

Village of Croton-on-Hudson, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2019

Village of Croton-on-Hudson, New York

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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, 2019, 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, 2019, 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 Note 2E and Note 3G in the notes to financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". 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, 2019 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, 2019 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, 2019 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, 2019.

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, 2018 (not presented herein) and have issued our report thereon dated October 17, 2018, 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, 2018 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 2018 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures, applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling

such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in the relation to the basic financial statements as a whole for the year ended May 31, 2018.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
October 31, 2019

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Village of Croton-on-Hudson, New York

Management's Discussion and Analysis May 31, 2019

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, 2019. 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 2019

- The General Fund completed fiscal year 2019 with a fund balance totaling \$7,972,566, an increase \$231,243. Of the total General Fund, the unassigned fund balance totaled \$5,602,091, an increase from the prior year of \$447,393. This was despite the utilization of \$607,603 of unassigned fund balance to offset capital project expenses. The unassigned fund balance of \$5,602,091 is 29% of the 2019-20 budgeted appropriations. In addition, the nonspendable classification included \$4,819 for prepaid expenditures. The assigned classification included \$198,909 for encumbrances, \$125,000 for subsequent year's expenditures and \$311,376 for future retirement expenditures. \$581,217 was restricted for employee benefits which represents accumulated vacation and sick leave in accordance with various collective bargaining agreements. In addition, \$1,149,154 is restricted for pension benefits for the LOSAP.
- On the government-wide financial statements, the assets and deferred outflows of resources of the Village was less than its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$16,998,435.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$11,813,689.
- The Capital Projects Fund expenditures totaled \$2,737,500 and the fund balance at May 31, 2019 was \$2,975,164.
- The Village issued \$754,061 of new bond anticipation notes and retired \$646,434 of bond anticipation notes outstanding during the current fiscal year. At May 31, 2019, the Village had \$754,061 of bond anticipation notes outstanding to finance capital projects.
- During the 2019 fiscal year, the Village issued \$5,225,000 of serial bonds and retired \$7,471,700 of previously outstanding indebtedness. The Village's total outstanding general obligation bonds payable at May 31, 2019 totaled \$32,325,000 exclusive of unamortized issuance premiums of \$1,364,414. This represents a reduction in total debt of \$2,246,700 from the prior year.

Overview of the Financial Statements

The Village's financial statements are comprised of this Management's 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 Award Program for volunteer firefighters, was previously recorded as a Fiduciary Fund and is now included in the General Fund. 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 Award 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

The Village's assets and deferred outflows of resources were less than the liabilities and deferred inflows of resources by \$16,998,435 for fiscal year 2019. The reason for this is because this year the Village implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")". This statement addresses accounting

and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(26,546,927).

The following table reflects the condensed Statement of Net Position:

Statement of Net Position

	May 31,	
	2019	2018
Current Assets	\$ 15,226,117	\$ 15,509,495
Capital Assets, net	49,635,444	48,732,487
Total Assets	64,861,561	64,241,982
Deferred Outflows of Resources*	3,500,665	3,869,788
Current Liabilities	3,663,854	2,860,446
Long-Term Liabilities	80,586,066	51,812,091
Total Liabilities	84,249,920	54,672,537
Deferred Inflows of Resources*	1,110,741	3,719,662
Net Position		
Net investment in capital assets	18,186,713	16,110,692
Restricted	1,038,209	1,296,509
Unrestricted	(36,223,357)	(7,687,630)
Total Net Position	\$ (16,998,435)	\$ 9,719,571

**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:*

	2019 Deferred Amounts	
	Outflows	Inflows
Police and Fire ("PFRS")	\$ 931,040	\$ 428,900
Employee ("ERS")	761,756	561,962
Fire Service Award Program	161,696	119,879
OPEB	1,480,297	-
Deferred Loss on Refunding Bonds	165,876	-
	\$ 3,500,665	\$ 1,110,741

One component of the Village's net position is net investment in capital assets of \$18,186,713 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.

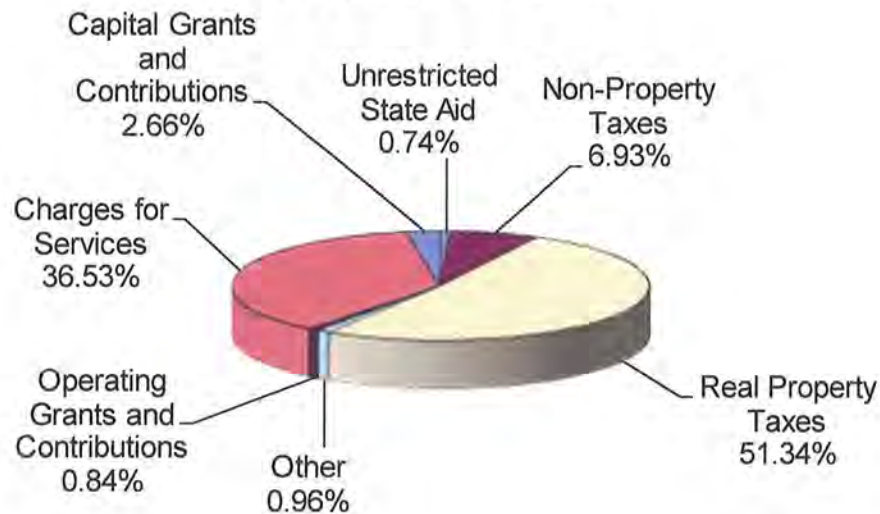
The restricted net position of \$1,038,209 represents resources that are subject to external restrictions on their use. The restrictions are:

	May 31,	
	2019	2018
Future Capital Projects	\$ -	\$ 78,636
Debt Service	299,473	467,098
Special Purpose	738,736	750,775
	<u>738,736</u>	<u>750,775</u>
Restricted Net Assets	<u>\$ 1,038,209</u>	<u>\$ 1,296,509</u>

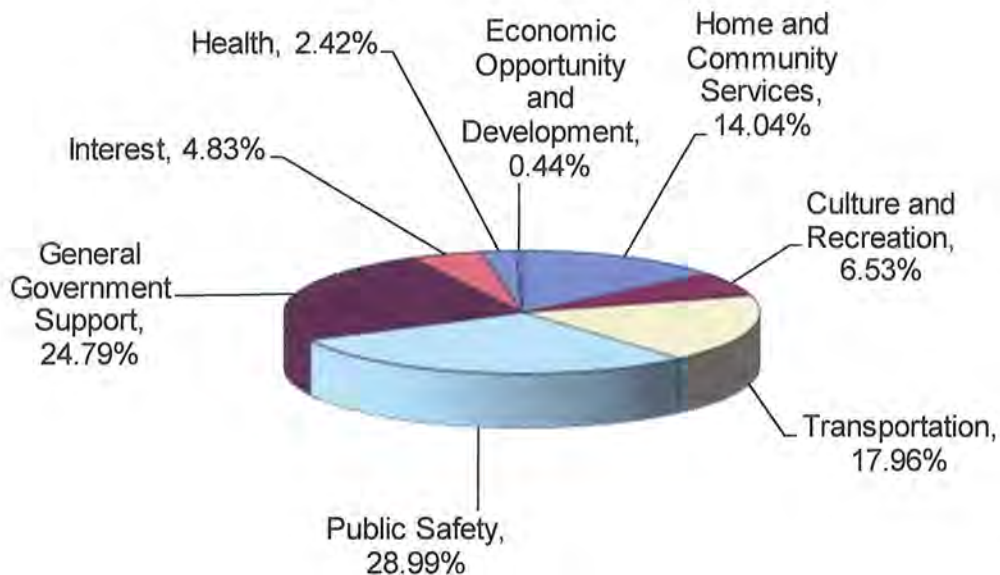
Changes in Net Position

	Year Ended May 31,	
	2019	2018
REVENUES		
Program Revenues		
Charges for Services	\$ 8,216,249	\$ 8,623,842
Operating Grants and Contributions	189,691	225,194
Capital Grants and Contributions	597,236	438,403
Total Program Revenues	9,003,176	9,287,439
General Revenues		
Real Property Taxes	11,547,791	11,477,278
Other Tax Items	34,901	34,165
Non-Property Taxes	1,558,739	1,568,708
Unrestricted Use of Money and Property	54,993	27,246
Sale of Property and Compensation for Loss	52,907	125,441
Unrestricted State Aid	165,799	196,663
Miscellaneous	29,989	1,560
Insurance recoveries	42,270	46,399
Total General Revenues	13,487,389	13,477,460
Total Revenues	22,490,565	22,764,899
PROGRAM EXPENSES		
General Government Support	5,617,451	5,280,154
Public Safety	6,570,199	6,599,583
Health	547,322	589,878
Transportation	4,070,099	3,578,021
Economic Opportunity and Development	108,150	97,481
Culture and Recreation	1,479,401	1,913,352
Home and Community Services	3,175,521	3,065,495
Interest	1,093,501	1,153,819
Total Expenses	22,661,644	22,277,783
Change in Net Position	(171,079)	487,116
NET POSITION		
Beginning, as reported	9,719,571	14,963,152
Prior year adjustment		(4,136,704)
Cumulative Effect of Change in Accounting Principle*	(26,546,927)	(1,593,993)
Beginning, as restated	(16,827,356)	9,232,455
Ending	\$ (16,998,435)	\$ 9,719,571

Sources of Revenue for Fiscal Year 2019 Governmental Activities



Sources of Expenses for Fiscal Year 2019 Governmental Activities



Governmental Activities: Governmental activities decreased the Village's net position by \$171,079.

For the fiscal year ended May 31, 2019, revenues from governmental activities totaled \$22,490,565. Tax revenues of \$13,141,431, consisting of real property taxes, other tax items and non-property taxes, represented the largest revenue source at 58%.

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, 2019 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	\$ 4,819
Restricted Fund Balance	Reserved for Employee Benefits	587,881
	Reserved for Pension Benefits	1,149,154
	Reserved for Debt Service	229,473
	Debt Service - for Subsequent Year's Expenditures	70,000
	Reserved for Capital Projects	2,975,164
	Reserved for Parklands	738,608
	Reserved for Trusts	128
		<u>5,750,408</u>
Assigned Fund Balance	Reserved for Encumbrances:	
	General Government Support	47,061
	Public Safety	82,690
	Health	15,477
	Transportation	19,644
	Culture and Recreation	4,309
	Home and Community Services	29,410
	Employee Benefits	318
	Designated for Subsequent Year's Expenditures:	
	Unassigned Fund Balance	125,000
	Designated for Future Retirement Expenditures	311,376
		<u>635,285</u>
Unassigned Fund Balance	Unreserved and Undesignated:	
	General Fund	5,602,091
	Water	(136,248)
	Sewer	(42,666)
		<u>5,423,177</u>
Total Fund Balances (as of May 31, 2019)		<u>\$ 11,813,689</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 \$11,813,689 a decrease of \$1,054,474 from the prior year. The decrease is due primarily to the reduction in the capital projects fund of \$556,882 reflecting the completion of infrastructure projects in the Village and a reduction in the water fund by \$657,461 reflecting the decreased demand for water by the high usage customers.

General Fund Budgetary Highlights

When the fiscal 2018-2019 budget was adopted, it anticipated the use of \$709,603 of unassigned fund balance of which \$102,000 was anticipated for the balancing of the operating budget and \$607,603 to help offset capital expenditures. Actual results of operations resulted in an increase of \$231,243 to the overall general fund balance. Unassigned fund balance increased by \$447,393.

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 \$49,635,444 (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,	
	2019	2018
Land	\$ 4,773,011	\$ 4,773,011
Buildings and improvements	8,780,821	6,367,455
Machinery and equipment	3,104,901	3,421,275
Infrastructure	17,139,807	12,722,702
Construction-in-Progress	15,836,904	21,448,044
Total	<u>\$ 49,635,444</u>	<u>\$ 48,732,487</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 \$33,403,775 comprised of general obligation bonded debt of \$32,325,000 and installment purchase debt of \$1,078,775. The Village issued \$5,225,000 of serial bonds and retired \$7,471,700 of serial bonds and made principal payment of \$180,060 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.

Village of Croton-on-Hudson, New York

Statement of Net Position

May 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 12,286,365
Investments	1,103,741
Receivables	
Taxes, net	55,010
Accounts	594,673
Water rents	597,438
Sewer rents	92,980
State and Federal aid	181,526
Due from other governments	309,565
Prepaid expenses	4,819
Capital assets	
Not being depreciated	20,609,915
Being depreciated, net	<u>29,025,529</u>
Total Assets	<u>64,861,561</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,500,665</u>
LIABILITIES	
Accounts payable	1,328,505
Accrued liabilities	491,785
Bond anticipation notes payable	754,061
Due to other governments	18,872
Unearned revenues	778,137
Accrued interest payable	292,494
Non-current liabilities	
Due within one year	2,341,027
Due in more than one year	<u>78,245,039</u>
Total Liabilities	<u>84,249,920</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,110,741</u>
NET POSITION	
Net investment in capital assets	18,186,713
Restricted	
Debt service	299,473
Special purpose	738,736
Unrestricted	<u>(36,223,357)</u>
Total Net Position	<u><u>\$ (16,998,435)</u></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, 2019

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	\$ 5,617,451	\$ 268,522	\$ 2,777	\$ -	\$ (5,346,152)
Public safety	6,570,199	683,032	37,341	-	(5,849,826)
Health	547,322	305,711	105,173	-	(136,438)
Transportation	4,070,099	3,863,825	19,624	201,653	15,003
Economic opportunity and development	108,150	-	-	-	(108,150)
Culture and recreation	1,479,401	302,904	20,627	-	(1,155,870)
Home and community services	3,175,521	2,792,255	4,149	272,188	(106,929)
Interest	1,093,501	-	-	123,395	(970,106)
Total Governmental Activities	\$ 22,661,644	\$ 8,216,249	\$ 189,691	\$ 597,236	(13,658,468)
General revenues					
Real property taxes					11,547,791
Other tax items					
Interest and penalties on real property taxes					34,901
Non-property taxes					
Non-property tax distribution from County					1,282,032
Franchise fees					158,396
Utilities gross receipts taxes					118,311
Unrestricted use of money and property					54,993
Sale of property and compensation for loss					52,907
Unrestricted State aid					165,799
Miscellaneous					29,989
Insurance recoveries					42,270
Total General Revenues					13,487,389
Change in Net Position					(171,079)
NET POSITION					
Beginning, as reported					9,719,571
Cumulative Effect of Change in Accounting Principle					(26,546,927)
Beginning, as restated					(16,827,356)
Ending					\$ (16,998,435)

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, 2019

	General	Water	Debt Service
ASSETS			
Cash and equivalents	\$ 4,952,871	\$ 10,096	\$ 100,236
Investments	1,103,741	-	-
Taxes receivable, net of allowance for uncollectible amounts	55,010	-	-
Other receivables			
Accounts	589,919	-	-
Water rents	-	597,438	-
Sewer rents	-	-	-
State and Federal aid	27,912	-	-
Due from other governments	309,565	-	-
Due from other funds	3,077,956	13,075	347,023
Prepaid expenditures	4,819	-	-
Total Assets	<u>\$ 10,121,793</u>	<u>\$ 620,609</u>	<u>\$ 447,259</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 745,597	\$ 18,841	\$ -
Accrued liabilities	464,850	26,935	-
Bond anticipation notes payable	-	-	-
Due to other funds	223,866	704,417	147,786
Due to other governments	18,872	-	-
Unearned revenues	654,974	-	-
Total Liabilities	2,108,159	750,193	147,786
Deferred inflows of resources			
Deferred tax revenues	41,068	-	-
Total Liabilities and Deferred Inflows of Resources	<u>2,149,227</u>	<u>750,193</u>	<u>147,786</u>
Fund balances (deficits)			
Nonspendable	4,819	-	-
Restricted	1,730,371	6,664	299,473
Assigned	635,285	-	-
Unassigned	5,602,091	(136,248)	-
Total Fund Balances	<u>7,972,566</u>	<u>(129,584)</u>	<u>299,473</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,121,793</u>	<u>\$ 620,609</u>	<u>\$ 447,259</u>

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 6,494,248	\$ 728,914	\$ 12,286,365
-	-	1,103,741
-	-	55,010
4,754	-	594,673
-	-	597,438
-	92,980	92,980
153,614	-	181,526
-	-	309,565
252,554	395,037	4,085,645
-	-	4,819
<u>\$ 6,905,170</u>	<u>\$ 1,216,931</u>	<u>\$ 19,311,762</u>
\$ 556,192	\$ 7,875	\$ 1,328,505
-	-	491,785
754,061	-	754,061
2,496,590	512,986	4,085,645
-	-	18,872
123,163	-	778,137
3,930,006	520,861	7,457,005
-	-	41,068
<u>3,930,006</u>	<u>520,861</u>	<u>7,498,073</u>
-	-	4,819
2,975,164	738,736	5,750,408
-	-	635,285
-	(42,666)	5,423,177
<u>2,975,164</u>	<u>696,070</u>	<u>11,813,689</u>
<u>\$ 6,905,170</u>	<u>\$ 1,216,931</u>	<u>\$ 19,311,762</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, 2019

Fund Balances - Total Governmental Funds	<u>\$ 11,813,689</u>
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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>49,635,444</u>
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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>41,068</u>
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Governmental funds do not report the effect of losses on refunding
bonds and assets or liabilities related to net pension liabilities and other post
employment benefit obligations whereas these amounts are deferred and
amortized in the statement of activities.

Deferred amounts on:

Refunding bonds	165,876	
Police and Fire Retirement System	502,140	
Employee Retirement System	199,794	
Fire Service Award Program	41,817	
Other post employment benefit obligations	<u>1,480,297</u>	
Total deferred amounts on net pension assets (liabilities)		<u>2,389,924</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	(292,494)
Bonds payable	(33,689,414)
Installment purchase debt payable	(1,078,775)
Compensated absences	(1,949,071)

Net pension liability		
Police and Fire Retirement System	(1,188,485)	
Employee Retirement System	<u>(1,394,445)</u>	
Total Pension Liability		<u>(2,582,930)</u>

Fire Service Award Program	<u>(1,825,352)</u>
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Other post employment benefit obligations payable	<u>(39,460,524)</u>
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<u>(80,878,560)</u>

Net Position of Governmental Activities	<u><u>\$ (16,998,435)</u></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

Governmental Funds

Year Ended May 31, 2019

	General	Water	Debt Service
REVENUES			
Real property taxes	\$ 11,542,729	\$ -	\$ -
Other tax items	34,901	-	-
Non-property taxes	1,558,739	-	-
Departmental income	4,895,363	2,352,222	-
Net change in fair value of investments	(89,477)	-	-
Use of money and property	240,633	4,149	123,395
Licenses and permits	201,507	-	-
Fines and forfeitures	333,935	-	-
Sale of property and compensation for loss	52,907	-	-
Interfund revenues	490,000	-	-
State aid	190,157	-	-
Federal aid	109,117	-	-
Miscellaneous	30,192	-	-
Total Revenues	19,590,703	2,356,371	123,395
EXPENDITURES			
Current			
General government support	3,368,792	268,426	-
Public safety	3,920,965	-	-
Health	488,976	-	-
Transportation	2,087,840	-	-
Economic opportunity and development	73,757	-	-
Culture and recreation	923,731	-	-
Home and community services	1,021,775	1,286,239	-
Employee benefits	4,548,179	325,302	-
Debt service			
Principal	-	-	2,401,760
Interest	7,693	-	1,103,950
Refunding bond issuance costs	-	-	104,033
Capital outlay	-	-	-
Total Expenditures	16,441,708	1,879,967	3,609,743
Excess (Deficiency) of Revenues Over Expenditures	3,148,995	476,404	(3,486,348)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Insurance recoveries	42,270	-	-
Refunding bonds issued	-	-	4,585,000
Payment to refunded bond escrow agent	-	-	(5,307,353)
Issuance premium	-	-	828,434
Transfers in	372,386	-	3,585,028
Transfers out	(3,332,408)	(1,133,865)	(372,386)
Total Other Financing Sources (Uses)	(2,917,752)	(1,133,865)	3,318,723
Net Change in Fund Balances	231,243	(657,461)	(167,625)
FUND BALANCES			
Beginning of Year	7,741,323	527,877	467,098
End of Year	\$ 7,972,566	\$ (129,584)	\$ 299,473

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 11,542,729
-	-	34,901
-	-	1,558,739
-	371,433	7,619,018
-	-	(89,477)
-	8,490	376,667
-	-	201,507
-	-	333,935
-	-	52,907
-	-	490,000
461,841	-	651,998
12,000	-	121,117
-	9,000	39,192
<u>473,841</u>	<u>388,923</u>	<u>22,933,233</u>
-	27,543	3,664,761
-	-	3,920,965
-	-	488,976
-	-	2,087,840
-	-	73,757
-	29,529	953,260
-	120,365	2,428,379
-	3,703	4,877,184
-	-	2,401,760
-	-	1,111,643
-	-	104,033
<u>2,737,500</u>	<u>-</u>	<u>2,737,500</u>
<u>2,737,500</u>	<u>181,140</u>	<u>24,850,058</u>
<u>(2,263,659)</u>	<u>207,783</u>	<u>(1,916,825)</u>
640,000	-	640,000
-	-	42,270
-	-	4,585,000
-	-	(5,307,353)
74,000	-	902,434
1,014,876	-	4,972,290
<u>(22,099)</u>	<u>(111,532)</u>	<u>(4,972,290)</u>
<u>1,706,777</u>	<u>(111,532)</u>	<u>862,351</u>
(556,882)	96,251	(1,054,474)
<u>3,532,046</u>	<u>599,819</u>	<u>12,868,163</u>
<u>\$ 2,975,164</u>	<u>\$ 696,070</u>	<u>\$ 11,813,689</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, 2019

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

Net Change in Fund Balances - Total Governmental Funds	\$ (1,054,474)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	2,764,560
Depreciation expense	<u>(1,861,603)</u>
	902,957
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>5,062</u>
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	(640,000)
Refunding bonds issued	(4,585,000)
Payment to refunded bond escrow agent	5,307,353
Issuance premium	(902,434)
Principal paid on serial bonds	2,221,700
Principal paid on installment purchase debt	180,060
Amortization of loss on refunding and issuance premium	<u>55,516</u>
	1,637,195
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	(37,374)
Compensated absences	(32,318)
Pension obligations	(355,940)
Other post employment benefit obligations	<u>(1,236,187)</u>
	(1,661,819)
Change in Net Position of Governmental Activities	<u>\$ (171,079)</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 - Budget and Actual
General and Water Funds
Year Ended May 31, 2019

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 11,572,437	\$ 11,572,437	\$ 11,542,729	\$ (29,708)
Other tax items	40,001	40,001	34,901	(5,100)
Non-property taxes	1,415,000	1,415,000	1,558,739	143,739
Departmental income	4,587,936	4,646,027	4,895,363	249,336
Net change in fair value of investments	-	-	(89,477)	(89,477)
Use of money and property	142,500	142,500	240,633	98,133
Licenses and permits	162,000	162,000	201,507	39,507
Fines and forfeitures	300,000	300,000	333,935	33,935
Sale of property and compensation for loss	22,500	22,500	52,907	30,407
Interfund revenues	490,000	490,000	490,000	-
State aid	192,347	192,347	190,157	(2,190)
Federal aid	-	105,682	109,117	3,435
Miscellaneous	-	-	30,192	30,192
Total Revenues	18,924,721	19,088,494	19,590,703	502,209
EXPENDITURES				
Current				
General government support	3,656,323	3,437,133	3,368,792	68,341
Public safety	3,741,246	3,977,462	3,920,965	56,497
Health	403,702	507,173	488,976	18,197
Transportation	2,805,582	2,198,571	2,087,840	110,731
Economic opportunity and development	69,713	74,213	73,757	456
Culture and recreation	889,844	937,378	923,731	13,647
Home and community services	465,347	1,061,225	1,021,775	39,450
Employee benefits	4,819,561	4,845,157	4,548,179	296,978
Debt service				
Interest	7,693	7,693	7,693	-
Total Expenditures	16,859,011	17,046,005	16,441,708	604,297
Excess of Revenues Over Expenditures	2,065,710	2,042,489	3,148,995	1,106,506
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	33,635	42,270	8,635
Transfers in	372,386	372,386	372,386	-
Transfers out	(2,661,805)	(3,332,408)	(3,332,408)	-
Total Other Financing Uses	(2,289,419)	(2,926,387)	(2,917,752)	8,635
Net Change in Fund Balances	(223,709)	(883,898)	231,243	1,115,141
FUND BALANCES (DEFICITS)				
Beginning of Year	223,709	883,898	7,741,323	6,857,425
End of Year	\$ -	\$ -	\$ 7,972,566	\$ 7,972,566

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)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
3,042,759	3,042,759	2,352,222	(690,537)
-	-	-	-
-	-	4,149	4,149
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,042,759	3,042,759	2,356,371	(686,388)
387,725	298,010	268,426	29,584
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,338,174	1,408,174	1,286,239	121,935
332,007	352,007	325,302	26,705
-	-	-	-
-	-	-	-
2,057,906	2,058,191	1,879,967	178,224
984,853	984,568	476,404	(508,164)
-	-	-	-
-	-	-	-
(1,033,865)	(1,133,865)	(1,133,865)	-
(1,033,865)	(1,133,865)	(1,133,865)	-
(49,012)	(149,297)	(657,461)	(508,164)
49,012	149,297	527,877	378,580
\$ -	\$ -	\$ (129,584)	\$ (129,584)

Village of Croton-on-Hudson, New York

Statement of Assets and Liabilities
Fiduciary Funds
May 31, 2019

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 168,519
Accounts receivable	<u>549,542</u>
 Total Assets	 <u><u>\$ 718,061</u></u>
 LIABILITIES	
Accounts payable	506,074
Employee payroll deductions	10,354
Deposits	<u>201,633</u>
 Total Liabilities	 <u><u>\$ 718,061</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, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly 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 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. The major revenue of this fund is departmental income.

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. 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) - 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, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2019.

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, 2019, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Village. Purchases of inventoriable items at various locations are recorded as 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, 2019

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 \$654,974 for parking permit fees received in advance in the General Fund and \$123,163 for grants received in advance in the Capital Projects 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.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2019

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	\$ 931,040	\$ 428,900
New York State and Local Employees' Retirement System	761,756	561,962
Fire Service Awards Program	161,696	119,879
Other Postemployment Benefit Obligations	1,480,297	-
Deferred Loss on Refunding Bonds	165,876	-
	<u>\$ 3,500,665</u>	<u>\$ 1,110,741</u>

The Village reported deferred outflows of resources of \$165,876 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 \$41,068 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

Note 1 - Summary of Significant Accounting Policies (Continued)

Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, 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 31, 2019.

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 Limitations

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2018-2019 was \$22,732,877 which exceeded the actual levy (inclusive of exclusions) by \$11,160,440.

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

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Board first enacts, by a vote of at least sixty percent of the total voting power of the Board, a local law to override such limit for such coming fiscal year.

C. Fund Deficits

The Water Fund and Sewer Fund had unassigned deficits of \$136,248 of \$42,666, respectively, at May 31, 2019. The Village plans to address these deficits in the subsequent year.

D. Expenditures in Excess of Budget

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

Harmon fire upgrades	\$ 253
Uniform equipment upgrades	1,366
Police vehicles	1,276
Fingerprint upgrade	93
Replace damaged pole – Municipal building	347
4X4 pickup (2)	561
Thermal imaging camera	59
Police vehicle 4WD	338
Commercial lawn tractor	97
DPW vehicles 2016/17	1,927
Triple combination pumper	5,325

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 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

For the year ended May 31, 2019, the Village implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")". This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(26,546,927).

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2019

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

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

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

Type of Investment	Fair Value	N/A	1-5 Years	5-10 Years
Bond funds	\$ 360,844	\$ -	\$ -	\$ 360,844
Pass-through certificate	7,405	-	-	7,405
Certificates of deposit	115,681	-	115,681	-
U.S. and international equities funds	366,305	366,305	-	-
Mixed asset funds	253,506	253,506	-	-
	<u>\$ 1,103,741</u>	<u>\$ 619,811</u>	<u>\$ 115,681</u>	<u>\$ 368,249</u>

Investments in bond funds, U.S. and international equities fund, and mixed asset fund are valued using level one inputs. Certificates of deposits are not subject to the fair value hierarchy.

B. Taxes Receivable

Taxes receivable at May 31, 2019 consisted of the following:

Current year	\$ 76,888
Prior years	<u>142,393</u>
	219,281
Less - Allowance for uncollectible amounts	<u>(164,271)</u>
	<u>\$ 55,010</u>

C. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2019 were as follows:

Fund	Due From	Due To
General	\$ 3,077,956	\$ 223,866
Water	13,075	704,417
Debt Service	347,023	147,786
Capital Projects	252,554	2,496,590
Non-Major Governmental	<u>395,037</u>	<u>512,986</u>
	<u>\$ 4,085,645</u>	<u>\$ 4,085,645</u>

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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

D. Capital Assets

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

	Balance June 1, 2018	Additions	Deletions	Balance May 31, 2019
Capital Assets, not being depreciated:				
Land	\$ 4,773,011	\$ -	\$ -	\$ 4,773,011
Construction-in-progress	21,448,044	1,772,603	7,383,743	15,836,904
Total Capital Assets, not being depreciated	<u>\$ 26,221,055</u>	<u>\$ 1,772,603</u>	<u>\$ 7,383,743</u>	<u>\$ 20,609,915</u>
Capital Assets, being depreciated:				
Buildings and improvements	\$ 12,343,147	\$ 2,898,075	\$ -	\$ 15,241,222
Machinery and equipment	10,488,751	333,902	49,380	10,773,273
Infrastructure	37,998,037	5,143,723	-	43,141,760
Total Capital Assets, being depreciated	<u>60,829,935</u>	<u>8,375,700</u>	<u>49,380</u>	<u>69,156,255</u>
Less Accumulated Depreciation for:				
Buildings and improvements	5,975,692	484,709	-	6,460,401
Machinery and equipment	7,067,476	650,276	49,380	7,668,372
Infrastructure	25,275,335	726,618	-	26,001,953
Total Accumulated Depreciation	<u>38,318,503</u>	<u>1,861,603</u>	<u>49,380</u>	<u>40,130,726</u>
Total Capital Assets, being depreciated, net	<u>\$ 22,511,432</u>	<u>\$ 6,514,097</u>	<u>\$ -</u>	<u>\$ 29,025,529</u>
Capital Assets, net	<u>\$ 48,732,487</u>	<u>\$ 8,286,700</u>	<u>\$ 7,383,743</u>	<u>\$ 49,635,444</u>

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

General Government Support	\$ 254,518
Public Safety	349,892
Health	31,047
Transportation	777,143
Economic Opportunity and Development	176
Culture and Recreation	111,568
Home and Community Services	337,259
	<u>\$ 1,861,603</u>

E. Accrued Liabilities

Accrued liabilities at May 31, 2019 were as follows:

	General Fund	Water Fund	Total
Payroll and Employee Benefits	<u>\$ 464,850</u>	<u>\$ 26,935</u>	<u>\$ 491,785</u>

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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, 2018	New Issues	Redemptions	Balance May 31, 2019
Various	12/14/2017	12/14/2018	- %	\$ 646,434	\$ -	\$ 646,434	\$ -
Various	12/13/2018	12/13/2019	2.35 %	-	754,061	-	754,061
Total				<u>\$ 646,434</u>	<u>\$ 754,061</u>	<u>\$ 646,434</u>	<u>\$ 754,061</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 \$7,693 were recorded in the fund financial statements in the General Fund and \$15,963 were recorded in the government-wide financial statements for governmental activities.

G. Long-Term Liabilities

The changes in the Village's long-term indebtedness during the year ended May 31, 2019 are summarized as follows:

	Balance As Reported, June 1, 2018	Cumulative Effect of Change in Accounting Principle *	Balance As Restated, June 1, 2018	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2019	Due Within One Year
General Obligation Bonds Payable Plus	\$ 34,571,700	\$ -	\$ 34,571,700	\$ 5,225,000	\$ 7,471,700	\$ 32,325,000	\$ 1,955,000
Unamortized premium on bonds	544,708	-	544,708	902,434	82,728	1,364,414	-
	<u>35,116,408</u>	<u>-</u>	<u>35,116,408</u>	<u>6,127,434</u>	<u>7,554,428</u>	<u>33,689,414</u>	<u>1,955,000</u>
Other Non-Current Liabilities:							
Installment Purchase Debt Payable	1,258,835	-	1,258,835	-	180,060	1,078,775	191,027
Net Pension Liability	1,453,438	-	1,453,438	1,129,492	-	2,582,930	-
Total Pension Liability - Length of service award program	1,869,544	-	1,869,544	13,088	57,280	1,825,352	-
Compensated Absences	1,916,753	-	1,916,753	224,318	192,000	1,949,071	195,000
Other Post Employment Benefit Obligations Payable	10,197,113	26,546,927	36,744,040	2,716,484	-	39,460,524	-
Total Long-Term Liabilities	<u>\$ 51,812,091</u>	<u>\$ 26,546,927</u>	<u>\$ 78,359,018</u>	<u>\$ 10,210,816</u>	<u>\$ 7,983,768</u>	<u>\$ 80,586,066</u>	<u>\$ 2,341,027</u>

*See Note 2F.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Each governmental fund's liability for net pension liability, total pension liability – length of 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 general obligation bonds and installment purchase debt is liquidated by the Debt Service Fund which is funded by the General, Water and Sewer Funds.

General Obligation Bonds Payable

General Obligation bonds payable at May 31, 2019 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2019
Various Purposes	2008	\$ 1,058,548	April, 2022	4.00-4.200 %	\$ 280,000
Various Purposes	2012	1,686,060	April, 2028	2.00-4.000	1,015,000
Refunding Bond	2013	3,270,000	November, 2024	2.00	1,065,000
Various Purposes	2013	4,717,500	May, 2033	1.25-3.00	3,485,000
Various Purposes	2014	6,089,500	April, 2044	3.00-4.00	5,410,000
Various Purposes	2015	4,360,531	January, 2040	2.50-5.000	3,870,000
Refunding Bond	2016	2,035,000	July, 2026	4.00-5.000	1,695,000
Various Purposes	2016	8,578,200	April, 2036	3.00	7,570,000
Various Purposes	2017	1,331,780	February, 2032	2.00-3.00	1,185,000
Various Purposes	2018	1,616,700	December, 2032	2.25-3.00	1,525,000
Various Purposes	2019	640,000	May, 2034	3.00-5.00	640,000
Refunding Bond	2019	4,585,000	May, 2030	5.00	4,585,000
					<u>\$ 32,325,000</u>

Interest expenditures of \$1,031,081 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$1,012,179 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, 2019 was \$1,078,775.

Interest expenditures of \$72,869 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$68,817 was recorded in the government-wide financial statements for governmental activities.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded and installment purchase debt outstanding as of May 31, 2019, including interest payments of \$10,176,197 are as follows:

Year Ending May 31,	General Obligation Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,955,000	\$ 1,075,666	\$ 191,027	\$ 61,903	\$ 2,146,027	\$ 1,137,569
2021	2,025,000	1,011,585	202,661	50,270	2,227,661	1,061,855
2022	2,085,000	943,197	215,003	37,928	2,300,003	981,125
2023	2,065,000	874,575	228,097	24,834	2,293,097	899,409
2024	2,125,000	806,569	241,987	10,943	2,366,987	817,512
2025-2029	9,965,000	2,947,433	-	-	9,965,000	2,947,433
2030-2034	6,870,000	1,496,769	-	-	6,870,000	1,496,769
2035-2039	3,460,000	639,800	-	-	3,460,000	639,800
2040-2044	1,775,000	194,725	-	-	1,775,000	194,725
	<u>\$ 32,325,000</u>	<u>\$ 9,990,319</u>	<u>\$ 1,078,775</u>	<u>\$ 185,878</u>	<u>\$ 33,403,775</u>	<u>\$ 10,176,197</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.

Advance Refunding

During the 2019 fiscal year, the Village issued \$4,585,000 in serial bonds with interest at 5.0%. The proceeds were used to advance refund \$2,795,000 of outstanding 2009A various purposes serial bonds bearing interest at 4.00% to 4.375% and \$2,455,000 of outstanding 2011 various purposes serial bonds bearing interest at 3.00% to 4.00%. The net proceeds of \$5,307,353 (including \$826,386 of issuance premium and after \$104,033 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the 2009A and 2011 serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$57,353. This amount and the premium are being amortized over the remaining life of the refunded debt. The Village advance refunded the 2009A and 2011 serial bonds to reduce its total debt service payments over 11 years by \$597,738 and to obtain a net present value economic gain of \$542,162.

As of May 31, 2019, \$450,000 of the defeased bonds are still outstanding.

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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2019 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14/41J	15.8%
	4 A15/41J	15.8
	5 A15/41J	13.0
	6 A15/41J	9.3
PFRS	1 384D/3029D	25.5%
	2 384D	24.0
	5 384D	19.4
	6 384D	14.4

At May 31, 2019, the Village reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2019	March 31, 2019
Net pension liability (asset)	\$ 1,394,445	\$ 1,188,485
Villages' proportion of the net pension liability (asset)	0.0196808 %	0.0708670 %
Change in proportion since the prior measurement date	(0.0010032) %	(0.0068839) %

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The net pension liability was measured as of March 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended May 31, 2019, the Village recognized pension expense in the government-wide financial statements of \$862,233 for ERS and \$804,750 for PFRS. Pension expenditures of \$754,338 for ERS and \$642,287 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	ERS	PFRS
General Fund	\$ 644,718	\$ 642,287
Water Fund	107,803	-
Sewer Fund	1,817	-
	<u>\$ 754,338</u>	<u>\$ 642,287</u>

At May 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 274,595	\$ 93,606	\$ 288,716	\$ 126,890
Changes of assumptions	350,506	-	431,808	-
Net difference between projected and actual earnings on pension plan investments	-	357,892	-	238,024
Changes in proportion and differences between Village contributions and proportionate share of contributions	12,447	110,464	102,139	63,986
Village contributions subsequent to the measurement date	124,208	-	108,377	-
	<u>\$ 761,756</u>	<u>\$ 561,962</u>	<u>\$ 931,040</u>	<u>\$ 428,900</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 563,311	\$ 220,496		
Changes of assumptions	782,314	-		
Net difference between projected and actual earnings on pension plan investments	-	595,916		
Changes in proportion and differences between Village contributions and proportionate share of contributions	114,586	174,450		
Village contributions subsequent to the measurement date	232,585	-		
	<u>\$ 1,692,796</u>	<u>\$ 990,862</u>		

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

\$124,208 and \$108,377 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 May 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2020	\$ 252,086	\$ 263,835
2021	(304,578)	(38,800)
2022	(46,227)	8,258
2023	174,305	137,236
2024	-	23,234

The total pension liability for the March 31, 2019 measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	ERS	PFRS
Measurement Date	March 31, 2019	March 31, 2019
Actuarial valuation date	April 1, 2018	April 1, 2018
Investment rate of return	7.0% *	7.0% *
Salary scale	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustments	1.3%	1.3%

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

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	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.

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>\$ 6,096,735</u>	<u>\$ 1,394,445</u>	<u>\$ (2,555,813)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 4,295,006</u>	<u>\$ 1,188,485</u>	<u>\$ (1,405,821)</u>

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 189,803,429,000	\$ 34,128,100,000	\$ 223,931,529,000
Fiduciary net position	182,718,124,000	32,451,037,000	215,169,161,000
Employers' net pension liability	<u>\$ 7,085,305,000</u>	<u>\$ 1,677,063,000</u>	<u>\$ 8,762,368,000</u>
Fiduciary net position as a percentage of total pension liability	<u>96.27%</u>	<u>95.09%</u>	<u>96.09%</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, 2019 represent the employer contribution for the period of April 1, 2019 through May 31, 2019 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly. Accrued retirement contributions to ERS and PFRS as of May 31, 2019 were \$124,208 and \$108,377, 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 Award Program

The Village's financial statements are for the year ended May 31, 2019. 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, 2018, which is the most recent program year for which complete information is available. The Program is accounted for in the Village's financial statements within the General Fund - Fire Service Award Program – sub-fund.

Plan description

The Village 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 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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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, 2018 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefit payments	34
Inactive participants entitled to but not yet receiving benefit payments	8
Active participants	<u>66</u>
Total	<u><u>108</u></u>

Contributions

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

Measurement of Total Pension Liability

The total pension liability at the December 31, 2018 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2018 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.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 3.64%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018. 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 12/31/2017 measurement date	\$1,869,544
Service Cost	79,926
Interest	60,698
Changes of assumptions or other inputs	(132,769)
Differences between expected and actual experience	5,233
Benefit Payments	(57,280)
	<u>Balance as of 12/31/2018 measurement date</u>
	<u>\$1,825,352</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, 2018 measurement date, calculated using the discount rate of 3.64 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 (2.64 percent) or 1-percentage point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Total Pension Liability	<u>\$ 2,118,973</u>	<u>\$ 1,825,352</u>	<u>\$ 1,589,112</u>

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

For the year ended December 31, 2018, the Village recognized pension expense of \$143,282 in the governmental activities and \$57,700 in the Fire Service Award Program – sub-fund. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,993	\$ -
Changes of assumptions or other inputs	118,462	119,879
Benefit payments & administrative expenses subsequent to the measurement date	24,241	-
	<u>\$ 161,696</u>	<u>\$ 119,879</u>

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

\$24,241 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 May 31, 2020.

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 ,	
2020	\$ 3,419
2021	3,419
2022	3,419
2023	3,419
2024	3,419
Thereafter	481

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 ("OPEB")

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

At May 31, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	56
Active employees	<u>55</u>
	<u>111</u>

The Village's total OPEB liability of \$39,460,524 was measured as of May 31, 2019, and was determined by an actuarial valuation as of June 1, 2017.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the June 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.50%
Discount rate	3.51%
Healthcare cost trend rates	8.0% for 2019, decreasing by up to 1.0% per year to an ultimate rate of 5.0% for 2021 and later years
Retirees' share of benefit-related costs	Varies from 10% to 100%, depending on applicable retirement year and bargaining unit

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

Mortality rates were based on the RPH-2014 Total Dataset mortality table projected fully generationally using projection scale MP-2017.

The actuarial assumptions used in the June 1, 2017 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2010 to March 31, 2015 experience study released by the Retirement Systems Actuary and published in their August 2015 report.

The Village's change in the total OPEB liability for the year ended May 31, 2019 is as follows:

Total OPEB Liability - Beginning of Year	\$ 36,744,040
Service Cost	736,786
Interest	1,396,140
Change in assumptions or other inputs	1,685,609
Benefit payments	<u>(1,102,051)</u>
Total OPEB Liability - End of Year	<u><u>\$ 39,460,524</u></u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.51%) or 1 percentage point higher (4.51%) than the current discount rate:

	1% Decrease (2.51%)	Current Assumption (3.51%)	1% Increase (4.51%)
Total OPEB Liability	<u><u>\$ 46,759,137</u></u>	<u><u>\$ 39,460,524</u></u>	<u><u>\$ 33,717,703</u></u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (7.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 33,006,706</u>	<u>\$ 39,460,524</u>	<u>\$ 47,869,579</u>

For the year ended May 31, 2019, the Village recognized OPEB expense of \$2,338,238 in the government-wide financial statements. At May 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 1,480,297	\$ -
Differences between expected and actual experience	-	-
	<u>\$ 1,480,297</u>	<u>\$ -</u>

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

Year Ended March 31,	
2020	\$ 205,312
2021	205,312
2022	205,312
2023	205,312
2024	205,312
Thereafter	453,737

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, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In			Total
	General Fund	Debt Service Fund	Capital Projects Fund	
General Fund	\$ -	\$ 2,417,532	\$ 914,876	\$ 3,332,408
Water Fund	-	1,033,865	100,000	1,133,865
Debt Service Fund	372,386	-	-	372,386
Capital Projects Fund	-	22,099	-	22,099
Non-Major Governmental Funds	-	111,532	-	111,532
	<u>\$ 372,386</u>	<u>\$ 3,585,028</u>	<u>\$ 1,014,876</u>	<u>\$ 4,972,290</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 Fund, for unspent transfers 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 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, 2019

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2019						2018					
	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	\$ 4,819	\$ -	\$ -	\$ -	\$ -	\$ 4,819	\$ 3,764	\$ -	\$ -	\$ -	\$ -	\$ 3,764
Advances	-	-	-	-	-	-	236,623	-	-	-	-	236,623
Total Nonspendable	4,819	-	-	-	-	4,819	240,387	-	-	-	-	240,387
Restricted												
Employee benefits	581,217	6,664	-	-	-	587,881	651,567	15,215	-	-	-	666,782
Future capital projects	-	-	-	-	-	-	-	78,636	-	-	-	78,636
Pension benefit	1,149,154	-	-	-	-	1,149,154	1,159,586	-	-	-	-	1,159,586
Debt service	-	-	229,473	-	-	229,473	-	-	94,712	-	-	94,712
Debt service - for subsequent year's expenditures	-	-	70,000	-	-	70,000	-	-	372,386	-	-	372,386
Capital projects	-	-	-	2,975,164	-	2,975,164	-	-	-	3,532,046	-	3,532,046
Parklands	-	-	-	-	738,608	738,608	-	-	-	-	750,647	750,647
Trusts	-	-	-	-	128	128	-	-	-	-	128	128
Total Restricted	1,730,371	6,664	299,473	2,975,164	738,736	5,750,408	1,811,153	93,851	467,098	3,532,046	750,775	6,654,923
Assigned												
Purchases on order												
General government support	47,061	-	-	-	-	47,061	34,714	-	-	-	-	34,714
Public safety	82,690	-	-	-	-	82,690	29,977	-	-	-	-	29,977
Health	15,477	-	-	-	-	15,477	11,846	-	-	-	-	11,846
Transportation	19,644	-	-	-	-	19,644	13,799	-	-	-	-	13,799
Culture and recreation	4,309	-	-	-	-	4,309	13,327	-	-	-	-	13,327
Home and community services	29,410	-	-	-	-	29,410	18,046	49,012	-	-	-	67,058
Employee benefits	318	-	-	-	-	318	-	-	-	-	-	-
	198,909	-	-	-	-	198,909	121,709	49,012	-	-	-	170,721
Subsequent year's expenditures	125,000	-	-	-	-	125,000	102,000	-	-	-	-	102,000
Future retirement expenditures	311,376	-	-	-	-	311,376	311,376	30,300	-	-	-	341,676
Water	-	-	-	-	-	-	-	354,714	-	-	-	354,714
Total Assigned	635,285	-	-	-	-	635,285	535,085	434,026	-	-	-	969,111
Unassigned	5,602,091	(136,248)	-	-	(42,666)	5,423,177	5,154,698	-	-	-	(150,956)	5,003,742
Total Unassigned	5,602,091	(136,248)	-	-	(42,666)	5,423,177	5,154,698	-	-	-	(150,956)	5,003,742
Total Fund Balances	\$ 7,972,666	\$ (129,584)	\$ 299,473	\$ 2,975,164	\$ 696,070	\$ 11,813,689	\$ 7,741,323	\$ 527,877	\$ 467,098	\$ 3,532,046	\$ 599,819	\$ 12,868,163

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 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, 2019, 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 Water fund represents the deficit in the Water Fund. 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 Changes in the Village's Total OPEB Liability and Related Ratios Last Ten Fiscal Years (1) (2)

	<u>2019</u>
Total OPEB Liability:	
Service cost	\$ 736,786
Interest	1,396,140
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	1,685,609
Benefit payments	<u>(1,102,051)</u>
Net Change in Total OPEB Liability	2,716,484
Total OPEB Liability – Beginning of Year	<u>36,744,040 (3)</u>
Total OPEB Liability – End of Year	<u><u>\$ 39,460,524</u></u>
Village's covered-employee payroll	<u><u>\$ 1,978,375</u></u>
Total OPEB liability as a percentage of covered-employee payroll	<u><u>1995%</u></u>

Notes to Schedule:

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

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

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

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)

	2019	2018	2017	2016
Village's proportion of the net pension liability	<u>0.0196808%</u>	<u>0.0206840%</u>	<u>0.0205204%</u>	<u>0.0200875%</u>
Village's proportionate share of the net pension liability	<u>\$ 1,394,445</u>	<u>\$ 667,565</u>	<u>\$ 1,928,144</u>	<u>\$ 3,224,099</u>
Village's covered payroll	<u>\$ 5,173,650</u>	<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>26.95%</u>	<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>96.27%</u>	<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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 757,401	\$ 773,967	\$ 742,631	\$ 851,684
Contributions in relation to the contractually required contribution	<u>(757,401)</u>	<u>(773,967)</u>	<u>(742,631)</u>	<u>(851,684)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 5,106,990</u>	<u>\$ 5,168,567</u>	<u>\$ 4,981,026</u>	<u>\$ 4,810,512</u>
Contributions as a percentage of covered payroll	<u>14.83%</u>	<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)

	2019	2018	2017	2016
Village's proportion of the net pension liability	<u>0.0708670%</u>	<u>0.0777509%</u>	<u>0.0758163%</u>	<u>0.0798780%</u>
Village's proportionate share of the net pension liability	<u>\$ 1,188,485</u>	<u>\$ 785,873</u>	<u>\$ 1,571,408</u>	<u>\$ 2,365,019</u>
Village's covered payroll	<u>\$ 3,849,777</u>	<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 payroll	<u>30.87%</u>	<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>95.09%</u>	<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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 649,105	\$ 703,784	\$ 675,384	\$ 627,862
Contributions in relation to the contractually required contribution	<u>(649,105)</u>	<u>(703,784)</u>	<u>(675,384)</u>	<u>(627,862)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 2,904,160</u>	<u>\$ 2,777,635</u>	<u>\$ 2,826,988</u>	<u>\$ 2,827,318</u>
Contributions as a percentage of covered payroll	<u>22.35%</u>	<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 Award Program Last Ten Fiscal Years

	2019	2018
Total Pension Liability		
Service Cost	\$ 79,926	\$ 71,769
Interest	60,698	61,926
Changes of assumptions or other inputs	(132,769)	146,667
Differences between expected and actual experience	5,233	17,665
Benefit payments	(57,280)	(51,740)
Net Change in total pension liability	(44,192)	246,287
Total pension liability – beginning	1,869,544	1,623,257
Total pension liability – ending	<u>\$ 1,825,352</u>	<u>\$ 1,869,544</u>
Covered payroll	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A

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, 2017: 3.16%

December 31, 2018: 3.64%

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, 2019
(With Comparative Actuals for 2018)

	General	Fire Service Award Program	Totals	
			2019	2018
ASSETS				
Cash and equivalents	\$ 4,912,749	\$ 40,122	\$ 4,952,871	\$ 2,571,303
Investments	-	1,103,741	1,103,741	1,124,616
Taxes receivable, net of allowance for uncollectible amounts of \$164,271 in 2019 and \$144,026 in 2018	55,010	-	55,010	39,297
Other receivables				
Accounts	584,628	5,291	589,919	81,693
State and Federal aid	27,912	-	27,912	49,486
Due from other governments	309,565	-	309,565	328,295
Due from other funds	3,077,956	-	3,077,956	5,210,271
Advances to other funds	-	-	-	236,623
Prepaid expenditures	4,819	-	4,819	3,764
Total Assets	<u>\$ 8,972,639</u>	<u>\$ 1,149,154</u>	<u>\$ 10,121,793</u>	<u>\$ 9,645,348</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 745,597	\$ -	\$ 745,597	\$ 590,650
Accrued liabilities	464,850	-	464,850	420,575
Due to other funds	223,866	-	223,866	263,660
Due to other governments	18,872	-	18,872	-
Unearned revenues	654,974	-	654,974	593,134
Total Liabilities	2,108,159	-	2,108,159	1,868,019
Deferred inflows of resources				
Deferred tax revenues	41,068	-	41,068	36,006
Total Liabilities and Deferred Inflows of Resources	<u>2,149,227</u>	<u>-</u>	<u>2,149,227</u>	<u>1,904,025</u>
Fund balances				
Nonspendable	4,819	-	4,819	240,387
Restricted	581,217	1,149,154	1,730,371	1,811,153
Assigned	635,285	-	635,285	535,085
Unassigned	5,602,091	-	5,602,091	5,154,698
Total Fund Balances	<u>6,823,412</u>	<u>1,149,154</u>	<u>7,972,566</u>	<u>7,741,323</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,972,639</u>	<u>\$ 1,149,154</u>	<u>\$ 10,121,793</u>	<u>9,645,348</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, 2019

(With Comparative Actuals for 2018)

		Fire Service Award Program		Totals	
	General		Eliminations	2019	2018
REVENUES					
Real property taxes	\$ 11,542,729	\$ -	\$ -	\$ 11,542,729	\$ 11,474,834
Other tax items	34,901	-	-	34,901	34,165
Non-property taxes	1,558,739	-	-	1,558,739	1,568,708
Departmental income	4,895,363	103,348	(103,348)	4,895,363	4,562,884
Net change in fair value of investments	-	(89,477)	-	(89,477)	83,015
Use of money and property	207,236	33,397	-	240,633	204,043
Licenses and permits	201,507	-	-	201,507	228,883
Fines and forfeitures	333,935	-	-	333,935	316,976
Sale of property and compensation for loss	52,907	-	-	52,907	125,441
Interfund revenues	490,000	-	-	490,000	490,000
State aid	190,157	-	-	190,157	257,657
Federal aid	109,117	-	-	109,117	118,393
Miscellaneous	30,192	-	-	30,192	1,560
Total Revenues	19,646,783	47,268	(103,348)	19,590,703	19,466,559
EXPENDITURES					
Current					
General government support	3,368,792	-	-	3,368,792	3,427,261
Public safety	3,863,265	57,700	-	3,920,965	4,142,491
Health	488,976	-	-	488,976	471,548
Transportation	2,087,840	-	-	2,087,840	1,860,734
Economic opportunity and development	73,757	-	-	73,757	60,511
Culture and recreation	923,731	-	-	923,731	1,133,096
Home and community services	1,021,775	-	-	1,021,775	1,051,803
Employee benefits	4,651,527	-	(103,348)	4,548,179	4,565,574
Debt Service					
Principal	-	-	-	-	-
Interest	7,693	-	-	7,693	13,201
Total Expenditures	16,487,356	57,700	(103,348)	16,441,708	16,726,219
Excess (Deficiency) of Revenues Over Expenditures	3,159,427	(10,432)	-	3,148,995	2,740,340
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	42,270	-	-	42,270	46,399
Transfers in	372,386	-	-	372,386	50,761
Transfers out	(3,332,408)	-	-	(3,332,408)	(4,552,385)
Total Other Financing Uses	(2,917,752)	-	-	(2,917,752)	(4,455,225)
Net Change in Fund Balances	241,675	(10,432)	-	231,243	(1,714,885)
FUND BALANCES					
Beginning of Year	6,581,737	1,159,586	-	7,741,323	9,456,208
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-
Beginning of Year, as restated	6,581,737	1,159,586	-	7,741,323	9,456,208
End of Year	\$ 6,823,412	\$ 1,149,154	\$ -	\$ 7,972,566	\$ 7,741,323

See independent auditors' report.

Village of Croton-on-Hudson, New York

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

	2019	2018
ASSETS		
Cash and equivalents	\$ 4,912,749	\$ 2,540,699
Taxes receivable, net of allowance for uncollectible amounts of \$164,271 in 2019 and \$144,026 in 2018	55,010	39,297
Other receivables		
Accounts	584,628	77,327
State and Federal aid	27,912	49,486
Due from other governments	309,565	328,295
Due from other funds	3,077,956	5,210,271
Advances to other funds	-	236,623
	4,000,061	5,902,002
Prepaid expenditures	4,819	3,764
Total Assets	<u>\$ 8,972,639</u>	<u>\$ 8,485,762</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 745,597	\$ 590,650
Accrued liabilities	464,850	420,575
Due to other funds	223,866	263,660
Due to other governments	18,872	-
Unearned revenues	654,974	593,134
Total Liabilities	2,108,159	1,868,019
Deferred inflows of resources		
Deferred tax revenues	41,068	36,006
Total Liabilities and Deferred Inflows of Resources	2,149,227	1,904,025
Fund balance		
Nonspendable	4,819	240,387
Restricted	581,217	651,567
Assigned	635,285	535,085
Unassigned	5,602,091	5,154,698
Total Fund Balance	6,823,412	6,581,737
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 8,972,639</u>	<u>\$ 8,485,762</u>

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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 11,572,437	\$ 11,572,437	\$ 11,542,729	\$ (29,708)
Other tax items	40,001	40,001	34,901	(5,100)
Non-property taxes	1,415,000	1,415,000	1,558,739	143,739
Departmental income	4,587,936	4,646,027	4,895,363	249,336
Use of money and property	142,500	142,500	207,236	64,736
Licenses and permits	162,000	162,000	201,507	39,507
Fines and forfeitures	300,000	300,000	333,935	33,935
Sale of property and compensation for loss	22,500	22,500	52,907	30,407
Interfund revenues	490,000	490,000	490,000	-
State aid	192,347	192,347	190,157	(2,190)
Federal aid	-	105,682	109,117	3,435
Miscellaneous	-	-	30,192	30,192
Total Revenues	18,924,721	19,088,494	19,646,783	558,289
EXPENDITURES				
Current				
General government support	3,656,323	3,437,133	3,368,792	68,341
Public safety	3,741,246	3,977,462	3,863,265	114,197
Health	403,702	507,173	488,976	18,197
Transportation	2,805,582	2,198,571	2,087,840	110,731
Economic opportunity and development	69,713	74,213	73,757	456
Culture and recreation	889,844	937,378	923,731	13,647
Home and community services	465,347	1,061,225	1,021,775	39,450
Employee benefits	4,819,561	4,845,157	4,651,527	193,630
Debt service				
Interest	7,693	7,693	7,693	-
Total Expenditures	16,859,011	17,046,005	16,487,356	558,649
Excess of Revenues Over Expenditures	2,065,710	2,042,489	3,159,427	1,116,938
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	33,635	42,270	8,635
Transfers in	372,386	372,386	372,386	-
Transfers out	(2,661,805)	(3,332,408)	(3,332,408)	-
Total Other Financing Uses	(2,289,419)	(2,926,387)	(2,917,752)	8,635
Net Change in Fund Balance	(223,709)	(883,898)	241,675	1,125,573
FUND BALANCE				
Beginning of Year	223,709	883,898	6,581,737	5,697,839
End of Year	\$ -	\$ -	\$ 6,823,412	\$ 6,823,412

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 11,487,056	\$ 11,487,056	\$ 11,474,834	\$ (12,222)
45,001	45,001	34,165	(10,836)
1,415,000	1,415,000	1,568,708	153,708
4,349,606	4,394,579	4,562,884	168,305
142,500	146,875	175,937	29,062
164,250	164,250	228,883	64,633
250,000	250,000	316,976	66,976
23,000	23,000	125,441	102,441
490,000	490,000	490,000	-
185,347	188,347	257,657	69,310
-	113,800	118,393	4,593
-	2,241	1,560	(681)
18,551,760	18,720,149	19,355,438	635,289
3,451,616	3,478,832	3,427,261	51,571
3,836,483	4,333,353	4,090,331	243,022
413,400	489,147	471,548	17,599
2,452,117	1,919,131	1,860,734	58,397
62,988	60,788	60,511	277
1,143,697	1,156,145	1,133,096	23,049
478,205	1,073,867	1,051,803	22,064
4,644,722	4,722,674	4,678,642	44,032
8,827	13,202	13,201	1
16,492,055	17,247,139	16,787,127	460,012
2,059,705	1,473,010	2,568,311	1,095,301
-	22,885	46,399	23,514
50,000	50,000	50,761	761
(2,647,087)	(4,552,385)	(4,552,385)	-
(2,597,087)	(4,479,500)	(4,455,225)	24,275
(537,382)	(3,006,490)	(1,886,914)	1,119,576
537,382	3,006,490	8,468,651	5,462,161
\$ -	\$ -	\$ 6,581,737	\$ 6,581,737

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, 2019
 (With Comparative Actuals for 2018)

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
REAL PROPERTY TAXES	<u>\$ 11,572,437</u>	<u>\$ 11,572,437</u>	<u>\$ 11,542,729</u>	<u>\$ (29,708)</u>	<u>\$ 11,474,834</u>
OTHER TAX ITEMS					
Interest and penalties on real property taxes	<u>40,001</u>	<u>40,001</u>	<u>34,901</u>	<u>(5,100)</u>	<u>34,165</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	1,155,000	1,155,000	1,282,032	127,032	1,298,079
Franchise fees	150,000	150,000	158,396	8,396	156,923
Utilities gross receipts taxes	<u>110,000</u>	<u>110,000</u>	<u>118,311</u>	<u>8,311</u>	<u>113,706</u>
	<u>1,415,000</u>	<u>1,415,000</u>	<u>1,558,739</u>	<u>143,739</u>	<u>1,568,708</u>
DEPARTMENTAL INCOME					
Garbage removal	50,000	50,000	57,125	7,125	58,750
Parks and recreation charges	258,000	258,424	302,066	43,642	285,593
Ambulance service	286,043	286,043	300,271	14,228	294,367
Planning Board fees	4,000	4,000	4,975	975	6,300
Zoning fees	4,000	4,000	6,500	2,500	4,000
Fire protection services for other governments	283,251	283,251	283,251	-	287,284
Parking permits	3,685,500	3,686,266	3,860,855	174,589	3,593,544
Other	<u>17,142</u>	<u>74,043</u>	<u>80,320</u>	<u>6,277</u>	<u>33,046</u>
	<u>4,587,936</u>	<u>4,646,027</u>	<u>4,895,363</u>	<u>249,336</u>	<u>4,562,884</u>

USE OF MONEY AND PROPERTY

Earnings on investments	20,000	20,000	55,970	35,970	27,246
Rental of real property	122,500	122,500	151,266	28,766	148,691

	142,500	142,500	207,236	64,736	175,937
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LICENSES AND PERMITS

Business and occupational licenses	7,000	7,000	9,590	2,590	12,560
Building permits	85,000	85,000	104,694	19,694	96,274
Dog license apportionment	3,500	3,500	4,612	1,112	5,032
Permit fees	66,500	66,500	82,611	16,111	115,017

	162,000	162,000	201,507	39,507	228,883
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FINES AND FORFEITURES

Fines and forfeited bail	300,000	300,000	333,935	33,935	316,976
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**SALE OF PROPERTY AND COMPENSATION
FOR LOSS**

Sale of equipment	-	-	15,874	15,874	3,150
Minor sales	16,000	16,000	18,203	2,203	17,932
Other	6,500	6,500	18,830	12,330	104,359

	22,500	22,500	52,907	30,407	125,441
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INTERFUND REVENUES

	490,000	490,000	490,000	-	490,000
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STATE AID

Per capita	45,347	45,347	45,347	-	45,347
Mortgage tax	110,000	110,000	120,452	10,452	151,316
Youth programs	-	-	2,934	2,934	2,964
Snow and ice reimbursement	37,000	37,000	19,624	(17,376)	47,263
Other	-	-	1,800	1,800	10,767

	192,347	192,347	190,157	(2,190)	257,657
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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, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
FEDERAL AID					
Public health	\$ -	\$ 105,172	\$ 105,173	\$ 1	\$ 113,800
Selective enforcement	-	510	3,944	3,434	4,593
	-	105,682	109,117	3,435	118,393
MISCELLANEOUS					
Refund of prior year's expenditures	-	-	29,989	29,989	1,560
Gifts and donations	-	-	203	203	-
	-	-	30,192	30,192	1,560
TOTAL REVENUES	18,924,721	19,088,494	19,646,783	558,289	19,355,438
OTHER FINANCING SOURCES					
Insurance recoveries	-	33,635	42,270	8,635	46,399
Transfers in					
Capital Projects Fund	-	-	-	-	761
Debt Service Fund	372,386	372,386	372,386	-	50,000
TOTAL OTHER FINANCING SOURCES	372,386	406,021	414,656	8,635	97,160
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 19,297,107	\$ 19,494,515	\$ 20,061,439	\$ 566,924	\$ 19,452,598

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, 2019

(With Comparative Actuals for 2018)

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 27,100	\$ 25,522	\$ 25,515	\$ 7	\$ 25,874
Justice	274,884	268,784	267,958	826	297,721
Mayor	7,900	5,801	5,422	379	5,860
Clerk - Treasurer	367,974	383,520	381,291	2,229	357,138
Assessment	11,116	14,216	14,097	119	10,695
Manager	250,142	262,602	262,303	299	261,242
Data processing	259,857	258,397	250,317	8,080	250,619
Law	192,058	142,059	140,009	2,050	235,841
Engineer	497,823	559,421	551,043	8,378	502,921
Operation of plant and buildings	138,165	244,276	232,187	12,089	164,199
Auditor	41,108	41,137	40,685	452	40,138
Central garage	572,685	541,541	519,555	21,986	480,977
Central communications	301,761	291,853	280,785	11,068	279,532
Unallocated insurance	307,368	302,378	302,369	9	327,634
Municipal association dues	9,307	11,477	11,477	-	8,569
Judgments and claims	2,000	-	-	-	-
Refunds of real property taxes	50,000	29,470	29,470	-	126,645
Taxes and assessments on property	28,990	25,690	25,671	19	22,257
Tax advertising	350	350	-	350	289
Metropolitan transportation authority commuter mobility tax	27,435	28,639	28,638	1	29,110
Contingent account	288,300	-	-	-	-
	<u>3,656,323</u>	<u>3,437,133</u>	<u>3,368,792</u>	<u>68,341</u>	<u>3,427,261</u>

PUBLIC SAFETY

Police	3,308,471	3,404,313	3,379,657	24,656	3,590,427
Jail	1,000	1,000	-	1,000	750
Fire Department	391,276	525,220	446,311	78,909	474,968
Control of animals	11,525	13,197	10,502	2,695	9,797
Traffic control	28,974	33,732	26,795	6,937	14,389
	<u>3,741,246</u>	<u>3,977,462</u>	<u>3,863,265</u>	<u>114,197</u>	<u>4,090,331</u>

HEALTH

Registrar of Vital Statistics	5,100	5,800	5,800	-	4,070
Public health	11,024	112,375	101,347	11,028	109,576
Ambulance	387,578	388,998	381,829	7,169	357,902
	<u>403,702</u>	<u>507,173</u>	<u>488,976</u>	<u>18,197</u>	<u>471,548</u>

TRANSPORTATION

Street maintenance and administration	2,173,201	1,429,226	1,350,707	78,519	1,083,617
Snow removal	223,394	320,675	309,751	10,924	320,228
Street lighting	14,305	21,683	17,443	4,240	26,523
Off-street parking	359,982	366,275	358,563	7,712	375,411
Brush and weeds	34,700	60,712	51,376	9,336	54,955
	<u>2,805,582</u>	<u>2,198,571</u>	<u>2,087,840</u>	<u>110,731</u>	<u>1,860,734</u>

**ECONOMIC OPPORTUNITY AND
DEVELOPMENT**

Publicity	<u>69,713</u>	<u>74,213</u>	<u>73,757</u>	<u>456</u>	<u>60,511</u>
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CULTURE AND RECREATION

Parks, playgrounds and recreation	781,304	818,143	805,636	12,507	1,021,941
Historian	7,070	4,670	4,549	121	2,152
Celebrations	30,000	36,420	35,422	998	40,570
Community center	-	3,845	3,834	11	131
Senior citizens programs	71,470	74,300	74,290	10	68,302
	<u>889,844</u>	<u>937,378</u>	<u>923,731</u>	<u>13,647</u>	<u>1,133,096</u>

(Continued)

Village of Croton-on-Hudson, New York

General Fund - Sub-Fund

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

Year Ended May 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
HOME AND COMMUNITY SERVICES					
Zoning	\$ 3,650	\$ 3,650	\$ 2,375	\$ 1,275	\$ 1,982
Planning	21,160	23,759	20,052	3,707	10,572
Recycling program	156,950	436,146	431,932	4,214	450,302
Sanitary and storm sewers	28,000	74,343	62,881	11,462	56,565
Refuse and garbage	142,376	339,032	336,701	2,331	327,068
Street cleaning	7,533	25,431	24,668	763	39,370
Shade trees	57,133	112,372	100,201	12,171	127,009
Community beautification	37,000	35,927	35,853	74	31,498
Other	11,545	10,565	7,112	3,453	7,437
	<u>465,347</u>	<u>1,061,225</u>	<u>1,021,775</u>	<u>39,450</u>	<u>1,051,803</u>
EMPLOYEE BENEFITS					
State retirement	675,016	675,289	644,718	30,571	703,929
State retirement - Police and Fire	694,074	694,074	642,287	51,787	703,784
Service awards program	103,350	103,350	103,348	2	113,068
Social security	476,305	479,488	470,595	8,893	485,375
Workers' compensation benefits	383,250	383,250	334,511	48,739	366,566
Life insurance	8,692	8,692	8,308	384	8,269
Health insurance	2,168,747	2,168,747	2,126,212	42,535	1,989,997
Dental insurance	105,241	105,241	100,155	5,086	93,299
Medicare reimbursement	195,386	217,526	216,799	727	204,806
Unemployment benefits	9,500	9,500	4,594	4,906	9,549
	<u>4,819,561</u>	<u>4,845,157</u>	<u>4,651,527</u>	<u>193,630</u>	<u>4,678,642</u>

DEBT SERVICE

Interest

Bond anticipation notes	<u>7,693</u>	<u>7,693</u>	<u>7,693</u>	<u>-</u>	<u>13,201</u>
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TOTAL EXPENDITURES

	<u>16,859,011</u>	<u>17,046,005</u>	<u>16,487,356</u>	<u>558,649</u>	<u>16,787,127</u>
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OTHER FINANCING USES

Transfers out

Capital Projects Fund	244,273	914,876	914,876	-	2,125,992
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Debt Service Fund	<u>2,417,532</u>	<u>2,417,532</u>	<u>2,417,532</u>	<u>-</u>	<u>2,426,393</u>
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TOTAL OTHER FINANCING USES

	<u>2,661,805</u>	<u>3,332,408</u>	<u>3,332,408</u>	<u>-</u>	<u>4,552,385</u>
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**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

	<u>\$ 19,520,816</u>	<u>\$ 20,378,413</u>	<u>\$ 19,819,764</u>	<u>\$ 558,649</u>	<u>\$ 21,339,512</u>
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See independent auditors' report.

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Village of Croton-on-Hudson, New York

Water Fund
Comparative Balance Sheet
May 31,

	2019	2018
ASSETS		
Cash and equivalents	\$ 10,096	\$ 136,525
Receivables		
Water rents	597,438	617,088
Due from other funds	13,075	232,349
	610,513	849,437
Total Assets	\$ 620,609	\$ 985,962
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 18,841	\$ 37,624
Accrued liabilities	26,935	24,658
Due to other funds	704,417	395,803
Total Liabilities	750,193	458,085
Fund balance (deficit)		
Restricted	6,664	93,851
Assigned	-	434,026
Unassigned	(136,248)	-
Total Fund Balance (Deficit)	(129,584)	527,877
Total Liabilities and Fund Balance (Deficit)	\$ 620,609	\$ 985,962

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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 3,042,759	\$ 3,042,759	\$ 2,352,222	\$ (690,537)
Use of money and property	-	-	4,149	4,149
Sale of property and compensation for loss	-	-	-	-
Total Revenues	3,042,759	3,042,759	2,356,371	(686,388)
EXPENDITURES				
Current				
General government support	387,725	298,010	268,426	29,584
Home and community services	1,338,174	1,408,174	1,286,239	121,935
Employee benefits	332,007	352,007	325,302	26,705
Total Expenditures	2,057,906	2,058,191	1,879,967	178,224
Excess of Revenues Over Expenditures	984,853	984,568	476,404	(508,164)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,033,865)	(1,133,865)	(1,133,865)	-
Total Other Financing Uses	(1,033,865)	(1,133,865)	(1,133,865)	-
Net Change in Fund Balance	(49,012)	(149,297)	(657,461)	(508,164)
FUND BALANCE (DEFICIT)				
Beginning of Year	49,012	149,297	527,877	378,580
End of Year	\$ -	\$ -	\$ (129,584)	\$ (129,584)

See independent auditors' report.

2018

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

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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, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
DEPARTMENTAL INCOME					
Metered water sales	\$ 3,022,759	\$ 3,022,759	\$ 2,326,322	\$ (696,437)	\$ 2,928,387
Interest and penalties on water rents	20,000	20,000	25,900	5,900	26,577
	<u>3,042,759</u>	<u>3,042,759</u>	<u>2,352,222</u>	<u>(690,537)</u>	<u>2,954,964</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	-	-	4,149	4,149	2,814
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Insurance recoveries	-	-	-	-	1,181
TOTAL REVENUES	<u>3,042,759</u>	<u>3,042,759</u>	<u>2,356,371</u>	<u>(686,388)</u>	<u>2,958,959</u>
OTHER FINANCING SOURCES					
Transfers in - Capital Projects Fund	-	-	-	-	4,292
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 3,042,759</u>	<u>\$ 3,042,759</u>	<u>\$ 2,356,371</u>	<u>\$ (686,388)</u>	<u>\$ 2,963,251</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, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
GENERAL GOVERNMENT SUPPORT					
Central communications	\$ 179,872	\$ 180,099	\$ 153,693	\$ 26,406	\$ 167,186
Auditor	8,500	8,558	8,506	52	8,916
Unallocated insurance	99,909	99,909	98,014	1,895	73,861
Taxes and assessments on property	9,444	9,444	8,213	1,231	6,203
Contingent account	90,000	-	-	-	-
	<u>387,725</u>	<u>298,010</u>	<u>268,426</u>	<u>29,584</u>	<u>256,166</u>
HOME AND COMMUNITY SERVICES					
Water administration	586,709	587,423	574,544	12,879	579,518
Pumping, supply and power	188,921	235,847	168,457	67,390	188,553
Transmission and distribution	562,544	584,904	543,238	41,666	539,543
	<u>1,338,174</u>	<u>1,408,174</u>	<u>1,286,239</u>	<u>121,935</u>	<u>1,307,614</u>
EMPLOYEE BENEFITS					
State retirement	106,716	116,716	107,803	8,913	66,958
Social security	35,194	35,194	34,155	1,039	36,951
Workers' compensation benefits	63,520	63,520	55,451	8,069	60,748
Life insurance	624	624	624	-	624
Health and dental insurance	117,722	123,722	118,701	5,021	120,941
Medicare reimbursement	8,231	12,231	8,568	3,663	8,795
	<u>332,007</u>	<u>352,007</u>	<u>325,302</u>	<u>26,705</u>	<u>295,017</u>
TOTAL EXPENDITURES	<u>2,057,906</u>	<u>2,058,191</u>	<u>1,879,967</u>	<u>178,224</u>	<u>1,858,797</u>

OTHER FINANCING USES

Transfers out

Capital Projects Fund	-	100,000	100,000	-	150,000
Debt Service Fund	<u>1,033,865</u>	<u>1,033,865</u>	<u>1,033,865</u>	<u>-</u>	<u>1,040,602</u>

TOTAL OTHER FINANCING USES

<u>1,033,865</u>	<u>1,133,865</u>	<u>1,133,865</u>	<u>-</u>	<u>1,190,602</u>
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**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

<u>\$ 3,091,771</u>	<u>\$ 3,192,056</u>	<u>\$ 3,013,832</u>	<u>\$ 178,224</u>	<u>\$ 3,049,399</u>
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Village of Croton-on-Hudson, New York

Debt Service Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 100,236	\$ 371,596
Due from other funds	<u>347,023</u>	<u>271,967</u>
Total Assets	<u><u>\$ 447,259</u></u>	<u><u>\$ 643,563</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	<u>\$ 147,786</u>	<u>\$ 176,465</u>
Fund balance		
Restricted	<u>299,473</u>	<u>467,098</u>
Total Liabilities and Fund Balance	<u><u>\$ 447,259</u></u>	<u><u>\$ 643,563</u></u>

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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 123,395	\$ 123,395
EXPENDITURES				
Debt service				
Principal				
Serial bonds	2,221,700	2,221,700	2,221,700	-
Installment purchase debt	180,060	180,060	180,060	-
	<u>2,401,760</u>	<u>2,401,760</u>	<u>2,401,760</u>	<u>-</u>
Interest				
Serial bonds	1,088,297	1,088,297	1,031,081	57,216
Installment purchase debt	72,870	72,870	72,869	1
	<u>1,161,167</u>	<u>1,161,167</u>	<u>1,103,950</u>	<u>57,217</u>
Refunding bond issuance costs	-	104,033	104,033	-
Total Expenditures	<u>3,562,927</u>	<u>3,666,960</u>	<u>3,609,743</u>	<u>57,217</u>
Deficiency of Revenues Over Expenditures	<u>(3,562,927)</u>	<u>(3,666,960)</u>	<u>(3,486,348)</u>	<u>180,612</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	4,585,000	4,585,000	-
Payment to refunded bond escrow agent	-	(5,307,353)	(5,307,353)	-
Issuance premium	-	826,386	828,434	2,048
Transfers in	3,562,927	3,562,927	3,585,028	22,101
Transfers out	<u>(372,386)</u>	<u>(372,386)</u>	<u>(372,386)</u>	<u>-</u>
Total Other Financing Sources	<u>3,190,541</u>	<u>3,294,574</u>	<u>3,318,723</u>	<u>24,149</u>
Net Change in Fund Balance	<u>(372,386)</u>	<u>(372,386)</u>	<u>(167,625)</u>	<u>204,761</u>
FUND BALANCE				
Beginning of Year	<u>372,386</u>	<u>372,386</u>	<u>467,098</u>	<u>94,712</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,473</u>	<u>\$ 299,473</u>

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 71,238	\$ 71,238
2,206,780	2,206,780	2,206,780	-
169,726	169,726	169,725	1
2,376,506	2,376,506	2,376,505	1
1,114,822	1,114,823	1,114,822	1
83,206	83,206	83,205	1
1,198,028	1,198,029	1,198,027	2
-	-	-	-
3,574,534	3,574,535	3,574,532	3
(3,574,534)	(3,574,535)	(3,503,294)	71,241
-	-	-	-
-	-	-	-
-	-	-	-
3,574,534	3,574,535	3,598,006	23,471
(50,000)	(50,000)	(50,000)	-
3,524,534	3,524,535	3,548,006	23,471
(50,000)	(50,000)	44,712	94,712
50,000	50,000	422,386	372,386
\$ -	\$ -	\$ 467,098	\$ 467,098

Village of Croton-on-Hudson, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 6,494,248</u>	<u>\$ 9,268,808</u>
Receivables		
Accounts	4,754	4,911
State and Federal aid	153,614	28,614
Due from other funds	<u>252,554</u>	<u>17,798</u>
	<u>410,922</u>	<u>51,323</u>
Total Assets	<u><u>\$ 6,905,170</u></u>	<u><u>\$ 9,320,131</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 556,192	\$ 268,889
Bond anticipation notes payable	754,061	646,434
Due to other funds	2,496,590	4,787,095
Unearned revenues	123,163	-
Advances from other funds	<u>-</u>	<u>85,667</u>
Total Liabilities	3,930,006	5,788,085
Fund balance		
Restricted	<u>2,975,164</u>	<u>3,532,046</u>
Total Liabilities and Fund Balance	<u><u>\$ 6,905,170</u></u>	<u><u>\$ 9,320,131</u></u>

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>2019</u>	<u>2018</u>
REVENUES		
State aid	\$ 461,841	\$ 243,424
Federal aid	<u>12,000</u>	<u>123,741</u>
Total Revenues	473,841	367,165
EXPENDITURES		
Capital outlay	<u>2,737,500</u>	<u>6,957,451</u>
Deficiency of Revenues Over Expenditures	<u>(2,263,659)</u>	<u>(6,590,286)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	640,000	1,616,700
Issuance premium	74,000	-
Transfers in	1,014,876	2,275,992
Transfers out	<u>(22,099)</u>	<u>(28,524)</u>
Total Other Financing Sources	<u>1,706,777</u>	<u>3,864,168</u>
Net Change in Fund Balance	(556,882)	(2,726,118)
FUND BALANCE		
Beginning of Year	<u>3,532,046</u>	<u>6,258,164</u>
End of Year	<u>\$ 2,975,164</u>	<u>\$ 3,532,046</u>

Village of Croton-on-Hudson, New York

Capital Projects Fund
Project-Length Schedule
Inception of Project Through May 31, 2019

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
Grand Street Fire Apron	08164	\$ 744,600	\$ 623,614	\$ 120,986
South Riverside	09175	500,000	94,450	405,550
Water Office Sewer Holding Tank	09177	35,700	8,723	26,977
Nordica Sewer Pump Station	09180	739,500	334,468	405,032
Harmon Firehouse HVAC System Overhaul	09190	20,000	12,419	7,581
Police Headquarters Renovation	09193	1,667,700	1,576,123	91,577
Municipal Building Window Replacement	09194	174,700	166,797	7,903
Stormwater Management-Old Post Road	10205	50,538	46,939	3,599
Cascade System	10208	163,648	161,643	2,005
Traffic/Engineering Study	10211	50,000	47,482	2,518
TEP Grant - Bicycle Ped Improvement	10214	1,536,000	673,701	862,299
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	1,103,458	42,842
Sprinkler System at the Washington Fire House	12237	26,520	4,508	22,012
Security Camera Croton Landing	12242	8,670	7,218	1,452
Planning Studies	12244	80,600	46,900	33,700
Sanitation Truck	13251	267,600	254,150	13,450
Energy Efficiency Upgrades	13254	20,400	17,470	2,930
Washington Engine Fire House Apron/ Water Main Replacement - Water	13261	867,000	859,462	7,538
Water Main Replacement and Extension	13262	9,451,650	8,542,292	909,358
Formation of Additional Parking Spaces	14276	15,300	274	15,026
Electronic Messaging Board	14283	18,360	14,481	3,879
Half Moon Bay Bridge	15287	510,000	5,088	504,912
Service Truck	15290	76,500	72,646	3,854
Replacement Dump Body Truck	15291	10,200	10,149	51
Tire Machine and Balancer	15292	14,280	10,850	3,430
Washington Engine Central A/C	15293	25,500	23,406	2,094
Washington Engine Fire Generator	15294	45,645	19,112	26,533
Washington Engine Upgrades	15295	6,936	6,786	150
Grand Street Upgrades	15296	46,614	26,798	19,816
Harmon Fire Windows	15297	51,000	13,439	37,561
Harmon Fire Upgrades	15298	22,236	22,489	(253)
Uniform Equipment Upgrades	15299	140,862	142,228	(1,366)
Computers and Software Upgrade	15300	25,500	18,555	6,945
Modular Building	15301	61,200	61,123	77
LED Lights	15302	51,000	40,163	10,837
Police Vehicles	15303	61,200	62,476	(1,276)
Fingerprint Upgrade	15304	18,360	18,453	(93)
Shed	15305	20,400	200	20,200
Recreation Vehicle	15307	25,500	21,392	4,108
Replace Damaged Pole - Municipal Building	16314	4,823	5,170	(347)

Proceeds of Obligations	Transfers	State and Federal Aid	Miscellaneous	Total Revenues	Fund Balance (Deficit) at May 31, 2019	Bond Anticipation Notes Out- standing at May 31, 2019
\$ 744,600	\$ -	\$ -	\$ -	\$ 744,600	\$ 120,986	\$ -
-	-	-	94,450	94,450	-	-
35,700	-	-	-	35,700	26,977	-
739,500	-	-	-	739,500	405,032	-
20,000	-	-	-	20,000	7,581	-
1,667,700	-	-	-	1,667,700	91,577	-
171,400	3,300	-	-	174,700	7,903	-
50,000	-	538	-	50,538	3,599	-
112,240	41,616	-	-	153,856	(7,787)	9,792
50,000	-	-	-	50,000	2,518	-
336,000	-	184,213	-	520,213	(153,488)	-
51,000	-	-	-	51,000	30,147	-
61,200	-	-	-	61,200	56,861	-
1,086,300	60,000	-	-	1,146,300	42,842	-
26,520	-	-	-	26,520	22,012	-
8,670	-	-	-	8,670	1,452	-
30,600	50,000	-	-	80,600	33,700	-
183,600	-	84,000	-	267,600	13,450	-
-	20,400	-	-	20,400	2,930	-
867,000	-	-	-	867,000	7,538	-
9,180,000	-	271,650	-	9,451,650	909,358	-
15,300	-	-	-	15,300	15,026	-
-	18,360	-	-	18,360	3,879	-
510,000	-	-	-	510,000	504,912	-
76,500	-	-	-	76,500	3,854	-
-	8,160	-	-	8,160	(1,989)	2,040
-	11,424	-	-	11,424	574	2,856
-	20,400	-	-	20,400	(3,006)	5,100
45,645	-	-	-	45,645	26,533	-
-	5,548	-	-	5,548	(1,238)	1,387
-	37,292	-	-	37,292	10,494	9,323
51,000	-	-	-	51,000	37,561	-
-	17,788	-	-	17,788	(4,701)	4,447
-	99,462	-	-	99,462	(42,766)	41,400
-	20,400	-	-	20,400	1,845	5,100
61,200	-	-	-	61,200	77	-
51,000	-	-	-	51,000	10,837	-
-	48,960	-	-	48,960	(13,516)	12,240
-	14,688	-	-	14,688	(3,765)	3,672
20,400	-	-	-	20,400	20,200	-
-	20,400	-	-	20,400	(992)	5,100
-	3,191	-	-	3,191	(1,979)	1,632

(Continued)

Village of Croton-on-Hudson, New York

Capital Projects Fund
 Project-Length Schedule (Continued)
 Inception of Project Through May 31, 2019

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
4x4 Pickup	16315	\$ 38,760	\$ 39,321	\$ (561)
Low Boy Dump Truck	16316	107,100	102,382	4,718
Thermal Imaging Camera	16319	8,160	8,219	(59)
Integrated Multi-Channel DVS	16321	12,240	11,988	252
Police Vehicle 4WD	16322	38,760	39,148	(388)
Sunset Park/Playground Equipment and Surface	16323	188,700	173,806	14,894
Commercial Lawn Tractor	16325	13,371	13,468	(97)
Manager's Vehicle	16333	30,600	26,780	3,820
Sidewalks and Curbs	17334	156,486	111,518	44,968
DPW Vehicles 2016/17	17335	127,600	129,527	(1,927)
Records Management Software	17338	23,000	22,722	278
Sidewalks and Curbs	18339	306,000	191,809	114,191
DPW Vehicles 2017/18	18340	73,440	71,094	2,346
Engineers Vehicle	18341	32,640	30,802	1,838
WEFH Renovations	18342	204,000	17,723	186,277
Renovation of New Building	18344	744,600	640,970	103,630
Police Vehicle	18345	39,780	37,964	1,816
LPR System Police Department	18346	20,400	20,110	290
DPW Equipment	18348	40,800	40,603	197
NYSERDA LED Lighting	18349	50,000	42,046	7,954
Sidewalks and Curbs General Road	19350	102,000	1,232	100,768
DPW Equipment	19351	437,400	101,843	335,557
SCBA Replacement Plan	19352	80,000	-	80,000
Command Car Replacement	19353	65,000	-	65,000
Demolition of Existing DPW FAC	19354	255,000	233,748	21,252
Engineering Design of Croton Harmon Station Parking Lot	19355	75,000	45,141	29,859
Parking Enforcement Vehicle	19356	35,000	35,000	-
Replacement of Network Server	19357	20,000	19,981	19
Police Replacement Vehicle	19358	42,000	-	42,000
Relocation Water Department Offices	19359	100,000	52,239	47,761
Ambulance Replacement	19360	204,000	4,644	199,356
Triple Combination Pumper	20361	-	5,325	(5,325)
Parking Charging Stations	20362	34,535	23,392	11,143
Lo Boy Dump Truck	20363	49,468	-	49,468
Totals		<u>\$ 22,670,582</u>	<u>\$ 17,496,832</u>	<u>\$ 5,173,750</u>

See independent auditors' report.

Proceeds of Obligations	Transfers	State and Federal Aid	Miscellaneous	Total Revenues	Fund Balance (Deficit) at May 31, 2019	Bond Anticipation Notes Out- standing at May 31, 2019
\$ -	\$ 23,256	\$ -	\$ -	\$ 23,256	\$ (16,065)	\$ 15,504
107,100	-	-	-	107,100	4,718	-
-	4,896	-	-	4,896	(3,323)	3,264
-	7,344	-	-	7,344	(4,644)	2,448
-	23,256	-	-	23,256	(15,892)	15,504
188,700	-	-	-	188,700	14,894	-
-	7,956	-	-	7,956	(5,512)	5,304
-	18,360	-	-	18,360	(8,420)	12,240
102,000	-	54,846	-	156,846	45,328	-
-	52,060	-	-	52,060	(77,467)	78,092
-	9,384	-	-	9,384	(13,338)	14,076
306,000	-	-	-	306,000	114,191	-
-	19,040	-	-	19,040	(52,054)	54,400
-	10,880	-	-	10,880	(19,922)	21,760
204,000	-	-	-	204,000	186,277	-
688,500	56,100	-	-	744,600	103,630	-
-	13,260	-	-	13,260	(24,704)	26,520
-	4,080	-	-	4,080	(16,030)	16,320
-	8,160	-	-	8,160	(32,443)	32,640
-	12,500	37,500	-	50,000	7,954	-
-	-	-	-	-	(1,232)	102,000
-	-	187,500	-	187,500	85,657	249,900
-	-	80,000	-	80,000	80,000	-
-	-	65,000	-	65,000	65,000	-
255,000	-	-	-	255,000	21,252	-
-	-	75,000	-	75,000	29,859	-
-	-	35,000	-	35,000	-	-
-	-	20,000	-	20,000	19	-
-	-	42,000	-	42,000	42,000	-
-	-	100,000	-	100,000	47,761	-
204,000	-	-	-	204,000	199,356	-
-	-	-	-	-	(5,325)	-
-	-	10,535	-	10,535	(12,857)	-
-	-	49,468	-	49,468	49,468	-
<u>\$ 18,308,375</u>	<u>\$ 771,921</u>	<u>\$ 1,297,250</u>	<u>\$ 94,450</u>	<u>\$ 20,471,996</u>	<u>\$ 2,975,164</u>	<u>\$ 754,061</u>

Village of Croton-on-Hudson, New York

Non-Major Governmental Funds
Combining Balance Sheet
May 31, 2019
(With Comparative Totals for 2018)

			Total Non-Major Governmental Funds	
	Special Purpose	Sewer	2019	2018
ASSETS				
Cash and equivalents	\$ 726,949	\$ 1,965	\$ 728,914	\$ 801,949
Receivables				
Sewer rents	-	92,980	92,980	81,550
Due from other funds	11,787	383,250	395,037	295,790
	11,787	476,230	488,017	377,340
Total Assets	\$ 738,736	\$ 478,195	\$ 1,216,931	\$ 1,179,289
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ -	\$ 7,875	\$ 7,875	\$ 21,328
Accrued liabilities	-	-	-	2,034
Due to other funds	-	512,986	512,986	405,152
Advances from other funds	-	-	-	150,956
Total Liabilities	-	520,861	520,861	579,470
Fund balances (deficits)				
Restricted	738,736	-	738,736	750,775
Unassigned	-	(42,666)	(42,666)	(150,956)
Total Fund Balances (Deficits)	738,736	(42,666)	696,070	599,819
Total Liabilities and Fund Balances (Deficits)	\$ 738,736	\$ 478,195	\$ 1,216,931	\$ 1,179,289

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, 2019

(With Comparative Totals for 2018)

	Special Purpose	Sewer	Total Non-Major Governmental Funds	
			2019	2018
REVENUES				
Departmental income	\$ -	\$ 371,433	\$ 371,433	\$ 328,429
Use of money and property	8,490	-	8,490	4,706
Miscellaneous	9,000	-	9,000	9,000
Total Revenues	17,490	371,433	388,923	342,135
EXPENDITURES				
Current				
General government support	-	27,543	27,543	18,518
Culture and recreation	29,529	-	29,529	95,922
Home and community services	-	120,365	120,365	148,415
Employee benefits	-	3,703	3,703	5,707
Total Expenditures	29,529	151,611	181,140	268,562
Excess (Deficiency) of Revenues Over Expenditures	(12,039)	219,822	207,783	73,573
OTHER FINANCING USES				
Transfers out	-	(111,532)	(111,532)	(107,540)
Net Change in Fund Balances	(12,039)	108,290	96,251	(33,967)
FUND BALANCES (DEFICITS)				
Beginning of Year	750,775	(150,956)	599,819	633,786
End of Year	\$ 738,736	\$ (42,666)	\$ 696,070	\$ 599,819

Village of Croton-on-Hudson, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 726,949	\$ 797,852
Due from other funds	<u>11,787</u>	<u>-</u>
Total Assets	<u><u>\$ 738,736</u></u>	<u><u>\$ 797,852</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ -	\$ 47,077
Fund Balance		
Restricted	<u>738,736</u>	<u>750,775</u>
Total Liabilities and Fund Balance	<u><u>\$ 738,736</u></u>	<u><u>\$ 797,852</u></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,

	2019	2018
REVENUES		
Use of money and property	\$ 8,490	\$ 4,706
Miscellaneous	9,000	9,000
Total Revenues	17,490	13,706
EXPENDITURES		
Current		
Culture and recreation	29,529	95,922
Deficiency of Revenues Over Expenditures	(12,039)	(82,216)
FUND BALANCE		
Beginning of Year	750,775	832,991
End of Year	<u>\$ 738,736</u>	<u>\$ 750,775</u>

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Village of Croton-on-Hudson, New York

Sewer Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 1,965</u>	<u>\$ 4,097</u>
Receivables		
Sewer rents	92,980	81,550
Due from other funds	<u>383,250</u>	<u>295,790</u>
	<u>476,230</u>	<u>377,340</u>
Total Assets	<u><u>\$ 478,195</u></u>	<u><u>\$ 381,437</u></u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 7,875	\$ 21,328
Accrued liabilities	-	2,034
Due to other funds	512,986	358,075
Advances from other funds	<u>-</u>	<u>150,956</u>
Total Liabilities	520,861	532,393
Fund deficit		
Unassigned	<u>(42,666)</u>	<u>(150,956)</u>
Total Liabilities and Fund Deficit	<u><u>\$ 478,195</u></u>	<u><u>\$ 381,437</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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 359,015	\$ 359,015	\$ 371,433	\$ 12,418
EXPENDITURES				
Current				
General government support	128,009	54,009	27,543	26,466
Home and community services	116,034	174,204	120,365	53,839
Employee benefits	3,440	23,440	3,703	19,737
Total Expenditures	247,483	251,653	151,611	100,042
Excess of Revenues Over Expenditures	111,532	107,362	219,822	112,460
OTHER FINANCING USES				
Transfers out	(111,532)	(111,532)	(111,532)	-
Net Change in Fund Balance	-	(4,170)	108,290	112,460
FUND BALANCE (DEFICIT)				
Beginning of Year	-	4,170	(150,956)	(155,126)
End of Year	\$ -	\$ -	\$ (42,666)	\$ (42,666)

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 305,839	\$ 305,839	\$ 328,429	\$ 22,590
73,028	23,956	18,518	5,438
128,498	171,080	148,415	22,665
1,938	8,428	5,707	2,721
203,464	203,464	172,640	30,824
102,375	102,375	155,789	53,414
(107,540)	(107,540)	(107,540)	-
(5,165)	(5,165)	48,249	53,414
5,165	5,165	(199,205)	(204,370)
\$ -	\$ -	\$ (150,956)	\$ (150,956)

Village of Croton-on-Hudson, New York

Sewer Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 875	\$ 880	\$ 876	\$ 4	\$ 646
Central communications	15,220	15,220	14,705	515	9,730
Unallocated insurance	6,900	22,895	6,931	15,964	3,277
Taxes and assessments on property	5,014	15,014	5,031	9,983	4,865
Contingent account	100,000	-	-	-	-
	128,009	54,009	27,543	26,466	18,518
HOME AND COMMUNITY SERVICES					
Sanitary sewers	116,034	174,204	120,365	53,839	148,415
EMPLOYEE BENEFITS					
State retirement	1,880	1,880	1,817	63	3,079
Social security	765	20,765	1,192	19,573	1,857
Workers' compensation benefits	795	795	694	101	771
	3,440	23,440	3,703	19,737	5,707
TOTAL EXPENDITURES	247,483	251,653	151,611	100,042	172,640
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	111,532	111,532	111,532	-	107,540
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 359,015</u>	<u>\$ 363,185</u>	<u>\$ 263,143</u>	<u>\$ 100,042</u>	<u>\$ 280,180</u>

See independent auditors' report.