fire Department established a defined benefit Service Award Program (referred to as a "LOSAP" - Length Of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 2000 for the active volunteer firefighter members of the Village of Croton Volunteer Fire Department. This is a single employer defined benefit plan. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village of Croton, New York, is the Sponsor of the Program and the Program administrator.

An eligible Program Participant is defined to be an active volunteer firefighter who is at least 18 years of age and upon earning 50 or more points in a calendar year after 2000 under the provisions of the Program point system, is eligible to become a participant in the Program. Points are granted for the performance of certain activities in accordance with a system established by the Village on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the 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 62 or the participant's age after earning 50 program points), shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity.

Benefits provided

The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Village 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.

Participants covered by the benefit terms.

At the December 31, 2017 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefit payments	30
Inactive participants entitled to but not yet receiving benefit payments	7
Active participants	<u>70</u>
Total	<u><u>107</u></u>

Contributions

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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Measurement of Total Pension Liability

The total pension liability at the December 31, 2017 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal
Inflation: 2.25%
Salary Scale: None assumed

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

Discount Rate. The discount rate used to measure the total pension liability was 3.16%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Services, AA by Fitch or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 12/31/2016 measurement date	\$ 1,623,257
Service Cost	71,769
Interest	61,926
Changes of assumptions or other inputs	146,667
Differences between expected and actual experience	17,665
Benefit Payments	(51,740)
Balance as of 12/31/2017 measurement date	<u>\$ 1,869,544</u>

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the Village as of the December 31, 2017 measurement date, calculated using the discount rate of 3.16 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.16 percent) or 1-percentage point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Total Pension Liability	<u>\$ 2,188,096</u>	<u>\$ 1,869,544</u>	<u>\$ 1,615,338</u>

Note 3 - Detailed Notes on All Funds (Continued)

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

For the year ended December 31, 2017, the Village recognized pension expense of \$52,160 in the Fire Service Awards Program – sub-fund. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 15,967
Changes of assumptions or other inputs	132,564
Benefit payments & administrative expenses subsequent to the measurement date	23,060
	<u>\$ 171,591</u>

\$23,060 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 year ended December 31, 2018.

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

Plan Year Ended December 31 ,	
2019	\$ 15,801
2020	15,801
2021	15,801
2022	15,801
2023	15,801
Thereafter	69,526

Compensated Absences

Under the terms of existing collective bargaining agreements, employees are entitled to accumulate sick and vacation leave based upon the terms of their respective collective bargaining agreements. Payments upon separation of service varies with each agreement. The Village's liability for accumulated sick and vacation leave has been recorded in the government-wide financial statements.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing post employment health care benefits is shared between the Village and the retired employee. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements.

The Village's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Village is required to accrue on the district-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the Village's general assets. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is as follows:

Year Ended May 31	Medical Rates	
	Pre-65	Post-65
2017	6.00 %	5.00 %
2018+	5.00	5.00

The amortization basis is the level of percentage of payroll method with a closed amortization approach with 22 years remaining in the amortization period. The actuarial assumptions include a 4.0% investment rate of return and a 2.5% projected annual increase in payroll. The Village currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the entry age method.

The number of participants as of May 31, 2018 was as follows:

Active Employees	55
Retired Employees	56
	<u>111</u>

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component	
Actuarial Accrued Liability as of June 1, 2017	\$ 34,411,455
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 34,411,455</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 8,442,658</u>
UAAL as a Percentage of Covered Payroll	<u>407.59%</u>
Annual Required Contribution	\$ 2,446,087
Interest on Net OPEB Obligation	353,962
Adjustment to ARC	<u>(454,671)</u>
Annual OPEB Cost	2,345,378
Contributions Made	<u>(997,319)</u>
Increase in Net OPEB Obligation	1,348,059
Net OPEB Obligation - Beginning of Year	<u>8,849,054</u>
Net OPEB Obligation - End of Year	<u>\$ 10,197,113</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding year is as follows:

Fiscal Year Ended May 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2018	\$ 2,345,378	42.52 %	10,197,113
2017	1,909,472	41.47	8,849,054
2016	1,836,775	38.85	7,776,415

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

H. 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:

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In				Total
	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	
General Fund	\$ -	\$ -	\$ 2,426,393	\$ 2,125,992	\$ 4,552,385
Water Fund	-	-	1,040,602	150,000	1,190,602
Debt Service Fund	50,000	-	-	-	50,000
Capital Projects Fund	761	4,292	23,471	-	28,524
Non-Major Governmental Funds	-	-	107,540	-	107,540
	<u>\$ 50,761</u>	<u>\$ 4,292</u>	<u>\$ 3,598,006</u>	<u>\$ 2,275,992</u>	<u>\$ 5,929,051</u>

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due, 2) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 3) move amounts from the Capital Projects Fund to the General and Water Funds, for unspent transfers and to the Debt Service Fund for unspent bond proceeds and 4) move amounts in the Debt Service Fund to the General Fund as principal and interest payments become due.

I. 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 bond proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Future Capital Projects - the component of net position that has been established pursuant to General Municipal Law, which is restricted for future improvements to the water distribution system.

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 Special Purpose - the component of net position that reports the difference between assets and liabilities of the certain programs 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 Croton-on-Hudson, New York

Notes to Financial Statements (Continued) May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2018						2017					
	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable												
Prepaid expenditures	\$ 3,764	\$ -	\$ -	\$ -	\$ -	\$ 3,764	\$ 7,105	\$ -	\$ -	\$ -	\$ -	\$ 7,105
Advances	236,623	-	-	-	-	236,623	209,758	-	-	-	-	209,758
Total Nonspendable	240,387	-	-	-	-	240,387	216,863	-	-	-	-	216,863
Restricted												
Employee benefits	651,567	15,215	-	-	-	666,782	894,848	15,215	-	-	-	910,063
Future capital projects	-	78,636	-	-	-	78,636	-	78,440	-	-	-	78,440
Pension benefit	1,159,586	-	-	-	-	1,159,586	987,557	-	-	-	-	987,557
Debt service	-	-	94,712	-	-	94,712	-	-	422,386	-	-	422,386
Debt service - for subsequent year's expenditures	-	-	372,386	-	-	372,386	-	-	50,000	-	-	50,000
Capital projects	-	-	-	3,532,046	-	3,532,046	-	-	-	6,258,164	-	6,258,164
Parklands	-	-	-	-	750,647	750,647	-	-	-	-	832,863	832,863
Trusts	-	-	-	-	128	128	-	-	-	-	128	128
Total Restricted	1,811,153	93,851	467,098	3,532,046	750,775	6,654,923	1,882,405	93,655	472,386	6,258,164	832,991	9,539,601
Assigned												
Purchases on order												
General government support	34,714	-	-	-	-	34,714	32,707	-	-	-	-	32,707
Public safety	29,977	-	-	-	-	29,977	20,497	-	-	-	-	20,497
Health	11,846	-	-	-	-	11,846	10,973	-	-	-	-	10,973
Transportation	13,799	-	-	-	-	13,799	7,697	-	-	-	-	7,697
Culture and recreation	13,327	-	-	-	-	13,327	4,642	-	-	-	-	4,642
Home and community services	18,046	49,012	-	-	-	67,058	35,365	37,963	-	-	-	73,328
Employee benefits	-	-	-	-	-	-	501	-	-	-	-	501
	121,709	49,012	-	-	-	170,721	112,382	37,963	-	-	-	150,345
Subsequent year's expenditures	102,000	-	-	-	-	102,000	425,000	-	-	-	-	425,000
Future retirement expenditures	311,376	30,300	-	-	-	341,676	350,000	30,300	-	-	-	380,300
Water	-	354,714	-	-	-	354,714	-	452,107	-	-	-	452,107
Total Assigned	535,085	434,026	-	-	-	969,111	887,382	520,370	-	-	-	1,407,752
Unassigned	5,154,698	-	-	-	(150,956)	5,003,742	6,469,558	-	-	-	(199,205)	6,270,353
Total Unassigned	5,154,698	-	-	-	(150,956)	5,003,742	6,469,558	-	-	-	(199,205)	6,270,353
Total Fund Balances	\$ 7,741,323	\$ 527,877	\$ 467,098	\$ 3,532,046	\$ 599,819	\$ 12,868,163	\$ 9,456,208	\$ 614,025	\$ 472,386	\$ 6,258,164	\$ 633,786	\$ 17,434,569

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2018

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

The Advances has been established to indicate the long-term nature of funds advanced to the Sewer Fund. The funds do not represent "available" spendable resources even though they are a component of current assets.

The Restriction for Employee Benefits represents funds set aside for the payment of accumulated vacation and sick leave in accordance with various collective bargaining agreements and pursuant to General Municipal Law.

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

The Restriction for Parklands represents funds received by the Village in lieu of parklands as a condition precedent to the approval of a subdivision by the Planning Board. These funds may be used only for park, playground or recreation purposes. The funds of the Gouveia Trust account represents an endowment to be used for the care and upkeep of Gouveia Park.

The Restriction for Trusts has been established to set aside funds in accordance with the terms of the grants.

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 transactions.

Subsequent year's expenditures represent that at May 31, 2018, the Board of Trustees has assigned the above amounts to be appropriated for the ensuing year's budget.

The future retirement expenditures represents funds set aside for the payment of future retirement expenditures.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the non-major governmental funds represent the deficit in the Sewer Fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Village if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year in which the payment is made.

B. Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. 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.

C. Risk Management

The Village purchases various conventional insurance coverages to reduce its exposure to loss. The Village maintains general liability and public official's liability insurance coverage with policy limits of \$1 million per occurrence. In addition, the Village maintains an umbrella policy with a coverage limit of \$5 million. The law enforcement liability policy provides coverage up to \$1 million. In addition, the Village purchases workers' compensation insurance with coverage at statutory limits. Conventional health insurance is also provided to employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Village of Croton-on-Hudson, New York

Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
June 1, 2017	\$ -	\$ 34,411,455	\$ 34,411,455	- %	\$ 8,442,658	407.59 %
June 1, 2016	-	28,324,301	28,324,301	-	7,780,922	364.02
June 1, 2015	-	27,493,153	27,493,153	-	7,572,993	363.04

Village of Croton-on-Hudson, 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)

	2018	2017	2016
Village's proportion of the net pension liability	<u>0.0206840%</u>	<u>0.0205204%</u>	<u>0.0200875%</u>
Village's proportionate share of the net pension liability	<u>\$ 667,565</u>	<u>\$ 1,928,144</u>	<u>\$ 3,224,099</u>
Village's covered payroll	<u>\$ 5,100,191</u>	<u>\$ 5,117,569</u>	<u>\$ 4,878,324</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>13.09%</u>	<u>37.68%</u>	<u>66.09%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>98.24%</u>	<u>94.70%</u>	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date.

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

Village of Croton-on-Hudson, New York**Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 773,967	\$ 742,631	\$ 851,684
Contributions in relation to the contractually required contribution	<u>(773,967)</u>	<u>(742,631)</u>	<u>(851,684)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 5,168,567</u>	<u>\$ 4,981,026</u>	<u>\$ 4,810,512</u>
Contributions as a percentage of covered-employee payroll	<u>14.97%</u>	<u>14.91%</u>	<u>17.70%</u>

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

Village of Croton-on-Hudson, 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)

	2018	2017	2016
Village's proportion of the net pension liability	<u>0.0777509%</u>	<u>0.0758163%</u>	<u>0.0798780%</u>
Village's proportionate share of the net pension liability	<u>\$ 785,873</u>	<u>\$ 1,571,408</u>	<u>\$ 2,365,019</u>
Village's covered payroll	<u>\$ 2,791,364</u>	<u>\$ 2,923,361</u>	<u>\$ 2,860,350</u>
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>28.15%</u>	<u>53.75%</u>	<u>82.68%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date.

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

Village of Croton-on-Hudson, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 703,784	\$ 675,384	\$ 627,862
Contributions in relation to the contractually required contribution	<u>(703,784)</u>	<u>(675,384)</u>	<u>(627,862)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 2,777,635</u>	<u>\$ 2,826,988</u>	<u>\$ 2,827,318</u>
Contributions as a percentage of covered-employee payroll	<u>25.34%</u>	<u>23.89%</u>	<u>22.21%</u>

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

Village of Croton-on-Hudson, New York

Required Supplementary Information - Schedule of Changes in the Village's Total Pension Liability - Fire Service Awards Program Last Ten Fiscal Years

	<u>2018</u>
Total Pension Liability	
Service Cost	\$ 71,769
Interest	61,926
Changes of assumptions or other inputs	146,667
Differences between expected and actual experience	17,665
Benefit payments	<u>(51,740)</u>
Net Change in total pension liability	246,287
Total pension liability – beginning	1,623,257
Total pension liability – ending	1,869,544
 Covered payroll	 N/A
 Total pension liability as a percentage of covered payroll	 N/A

* Schedule is intended to show information for 10 years. Additional information will be displayed as it becomes available.

Notes to Required Supplementary information

Changes in assumptions or other inputs. The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2016: 3.71%
December 31, 2017: 3.16%

Trust Assets. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB No. 73 to pay related benefits.

Village of Croton-on-Hudson, New York

General Fund

Combining Balance Sheet - Sub-Funds

May 31, 2018

(With Comparative Actuals for 2017)

		Fire	Totals	
	General	Service Awards Program	2018	2017
ASSETS				
Cash and equivalents	\$ 2,540,699	\$ 30,604	\$ 2,571,303	\$ 4,730,202
Investments	-	1,124,616	1,124,616	970,875
Taxes receivable, net of allowance for uncollectible amounts of \$144,026 in 2018 and \$134,247 in 2017	39,297	-	39,297	43,679
Other receivables				
Accounts	77,327	4,366	81,693	114,092
State and Federal aid	49,486	-	49,486	62,828
Due from other governments	328,295	-	328,295	237,803
Due from other funds	5,210,271	-	5,210,271	5,010,944
Advances to other funds	236,623	-	236,623	209,758
Prepaid expenditures	3,764	-	3,764	7,105
Total Assets	<u>\$ 8,485,762</u>	<u>\$ 1,159,586</u>	<u>\$ 9,645,348</u>	<u>\$ 11,387,286</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 590,650	\$ -	\$ 590,650	\$ 726,251
Accrued liabilities	420,575	-	420,575	404,316
Due to other funds	263,660	-	263,660	192,797
Due to other governments	-	-	-	14,157
Unearned revenues	593,134	-	593,134	559,995
Total Liabilities	1,868,019	-	1,868,019	1,897,516
Deferred inflows of resources				
Deferred tax revenues	36,006	-	36,006	33,562
Total Liabilities and Deferred Inflows of Resources	<u>1,904,025</u>	<u>-</u>	<u>1,904,025</u>	<u>1,931,078</u>
Fund balances				
Nonspendable	240,387	-	240,387	216,863
Restricted	651,567	1,159,586	1,811,153	1,882,405
Assigned	535,085	-	535,085	887,382
Unassigned	5,154,698	-	5,154,698	6,469,558
Total Fund Balances	<u>6,581,737</u>	<u>1,159,586</u>	<u>7,741,323</u>	<u>9,456,208</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,485,762</u>	<u>\$ 1,159,586</u>	<u>\$ 9,645,348</u>	<u>11,387,286</u>

See independent auditors' report.

Village of Croton-on-Hudson, New York

General Fund

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

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Fire Service Awards			Totals	
	General	Program	Eliminations	2018	2017
REVENUES					
Real property taxes	\$ 11,474,834	\$ -	\$ -	\$ 11,474,834	\$ 11,314,120
Other tax items	34,165	-	-	34,165	33,613
Non-property taxes	1,568,708	-	-	1,568,708	1,425,545
Departmental income	4,562,884	113,068	(113,068)	4,562,884	4,540,844
Net change in fair value of investments	-	83,015	-	83,015	23,483
Use of money and property	175,937	28,106	-	204,043	194,429
Licenses and permits	228,883	-	-	228,883	239,352
Fines and forfeitures	316,976	-	-	316,976	299,150
Sale of property and compensation for loss	125,441	-	-	125,441	78,994
Interfund revenues	490,000	-	-	490,000	495,415
State aid	257,657	-	-	257,657	225,113
Federal aid	118,393	-	-	118,393	125,226
Miscellaneous	1,560	-	-	1,560	5,789
Total Revenues	19,355,438	224,189	(113,068)	19,466,559	19,001,073
EXPENDITURES					
Current					
General government support	3,427,261	-	-	3,427,261	3,098,923
Public safety	4,090,331	52,160	-	4,142,491	3,708,443
Health	471,548	-	-	471,548	527,842
Transportation	1,860,734	-	-	1,860,734	1,697,634
Economic opportunity and development	60,511	-	-	60,511	63,749
Culture and recreation	1,133,096	-	-	1,133,096	1,246,498
Home and community services	1,051,803	-	-	1,051,803	1,026,104
Employee benefits	4,678,642	-	(113,068)	4,565,574	4,146,230
Debt Service					
Principal	-	-	-	-	-
Interest	13,201	-	-	13,201	8,198
Total Expenditures	16,787,127	52,160	(113,068)	16,726,219	15,523,621
Excess of Revenues Over Expenditures	2,568,311	172,029	-	2,740,340	3,477,452
OTHER FINANCING USES					
Insurance recoveries	46,399	-	-	46,399	37,433
Transfers in	50,761	-	-	50,761	50,000
Transfers out	(4,552,385)	-	-	(4,552,385)	(2,972,443)
Total Other Financing Uses	(4,455,225)	-	-	(4,455,225)	(2,885,010)
Net Change in Fund Balances	(1,886,914)	172,029	-	(1,714,885)	592,442
FUND BALANCES					
Beginning of Year	8,468,651	987,557	-	9,456,208	8,863,766
End of Year	\$ 6,581,737	\$ 1,159,586	\$ -	\$ 7,741,323	\$ 9,456,208

See independent auditors' report.

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Village of Croton-on-Hudson, New York

General Fund
Comparative Balance Sheet - Sub-Fund
May 31,

	2018	2017
ASSETS		
Cash and equivalents	\$ 2,540,699	\$ 4,717,143
Taxes receivable, net of allowance for uncollectible amounts of \$144,026 in 2018 and \$134,247 in 2017	39,297	43,679
Other receivables		
Accounts	77,327	110,469
State and Federal aid	49,486	62,828
Due from other governments	328,295	237,803
Due from other funds	5,210,271	5,010,944
Advances to other funds	236,623	209,758
	5,902,002	5,631,802
Prepaid expenditures	3,764	7,105
Total Assets	\$ 8,485,762	\$ 10,399,729
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 590,650	\$ 726,251
Accrued liabilities	420,575	404,316
Due to other funds	263,660	192,797
Due to other governments	-	14,157
Unearned revenues	593,134	559,995
Total Liabilities	1,868,019	1,897,516
Deferred inflows of resources		
Deferred tax revenues	36,006	33,562
Total Liabilities and Deferred Inflows of Resources	1,904,025	1,931,078
Fund balance		
Nonspendable	240,387	216,863
Restricted	651,567	894,848
Assigned	535,085	887,382
Unassigned	5,154,698	6,469,558
Total Fund Balance	6,581,737	8,468,651
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 8,485,762	\$ 10,399,729

See independent auditors' report.

Village of Croton-on-Hudson, New York

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

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 11,487,056	\$ 11,487,056	\$ 11,474,834	\$ (12,222)
Other tax items	45,001	45,001	34,165	(10,836)
Non-property taxes	1,415,000	1,415,000	1,568,708	153,708
Departmental income	4,349,606	4,394,579	4,562,884	168,305
Use of money and property	142,500	146,875	175,937	29,062
Licenses and permits	164,250	164,250	228,883	64,633
Fines and forfeitures	250,000	250,000	316,976	66,976
Sale of property and compensation for loss	23,000	23,000	125,441	102,441
Interfund revenues	490,000	490,000	490,000	-
State aid	185,347	188,347	257,657	69,310
Federal aid	-	113,800	118,393	4,593
Miscellaneous	-	2,241	1,560	(681)
Total Revenues	18,551,760	18,720,149	19,355,438	635,289
EXPENDITURES				
Current				
General government support	3,451,616	3,478,832	3,427,261	51,571
Public safety	3,836,483	4,333,353	4,090,331	243,022
Health	413,400	489,147	471,548	17,599
Transportation	2,452,117	1,919,131	1,860,734	58,397
Economic opportunity and development	62,988	60,788	60,511	277
Culture and recreation	1,143,697	1,156,145	1,133,096	23,049
Home and community services	478,205	1,073,867	1,051,803	22,064
Employee benefits	4,644,722	4,722,674	4,678,642	44,032
Debt service				
Interest	8,827	13,202	13,201	1
Total Expenditures	16,492,055	17,247,139	16,787,127	460,012
Excess of Revenues Over Expenditures	2,059,705	1,473,010	2,568,311	1,095,301
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	22,885	46,399	23,514
Transfers in	50,000	50,000	50,761	761
Transfers out	(2,647,087)	(4,552,385)	(4,552,385)	-
Total Other Financing Uses	(2,597,087)	(4,479,500)	(4,455,225)	24,275
Net Change in Fund Balance	(537,382)	(3,006,490)	(1,886,914)	1,119,576
FUND BALANCE				
Beginning of Year	537,382	3,006,490	8,468,651	5,462,161
End of Year	\$ -	\$ -	\$ 6,581,737	\$ 6,581,737

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 11,324,363	\$ 11,324,363	\$ 11,314,120	\$ (10,243)
50,001	50,001	33,613	(16,388)
1,393,000	1,393,000	1,425,545	32,545
4,297,932	4,299,192	4,540,844	241,652
132,500	134,200	171,063	36,863
147,250	138,036	239,352	101,316
245,000	245,000	299,150	54,150
8,500	24,500	78,994	54,494
495,415	495,415	495,415	-
182,347	185,347	225,113	39,766
-	123,566	125,226	1,660
-	-	5,789	5,789
18,276,308	18,412,620	18,954,224	541,604
3,410,207	3,177,667	3,098,923	78,744
3,688,529	3,755,936	3,708,443	47,493
394,286	514,101	468,990	45,111
2,415,538	1,739,201	1,697,634	41,567
69,345	75,705	63,749	11,956
1,184,476	1,307,751	1,246,498	61,253
482,242	1,133,776	1,026,104	107,672
4,334,520	4,404,478	4,256,939	147,539
6,498	8,198	8,198	-
15,985,641	16,116,813	15,575,478	541,335
2,290,667	2,295,807	3,378,746	1,082,939
-	30,715	37,433	6,718
50,000	50,000	50,000	-
(2,958,702)	(2,973,190)	(2,972,443)	747
(2,908,702)	(2,892,475)	(2,885,010)	7,465
(618,035)	(596,668)	493,736	1,090,404
618,035	596,668	7,974,915	7,378,247
\$ -	\$ -	\$ 8,468,651	\$ 8,468,651

Village of Croton-on-Hudson, New York

General Fund - Sub-Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
REAL PROPERTY TAXES	<u>\$ 11,487,056</u>	<u>\$ 11,487,056</u>	<u>\$ 11,474,834</u>	<u>\$ (12,222)</u>	<u>\$ 11,314,120</u>
OTHER TAX ITEMS					
Interest and penalties on real property taxes	<u>45,001</u>	<u>45,001</u>	<u>34,165</u>	<u>(10,836)</u>	<u>33,613</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	1,155,000	1,155,000	1,298,079	143,079	1,155,056
Franchise fees	150,000	150,000	156,923	6,923	158,322
Utilities gross receipts taxes	<u>110,000</u>	<u>110,000</u>	<u>113,706</u>	<u>3,706</u>	<u>112,167</u>
	<u>1,415,000</u>	<u>1,415,000</u>	<u>1,568,708</u>	<u>153,708</u>	<u>1,425,545</u>
DEPARTMENTAL INCOME					
Garbage removal	60,000	60,000	58,750	(1,250)	60,375
Parks and recreation charges	250,000	250,000	285,593	35,593	277,139
Ambulance service	276,043	276,043	294,367	18,324	330,852
Planning Board fees	5,000	5,000	6,300	1,300	7,375
Zoning fees	4,500	4,500	4,000	(500)	7,225
Fire protection services for other governments	287,284	287,284	287,284	-	282,620
Parking permits	3,450,000	3,484,500	3,593,544	109,044	3,547,727
Other	<u>16,779</u>	<u>27,252</u>	<u>33,046</u>	<u>5,794</u>	<u>27,531</u>
	<u>4,349,606</u>	<u>4,394,579</u>	<u>4,562,884</u>	<u>168,305</u>	<u>4,540,844</u>

USE OF MONEY AND PROPERTY

Earnings on investments	20,000	24,375	27,246	2,871	26,332
Rental of real property	122,500	122,500	148,691	26,191	144,731

	142,500	146,875	175,937	29,062	171,063
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LICENSES AND PERMITS

Business and occupational licenses	6,750	6,750	12,560	5,810	11,165
Building permits	90,000	90,000	96,274	6,274	144,304
Dog license apportionment	3,500	3,500	5,032	1,532	5,017
Permit fees	64,000	64,000	115,017	51,017	78,866

	164,250	164,250	228,883	64,633	239,352
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FINES AND FORFEITURES

Fines and forfeited bail	250,000	250,000	316,976	66,976	299,150
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**SALE OF PROPERTY AND COMPENSATION
FOR LOSS**

Sale of equipment	-	-	3,150	3,150	27,066
Minor sales	16,500	16,500	17,932	1,432	23,379
Other	6,500	6,500	104,359	97,859	28,549

	23,000	23,000	125,441	102,441	78,994
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INTERFUND REVENUES

	490,000	490,000	490,000	-	495,415
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STATE AID

Per capita	45,347	45,347	45,347	-	45,347
Mortgage tax	110,000	110,000	151,316	41,316	142,137
Youth programs	-	-	2,964	2,964	1,872
Snow and ice reimbursement	-	30,000	47,263	17,263	24,145
Other	30,000	3,000	10,767	7,767	11,612

	185,347	188,347	257,657	69,310	225,113
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Village of Croton-on-Hudson, New York

General Fund

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

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
FEDERAL AID					
Public health	\$ -	\$ 113,800	\$ 113,800	\$ -	\$ 123,566
Selective enforcement	-	-	4,593	4,593	1,660
	-	113,800	118,393	4,593	125,226
MISCELLANEOUS					
Refund of prior year's expenditures	-	-	1,560	1,560	5,222
Gifts and donations	-	2,241	-	(2,241)	567
	-	2,241	1,560	(681)	5,789
TOTAL REVENUES	<u>18,551,760</u>	<u>18,720,149</u>	<u>19,355,438</u>	<u>635,289</u>	<u>18,954,224</u>
OTHER FINANCING SOURCES					
Insurance recoveries	-	22,885	46,399	23,514	37,433
Transfers in					
Capital Projects Fund	-	-	761	761	-
Debt Service Fund	50,000	50,000	50,000	-	50,000
TOTAL OTHER FINANCING SOURCES	<u>50,000</u>	<u>72,885</u>	<u>97,160</u>	<u>24,275</u>	<u>87,433</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 18,601,760</u>	<u>\$ 18,793,034</u>	<u>\$ 19,452,598</u>	<u>\$ 659,564</u>	<u>\$ 19,041,657</u>

See independent auditors' report.

Village of Croton-on-Hudson, New York

General Fund - Sub-Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 26,915	\$ 26,915	\$ 25,874	\$ 1,041	\$ 25,946
Justice	281,156	297,754	297,721	33	283,669
Mayor	7,900	5,900	5,860	40	7,160
Clerk - Treasurer	356,137	358,039	357,138	901	356,898
Assessment	10,950	10,950	10,695	255	10,323
Manager	263,536	263,536	261,242	2,294	250,483
Data processing	209,872	258,857	250,619	8,238	202,366
Law	175,027	238,084	235,841	2,243	176,893
Engineer	526,825	505,731	502,921	2,810	530,227
Operation of plant and buildings	178,926	182,594	164,199	18,395	143,256
Auditor	50,572	50,572	40,138	10,434	41,280
Central garage	496,359	482,619	480,977	1,642	442,431
Central communications	300,849	281,959	279,532	2,427	278,013
Unallocated insurance	324,454	327,634	327,634	-	261,227
Municipal association dues	9,325	9,325	8,569	756	9,895
Judgments and claims	2,000	-	-	-	-
Refunds of real property taxes	30,000	126,645	126,645	-	38,612
Taxes and assessments on property	13,500	22,258	22,257	1	12,057
Tax advertising	350	350	289	61	91
Records management	-	-	-	-	1,320
Metropolitan transportation authority commuter mobility tax	26,963	29,110	29,110	-	26,776
Contingent account	160,000	-	-	-	-
	<u>3,451,616</u>	<u>3,478,832</u>	<u>3,427,261</u>	<u>51,571</u>	<u>3,098,923</u>

PUBLIC SAFETY

Police	3,340,799	3,810,852	3,590,427	220,425	3,157,823
Jail	1,000	1,000	750	250	-
Fire Department	463,124	486,627	474,968	11,659	522,007
Control of animals	11,060	11,664	9,797	1,867	10,132
Traffic control	20,500	23,210	14,389	8,821	18,481
	<u>3,836,483</u>	<u>4,333,353</u>	<u>4,090,331</u>	<u>243,022</u>	<u>3,708,443</u>

HEALTH

Registrar of Vital Statistics	5,100	5,100	4,070	1,030	4,612
Public health	10,493	120,070	109,576	10,494	119,815
Ambulance	397,807	363,977	357,902	6,075	344,563
	<u>413,400</u>	<u>489,147</u>	<u>471,548</u>	<u>17,599</u>	<u>468,990</u>

TRANSPORTATION

Street maintenance and administration	1,838,007	1,129,804	1,083,617	46,187	943,346
Snow removal	216,900	323,865	320,228	3,637	296,340
Street lighting	11,500	31,700	26,523	5,177	45,206
Off-street parking	340,650	377,126	375,411	1,715	361,141
Brush and weeds	45,060	56,636	54,955	1,681	51,601
	<u>2,452,117</u>	<u>1,919,131</u>	<u>1,860,734</u>	<u>58,397</u>	<u>1,697,634</u>

**ECONOMIC OPPORTUNITY AND
DEVELOPMENT**

Publicity	<u>62,988</u>	<u>60,788</u>	<u>60,511</u>	<u>277</u>	<u>63,749</u>
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CULTURE AND RECREATION

Parks, playgrounds and recreation	1,030,339	1,036,319	1,021,941	14,378	1,133,364
Historian	8,000	2,223	2,152	71	7,141
Celebrations	34,558	49,082	40,570	8,512	40,258
Community center	-	131	131	-	-
Senior citizens programs	70,800	68,390	68,302	88	65,735
	<u>1,143,697</u>	<u>1,156,145</u>	<u>1,133,096</u>	<u>23,049</u>	<u>1,246,498</u>

(Continued)

Village of Croton-on-Hudson, New York

General Fund

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

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
HOME AND COMMUNITY SERVICES					
Zoning	\$ 3,335	\$ 3,335	\$ 1,982	\$ 1,353	\$ 2,530
Planning	28,399	13,085	10,572	2,513	12,723
Recycling program	152,500	450,364	450,302	62	430,633
Sanitary and storm sewers	32,200	63,563	56,565	6,998	79,733
Refuse and garbage	156,242	328,878	327,068	1,810	296,552
Street cleaning	7,000	40,100	39,370	730	53,845
Shade trees	55,500	133,750	127,009	6,741	108,860
Community beautification	33,000	31,639	31,498	141	29,396
Other	10,029	9,153	7,437	1,716	11,832
	<u>478,205</u>	<u>1,073,867</u>	<u>1,051,803</u>	<u>22,064</u>	<u>1,026,104</u>
EMPLOYEE BENEFITS					
State retirement	675,016	732,844	703,929	28,915	660,688
State retirement - Police and Fire	694,074	713,494	703,784	9,710	660,829
Service awards program	108,100	113,068	113,068	-	110,709
Social security	473,100	488,798	485,375	3,423	440,232
Workers' compensation benefits	363,875	366,566	366,566	-	315,059
Life insurance	7,461	8,269	8,269	-	7,910
Health insurance	1,967,494	1,990,726	1,989,997	729	1,767,217
Dental insurance	105,078	93,300	93,299	1	106,280
Medicare reimbursement	240,523	205,607	204,806	801	178,680
Unemployment benefits	10,001	10,002	9,549	453	9,335
	<u>4,644,722</u>	<u>4,722,674</u>	<u>4,678,642</u>	<u>44,032</u>	<u>4,256,939</u>

DEBT SERVICE

Interest

Bond anticipation notes

8,82713,20213,20118,198**TOTAL EXPENDITURES**16,492,05517,247,13916,787,127460,01215,575,478**OTHER FINANCING USES**

Transfers out

Capital Projects Fund

220,6942,125,9922,125,992-203,716

Debt Service Fund

2,426,3932,426,3932,426,393-2,768,727**TOTAL OTHER FINANCING USES**2,647,0874,552,3854,552,385-2,972,443**TOTAL EXPENDITURES AND OTHER
FINANCING USES**\$ 19,139,142\$ 21,799,524\$ 21,339,512\$ 460,012\$ 18,547,921

See independent auditors' report.

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Village of Croton-on-Hudson, New York

Water Fund
Comparative Balance Sheet
May 31,

	2018	2017
ASSETS		
Cash and equivalents	\$ 136,525	\$ 482,097
Receivables		
Water rents	617,088	1,016,180
Due from other funds	232,349	209,451
	849,437	1,225,631
Total Assets	\$ 985,962	\$ 1,707,728
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 37,624	\$ 40,781
Accrued liabilities	24,658	22,568
Due to other funds	395,803	1,030,354
Total Liabilities	458,085	1,093,703
Fund balance		
Restricted	93,851	93,655
Assigned	434,026	520,370
Total Fund Balance	527,877	614,025
Total Liabilities and Fund Balance	\$ 985,962	\$ 1,707,728

Village of Croton-on-Hudson, New York

Water Fund

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

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 2,954,511	\$ 2,954,511	\$ 2,954,964	\$ 453
Use of money and property	-	-	2,814	2,814
Sale of property and compensation for loss	-	1,181	1,181	-
Total Revenues	2,954,511	2,955,692	2,958,959	3,267
EXPENDITURES				
Current				
General government support	341,356	273,378	256,166	17,212
Home and community services	1,317,019	1,371,636	1,307,614	64,022
Employee benefits	293,497	308,039	295,017	13,022
Total Expenditures	1,951,872	1,953,053	1,858,797	94,256
Excess of Revenues Over Expenditures	1,002,639	1,002,639	1,100,162	97,523
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,292	4,292
Transfers out	(1,040,602)	(1,190,602)	(1,190,602)	-
Total Other Financing Uses	(1,040,602)	(1,190,602)	(1,186,310)	4,292
Net Change in Fund Balance	(37,963)	(187,963)	(86,148)	101,815
FUND BALANCE				
Beginning of Year	37,963	187,963	614,025	426,062
End of Year	\$ -	\$ -	\$ 527,877	\$ 527,877

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,889,864	\$ 2,889,864	\$ 2,880,697	\$ (9,167)
-	-	1,469	1,469
-	13,567	13,567	-
2,889,864	2,903,431	2,895,733	(7,698)
312,616	236,768	230,170	6,598
1,255,947	1,313,989	1,262,883	51,106
278,160	304,863	294,814	10,049
1,846,723	1,855,620	1,787,867	67,753
1,043,141	1,047,811	1,107,866	60,055
-	-	-	-
(1,062,065)	(1,066,735)	(1,066,735)	-
(1,062,065)	(1,066,735)	(1,066,735)	-
(18,924)	(18,924)	41,131	60,055
18,924	18,924	572,894	553,970
\$ -	\$ -	\$ 614,025	\$ 614,025

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Village of Croton-on-Hudson, New York

Water Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
DEPARTMENTAL INCOME					
Metered water sales	\$ 2,936,511	\$ 2,936,511	\$ 2,928,387	\$ (8,124)	\$ 2,855,356
Interest and penalties on water rents	18,000	18,000	26,577	8,577	25,341
	<u>2,954,511</u>	<u>2,954,511</u>	<u>2,954,964</u>	<u>453</u>	<u>2,880,697</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	-	-	2,814	2,814	1,469
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Insurance recoveries	-	1,181	1,181	-	13,567
TOTAL REVENUES	<u>2,954,511</u>	<u>2,955,692</u>	<u>2,958,959</u>	<u>3,267</u>	<u>2,895,733</u>
OTHER FINANCING SOURCES					
Transfers in - Capital Projects Fund	-	-	4,292	4,292	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 2,954,511</u>	<u>\$ 2,955,692</u>	<u>\$ 2,963,251</u>	<u>\$ 7,559</u>	<u>\$ 2,895,733</u>

See independent auditors' report.

Village of Croton-on-Hudson, New York

Water Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
GENERAL GOVERNMENT SUPPORT					
Central communications	\$ 181,959	\$ 181,959	\$ 167,186	\$ 14,773	\$ 144,166
Auditor	10,354	10,354	8,916	1,438	7,740
Unallocated insurance	73,609	73,861	73,861	-	71,895
Municipal association dues	1,000	1,000	-	1,000	-
Taxes and assessments on property	5,600	6,204	6,203	1	6,369
Contingent account	68,834	-	-	-	-
	<u>341,356</u>	<u>273,378</u>	<u>256,166</u>	<u>17,212</u>	<u>230,170</u>
HOME AND COMMUNITY SERVICES					
Water administration	585,460	589,477	579,518	9,959	581,879
Pumping, supply and power	188,022	214,603	188,553	26,050	167,464
Transmission and distribution	543,537	567,556	539,543	28,013	513,540
	<u>1,317,019</u>	<u>1,371,636</u>	<u>1,307,614</u>	<u>64,022</u>	<u>1,262,883</u>
EMPLOYEE BENEFITS					
State retirement	75,643	75,643	66,958	8,685	70,689
Social security	33,678	36,951	36,951	-	33,066
Workers' compensation benefits	60,309	60,748	60,748	-	54,462
Life insurance	358	624	624	-	456
Health and dental insurance	110,377	120,941	120,941	-	127,980
Medicare reimbursement	13,132	13,132	8,795	4,337	8,161
	<u>293,497</u>	<u>308,039</u>	<u>295,017</u>	<u>13,022</u>	<u>294,814</u>
TOTAL EXPENDITURES	<u>1,951,872</u>	<u>1,953,053</u>	<u>1,858,797</u>	<u>94,256</u>	<u>1,787,867</u>

OTHER FINANCING USES

Transfers out

Capital Projects Fund

Debt Service Fund

-	150,000	150,000	-	4,670
<u>1,040,602</u>	<u>1,040,602</u>	<u>1,040,602</u>	<u>-</u>	<u>1,062,065</u>
<u>1,040,602</u>	<u>1,190,602</u>	<u>1,190,602</u>	<u>-</u>	<u>1,066,735</u>
<u>\$ 2,992,474</u>	<u>\$ 3,143,655</u>	<u>\$ 3,049,399</u>	<u>\$ 94,256</u>	<u>\$ 2,854,602</u>

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Village of Croton-on-Hudson, New York

Debt Service Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 371,596	\$ 76,784
Due from other funds	<u>271,967</u>	<u>345,602</u>
Total Assets	<u>\$ 643,563</u>	<u>\$ 422,386</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	<u>\$ 176,465</u>	<u>\$ -</u>
Fund balance		
Restricted	<u>467,098</u>	<u>422,386</u>
Total Liabilities and Fund Balance	<u>\$ 643,563</u>	<u>\$ 422,386</u>

See independent auditors' report.

Village of Croton-on-Hudson, New York

Debt Service Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended May 31,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 71,238	\$ 71,238
EXPENDITURES				
Debt service				
Principal				
Serial bonds	2,206,780	2,206,780	2,206,780	-
Installment purchase debt	169,726	169,726	169,725	1
	2,376,506	2,376,506	2,376,505	1
Interest				
Serial bonds	1,114,822	1,114,823	1,114,822	1
Installment purchase debt	83,206	83,206	83,205	1
	1,198,028	1,198,029	1,198,027	2
Total Expenditures	3,574,534	3,574,535	3,574,532	3
Deficiency of Revenues Over Expenditures	(3,574,534)	(3,574,535)	(3,503,294)	71,241
OTHER FINANCING SOURCES (USES)				
Transfers in	3,574,534	3,574,535	3,598,006	23,471
Transfers out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources	3,524,534	3,524,535	3,548,006	23,471
Net Change in Fund Balance	(50,000)	(50,000)	44,712	94,712
FUND BALANCE				
Beginning of Year	50,000	50,000	422,386	372,386
End of Year	\$ -	\$ -	\$ 467,098	\$ 467,098

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 61,126	\$ 61,126
2,563,202	2,563,202	2,563,200	2
159,983	159,983	159,982	1
2,723,185	2,723,185	2,723,182	3
1,123,314	1,123,314	1,123,314	-
92,948	92,948	92,948	-
1,216,262	1,216,262	1,216,262	-
3,939,447	3,939,447	3,939,444	3
(3,939,447)	(3,939,447)	(3,878,318)	61,129
3,939,447	3,939,447	3,984,168	44,721
(50,000)	(50,000)	(50,000)	-
3,889,447	3,889,447	3,934,168	44,721
(50,000)	(50,000)	55,850	105,850
50,000	50,000	366,536	316,536
\$ -	\$ -	\$ 422,386	\$ 422,386

Village of Croton-on-Hudson, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 9,268,808	\$ 11,394,873
Receivables		
Accounts	4,911	4,911
State and Federal aid	28,614	28,614
Due from other funds	17,798	5,110
	<u>51,323</u>	<u>38,635</u>
Total Assets	<u>\$ 9,320,131</u>	<u>\$ 11,433,508</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 268,889	\$ 279,090
Bond anticipation notes payable	646,434	660,068
Due to other funds	4,787,095	4,136,213
Unearned revenues	-	89,420
Advances from other funds	85,667	10,553
Total Liabilities	5,788,085	5,175,344
Fund balance		
Restricted	<u>3,532,046</u>	<u>6,258,164</u>
Total Liabilities and Fund Balance	<u>\$ 9,320,131</u>	<u>\$ 11,433,508</u>

See independent auditors' report.

Village of Croton-on-Hudson, New York

Capital Projects Fund

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

	<u>2018</u>	<u>2017</u>
REVENUES		
State aid	\$ 243,424	\$ 399,303
Federal aid	<u>123,741</u>	<u>-</u>
Total Revenues	367,165	399,303
EXPENDITURES		
Capital outlay	<u>6,957,451</u>	<u>5,924,540</u>
Deficiency of Revenues Over Expenditures	<u>(6,590,286)</u>	<u>(5,525,237)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	1,616,700	1,331,780
Transfers in	2,275,992	208,386
Transfers out	<u>(28,524)</u>	<u>(44,721)</u>
Total Other Financing Sources	<u>3,864,168</u>	<u>1,495,445</u>
Net Change in Fund Balance	(2,726,118)	(4,029,792)
FUND BALANCE		
Beginning of Year	<u>6,258,164</u>	<u>10,287,956</u>
End of Year	<u>\$ 3,532,046</u>	<u>\$ 6,258,164</u>

Village of Croton-on-Hudson, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through May 31, 2018

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
High Street Drainage	05122	\$ 492,522	\$ 486,881	\$ 5,641
High Street CDBG - Phase II	07140	513,096	389,355	123,741
Elliot Way	07142	1,599,999	1,599,999	-
Croton Landing Boat Launch Facility	07149	15,300	2,148	13,152
Grand Street Fire Apron	08164	744,600	341,611	402,989
South Riverside	09175	500,000	94,450	405,550
Water Office Sewer Holding Tank	09177	35,700	8,723	26,977
High Street Water Main Replacement	09179	357,000	331,643	25,357
Nordica Sewer Pump Station	09180	739,500	320,108	419,392
Farrington Road Improvements	09183	713,000	978,242	(265,242)
Harmon Firehouse HVAC System Overhaul	09190	20,000	12,419	7,581
Police Headquarters Renovation	09193	1,667,700	1,570,000	97,700
Municipal Building Window Replacement	09194	174,700	166,797	7,903
Brook Lane Stormwater Management	09198	25,500	17,312	8,188
Grant Street Stormwater Management	09199	25,500	9,277	16,223
Stormwater Management-Old Post Road	10205	50,000	16,267	33,733
Cascade System	10208	161,200	161,589	(389)
Traffic/Engineering Study	10211	50,000	38,228	11,772
TEP Grant - Bicycle Ped Improvement	10214	1,536,000	502,878	1,033,122
Half Moon Bay Bridge Rehabilitation	11216	51,000	20,853	30,147
Sprinkler System - Harmon Fire House	11223	61,200	4,339	56,861
Water Source and Well Field Improvement	11228	1,146,300	1,082,740	63,560
Road Sidewalks and Curbs	12230	317,072	245,173	71,899
Sprinkler System at the Washington Fire House	12237	26,520	4,508	22,012
Repair and Graphics to 55 B2	12240	9,588	189	9,399
Security Camera Croton Landing	12242	8,670	7,218	1,452
Planning Studies	12244	30,600	24,895	5,705
General Road Repairs	13448	201,690	201,690	-
Brook Street	13250	25,500	125	25,375
Sanitation Truck	13251	267,600	197,287	70,313
Energy Efficiency Upgrades	13254	20,400	1,065	19,335
Washington Engine Fire House Apron/ Water Main Replacement - Water	13261	867,000	859,462	7,538
Water Main Replacement and Extension	13262	9,180,000	8,486,491	693,509
6-Wheel Dump Truck	14269	104,040	103,959	81
Chief's Car Replacement	14272	51,000	47,292	3,708
Tactical Support Unit	14273	71,400	67,855	3,545
Personal Protection Equipment Compliance	14274	10,200	10,270	(70)
2 Stryker Lift Systems	14275	47,216	47,650	(434)
Formation of Additional Parking Spaces	14276	15,300	274	15,026
Tasers (3)	14277	10,200	9,625	575
Patrol Vehicle Computers	14278	15,300	15,704	(404)
Police Vehicles	14279	67,320	67,517	(197)
Yacht Club Repair	14280	2,800,000	2,744,643	55,357
Upgrade Silver Lake/Black Rock	14281	81,600	42,577	39,023
Senasqua Boat Basin Repair	14282	51,000	18,097	32,903
Electronic Messaging Board	14283	18,360	14,481	3,879
General Road Repairs	15284	267,146	266,029	1,117
Sidewalks and Curbs	15285	102,000	102,000	-
LED Lights	15286	127,500	115,753	11,747

Total Revenues	Fund Balance (Deficit) at May 31, 2018	Bond Anticipation Notes Out- standing at May 31, 2018
\$ 492,522	\$ 5,641	\$ -
513,096	123,741	-
1,599,999	-	-
15,300	13,152	-
744,600	402,989	-
94,450	-	-
35,700	26,977	-
357,000	25,357	-
739,500	419,392	-
978,245	3	-
20,000	7,581	-
1,667,700	97,700	-
174,700	7,903	-
25,500	8,188	-
25,500	16,223	-
50,000	33,733	-
145,900	(15,689)	15,300
50,000	11,772	-
508,213	5,335	-
51,000	30,147	-
61,200	56,861	-
1,146,300	63,560	-
317,072	71,899	-
26,520	22,012	-
9,588	9,399	-
8,670	1,452	-
30,600	5,705	-
167,369	(34,321)	-
25,500	25,375	-
267,600	70,313	-
20,400	19,335	-
867,000	7,538	-
9,180,000	693,509	-
104,040	81	-
51,000	3,708	-
71,400	3,545	-
7,650	(2,620)	2,550
35,996	(11,654)	11,220
15,300	15,026	-
7,650	(1,975)	2,550
11,475	(4,229)	3,825
50,490	(17,027)	16,830
2,800,000	55,357	-
81,600	39,023	-
51,000	32,903	-
13,770	(711)	4,590
267,146	1,117	-
102,000	-	-
127,500	11,747	-

(Continued)

Village of Croton-on-Hudson, New York

Capital Projects Fund

Project-Length Schedule (Continued)

Inception of Project Through May 31, 2018

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
Half Moon Bay Bridge	15287	\$ 510,000	\$ 5,088	\$ 504,912
Sanitation Truck	15289	187,680	187,795	(115)
Service Truck	15290	76,500	69,452	7,048
Replacement Dump Body Truck	15291	10,200	10,134	66
Tire Machine and Balancer	15292	14,280	10,829	3,451
Washington Engine Central A/C	15293	25,500	23,368	2,132
Washington Engine Fire Generator	15294	45,645	664	44,981
Washington Engine Upgrades	15295	6,936	6,776	160
Grand Street Upgrades	15296	46,614	26,729	19,885
Harmon Fire Windows	15297	51,000	7,414	43,586
Harmon Fire Upgrades	15298	22,236	22,456	(220)
Uniform Equipment Upgrades	15299	140,862	141,923	(1,061)
Computers and Software Upgrade	15300	25,500	18,517	6,983
Modular Building	15301	61,200	600	60,600
LED Lights	15302	51,000	25,253	25,747
Police Vehicles	15303	61,200	62,386	(1,186)
Fingerprint Upgrade	15304	18,360	18,426	(66)
Shed	15305	20,400	200	20,200
Recreation Vehicle	15307	25,500	21,354	4,146
General Road Repairs	16311	214,742	151,235	63,507
Sidewalks and Curbs	16312	102,000	99,178	2,822
Stormwater Infrastructure	16313	204,000	81,385	122,615
Replace Damaged Pole - Municipal Building	16314	4,823	5,158	(335)
4x4 Pickup (2)	16315	38,760	39,206	(446)
Low Boy Dump Truck	16316	107,100	102,382	4,718
Rescue 18 Replacement	16318	680,000	682,441	(2,441)
Thermal Imaging Camera	16319	8,160	8,195	(35)
Integrated Multi-Channel DVS	16321	12,240	11,952	288
Police Vehicle 4WD	16322	38,760	39,034	(274)
Sunset Park/Placeground Equipment and Surface	16323	188,700	173,806	14,894
Commercial Lawn Tractor	16325	13,260	13,429	(169)
Bridge/Culvert Replacement	16326	561,000	554,513	6,487
Elliot Way Main Extension	16327	102,000	72,879	29,121
Manager's Vehicle	16333	30,600	26,690	3,910
Sidewalks and Curbs	17334	102,000	30,719	71,281
DPW Vehicles 2016/17	17335	127,600	128,951	(1,351)
Records Management Software	17338	23,000	22,618	382
Sidewalks and Curbs	18339	306,000	50,953	255,047
DPW Vehicles 2017/18	18340	73,440	70,523	2,917
Vehicle - VLG Engine	18341	32,640	30,641	1,999
WEFH Renovations	18342	127,500	3,792	123,708
Relocate Garage, Office and Land	18343	2,723,200	2,726,751	(3,551)
Renovation of New Building	18344	510,000	200,376	309,624
Police Vehicle	18345	39,780	36,227	3,553
LPR System Police Dept.	18346	20,400	19,990	410
DPW Equipment	18348	40,800	40,362	438
NYSERDA LED Lighting	18349	12,500	1,332	11,168
Totals		<u>\$ 33,319,657</u>	<u>\$ 27,941,775</u>	<u>\$ 5,377,882</u>

See independent auditors' report.

Total Revenues	Fund Balance (Deficit) at May 31, 2018	Bond Anticipation Notes Out- standing at May 31, 2018
\$ 510,000	\$ 504,912	\$ -
187,680	(115)	-
76,500	7,048	-
6,120	(4,014)	4,080
8,568	(2,261)	5,712
15,300	(8,068)	10,200
45,645	44,981	-
4,161	(2,615)	2,774
27,969	1,240	18,646
51,000	43,586	-
13,341	(9,115)	8,894
71,289	(70,634)	69,573
15,300	(3,217)	10,200
61,200	60,600	-
51,000	25,747	-
36,720	(25,666)	24,480
11,016	(7,410)	7,344
20,400	20,200	-
15,300	(6,054)	10,200
214,742	63,507	-
102,000	2,822	-
204,000	122,615	-
2,375	(2,783)	2,448
15,504	(23,702)	23,256
107,100	4,718	-
680,000	(2,441)	-
3,264	(4,931)	4,896
4,896	(7,056)	7,344
15,504	(23,530)	23,256
188,700	14,894	-
5,304	(8,125)	7,956
561,000	6,487	-
102,000	29,121	-
12,240	(14,450)	18,360
102,000	71,281	-
26,030	(102,921)	104,122
4,692	(17,926)	18,768
306,000	255,047	-
-	(70,523)	73,440
-	(30,641)	32,640
127,500	123,708	-
2,723,200	(3,551)	-
510,000	309,624	-
-	(36,227)	39,780
-	(19,990)	-
-	(40,362)	20,400
12,500	11,168	40,800
<u>\$ 31,473,821</u>	<u>\$ 3,532,046</u>	<u>\$ 646,434</u>

Village of Croton-on-Hudson, New York

Non-Major Governmental Funds

Combining Balance Sheet

May 31, 2018

(With Comparative Totals for 2017)

			Total Non-Major Governmental Funds	
	Special Purpose	Sewer	2018	2017
ASSETS				
Cash and equivalents	\$ 797,852	\$ 4,097	\$ 801,949	\$ 940,427
Receivables				
Sewer rents	-	81,550	81,550	109,460
Due from other funds	-	295,790	295,790	98,716
	-	377,340	377,340	208,176
Total Assets	\$ 797,852	\$ 381,437	\$ 1,179,289	\$ 1,148,603
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ -	\$ 21,328	\$ 21,328	\$ 5,153
Accrued liabilities	-	2,034	2,034	-
Due to other funds	47,077	358,075	405,152	310,459
Advances from other funds	-	150,956	150,956	199,205
Total Liabilities	47,077	532,393	579,470	514,817
Fund balances (deficits)				
Restricted	750,775	-	750,775	832,991
Unassigned	-	(150,956)	(150,956)	(199,205)
Total Fund Balances (Deficits)	750,775	(150,956)	599,819	633,786
Total Liabilities and Fund Balances (Deficits)	\$ 797,852	\$ 381,437	\$ 1,179,289	\$ 1,148,603

See independent auditors' report.

Village of Croton-on-Hudson, New York

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances

Year Ended May 31, 2018

(With Comparative Totals for 2017)

	Special Purpose	Sewer	Total Non-Major Governmental Funds	
			2018	2017
REVENUES				
Departmental income	\$ -	\$ 328,429	\$ 328,429	\$ 305,859
Use of money and property	4,706	-	4,706	4,428
Miscellaneous	9,000	-	9,000	9,000
	<u>13,706</u>	<u>328,429</u>	<u>342,135</u>	<u>319,287</u>
EXPENDITURES				
Current				
General government support	-	18,518	18,518	18,925
Culture and recreation	95,922	-	95,922	260,171
Home and community services	-	148,415	148,415	102,848
Employee benefits	-	5,707	5,707	7,604
	<u>95,922</u>	<u>172,640</u>	<u>268,562</u>	<u>389,548</u>
Total Expenditures				
	<u>95,922</u>	<u>172,640</u>	<u>268,562</u>	<u>389,548</u>
Excess (Deficiency) of Revenues Over Expenditures	(82,216)	155,789	73,573	(70,261)
OTHER FINANCING USES				
Transfers out	-	(107,540)	(107,540)	(108,655)
	<u>-</u>	<u>(107,540)</u>	<u>(107,540)</u>	<u>(108,655)</u>
Net Change in Fund Balances	(82,216)	48,249	(33,967)	(178,916)
FUND BALANCES (DEFICITS)				
Beginning of Year	832,991	(199,205)	633,786	812,702
	<u>832,991</u>	<u>(199,205)</u>	<u>633,786</u>	<u>812,702</u>
End of Year	\$ 750,775	\$ (150,956)	\$ 599,819	\$ 633,786
	<u>\$ 750,775</u>	<u>\$ (150,956)</u>	<u>\$ 599,819</u>	<u>\$ 633,786</u>

Village of Croton-on-Hudson, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	<u>\$ 797,852</u>	<u>\$ 908,198</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ 47,077	\$ 75,207
Fund Balance		
Restricted	<u>750,775</u>	<u>832,991</u>
Total Liabilities and Fund Balance	<u>\$ 797,852</u>	<u>\$ 908,198</u>

Village of Croton-on-Hudson, New York

Special Purpose Fund

Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance

Years Ended May 31,

	2018	2017
REVENUES		
Use of money and property	\$ 4,706	\$ 4,428
Miscellaneous	9,000	9,000
Total Revenues	13,706	13,428
EXPENDITURES		
Current		
Culture and recreation	95,922	260,171
Deficiency of Revenues Over Expenditures	(82,216)	(246,743)
FUND BALANCE		
Beginning of Year	832,991	1,079,734
End of Year	\$ 750,775	\$ 832,991

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Village of Croton-on-Hudson, New York

Sewer Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	<u>\$ 4,097</u>	<u>\$ 32,229</u>
Receivables		
Sewer rents	81,550	109,460
Due from other funds	<u>295,790</u>	<u>98,716</u>
	<u>377,340</u>	<u>208,176</u>
Total Assets	<u><u>\$ 381,437</u></u>	<u><u>\$ 240,405</u></u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 21,328	\$ 5,153
Accrued liabilities	2,034	-
Due to other funds	358,075	235,252
Advances from other funds	<u>150,956</u>	<u>199,205</u>
Total Liabilities	532,393	439,610
Fund deficit		
Unassigned	<u>(150,956)</u>	<u>(199,205)</u>
Total Liabilities and Fund Deficit	<u><u>\$ 381,437</u></u>	<u><u>\$ 240,405</u></u>

Village of Croton-on-Hudson, New York

Sewer Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended May 31,

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 305,839	\$ 305,839	\$ 328,429	\$ 22,590
EXPENDITURES				
Current				
General government support	73,028	23,956	18,518	5,438
Home and community services	128,498	171,080	148,415	22,665
Employee benefits	1,938	8,428	5,707	2,721
Total Expenditures	203,464	203,464	172,640	30,824
Excess of Revenues Over Expenditures	102,375	102,375	155,789	53,414
OTHER FINANCING USES				
Transfers out	(107,540)	(107,540)	(107,540)	-
Net Change in Fund Balance	(5,165)	(5,165)	48,249	53,414
FUND BALANCE (DEFICIT)				
Beginning of Year	5,165	5,165	(199,205)	(204,370)
End of Year	\$ -	\$ -	\$ (150,956)	\$ (150,956)

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>\$ 236,132</u>	<u>\$ 236,132</u>	<u>\$ 305,859</u>	<u>\$ 69,727</u>
26,732	20,069	18,925	1,144
100,598	122,040	102,848	19,192
<u>1,212</u>	<u>7,800</u>	<u>7,604</u>	<u>196</u>
<u>128,542</u>	<u>149,909</u>	<u>129,377</u>	<u>20,532</u>
107,590	86,223	176,482	90,259
<u>(108,655)</u>	<u>(108,655)</u>	<u>(108,655)</u>	<u>-</u>
(1,065)	(22,432)	67,827	90,259
<u>1,065</u>	<u>22,432</u>	<u>(267,032)</u>	<u>(289,464)</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (199,205)</u></u>	<u><u>\$ (199,205)</u></u>

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Village of Croton-on-Hudson, New York

Sewer Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 1,039	\$ 1,039	\$ 646	\$ 393	\$ 2,580
Central communications	14,774	14,774	9,730	5,044	8,238
Unallocated insurance	3,115	3,278	3,277	1	3,114
Taxes and assessments on property	4,100	4,865	4,865	-	4,993
Contingent account	50,000	-	-	-	-
	<u>73,028</u>	<u>23,956</u>	<u>18,518</u>	<u>5,438</u>	<u>18,925</u>
HOME AND COMMUNITY SERVICES					
Sanitary sewers	<u>128,498</u>	<u>171,080</u>	<u>148,415</u>	<u>22,665</u>	<u>102,848</u>
EMPLOYEE BENEFITS					
State retirement	800	5,800	3,079	2,721	4,898
Social security	383	1,857	1,857	-	1,970
Workers' compensation benefits	<u>755</u>	<u>771</u>	<u>771</u>	<u>-</u>	<u>736</u>
	<u>1,938</u>	<u>8,428</u>	<u>5,707</u>	<u>2,721</u>	<u>7,604</u>
TOTAL EXPENDITURES	<u>203,464</u>	<u>203,464</u>	<u>172,640</u>	<u>30,824</u>	<u>129,377</u>
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	<u>107,540</u>	<u>107,540</u>	<u>107,540</u>	<u>-</u>	<u>108,655</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 311,004</u>	<u>\$ 311,004</u>	<u>\$ 280,180</u>	<u>\$ 30,824</u>	<u>\$ 238,032</u>

See independent auditors' report.