

Village of New Paltz, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2019

Village of New Paltz, New York

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Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Village of New Paltz, 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 New Paltz, 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, Water and Sewer funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 January 24, 2019, 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, 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 24, 2019

Village of New Paltz, New York

Management's Discussion and Analysis (MD&A)
May 31, 2019

Introduction

The management of the Village of New Paltz, New York ("Village"), offers 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. This document should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance the understanding of the Village's financial performance.

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.

Financial Highlights

- On the government-wide financial statements, the assets and deferred outflows of resources of the Village exceeded the liabilities and deferred inflows of resources at the close of 2018-2019 by \$4,300,072.
- The General Fund completed fiscal year 2019 with a fund balance totaling \$1,760,579 an increase \$400,973. Of the total fund balance of the General Fund, the unassigned fund balance totaled \$737,088. The assigned classification included \$98,500 for subsequent year's expenditures. \$9,173 was restricted for the purchase and development of property for recreational purposes, \$73,028 for sidewalk repairs, \$425,306 for the purchase of fire apparatus, \$23,226 for the purchase of highway equipment and \$242 for debt services. In addition, \$394,016 is restricted for pension benefits for the LOSAP.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$1,935,665. Exclusive of the Capital Projects Fund deficit of \$1,804,731, the combined ending governmental fund balance was \$3,740,396.
- The Capital Projects Fund deficit arises 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 in the amount of \$2,232,680 are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.
- At the end of the fiscal years 2019 and 2018, unassigned fund balance for the General Fund was \$737,088 or 25% and \$499,590 or 15%, respectively, of total General Fund expenditures and other financing uses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Village's assets, deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in 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 how the Village's net position changed during the most recent fiscal year. All changes in net position 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 only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

The governmental-wide financial statements distinguish the 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 a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes 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 legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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. By doing so, readers may better understand the long-term impact of the government'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 maintains six major governmental funds: the General Fund, Community Development, Water Fund, Sewer Fund, Special Purpose and the Capital Projects Fund. Major funds have their information presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances.

Budgetary comparison statements have been provided for the General Fund, Water Fund and Sewer Fund within the basic financial statements to demonstrate compliance with the respective budgets. In the Capital Projects Fund, budgets are established on an individual project basis.

Fiduciary Funds

These funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are *not* reflected in the government-wide financial statements because the assets of these funds are *not* available to support the activities of the Village. The Village maintains one type of fiduciary fund, the Agency Fund. The Pension Trust Fund accounts for the Service Awards Program for volunteer firefighters, was previously recorded as a Fiduciary Fund, see Note 3G. 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 the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,300,072 at the close of the fiscal year 2018-2019. The largest portion of the Village's net position is its investment in capital assets (land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure), less any related debt outstanding that was used to acquire or develop those assets. The Village uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Village's investments 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 the debt.

The following table reflects the condensed Statement of Net Position:

**Net Position
May 31,**

	<u>2019</u>	<u>2018</u>
Current Assets	\$ 4,538,745	\$ 7,487,497
Capital Assets, net	<u>16,392,102</u>	<u>12,566,872</u>
Total Assets	<u>20,930,847</u>	<u>20,054,369</u>
Deferred Outflows or Resources	<u>156,549</u>	<u>397,337</u>
Current Liabilities	2,674,505	7,058,111
Long-term Liabilities	<u>13,446,324</u>	<u>5,136,436</u>
Total Liabilities	<u>16,120,829</u>	<u>12,194,547</u>
Deferred Inflows or Resources	<u>666,495</u>	<u>498,238</u>
Net Position		
Net Investment in Capital Assets	9,433,809	8,436,190
Restricted	1,948,919	968,246
Unrestricted	<u>(7,082,656)</u>	<u>(1,645,515)</u>
Total Net Position	<u>\$ 4,300,072</u>	<u>\$ 7,758,921</u>

**Change in Net Position
Fiscal Year Ended May 31,**

	2019	2018
REVENUES		
Program Revenues		
Charges for Services	\$ 3,237,324	\$ 3,306,878
Operating Grants and Contributions	1,384,216	638,584
Capital Grants and Contributions	-	236,752
	4,621,540	4,182,214
General Revenues		
Real Property Taxes	1,481,130	1,483,122
Other Tax Items	99,305	93,444
Non-Property Taxes	89,871	84,888
Unrestricted Use of Money and Property	40,199	37,921
Unrestricted State Aid	144,508	150,299
Miscellaneous	2,985	-
Sale of Property and Compensation for loss	32,476	14,316
	1,890,474	1,863,990
	6,512,014	6,046,204
PROGRAM EXPENSES		
General Government Support	1,547,481	1,851,485
Public Safety	1,113,134	1,020,437
Transportation	497,026	657,169
Economic Opportunity and Development	4,700	54,875
Culture and Recreation	83,068	68,690
Home and Community Services	2,355,920	2,606,993
Interest	222,173	131,516
	5,823,502	6,391,165
Change in Net Position	688,512	(344,961)
NET POSITION		
Beginning, as reported	7,758,921	8,103,882
Cumulative effect of change in accounting principle	(4,363,409)	-
Prior period adjustment	216,048	-
Beginning, as restated	3,611,560	8,103,882
Net Position - Ending	\$ 4,300,072	\$ 7,758,921

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 identified 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 government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(4,363,409).

Prior Period Adjustment

Beginning net position of the Village as of May 31, 2018 was restated for a prior period adjustment, increasing the net position by \$216,048. The Village incorrectly expensed amounts that should have been capitalized as part of construction in progress.

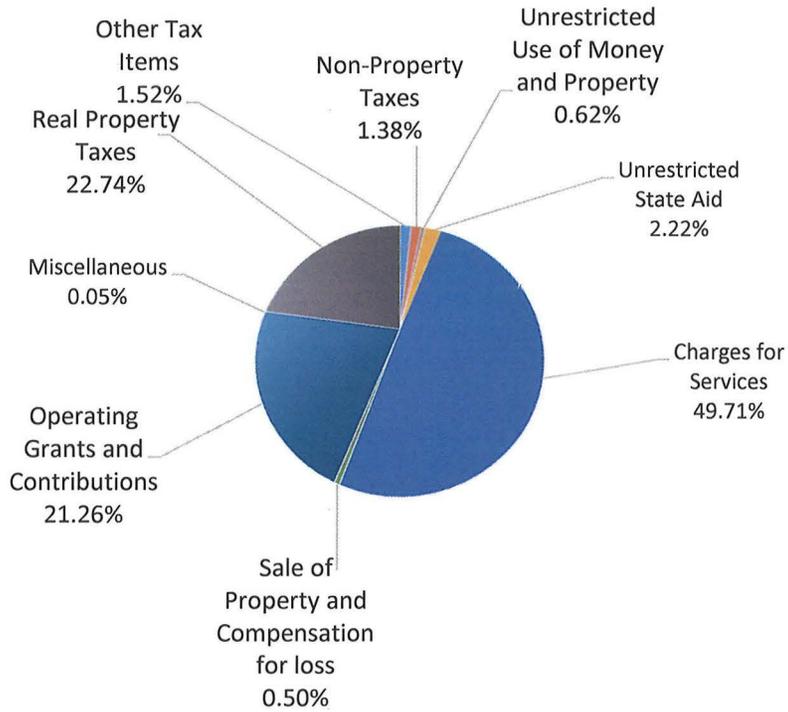
Governmental Activities

Governmental activities increased the Village's net position by \$688,512 in 2019 and decreased by \$344,961 in 2018.

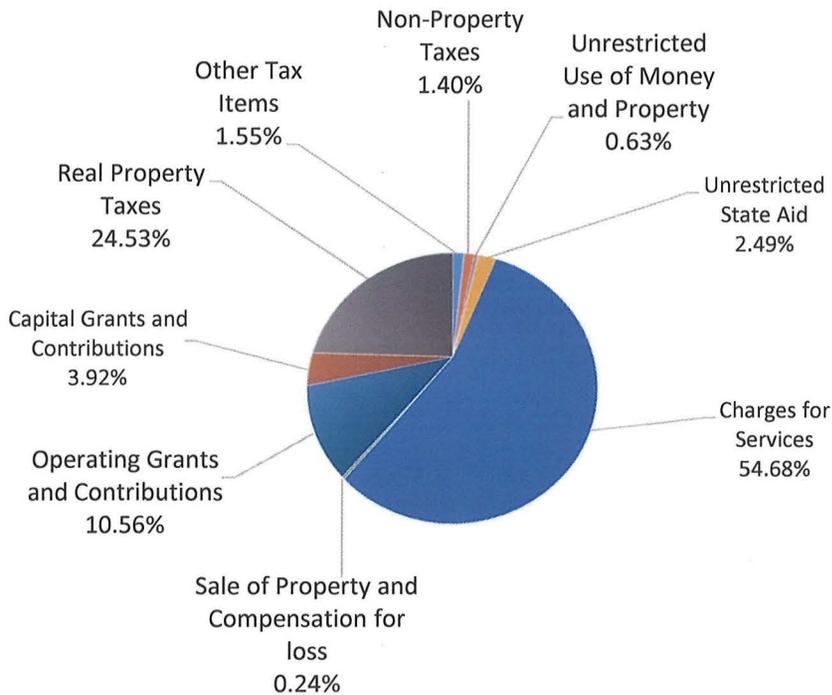
For the fiscal years ended May 31, 2019 and 2018, revenues from governmental activities totaled \$6,512,014 and \$6,046,204 respectively. Tax revenues (\$1,670,306 in 2019 and \$1,661,454 in 2018), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (26% in 2019 and 25% in 2018).

The largest components of governmental activities' expenses are general government support (27% in 2019 and 29% in 2018), public safety (19% in 2019 and 16% in 2018), transportation (8% in 2019 and 10% in 2018), and home and community services (40% in 2019 and 41% in 2018). General Government Support includes the following: Board of Trustees, Mayor, Village Treasurer, Village Clerk, Law, Engineer, Elections, Records Management, Central Garage, Central Data Processing, Unallocated Insurance, Municipal Association Dues and Judgments and Claims. Public Safety includes the following: Traffic control, On-street parking, Fire department, safety inspection and other public safety. Home and Community Services includes the following: Zoning Board, Planning Board, Storm Sewers, Refuse and Garbage, Street Cleaning and Shade Trees.

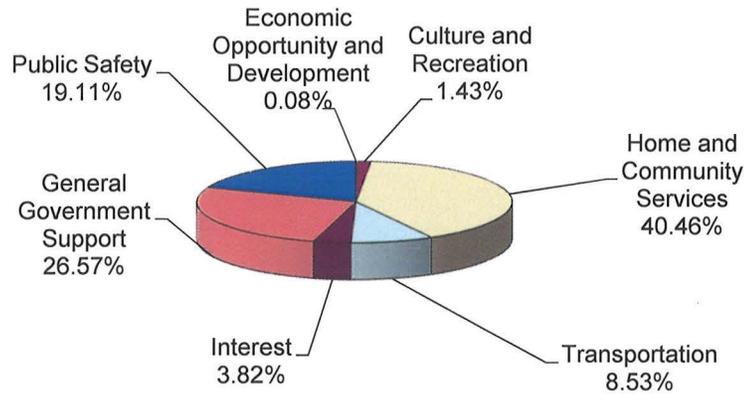
Sources of Revenue for Fiscal Year 2019 Governmental Activities



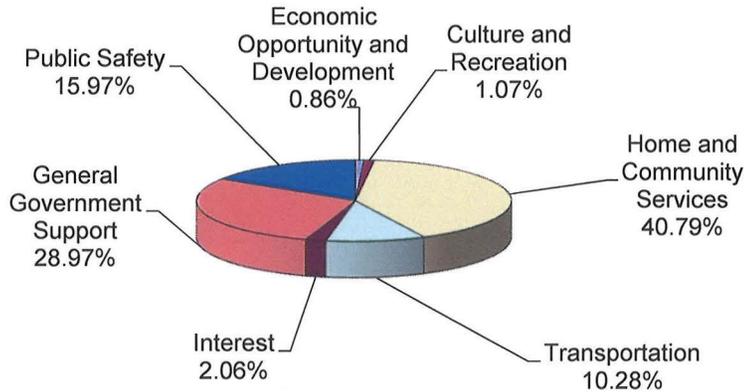
Sources of Revenue for Fiscal Year 2018 Governmental Activities



**Sources of Expenses for Fiscal Year 2019
Governmental Activities**



**Sources of Expenses for Fiscal Year 2018
Governmental Activities**



Financial Analysis of the Village's Funds

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources, 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, advances) 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 Village 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 Village's 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 funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive 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.

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.

Governmental Funds

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 spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$1,935,665 (inclusive of the Capital Project Fund deficit of \$1,804,731). Of this amount, \$737,088 of the total ending fund balance constitutes unassigned fund balance in the General Fund. The Village has assigned \$98,500 for subsequent year's expenditures and represents the amount estimated for use in the 2020 budget (in the General Fund).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$737,088 representing 42% of the total General Fund balance of \$1,760,579. When the fiscal year 2018-2019 General Fund budget was adopted, it anticipated the use of \$197,000 of fund balance. Actual results of operations resulted in an increase of the fund balance in the amount of \$395,666. Revenues were \$3,316,166 which were \$228,809 more than the final budget. Expenditures were \$2,920,500, which were \$363,857 less than the final budget. The major

areas where spending was less than budgeted was General Government Support \$98,188 and Public Safety \$87,538.

The Community Development, which provides assistance to businesses in the community. Payments for this assistance ended its fiscal year with a fund balance of \$574,277 an increase of \$52,629 from the prior year fund balance of \$521,648.

The fund balance of the Water Fund at May 31, 2019 was \$687,816 a decrease of \$132,264 from the prior year. Revenues of \$1,393,913 were \$13,673 less than budgeted, and expenditures of \$1,526,177 (including an operating transfer out of \$202,000) were \$122,857 less than budgeted.

The fund balance of the Sewer Fund at May 31, 2019 was \$454,462 a decrease of \$161,893 from the prior year. Revenues of \$1,756,697 were \$171,314 less than budgeted and expenditures of \$1,918,590 (including operating transfer out of \$363,000) were \$142,655 less than budgeted.

The Capital Projects Fund has an unassigned fund deficit of \$1,804,731 at May 31, 2019, a decrease of \$1,134,672 from the 2018 deficit of \$2,939,403. The majority of the capital projects are financed by short-term debt as of year end. Bond anticipation notes payable were \$2,232,680 at May 31, 2019.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2019, net of accumulated depreciation, was \$16,392,102. This investment in capital assets includes land, buildings and improvements, land improvements, infrastructure and machinery and equipment.

Major capital asset activity during the current fiscal year included the following:

Assets	2019	2018
Land	\$ 1,003,324	\$ 1,003,324
Construction in progress	3,831,654	427,732
Building and improvements	3,248,822	3,321,694
Land improvements	665,974	740,999
Infrastructure	5,436,721	4,854,098
Machinery and equipment	2,205,607	2,219,025
	\$ 16,392,102	\$ 12,566,872

Long-term Debt /Short-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$4,990,000 and bond anticipation notes (BAN's) of \$2,232,680. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

During the year ended May 31, 2019, bond principal of \$120,000 and bond anticipation notes principal of \$4,593,000 redeemed.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law §104, the Village must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. At May 31, 2019, the Village five year average full valuation was \$299,963,295 thereby establishing a constitutional debt limit of \$20,997,431.

Economic Factors and Next Year's Budgets and Rates

Village management was aware there would most likely be significant increases in insurance and employee benefits (particularly medical insurance and retirement contributions). All of these factors were taken into consideration in developing the FY 2019-2020 budget.

The Village assigned \$98,500 unassigned fund balance of the General Fund to reduce the tax levy in the 2019-2020 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Village of New Paltz's finances. Questions and comments concerning any of the information provided in this report should be addressed to Nancy Branco, Village Treasurer, Village of New Paltz, 25 Plattekill Avenue, New Paltz, New York 12561.

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Village of New Paltz, New YorkStatement of Net Position
May 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 2,409,453
Investments	1,553,229
Receivables	
Taxes	3,679
Accounts	15,224
Water rents	134,018
Sewer rents	122,418
Due from other governments	300,514
State and Federal aid	210
Capital assets	
Not being depreciated	4,834,978
Being depreciated, net	11,557,124
	<hr/>
Total Assets	20,930,847
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	156,549
	<hr/>
LIABILITIES	
Accounts payable	349,351
Accrued liabilities	14,621
Bond interest and matured bonds payable	2,749
Bond anticipation notes payable	2,232,680
Accrued interest payable	75,104
Non-current liabilities	
Due within one year	310,586
Due in more than one year	13,135,738
	<hr/>
Total Liabilities	16,120,829
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	666,495
	<hr/>
NET POSITION	
Net investment in capital assets	9,433,809
Restricted	
Purchase and development of property for recreational purposes	9,173
Sidewalk repairs	73,028
Fire apparatus purchase	425,306
Highway equipment purchases	23,226
Water supply system improvements	92,625
Sanitary sewage treatment plant	39,743
Debt service	54,263
Pension benefits	394,016
Special Revenue Funds	
Community Development	574,277
Special Purpose	263,262
Unrestricted	(7,082,656)
	<hr/>
Total Net Position	\$ 4,300,072
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The notes to the financial statements are an integral part of this statement.

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Village of New Paltz, 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	\$ 1,547,481	\$ 239,652	\$ 119,040	\$ -	\$ (1,188,789)
Public safety	1,113,134	781,301	200,000	-	(131,833)
Transportation	497,026	-	7,000	-	(490,026)
Economic opportunity and development	4,700	-	-	-	(4,700)
Culture and recreation	83,068	-	141,693	-	58,625
Home and community services	2,355,920	2,216,371	916,483	-	776,934
Interest	222,173	-	-	-	(222,173)
Total Governmental Activities	\$ 5,823,502	\$ 3,237,324	\$ 1,384,216	\$ -	(1,201,962)
General revenues					
Real property taxes					1,481,130
Other tax items					
Payments in lieu of taxes					89,865
Interest and penalties on real property taxes					9,440
Non-property taxes					
Franchise fees					35,221
Utilities gross receipts taxes					54,650
Unrestricted use of money and property					40,199
Unrestricted State aid					144,508
Sale of property and compensation for loss					32,476
Miscellaneous					2,985
Total General Revenues					1,890,474
Change in Net Position					688,512
Net Position - Beginning, as reported					7,758,921
Cumulative Effect of Change in Accounting Principle					(4,363,409)
Prior Period Adjustment					216,048
Net Position - Beginning, as restated					3,611,560
Net Position - Ending					\$ 4,300,072

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

Village of New Paltz, New York

Balance Sheet
 Governmental Funds
 May 31, 2019

	General	Community Development	Water
ASSETS			
Cash and equivalents	\$ 482,513	\$ 574,277	\$ 258,019
Investments	1,303,204	-	149,860
Taxes receivable	3,679	-	-
Other receivables			
Accounts	13,875	-	-
Water rents	-	-	134,018
Sewer rents	-	-	-
Due from other governments	-	-	160,151
State and Federal aid	210	-	-
	14,085	-	294,169
Total Assets	<u>\$ 1,803,481</u>	<u>\$ 574,277</u>	<u>\$ 702,048</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 21,853	\$ -	\$ 14,232
Accrued liabilities	14,621	-	-
Bond interest and matured bonds payable	2,749	-	-
Bond anticipation notes payable	-	-	-
Total Liabilities	39,223	-	14,232
Deferred inflows of resources			
Deferred tax revenues	3,679	-	-
Total Liabilities and Deferred Inflows of Resources	42,902	-	14,232
Fund balances (deficits)			
Restricted	924,991	574,277	112,423
Assigned	98,500	-	575,393
Unassigned	737,088	-	-
Total Fund Balances (Deficits)	1,760,579	574,277	687,816
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 1,803,481</u>	<u>\$ 574,277</u>	<u>\$ 702,048</u>

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

Sewer	Special Purpose	Capital Projects	Total Governmental Funds
\$ 109,688	\$ 263,262	\$ 721,694	\$ 2,409,453
100,165	-	-	1,553,229
-	-	-	3,679
1,349	-	-	15,224
-	-	-	134,018
122,418	-	-	122,418
140,363	-	-	300,514
-	-	-	210
264,130	-	-	572,384
<u>\$ 473,983</u>	<u>\$ 263,262</u>	<u>\$ 721,694</u>	<u>\$ 4,538,745</u>
\$ 19,521	\$ -	\$ 293,745	\$ 349,351
-	-	-	14,621
-	-	-	2,749
-	-	2,232,680	2,232,680
19,521	-	2,526,425	2,599,401
-	-	-	3,679
19,521	-	2,526,425	2,603,080
73,966	263,262	-	1,948,919
380,496	-	-	1,054,389
-	-	(1,804,731)	(1,067,643)
454,462	263,262	(1,804,731)	1,935,665
<u>\$ 473,983</u>	<u>\$ 263,262</u>	<u>\$ 721,694</u>	<u>\$ 4,538,745</u>

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Village of New Paltz, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
May 31, 2019

Fund Balances - Total Governmental Funds	\$ 1,935,665
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>16,392,102</u>
Governmental funds do not reflect the effect of assets or liabilities related to net pension liabilities whereas these amounts are deferred and amortized in the statement of activities	
Deferred amounts on net pension liabilities	<u>(509,946)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>3,679</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(75,104)
General obligation bonds payable	(4,990,000)
Installment purchase debt payable	(146,191)
Compensated absences	(97,728)
Net pension liability	(274,493)
Judgments and claims	(11,827)
Other post employment benefit obligations payable	<u>(7,926,085)</u>
	<u>(13,521,428)</u>
Net Position of Governmental Activities	<u>\$ 4,300,072</u>

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

Village of New Paltz, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended May 31, 2019

	General	Community Development	Water
REVENUES			
Real property taxes	\$ 1,479,037	\$ -	\$ -
Other tax items	99,305	-	-
Non-property taxes	89,871	-	-
Departmental income	748,712	42,359	1,384,222
Net change in fair value of investments	(8,096)	-	-
Use of money and property	54,947	10,270	9,691
Licenses and permits	14,690	-	-
Fines and forfeitures	236,568	-	-
Sale of property and compensation for loss	32,476	-	-
State aid	412,420	-	-
Federal aid	-	-	-
Miscellaneous	8,484	-	-
Total Revenues	3,168,414	52,629	1,393,913
EXPENDITURES			
Current			
General government support	889,146	-	67,827
Public safety	641,447	-	-
Transportation	262,875	-	-
Economic opportunity and development	4,700	-	-
Culture and recreation	34,656	-	-
Home and community services	138,988	-	808,209
Employee benefits	516,961	-	136,107
Debt service			
Principal	13,270	-	133,270
Interest	26,802	-	178,764
Capital outlay	-	-	-
Total Expenditures	2,528,845	-	1,324,177
Excess (Deficiency) of Revenues Over Expenditures	639,569	52,629	69,736
OTHER FINANCING SOURCES (USES)			
Installment purchase debt issued	-	-	-
General obligation bonds issued	-	-	-
Transfers in	154,404	-	-
Transfers out	(393,000)	-	(202,000)
Total Other Financing Sources (Uses)	(238,596)	-	(202,000)
Net Change in Fund Balances	400,973	52,629	(132,264)
FUND BALANCES (DEFICITS)			
Beginning of Year	1,359,606	521,648	820,080
End of Year	\$ 1,760,579	\$ 574,277	\$ 687,816

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

Sewer	Special Purpose	Capital Projects	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 1,479,037
-	-	-	99,305
-	-	-	89,871
1,021,535	-	-	3,196,828
-	-	-	(8,096)
3,227	943	-	79,078
-	-	-	14,690
-	-	-	236,568
10,000	-	-	42,476
2,819	-	-	415,239
701,360	-	-	701,360
-	140,750	-	149,234
<u>1,738,941</u>	<u>141,693</u>	<u>-</u>	<u>6,495,590</u>
113,058	-	-	1,070,031
-	-	-	641,447
-	-	-	262,875
-	-	-	4,700
-	-	-	34,656
1,286,051	-	-	2,233,248
129,654	-	-	782,722
13,269	-	-	159,809
13,558	-	-	219,124
-	-	3,687,168	3,687,168
<u>1,555,590</u>	<u>-</u>	<u>3,687,168</u>	<u>9,095,780</u>
<u>183,351</u>	<u>141,693</u>	<u>(3,687,168)</u>	<u>(2,600,190)</u>
-	-	186,000	186,000
-	-	3,850,000	3,850,000
17,756	-	858,000	1,030,160
(363,000)	-	(72,160)	(1,030,160)
<u>(345,244)</u>	<u>-</u>	<u>4,821,840</u>	<u>4,036,000</u>
(161,893)	141,693	1,134,672	1,435,810
<u>616,355</u>	<u>121,569</u>	<u>(2,939,403)</u>	<u>499,855</u>
<u>\$ 454,462</u>	<u>\$ 263,262</u>	<u>\$ (1,804,731)</u>	<u>\$ 1,935,665</u>

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Village of New Paltz, 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	<u>\$ 1,435,810</u>
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	4,343,635
Depreciation expense	<u>(734,453)</u>
	<u>3,609,182</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
General obligation bonds issued	(3,850,000)
Installment purchase debt issued	(186,000)
Principal paid on general obligation bonds	120,000
Principal paid on installment purchase debt	<u>39,809</u>
	<u>(3,876,191)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>2,093</u>
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 payable	(3,049)
Compensated absences	(3,426)
Pension obligations	(27,211)
Judgments and claims payable	359
Other post employment benefit obligations payable	<u>(449,055)</u>
	<u>(482,382)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 688,512</u></u>

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

Village of New Paltz, New York

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 General, Water and Sewer Funds
 Year Ended May 31, 2019

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,480,800	\$ 1,480,800	\$ 1,479,037	\$ (1,763)
Other tax items	107,050	107,050	99,305	(7,745)
Non-property taxes	90,000	90,000	89,871	(129)
Departmental income	685,372	685,372	748,712	63,340
Net change in fair value of investments	-	-	(8,096)	(8,096)
Use of money and property	7,000	7,000	54,947	47,947
Licenses and permits	14,500	14,500	14,690	190
Fines and forfeitures	225,000	225,000	236,568	11,568
Sale of property and compensation for loss	11,000	11,000	32,476	21,476
State aid	198,864	307,231	412,420	105,189
Federal aid	-	-	-	-
Miscellaneous	5,000	5,000	8,484	3,484
Total Revenues	2,824,586	2,932,953	3,168,414	235,461
EXPENDITURES				
Current				
General government support	874,493	987,334	889,146	98,188
Public safety	636,038	727,640	641,447	86,193
Health	120	120	-	120
Transportation	318,663	322,550	262,875	59,675
Economic opportunity and development	5,000	5,000	4,700	300
Culture and recreation	45,579	49,579	34,656	14,923
Home and community services	231,113	175,890	138,988	36,902
Employee benefits	645,238	583,171	516,961	66,210
Debt service				
Principal	-	13,270	13,270	-
Interest	26,746	26,803	26,802	1
Total Expenditures	2,782,990	2,891,357	2,528,845	362,512
Excess of Revenues Over Expenditures	41,596	41,596	639,569	597,973
OTHER FINANCING SOURCES (USES)				
Transfers in	154,404	154,404	154,404	-
Transfers out	(393,000)	(393,000)	(393,000)	-
Total Other Financing Uses	(238,596)	(238,596)	(238,596)	-
Net Change in Fund Balances	(197,000)	(197,000)	400,973	597,973
FUND BALANCES				
Beginning of Year	197,000	197,000	1,359,606	1,162,606
End of Year	\$ -	\$ -	\$ 1,760,579	\$ 1,760,579

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

Water Fund				Sewer Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,394,586	1,394,586	1,384,222	(10,364)	1,223,651	1,223,651	1,021,535	(202,116)
-	-	-	-	-	-	-	-
3,000	3,000	9,691	6,691	1,000	1,000	3,227	2,227
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,000	10,000	-	(10,000)	-	-	10,000	10,000
-	-	-	-	-	-	2,819	2,819
-	-	-	-	-	-	701,360	-
-	-	-	-	-	-	701,360	-
-	-	-	-	2,000	2,000	-	(2,000)
<u>1,407,586</u>	<u>1,407,586</u>	<u>1,393,913</u>	<u>(13,673)</u>	<u>1,226,651</u>	<u>1,928,011</u>	<u>1,738,941</u>	<u>(189,070)</u>
71,875	99,926	67,827	32,099	86,500	135,755	113,058	22,697
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
906,815	865,437	808,209	57,228	620,249	1,287,667	1,286,051	1,616
169,636	169,636	136,107	33,529	169,636	140,996	129,654	11,342
120,000	133,270	133,270	-	-	13,269	13,269	-
178,708	178,765	178,764	1	13,500	13,558	13,558	-
<u>1,447,034</u>	<u>1,447,034</u>	<u>1,324,177</u>	<u>122,857</u>	<u>889,885</u>	<u>1,591,245</u>	<u>1,555,590</u>	<u>35,655</u>
(39,448)	(39,448)	69,736	109,184	336,766	336,766	183,351	(153,415)
-	-	-	-	-	-	17,756	17,756
(202,000)	(202,000)	(202,000)	-	(470,000)	(470,000)	(363,000)	107,000
(202,000)	(202,000)	(202,000)	-	(470,000)	(470,000)	(345,244)	124,756
(241,448)	(241,448)	(132,264)	109,184	(133,234)	(133,234)	(161,893)	(28,659)
<u>241,448</u>	<u>241,448</u>	<u>820,080</u>	<u>578,632</u>	<u>133,234</u>	<u>133,234</u>	<u>616,355</u>	<u>483,121</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 687,816</u>	<u>\$ 687,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 454,462</u>	<u>\$ 454,462</u>

Village of New Paltz, New York

Statement of Assets and Liabilities

Fiduciary Funds

May 31, 2019

	<u>Agency Fund</u>
ASSETS	
Cash and equivalents	<u>\$ 32,550</u>
LIABILITIES	
Accounts payable	3,186
Deposits	<u>29,364</u>
Total Liabilities	<u>\$ 32,550</u>

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

Note 1 - Summary of Significant Accounting Policies

The Village of New Paltz, New York ("Village") was established in 1887 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Mayor serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of 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. Taxes and other items not identified as program revenues are reported as general revenues. The Village does not allocate indirect expenses to functions in the Statement of Activities.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

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

Fund Categories

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

General Fund - The General Fund constitutes the primary operating fund of the Village and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the Village are as follows:

Community Development Fund - The Community Development Fund is used to account for projects financed by entitlements from the U.S. Department of Housing and Urban Development. The major revenue of this fund is departmental income.

Water and Sewer Funds - The Water and Sewer Funds are used to record the water and sewer utility operations of the Village, which render services on a user charge basis to the general public. The major revenue of these funds is departmental income.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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

D. Measurement Focus, Basis of Accounting and Financial 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 revenue when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability, other post-employment benefit obligations and certain judgments and claims 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.

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

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

Investments (except Fire Service Awards Sub-Fund, 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, and accordingly, the Village's policy provides for no credit risk on investments.

The Village follows the provisions of Government Accounting Standards Board ("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.

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

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. At May 31, 2019 the Village had \$1,159,213 in

Note 1 - Summary of Significant Accounting Policies (Continued)

CLASS investments. CLASS issues separately available audited financial statements with a year end of June 30th.

The Village's position in the pool is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days. CLASS is rated AAAM by Standard & Poor's. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

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

Risk Disclosure

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

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.

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.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in one installment due in July. The Village has the responsibility for the billing and collection of its own taxes.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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 \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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 assets 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	30-40
Land improvements	20
Infrastructure	40
Machinery and equipment	5

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

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.

Village of New Paltz, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The Village reported deferred inflows of resources of \$3,679 for real property taxes in the General Fund. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State and Local Employees' Retirement System	\$ 156,549	\$ 150,116
Other Post Employment Benefit Obligations	<u>-</u>	<u>516,379</u>
	<u>\$ 156,549</u>	<u>\$ 666,495</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources in relation to the Village's pension and other post employment benefit obligations are detailed in Note 3F.

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

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation of service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for purchase and development of property for recreational purposes, sidewalk repairs, fire apparatus purchase, highway equipment purchases, water supply system improvements, sanitary sewage treatment plant, debt service, pension benefits, community development and special purpose. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources, 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, advances) 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 Village 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 Village's Board of Trustees.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive 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.

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 24, 2019.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General, Water and Sewer funds.
- f) Budgets for General, Water 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 legally adopted by the Board for the Community Development or Special Purpose funds.
- 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 modifications 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 and Sewer funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2018-2019 was \$5,999,266 which exceeded the actual levy (inclusive of exclusions) by \$4,518,466.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board 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. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$1,804,731 arises 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. These deficits 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 are outstanding to the extent of the 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.

D. 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 identified 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 government-wide

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 2 - Stewardship, Compliance and Accountability (Continued)

financial statements reflect a cumulative effect for the change in accounting principle of \$(4,363,409).

E. Prior Period Adjustment

Beginning net position of the Village as of May 31, 2018 was restated for a prior period adjustment, increasing the net position by \$216,048. The Village incorrectly expensed amounts that should have been capitalized as part of construction in progress.

F. Reclassification of Prior Year Information

Certain prior year amounts have been reclassified for consistency with the current period presentation.

Note 3 - Detailed Notes on All Funds

A. Investments

At May 31, 2019, the village had the following investments in the Service Awards Program:

<u>Type of Investment</u>	<u>Fair Value</u>
Cash and equivalents	\$ 10,169
Equities	112,746
Fixed Income	156,798
Mixed Asset	<u>114,303</u>
	<u>\$ 394,016</u>

The investments above are measured using Level 1 inputs.

B. Taxes Receivable

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

Tax Sale Certificates	\$ <u>3,679</u>
-----------------------	-----------------

C. Capital Assets

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

	<u>Balance, as Reported June 1, 2018</u>	<u>Prior Period Adjustments</u>	<u>Balance, as Restated June 1, 2018</u>	<u>Additions</u>	<u>Balance May 31, 2019</u>
Capital Assets, not being depreciated					
Land	\$ 1,003,324	\$ -	\$ 1,003,324	\$ -	\$ 1,003,324
Construction-in-progress	<u>427,732</u>	<u>216,048</u>	<u>643,780</u>	<u>3,187,874</u>	<u>3,831,654</u>
Total Capital Assets, not being depreciated	<u>\$ 1,431,056</u>	<u>\$ 216,048</u>	<u>\$ 1,647,104</u>	<u>\$ 3,187,874</u>	<u>\$ 4,834,978</u>

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	Balance, as Reported June 1, 2018	Prior Period Adjustments	Balance, as Restated June 1, 2018	Additions	Balance May 31, 2019
Capital Assets, being depreciated					
Buildings and improvements	\$ 8,470,113	\$ -	\$ 8,470,113	\$ 93,399	\$ 8,563,512
Land improvements	1,654,834	-	1,654,834	-	1,654,834
Infrastructure	9,942,228	-	9,942,228	801,205	10,743,433
Machinery and equipment	5,420,353	-	5,420,353	261,157	5,681,510
Total Capital Assets, being depreciated	25,487,528	-	25,487,528	1,155,761	26,643,289
Less Accumulated Depreciation for					
Buildings and improvements	5,148,419	-	5,148,419	166,271	5,314,690
Land improvements	913,835	-	913,835	75,025	988,860
Infrastructure	5,088,130	-	5,088,130	218,582	5,306,712
Machinery and equipment	3,201,328	-	3,201,328	274,575	3,475,903
Total Accumulated Depreciation	14,351,712	-	14,351,712	734,453	15,086,165
Total Capital Assets, being depreciated, net	\$ 11,135,816	\$ -	\$ 11,135,816	\$ 421,308	\$ 11,557,124
Capital Assets, net	\$ 12,566,872	\$ 216,048	\$ 12,782,920	\$ 3,609,182	\$ 16,392,102

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

General Government Support	\$ 18,576
Public Safety	218,806
Transportation	90,977
Culture and Recreation	13,320
Home and Community Services	392,774
Total Depreciation Expense	\$ 734,453

D. Accrued Liabilities

Accrued liabilities as of May 31, 2019 were as follows:

	General Fund
Payroll and Employee Benefits	\$ 14,621

E. Short-Term Capital Borrowings

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
Water Tank	6/19/13	9/18/19	3.000 %	\$ 687,000	\$ -	\$ 50,000	\$ 637,000
Various improvements	9/24/13	9/18/19	3.000	70,000	-	70,000	-
Various improvements	4/11/14	9/18/19	3.000	61,000	-	61,000	-
Purchase Fire Truck	11/15/14	9/18/19	3.000	251,956	-	112,000	139,956
Purchase of land	9/22/15	9/18/19	3.000	575,000	-	100,000	475,000
Improvements water filtration plant	5/02/16	9/18/19	3.000	300,000	-	50,000	250,000
Purchase of fire truck	9/21/16	9/18/19	3.000	280,724	-	100,000	180,724
Various improvements	12/02/16	9/18/19	3.000	4,450,000	-	4,050,000	400,000
Installation of storm sewers	9/19/18	9/18/19	3.000	-	150,000	-	150,000
				\$ 6,675,680	\$ 150,000	\$ 4,593,000	\$ 2,232,680

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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 \$26,745, \$129,207 and \$13,500 were recorded in the fund financial statements in the General Fund, Water Fund and Sewer Fund, respectfully. Interest expense of \$157,030 was recorded in the government-wide financial statements.

F. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2019:

	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	\$ 1,260,000	\$ -	\$ 1,260,000	\$ 3,850,000	\$ 120,000	\$ 4,990,000	\$ 265,000
Installment purchase debt payable	-	-	-	186,000	39,809	146,191	34,586
Judgments and claims	12,186	-	12,186	313,033	313,392	11,827	1,200
Compensated absences	94,302	-	94,302	12,826	9,400	97,728	9,800
Net pension liability	139,948	-	139,948	134,545	-	274,493	-
Other post employment benefit obligations payable	3,630,000	4,363,409	7,993,409	670,002	737,326	7,926,085	-
Total Long-Term Liabilities	\$ 5,136,436	\$ 4,363,409	\$ 9,499,845	\$ 5,166,406	\$ 1,219,927	\$ 13,446,324	\$ 310,586

*See Note 2D.

Each governmental fund's liability for general obligation bonds payable, installment purchase debt, judgments and claims, compensated absences, net pension liability and other post employment benefit obligations is liquidated by the General, Water and Sewer funds.

General Obligation Bonds Payable

General obligation bonds payable at May 31, 2019 are comprised of the following:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at May 31, 2019
Various Village Purposes	2007	\$ 2,200,000	September, 2026	4.125 %	\$ 1,140,000
Various Village Purposes	2019	3,850,000	April, 2039	3.000-5.000	3,850,000
					\$ 4,990,000

Village of New Paltz, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$49,500 were recorded in the fund financial statements in the Water Fund. Interest expense of \$64,971 was recorded in the government-wide financial statements.

Installment Purchase Debt Payable

The Village has entered into an agreement to finance the cost of purchasing a plow and salt truck. The terms of the agreement provides for repayment in annual installments, through 2023, including interest at a fixed rate of 3.69% Interest expenditures of \$57, \$57, and \$58 were recorded in the fund financial statements in the General, Water and Sewer Funds. Interest expense of \$172 was recorded in the government-wide financial statements. The balance due at May 31, 2019 was \$146,191.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt outstanding as of May 31, 2019, including interest payments of \$1,800,072 are as follows:

Year Ending May 31,	General Obligation Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 265,000	\$ 181,434	\$ 34,586	\$ 5,395	\$ 299,586	\$ 216,020
2021	265,000	172,391	35,862	4,119	437,391	208,253
2022	280,000	160,028	37,185	2,796	440,028	197,213
2023	290,000	147,106	38,558	1,423	437,106	185,664
2024	300,000	133,728	-	-	433,728	133,728
2025-2029	1,335,000	467,844	-	-	1,802,844	467,844
2030-2034	1,030,000	278,700	-	-	1,308,700	278,700
2035-2039	1,225,000	112,650	-	-	1,337,650	112,650
	<u>\$ 4,990,000</u>	<u>\$ 1,653,881</u>	<u>\$ 146,191</u>	<u>\$ 13,733</u>	<u>\$ 6,497,033</u>	<u>\$ 1,800,072</u>

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

Judgments and Claims Payable

The Village participates in a risk pool for workers' compensation claims. This is a public entity risk pool created under Article 5 of Workers' Compensation Law to finance liability and risks related to workers' compensation claims. The Village's share of the liability for unbilled and open claims is \$11,827.

The government-wide financial statements reflect these liabilities based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically used a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other

Village of New Paltz, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

economic and social factors. A providing for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities in the government-wide financial statements is as follows:

	<u>2019</u>	<u>2018</u>
Balance - Beginning of Year	\$ 12,186	\$ 32,623
Provision for Claims and Claims Adjustment Expenses	313,033	359,176
Claims and Claims Adjustment Expenses Paid	<u>(313,392)</u>	<u>(379,613)</u>
Balance - End of Year	<u>\$ 11,827</u>	<u>\$ 12,186</u>
Due within one year	<u>\$ 1,200</u>	<u>\$ 1,200</u>

Compensated Absences

Pursuant to collective bargaining agreements, employees may accumulate up to 100 days of sick leave. Employees may accumulate vacation time for a period of two years after the end of the year in which the time was earned. Upon separation of service from the Village, the employee shall receive a cash payment for these unused sick and vacation days at the current salary level. The value of the compensated absences has been reflected in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Village participates in the New York State and Local Employees' Retirement System ("ERS") which is referred to as the New York State and Local Retirement System ("System"). It is a cost-sharing, multiple-employer defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan, which provides death

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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>
3 A14	15.7 %
4 A15	15.7
6 A15	9.2

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

Measurement date	March 31, 2019
Net pension liability	274,493
Village's proportion of the net pension liability	0.0038741 %
Change in proportion since the prior measurement date	-0.0004621 %

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 \$153,026. Pension expenditures of \$125,815 were recorded in the fund financial statements and were charged to the following funds:

General Fund	\$ 73,592
Water Fund	26,542
Sewer Fund	<u>25,681</u>
	<u>\$ 125,815</u>

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 54,053	\$ 18,426
Net difference between projected and actual earnings on pension plan investments	-	70,450
Changes in proportion and differences between Village contributions and proportionate share of contributions	10,305	61,240
Changes of assumptions	68,996	-
Village contributions subsequent to the measurement date	<u>23,195</u>	<u>-</u>
	<u>\$ 156,549</u>	<u>\$ 150,116</u>

\$23,195 was reported as deferred outflows of resources related to ERS 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 plan's year ended March 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

<u>Year Ended May 31,</u>	
2020	\$ 39,543
2021	(70,337)
2022	(15,408)
2023	29,440

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:

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.55 %
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:

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Village's proportionate share of the net pension liability (asset)	\$ 1,200,126	\$ 274,493	\$ (503,105)

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

Total pension liability	\$ 189,803,429,000
ERS fiduciary net position	<u>182,718,124,000</u>
Employers' net pension liability	<u>\$ 7,085,305,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>96.27%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of May 31, 2019 represent the projected employer contribution for the period of April 1, 2019 through May 31, 2019 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS as of May 31, 2019 was \$23,195.

Pension Trust - Service Awards Program

The Village, pursuant to article 11-AA of General Municipal Law and legislative resolution, has established a Service Awards Program ("Program") for volunteer members of the New Paltz Fire Department. This Program is a single employer defined contribution plan. 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 55 or the participant's age after earning five years of service credit) shall be able to receive their service award, payable in the form of a lump sum distribution. The Program also provides disability and death benefits. The trustee of the Program, is 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.

Trust Assets

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB statement No. 73. The trust assets are recorded in the General Fund as investments and as a component of Restricted fund balance.

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Assets of the Service Award Program consist of the following at May 31, 2019:

	<u>% of Total</u>	
Cash and equivalents	2.58 %	\$ 10,169
Equities	28.61	112,746
Fixed income	39.79	156,798
Mixed assets	29.02	<u>114,303</u>
		<u>\$ 394,016</u>

The Village's obligation to continue funding is governed by New York State Law and Program provisions. The Village's contributions for the current year was \$14,331, and this was charged to the General Fund.

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	9
Active employees	<u>28</u>
	<u><u>37</u></u>

The Village's total OPEB liability of \$7,926,085 was measured as of May 31, 2018, and was determined by an actuarial valuation as of June 1, 2018.

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

Inflation	3.0%
Salary increases	3.0%, average, including inflation
Discount rate	3.05%
Healthcare cost trend rates	8.0% for 2019, decreasing 0.5% per year to an ultimate rate of 5.0% for 2025 and later years

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate was based on S&P municipal bond 20-year high grade rate index as of May 31, 2019.

Mortality rates were based on RP-2014 mortality table and MP-2016 projection.

The actuarial assumptions used in the June 1, 2018 actuarial valuation were based on published municipal bond indices.

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	\$ 7,993,409
Service cost	428,857
Interest	241,145
Changes of benefit terms	-
Differences between expected and actual experience	(563,323)
Changes in assumptions or other inputs	-
Benefit payments	<u>(174,003)</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 7,926,085</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 (2.05%) or 1 percentage point higher (4.05%) than the current discount rate:

	1% Decrease (2.05%)	Current Assumption (3.05%)	1% Increase (4.05%)
Total OPEB Liability	<u>\$ 9,239,509</u>	<u>\$ 7,926,085</u>	<u>\$ 6,612,662</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:

	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>\$ 6,453,618</u>	<u>\$ 7,926,085</u>	<u>\$ 9,712,483</u>

Village of New Paltz, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended May 31, 2019, the Village recognized OPEB expense of \$449,055 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ -	\$ -
Differences between expected and actual experience	-	516,379
	<u>\$ -</u>	<u>\$ 516,379</u>

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

<u>Year Ended May 31,</u>	
2020	\$ (46,944)
2021	(46,944)
2022	(46,944)
2023	(46,944)
2024	(46,944)
Thereafter	(281,659)

G. 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.

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects Fund</u>	
General Fund	\$ -	\$ -	\$ 393,000	\$ 393,000
Water Fund	52,000	-	150,000	202,000
Sewer Fund	48,000	-	315,000	363,000
Capital Projects Fund	54,404	17,756	-	72,160
	<u>\$ 154,404</u>	<u>\$ 17,756</u>	<u>\$ 858,000</u>	<u>\$ 1,030,160</u>

Note 3 - Detailed Notes on All Funds (Continued)

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 2) move funds from the Water and Sewer funds to the General Fund for administrative costs associated with the Water and Sewer billing process.

H. Net Position

The components of net position are detailed below:

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

Restricted for Purchase and Development of Property for Recreational Purposes - the component of net position that represents funds to be used to finance a portion of the cost of the purchase and development of real property for parks, playgrounds and other recreational purposes of the Village, pursuant to New York State Law.

Restricted for Sidewalk Repairs - the component of net position that represents funds to be used to finance the cost of sidewalk repairs, pursuant to New York State Law.

Restricted for Fire Apparatus Purchase - the component of net position that represents funds to be used to finance a portion of the cost of the future acquisition of fire apparatus for use by the Village's Fire Department, pursuant to General Municipal Law.

Restricted for Highway Equipment Purchases - the component of net position that represents funds to be used to finance the cost of the acquisition of machinery and equipment for use by the Village's Department of Public Works, pursuant to General Municipal Law.

Restricted for Water Supply System Improvements - the component of net position that represents funds to finance a portion of the cost of repair, replacement and general improvement of dams, storage facilities and transmission lines of the water supply system of the Village, pursuant to General Municipal Law.

Restricted for Sanitary Sewage Treatment Plant - the component of net position that represents funds to finance the cost of the reconstruction and enlargement of the sanitary sewage treatment plant of the Village, pursuant to General Municipal Law.

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

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

Restricted for Community Development - the component of net position that reports the difference between assets and liabilities of the Community Development Fund with constraints placed on their use by the United States Department of Housing and Urban Development.

Village of New Paltz, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Special Purpose - the components of net position that reports the different assets and liabilities with constraints placed on their use or by external parties and/or statutes.

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

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balance

	2019						2018							
	General Fund	Community Development Fund	Water Fund	Sewer Fund	Special Purpose Fund	Capital Projects Fund	Total	General Fund	Community Development Fund	Water Fund	Sewer Fund	Special Purpose Fund	Capital Projects Fund	Total
Restricted														
Purchase and development of property for recreational purposes	\$ 9,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,173	\$ 8,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,984
Sidewalk repairs	73,028	-	-	-	-	-	73,028	61,596	-	-	-	-	-	61,596
Fire apparatus purchase	425,306	-	-	-	-	-	425,306	180,738	-	-	-	-	-	180,738
Highway equipment purchases	23,226	-	-	-	-	-	23,226	22,747	-	-	-	-	-	22,747
Water supply system improvements	-	-	92,625	-	-	-	92,625	-	-	90,716	-	-	-	90,716
Sanitary sewage treatment plant	-	-	-	39,743	-	-	39,743	-	-	-	38,924	-	-	38,924
Service awards	394,016	-	-	-	-	-	394,016	388,709	-	-	-	-	-	388,709
Debt service	242	-	19,798	34,223	-	-	54,263	242	-	19,798	34,223	-	-	54,263
Community development fund	-	574,277	-	-	-	-	574,277	-	521,648	-	-	-	-	521,648
Parklands	-	-	-	-	56,249	-	56,249	-	-	-	-	56,249	-	56,249
Trusts	-	-	-	-	207,013	-	207,013	-	-	-	-	65,320	-	65,320
Total Restricted	924,991	574,277	112,423	73,966	263,262	-	1,948,919	663,016	521,648	110,514	73,147	121,569	-	1,489,894
Assigned														
Subsequent year's expenditures	98,500	-	250,744	-	-	-	349,244	197,000	-	241,448	133,234	-	-	571,682
Major funds	-	-	324,649	380,496	-	-	705,145	-	-	468,118	409,974	-	-	878,092
Total Assigned	98,500	-	575,393	380,496	-	-	1,054,389	197,000	-	709,566	543,208	-	-	1,449,774
Unassigned	737,088	-	-	-	-	(1,804,731)	(1,067,643)	499,590	-	-	-	-	(2,939,403)	(2,439,813)
Total Fund Balances	\$ 1,760,579	\$ 574,277	\$ 687,816	\$ 454,462	\$ 263,262	\$ (1,804,731)	\$ 1,935,665	\$ 1,359,606	\$ 521,648	\$ 820,080	\$ 616,355	\$ 121,569	\$ (2,939,403)	\$ 499,855

Village of New Paltz, New York

Notes to Financial Statements (Continued)
May 31, 2019

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.

Restricted for Parklands has been established pursuant to New York State Law. These amounts represent funds received by the Village in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes only.

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

Subsequent year's expenditures represent that at May 31, 2019, the Village Board has utilized the above amounts to be appropriated for the ensuing year's budget.

Assigned for Water and Sewer funds represent the component of fund balance that reports the difference between assets and liabilities of the Water and Sewer funds.

Unassigned fund balance in the General Fund represents amounts not classified as restricted or assigned. Unassigned fund balance in the Capital Projects fund represent a deficit fund balance.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Village's compliance with applicable grant requirements may be established at a future date. 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.

Risk Management

The Village maintains various liability insurance policies to provide against potential losses. The general liability policy provides coverage of \$1 million per occurrence and \$2 million in the aggregate. The Village also maintains an umbrella policy with coverage up to \$10 million. In addition, there is a public officials liability policy providing coverage of \$1 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage for any of the past three fiscal years.

Village of New Paltz, New York

Notes to Financial Statements (Concluded)
May 31, 2019

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The Village and other municipalities in Ulster County participate in the Ulster County Self-Insurance Plan for Worker's Compensation. This Plan operates under the laws of Ulster County. The purpose of the Plan is to provide for the efficient and economical evaluation, processing, administration, defense and payment of claims against plan members for workers' compensation payments. The Plan is administered by an administrator appointed by the Chairman of the County Legislature. Billings to each participant are based upon a formula established by law and includes assessed value and loss experience. The Village is responsible for its share of unbilled and open claims (see Note 3). The Village also purchases conventional health insurance.

Note 5 - Tax Abatements

The Village has real property tax abatement agreements exempt under Real Property Tax Law, Section 412-a and General Municipal Law, Section 874. The total tax abatement for the year ended May 31, 2019 is as follows:

<u>Start Date</u>	<u>Agreement</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>PILOT Revenue</u>	<u>Tax Abated</u>
2008	Kingston Regional/ Senior Living/Woodland Pond	<u>\$ 35,561,500</u>	<u>\$ 4.912</u>	<u>\$ 174,678</u>	<u>\$ 89,865</u>	<u>\$ 84,813</u>

Village of New Paltz, New York

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

	<u>2019</u>
Total OPEB Liability:	
Service cost	\$ 428,857
Interest	241,145
Changes of benefit terms	-
Differences between expected and actual experience	(563,323)
Changes of assumptions or other inputs	-
Benefit payments	<u>(174,003)</u>
Net Change in Total OPEB Liability	(67,324)
Total OPEB Liability – Beginning of Year	<u>7,993,409</u> (3)
Total OPEB Liability – End of Year	<u>\$ 7,926,085</u>
Village's covered-employee payroll	<u>\$ 1,155,652</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>686%</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 New Paltz, 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)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016 (2)</u>
Village's proportion of the net pension liability	<u>0.0038741%</u>	<u>0.0043362%</u>	<u>0.0040727%</u>	<u>0.0042751%</u>
Village's proportionate share of the net pension liability	<u>\$ 274,493</u>	<u>\$ 139,948</u>	<u>\$ 382,679</u>	<u>\$ 686,166</u>
Village's covered payroll	<u>\$ 1,012,089</u>	<u>\$ 1,007,299</u>	<u>\$ 944,279</u>	<u>\$ 924,507</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>27.12%</u>	<u>13.89%</u>	<u>40.53%</u>	<u>74.22%</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>90.70%</u>

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

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement.

Village of New Paltz, 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	\$ 139,167	\$ 142,895	\$ 138,839	\$ 172,278
Contributions in relation to the contractually required contribution	<u>(139,167)</u>	<u>(142,895)</u>	<u>(138,839)</u>	<u>(172,278)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 1,155,652</u>	<u>\$ 1,022,195</u>	<u>\$ 1,008,584</u>	<u>\$ 995,411</u>
Contributions as a percentage of covered payroll	<u>12.04%</u>	<u>13.98%</u>	<u>13.77%</u>	<u>17.31%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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Village of New Paltz, New York

General Fund
 Combining Balance Sheet - Sub-Funds
 Year Ended May 31, 2019
 (With Comparative Totals for 2018)

	General	Fire Service Awards Program	Totals	
			2019	2018
ASSETS				
Cash and equivalents	\$ 482,513	\$ -	\$ 482,513	\$ 146,979
Investments	909,188	394,016	1,303,204	1,231,522
Taxes receivable	3,679	-	3,679	1,586
Other receivables				
Accounts	13,875	-	13,875	16,089
State and Federal aid	210	-	210	50,092
	14,085	-	14,085	66,181
Total Assets	<u>\$ 1,409,465</u>	<u>\$ 394,016</u>	<u>\$ 1,803,481</u>	<u>\$ 1,446,268</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCE AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 21,853	\$ -	\$ 21,853	\$ 55,008
Accrued liabilities	14,621	-	14,621	27,319
Bond interest and matured bonds payable	2,749	-	2,749	2,749
Total Liabilities	39,223	-	39,223	85,076
Deferred inflows of resources				
Deferred tax revenues	3,679	-	3,679	1,586
Total Liabilities and Deferred Inflows of Resources	<u>42,902</u>	<u>-</u>	<u>42,902</u>	<u>86,662</u>
Fund balances				
Restricted	530,975	394,016	924,991	663,016
Assigned	98,500	-	98,500	197,000
Unassigned	737,088	-	737,088	499,590
Total Fund Balances	<u>1,366,563</u>	<u>394,016</u>	<u>1,760,579</u>	<u>1,359,606</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,409,465</u>	<u>\$ 394,016</u>	<u>\$ 1,803,481</u>	<u>\$ 1,446,268</u>

Village of New Paltz, New York

General Fund
 Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Sub-Funds
 Year Ended May 31, 2019
 (With Comparative Totals for 2018)

	General	Fire Service Awards Program	Eliminations	Totals	
				2019	2018
REVENUES					
Real property taxes	\$ 1,479,037	\$ -	\$ -	\$ 1,479,037	\$ 1,483,122
Other tax items	99,305	-	-	99,305	93,444
Non-property taxes	89,871	-	-	89,871	84,888
Departmental income	748,712	14,331	(14,331)	748,712	671,461
Net change in fair value of investments	-	(8,096)	-	(8,096)	24,434
Use of money and property	40,199	14,748	-	54,947	114,770
Licenses and permits	14,690	-	-	14,690	14,121
Fines and forfeitures	236,568	-	-	236,568	148,463
Sale of property and compensation for loss	32,476	-	-	32,476	14,316
State aid	412,420	-	-	412,420	508,440
Federal aid	-	-	-	-	15,268
Miscellaneous	8,484	-	-	8,484	5,905
Total Revenues	3,161,762	20,983	(14,331)	3,168,414	3,178,632
EXPENDITURES					
Current					
General government support	889,146	-	-	889,146	867,858
Public safety	640,102	15,676	(14,331)	641,447	622,503
Transportation	262,875	-	-	262,875	350,359
Economic opportunity and development	4,700	-	-	4,700	4,875
Culture and recreation	34,656	-	-	34,656	28,430
Home and community services	138,988	-	-	138,988	495,547
Employee benefits	516,961	-	-	516,961	525,608
Debt service					
Principal	13,270	-	-	13,270	-
Interest	26,802	-	-	26,802	30,034
Total Expenditures	2,527,500	15,676	(14,331)	2,528,845	2,925,214
Excess of Revenues Over Expenditures	634,262	5,307	-	639,569	253,418
OTHER FINANCING SOURCES (USES)					
Transfers in	154,404	-	-	154,404	90,000
Transfers out	(393,000)	-	-	(393,000)	(363,000)
Total Other Financing Uses	(238,596)	-	-	(238,596)	(273,000)
Net Change in Fund Balances	395,666	5,307	-	400,973	(19,582)
FUND BALANCES					
Beginning of Year	970,897	388,709	-	1,359,606	1,379,188
End of Year	\$ 1,366,563	\$ 394,016	\$ -	\$ 1,760,579	\$ 1,359,606

See independent auditors' report.

Village of New Paltz, New York

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

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 482,513	\$ 146,979
Investments	909,188	842,813
Taxes receivable	3,679	1,586
Other receivables		
Accounts	13,875	16,089
State and Federal aid	210	50,092
	<u>14,085</u>	<u>66,181</u>
Total Assets	<u>\$ 1,409,465</u>	<u>\$ 1,057,559</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 21,853	\$ 55,008
Accrued liabilities	14,621	27,319
Bond interest and matured bonds payable	2,749	2,749
Total Liabilities	39,223	85,076
Deferred inflows of resources		
Deferred tax revenues	3,679	1,586
Total Liabilities and Deferred Inflows of Resources	<u>42,902</u>	<u>86,662</u>
Fund balance		
Restricted	530,975	274,307
Assigned	98,500	197,000
Unassigned	737,088	499,590
Total Fund Balance	<u>1,366,563</u>	<u>970,897</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,409,465</u>	<u>\$ 1,057,559</u>

Village of New Paltz, 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	\$ 1,480,800	\$ 1,480,800	\$ 1,479,037	\$ (1,763)
Other tax items	107,050	107,050	99,305	(7,745)
Non-property taxes	90,000	90,000	89,871	(129)
Departmental income	685,372	685,372	748,712	63,340
Use of money and property	7,000	7,000	40,199	33,199
Licenses and permits	14,500	14,500	14,690	190
Fines and forfeitures	225,000	225,000	236,568	11,568
Sale of property and compensation for loss	11,000	11,000	32,476	21,476
State aid	198,864	307,231	412,420	105,189
Federal aid	-	-	-	-
Miscellaneous	5,000	5,000	8,484	3,484
Total Revenues	2,824,586	2,932,953	3,161,762	228,809
EXPENDITURES				
Current				
General government support	874,493	987,334	889,146	98,188
Public safety	636,038	727,640	640,102	87,538
Health	120	120	-	120
Transportation	318,663	322,550	262,875	59,675
Economic opportunity and development	5,000	5,000	4,700	300
Culture and recreation	45,579	49,579	34,656	14,923
Home and community services	231,113	175,890	138,988	36,902
Employee benefits	645,238	583,171	516,961	66,210
Debt service				
Principal	-	13,270	13,270	-
Interest	26,746	26,803	26,802	1
Total Expenditures	2,782,990	2,891,357	2,527,500	363,857
Excess of Revenues Over Expenditures	41,596	41,596	634,262	592,666
OTHER FINANCING SOURCES (USES)				
Transfers in	154,404	154,404	154,404	-
Transfers out	(393,000)	(393,000)	(393,000)	-
Total Other Financing Uses	(238,596)	(238,596)	(238,596)	-
Net Change in Fund Balance	(197,000)	(197,000)	395,666	592,666
FUND BALANCE				
Beginning of Year	197,000	197,000	970,897	773,897
End of Year	\$ -	\$ -	\$ 1,366,563	\$ 1,366,563

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,482,363	\$ 1,482,363	\$ 1,483,122	\$ 759
103,270	103,270	93,444	(9,826)
90,000	90,000	84,888	(5,112)
653,493	653,493	671,461	17,968
2,000	2,000	37,921	35,921
9,155	9,155	14,121	4,966
175,000	175,000	148,463	(26,537)
11,000	11,000	14,316	3,316
258,007	498,692	508,440	9,748
-	-	15,268	15,268
5,000	5,000	5,905	905
<u>2,789,288</u>	<u>3,029,973</u>	<u>3,077,349</u>	<u>47,376</u>
855,150	936,915	867,858	69,057
573,348	587,974	540,997	46,977
120	120	-	120
365,417	354,045	350,359	3,686
5,000	5,000	4,875	125
42,429	32,927	28,430	4,497
244,060	464,529	495,547	(31,018)
600,730	545,429	525,608	19,821
-	-	-	-
30,034	30,034	30,034	-
<u>2,716,288</u>	<u>2,956,973</u>	<u>2,843,708</u>	<u>113,265</u>
<u>73,000</u>	<u>73,000</u>	<u>233,641</u>	<u>160,641</u>
90,000	90,000	90,000	-
(363,000)	(363,000)	(363,000)	-
<u>(273,000)</u>	<u>(273,000)</u>	<u>(273,000)</u>	<u>-</u>
(200,000)	(200,000)	(39,359)	160,641
<u>200,000</u>	<u>200,000</u>	<u>1,010,256</u>	<u>810,256</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 970,897</u>	<u>\$ 970,897</u>

Village of New Paltz, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget - Sub-Fund

Year Ended May 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
REAL PROPERTY TAXES	\$ 1,480,800	\$ 1,480,800	\$ 1,479,037	\$ (1,763)	\$ 1,483,122
OTHER TAX ITEMS					
Payments in lieu of taxes	92,050	92,050	89,865	(2,185)	85,762
Interest and penalties on real property taxes	15,000	15,000	9,440	(5,560)	7,682
	<u>107,050</u>	<u>107,050</u>	<u>99,305</u>	<u>(7,745)</u>	<u>93,444</u>
NON-PROPERTY TAXES					
Franchise fees	40,000	40,000	35,221	(4,779)	35,530
Utilities gross receipts taxes	50,000	50,000	54,650	4,650	49,358
	<u>90,000</u>	<u>90,000</u>	<u>89,871</u>	<u>(129)</u>	<u>84,888</u>
DEPARTMENTAL INCOME					
Clerk/Treasurer fees	600	600	299	(301)	254
Tax advertising	200	200	40	(160)	30
Administration fees	2,000	2,000	438	(1,562)	1,099
Safety inspection fees	125,000	125,000	182,350	57,350	95,142
Parking violation fines	185,000	185,000	199,000	14,000	181,000
Zoning fees	6,000	6,000	800	(5,200)	1,600
Planning board fees	16,000	16,000	23,617	7,617	24,116
Fire protection services	320,572	320,572	320,572	-	345,196
Other	30,000	30,000	21,596	(8,404)	23,024
	<u>685,372</u>	<u>685,372</u>	<u>748,712</u>	<u>63,340</u>	<u>671,461</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	7,000	7,000	40,199	33,199	37,921

LICENSES AND PERMITS

Business and occupational licenses	2,500	2,500	4,000	1,500	2,500
Games of chance	-	-	-	-	61
Permits	12,000	12,000	10,690	(1,310)	11,560
	<u>14,500</u>	<u>14,500</u>	<u>14,690</u>	<u>190</u>	<u>14,121</u>

FINES AND FORFEITURES

Fines and forfeited bail	<u>225,000</u>	<u>225,000</u>	<u>236,568</u>	<u>11,568</u>	<u>148,463</u>
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	<u>11,000</u>	<u>11,000</u>	<u>32,476</u>	<u>21,476</u>	<u>14,316</u>
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STATE AID

Per capita	72,724	72,724	72,724	-	72,724
Mortgage tax	80,000	80,000	71,784	(8,216)	77,575
State Emergency Management Agency	-	-	2,545	2,545	7,968
Consolidated Highway Improvement Program	46,140	46,140	-	(46,140)	117,558
Park and Ride	-	-	7,000	7,000	5,000
Historic preservation grant	-	58,367	58,367	-	227,615
Public Safety - Other	-	50,000	200,000	150,000	-
	<u>198,864</u>	<u>307,231</u>	<u>412,420</u>	<u>105,189</u>	<u>508,440</u>

FEDERAL AID

Park and Ride	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,268</u>
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MISCELLANEOUS

Gifts and donations	5,000	5,000	5,499	499	5,905
Other	<u>-</u>	<u>-</u>	<u>2,985</u>	<u>2,985</u>	<u>-</u>
	<u>5,000</u>	<u>5,000</u>	<u>8,484</u>	<u>3,484</u>	<u>5,905</u>

TOTAL REVENUES

	<u>2,824,586</u>	<u>2,932,953</u>	<u>3,161,762</u>	<u>228,809</u>	<u>3,077,349</u>
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OTHER FINANCING SOURCES

Transfers in					
Water Fund	52,000	52,000	52,000	-	47,000
Sewer Fund	48,000	48,000	48,000	-	43,000
Capital Projects Fund	54,404	54,404	54,404	-	-
	<u>154,404</u>	<u>154,404</u>	<u>154,404</u>	<u>-</u>	<u>90,000</u>

TOTAL OTHER FINANCING SOURCES

	<u>154,404</u>	<u>154,404</u>	<u>154,404</u>	<u>-</u>	<u>90,000</u>
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**TOTAL REVENUES AND
OTHER FINANCING SOURCES**

	<u>\$ 2,978,990</u>	<u>\$ 3,087,357</u>	<u>\$ 3,316,166</u>	<u>\$ 228,809</u>	<u>\$ 3,167,349</u>
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See independent auditors' report.

Village of New Paltz, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund
 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					
Board of Trustees	\$ 37,050	\$ 38,850	\$ 38,801	\$ 49	\$ 37,278
Traffic Violations Bureau	55,292	55,008	53,900	1,108	57,801
Mayor	49,350	49,634	48,634	1,000	48,188
Auditor	40,500	29,433	28,578	855	41,393
Treasurer	151,110	182,077	182,077	-	160,887
Assessment	1,500	1,500	1,175	325	1,224
Clerk	60,094	71,394	70,657	737	55,906
Law	85,000	83,177	75,733	7,444	80,028
Engineer	10,000	61,458	61,458	-	46,304
Elections	5,500	5,500	4,416	1,084	-
Records management	200	200	9	191	12
Buildings	108,108	117,314	115,475	1,839	129,937
Central garage	97,447	101,447	99,622	1,825	116,566
Central printing and mailing	6,005	9,005	8,387	618	6,468
Central data processing	45,860	62,860	62,798	62	49,892
Unallocated insurance	33,000	29,512	28,461	1,051	30,746
Municipal association dues	3,277	3,277	3,277	-	-
Other	5,200	5,688	5,688	-	5,228
Contingency	80,000	80,000	-	80,000	-
	<u>874,493</u>	<u>987,334</u>	<u>889,146</u>	<u>98,188</u>	<u>867,858</u>
PUBLIC SAFETY					
Traffic control	17,483	14,847	8,929	5,918	13,058
On-street parking	55,500	74,738	73,521	1,217	63,702
Fire department	375,956	375,956	296,110	79,846	317,987
Safety inspection	156,911	181,961	181,961	-	140,190
Other public safety	30,188	80,138	79,581	557	6,060
	<u>636,038</u>	<u>727,640</u>	<u>640,102</u>	<u>87,538</u>	<u>540,997</u>

HEALTH

Registrar of Vital Statistics

120

120

-

120

-

TRANSPORTATION

Street administration

35,503

37,073

37,013

60

36,664

Street maintenance

66,147

85,651

85,519

132

71,284

Snow removal

87,698

72,698

69,459

3,239

61,830

Street lighting

63,240

63,240

60,654

2,586

61,049

Sidewalks

10,390

7,116

1,966

5,150

30,160

Off-street parking

9,545

10,632

8,264

2,368

6,494

Other transportation

46,140

46,140

-

46,140

82,878

318,663

322,550

262,875

59,675

350,359

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Veterans' services

5,000

5,000

4,700

300

4,875

CULTURE AND RECREATION

Parks

20,746

24,746

22,404

2,342

16,317

Historical property

7,300

7,300

4,810

2,490

3,923

Rail trail

9,608

9,608

5,266

4,342

5,277

Celebrations

7,925

7,925

2,176

5,749

2,913

45,579

49,579

34,656

14,923

28,430

HOME AND COMMUNITY SERVICES

Zoning Board

10,616

10,616

7,064

3,552

6,844

Planning Board

78,814

18,815

14,538

4,277

84,460

Storm sewers

30,880

29,551

25,225

4,326

316,635

Refuse and garbage

71,824

71,824

69,631

2,193

57,994

Street cleaning

9,347

13,620

13,516

104

14,524

Community beautification

8,883

8,883

4,493

4,390

4,271

Conservation

1,000

1,000

171

829

746

Shade trees

18,749

20,581

4,266

16,315

9,887

Other

1,000

1,000

84

916

186

231,113

175,890

138,988

36,902

495,547

(Continued)

Village of New Paltz, New York

General Fund

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

Year Ended May 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 109,120	\$ 109,120	\$ 73,592	\$ 35,528	\$ 94,311
Social security	77,800	77,800	70,976	6,824	70,255
Fire service awards	18,000	18,000	14,331	3,669	10,305
Workers' compensation benefits	33,000	33,000	24,472	8,528	24,188
Unemployment benefits	7,251	8,310	8,310	-	-
Disability insurance	3,850	3,850	2,068	1,782	2,167
Hospital and medical insurance	396,217	333,091	323,212	9,879	324,382
	<u>645,238</u>	<u>583,171</u>	<u>516,961</u>	<u>66,210</u>	<u>525,608</u>
DEBT SERVICE					
Principal					
Installment purchase debt	-	13,270	13,270	-	-
Interest					
Installment purchase debt	-	57	57	-	-
Bond anticipation notes	26,746	26,746	26,745	1	30,034
	<u>26,746</u>	<u>40,073</u>	<u>40,072</u>	<u>1</u>	<u>30,034</u>
TOTAL EXPENDITURES	2,782,990	2,891,357	2,527,500	363,857	2,843,708
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	393,000	393,000	393,000	-	363,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 3,175,990</u>	<u>\$ 3,284,357</u>	<u>\$ 2,920,500</u>	<u>\$ 363,857</u>	<u>\$ 3,206,708</u>

See independent auditors' report.

Village of New Paltz, New York

Community Development Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 574,277</u>	<u>\$ 521,648</u>
FUND BALANCE		
Restricted	<u>\$ 574,277</u>	<u>\$ 521,648</u>

Village of New Paltz, New York

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

	<u>2019</u>	<u>2018</u>
REVENUES		
Departmental income	\$ 42,359	\$ 7,656
Use of money and property	<u>10,270</u>	<u>6,675</u>
Total Revenues	52,629	14,331
EXPENDITURES		
Economic opportunity and development	<u>-</u>	<u>50,000</u>
Excess (Deficiency) of Revenues Over Expenditures	52,629	(35,669)
FUND BALANCE		
Beginning of Year	<u>521,648</u>	<u>557,317</u>
End of Year	<u><u>\$ 574,277</u></u>	<u><u>\$ 521,648</u></u>

Village of New Paltz, New York

Water Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 258,019	\$ 361,738
Investments	149,860	246,037
Receivables		
Water rents	134,018	211,503
State and Federal aid	-	75,000
Due from other governments	160,151	93,562
	<u>294,169</u>	<u>380,065</u>
Total Assets	<u>\$ 702,048</u>	<u>\$ 987,840</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 14,232	\$ 167,760
Fund balance		
Restricted	112,423	110,514
Assigned	575,393	709,566
Total Fund Balance	<u>687,816</u>	<u>820,080</u>
Total Liabilities and Fund Balance	<u>\$ 702,048</u>	<u>\$ 987,840</u>

Village of New Paltz, 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	\$ 1,394,586	\$ 1,394,586	\$ 1,384,222	\$ (10,364)
Use of money and property	3,000	3,000	9,691	6,691
State aid	-	-	-	-
Sale of property and compensation for loss	10,000	10,000	-	(10,000)
Total Revenues	1,407,586	1,407,586	1,393,913	(13,673)
EXPENDITURES				
Current				
General government support	71,875	99,926	67,827	32,099
Home and community services	906,815	865,437	808,209	57,228
Employee benefits	169,636	169,636	136,107	33,529
Debt service				
Principal	120,000	133,270	133,270	-
Interest	178,708	178,765	178,764	1
Total Expenditures	1,447,034	1,447,034	1,324,177	122,857
Excess (Deficiency) of Revenues Over Expenditures	(39,448)	(39,448)	69,736	109,184
OTHER FINANCING USES				
Transfers out	(202,000)	(202,000)	(202,000)	-
Net Change in Fund Balance	(241,448)	(241,448)	(132,264)	109,184
FUND BALANCE				
Beginning of Year	241,448	241,448	820,080	578,632
End of Year	\$ -	\$ -	\$ 687,816	\$ 687,816

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,326,022	\$ 1,326,022	\$ 1,317,670	\$ (8,352)
1,000	1,000	2,962	1,962
75,000	75,000	75,000	-
2,500	2,500	313	(2,187)
<u>1,404,522</u>	<u>1,404,522</u>	<u>1,395,945</u>	<u>(8,577)</u>
74,375	89,604	63,135	26,469
979,958	964,729	922,604	42,125
154,388	154,388	129,144	25,244
110,000	110,000	110,000	-
77,984	77,984	77,984	-
<u>1,396,705</u>	<u>1,396,705</u>	<u>1,302,867</u>	<u>93,838</u>
7,817	7,817	93,078	85,261
<u>(197,000)</u>	<u>(197,000)</u>	<u>(197,000)</u>	<u>-</u>
(189,183)	(189,183)	(103,922)	85,261
<u>189,183</u>	<u>189,183</u>	<u>924,002</u>	<u>734,819</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 820,080</u>	<u>\$ 820,080</u>

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Village of New Paltz, New York

Sewer Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 109,688	\$ 226,112
Investments	<u>100,165</u>	<u>147,733</u>
Receivables		
Accounts	1,349	3,424
Sewer rents	122,418	136,806
Due from other governments	140,363	67,199
State and Federal aid	<u>-</u>	<u>91,905</u>
	<u>264,130</u>	<u>299,334</u>
Total Assets	<u>\$ 473,983</u>	<u>\$ 673,179</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 19,521	\$ 56,824
Fund balance		
Restricted	73,966	73,147
Assigned	<u>380,496</u>	<u>543,208</u>
Total Fund Balance	<u>454,462</u>	<u>616,355</u>
Total Liabilities and Fund Balance	<u>\$ 473,983</u>	<u>\$ 673,179</u>

Village of New Paltz, 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	\$ 1,223,651	\$ 1,223,651	\$ 1,021,535	\$ (202,116)
Use of money and property	1,000	1,000	3,227	2,227
Sale of property and compensation for loss	-	-	10,000	10,000
State aid	-	-	2,819	2,819
Federal aid	-	701,360	701,360	-
Miscellaneous	2,000	2,000	-	(2,000)
Total Revenues	1,226,651	1,928,011	1,738,941	(189,070)
EXPENDITURES				
Current				
General government support	86,500	135,755	113,058	22,697
Home and community services	620,249	1,287,667	1,286,051	1,616
Employee benefits	169,636	140,996	129,654	11,342
Debt service				
Principal	-	13,269	13,269	-
Interest	13,500	13,558	13,558	-
Total Expenditures	889,885	1,591,245	1,555,590	35,655
Excess of Revenues Over Expenditures	336,766	336,766	183,351	(153,415)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	17,756	17,756
Transfers out	(470,000)	(470,000)	(363,000)	107,000
Total Other Financing Uses	(470,000)	(470,000)	(345,244)	124,756
Net Change in Fund Balance	(133,234)	(133,234)	(161,893)	(28,659)
FUND BALANCE				
Beginning of Year	133,234	133,234	616,355	483,121
End of Year	\$ -	\$ -	\$ 454,462	\$ 454,462

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,161,237	\$ 1,161,237	\$ 1,077,438	\$ (83,799)
500	500	3,270	2,770
-	-	8,011	8,011
-	80,420	80,420	-
-	48,640	48,640	-
2,000	2,000	460	(1,540)
<u>1,163,737</u>	<u>1,292,797</u>	<u>1,218,239</u>	<u>(74,558)</u>
82,000	206,911	185,590	21,321
822,932	840,252	837,246	3,006
154,388	141,217	125,238	15,979
-	-	-	-
11,667	11,667	11,239	428
<u>1,070,987</u>	<u>1,200,047</u>	<u>1,159,313</u>	<u>40,734</u>
92,750	92,750	58,926	(33,824)
-	-	-	-
(143,000)	(143,000)	(143,000)	-
(143,000)	(143,000)	(143,000)	-
(50,250)	(50,250)	(84,074)	(33,824)
50,250	50,250	700,429	650,179
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 616,355</u>	<u>\$ 616,355</u>

Village of New Paltz, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 263,262</u>	<u>\$ 121,569</u>
FUND BALANCE		
Restricted	<u>\$ 263,262</u>	<u>\$ 121,569</u>

Village of New Paltz, New York

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

	<u>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ 943	\$ 27
Miscellaneous	<u>140,750</u>	<u>2,278</u>
Total Revenues	141,693	2,305
EXPENDITURES		
Current		
Culture and recreation	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	141,693	2,305
FUND BALANCE		
Beginning of Year	<u>121,569</u>	<u>119,264</u>
End of Year	<u>\$ 263,262</u>	<u>\$ 121,569</u>

Village of New Paltz, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 721,694	\$ 3,736,993
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 293,745	\$ 716
Bond anticipation notes payable	<u>2,232,680</u>	<u>6,675,680</u>
Total Liabilities	2,526,425	6,676,396
Fund deficit		
Unassigned	<u>(1,804,731)</u>	<u>(2,939,403)</u>
Total Liabilities and Fund Deficit	<u>\$ 721,694</u>	<u>\$ 3,736,993</u>

Village of New Paltz, 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	\$ -	\$ 236,752
EXPENDITURES		
Capital outlay	<u>3,687,168</u>	<u>1,207,148</u>
Deficiency of Revenues Over Expenditures	(3,687,168)	(970,396)
OTHER FINANCING SOURCES		
Installment purchase debt issued	186,000	-
General obligation bonds issued	3,850,000	-
Transfers in	858,000	613,000
Transfers out	<u>(72,160)</u>	<u>-</u>
Total Other Financing Sources	<u>4,821,840</u>	<u>613,000</u>
Net Change in Fund Balance	1,134,672	(357,396)
FUND DEFICIT		
Beginning of Year	<u>(2,939,403)</u>	<u>(2,582,007)</u>
End of Year	<u>\$ (1,804,731)</u>	<u>\$ (2,939,403)</u>

Village of New Paltz, New York

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

<u>Project</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
Morielli Pool	\$ 1,354,532	\$ 1,348,929	\$ 5,603
Fire Truck	439,500	439,435	65
DEP - Other Water Source	1,426,076	1,426,076	-
New Water Tank	1,637,000	1,637,000	-
USDA Water Filtration upgrades	4,200,000	3,831,654	368,346
Digester Lid Cover Sewer Plant	815,000	809,025	5,975
Fire Truck 2016	480,724	480,724	-
Fire Truck 2012	839,956	839,956	-
Millbrook Preserve Property	650,000	650,000	-
West Center Street Storm Sewer	150,000	113,743	36,257
Totals	<u>\$ 11,992,788</u>	<u>\$ 11,576,542</u>	<u>\$ 416,246</u>

See independent auditors' report.

<u>Total Revenues</u>	<u>Fund Balance (Deficit) at May 31, 2019</u>	<u>Bond Anticipation Notes Outstanding At May 31, 2019</u>
\$ 1,361,694	\$ 12,765	\$ -
439,500	65	-
1,430,617	4,541	-
1,000,000	(637,000)	637,000
3,950,000	118,346	250,000
415,000	(394,025)	400,000
300,000	(180,724)	180,724
700,000	(139,956)	139,956
175,000	(475,000)	475,000
-	(113,743)	150,000
<u>\$ 9,771,811</u>	<u>\$ (1,804,731)</u>	<u>\$ 2,232,680</u>