

Village of New Paltz, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2020

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, 2020, 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, 2020 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.

Emphasis of Matter

As discussed in Note 4B in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("Coronavirus"). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended May 31, 2020 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, 2020 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, 2020 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, 2020.

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, 2019 (not presented herein) and have issued our report thereon dated October 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, 2019 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 2019 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, 2019.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 21, 2020

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Village of New Paltz, New York

Management's Discussion and Analysis (MD&A)
May 31, 2020

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, 2020. 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 2019-2020 by \$4,257,133.
- The General Fund completed fiscal year 2020 with a fund balance totaling \$1,737,778 a decrease of \$22,801. Of the total fund balance of the General Fund, the unassigned fund balance totaled \$572,810. The assigned classification included \$160,000 for subsequent year's expenditures. \$9,318 was restricted for the purchase and development of property for recreational purposes, \$74,184 for sidewalk repairs, \$473,660 for the purchase of fire apparatus, \$23,594 for the purchase of highway equipment and \$242 for debt services. In addition, \$423,970 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 \$359,739. Exclusive of the Capital Projects Fund deficit of \$3,031,610, the combined ending governmental fund balance was \$3,391,349.
- 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 \$3,507,680 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 2020 and 2019, unassigned fund balance for the General Fund was \$572,810 or 17% and \$737,088 or 25%, 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 \$4,257,133 at the close of the fiscal year 2019-2020. 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>2020</u>	<u>2019</u>
Current Assets	\$ 4,070,965	\$ 4,538,745
Capital Assets, net	<u>18,434,214</u>	<u>16,392,102</u>
Total Assets	<u>22,505,179</u>	<u>20,930,847</u>
Deferred Outflows or Resources	<u>1,107,060</u>	<u>156,549</u>
Current Liabilities	3,754,627	2,674,505
Long-term Liabilities	<u>14,513,633</u>	<u>13,446,324</u>
Total Liabilities	<u>18,268,260</u>	<u>16,120,829</u>
Deferred Inflows or Resources	<u>1,086,846</u>	<u>666,495</u>
Net Position		
Net Investment in Capital Assets	10,346,636	9,433,809
Restricted	1,849,685	1,948,919
Unrestricted	<u>(7,939,188)</u>	<u>(7,082,656)</u>
Total Net Position	<u>\$ 4,257,133</u>	<u>\$ 4,300,072</u>

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

	<u>2020</u>	<u>2019</u>
REVENUES		
Program Revenues		
Charges for Services	\$ 3,376,728	\$ 3,237,324
Operating Grants and Contributions	354,537	1,384,216
Capital Grants and Contributions	623,081	-
Total Program Revenues	<u>4,354,346</u>	<u>4,621,540</u>
General Revenues		
Real Property Taxes	1,488,252	1,481,130
Other Tax Items	102,784	99,305
Non-Property Taxes	88,228	89,871
Unrestricted Use of Money and Property	20,956	40,199
Unrestricted State Aid	71,029	144,508
Miscellaneous	72,751	2,985
Sale of Property and Compensation for loss	131,588	32,476
Total General Revenues	<u>1,975,588</u>	<u>1,890,474</u>
Total Revenues	<u>6,329,934</u>	<u>6,512,014</u>
PROGRAM EXPENSES		
General Government Support	1,652,400	1,547,481
Public Safety	1,274,040	1,113,134
Transportation	515,051	497,026
Economic Opportunity and Development	900	4,700
Culture and Recreation	366,219	83,068
Home and Community Services	2,338,664	2,355,920
Interest	225,599	222,173
Total Expenses	<u>6,372,873</u>	<u>5,823,502</u>
Change in Net Position	<u>(42,939)</u>	<u>688,512</u>
NET POSITION		
Beginning, as reported	4,300,072	7,758,921
Cumulative effect of change in accounting principle	-	(4,363,409)
Prior period adjustment*	-	216,048
Beginning, as restated	<u>4,300,072</u>	<u>3,611,560</u>
Net Position - Ending	<u>\$ 4,257,133</u>	<u>\$ 4,300,072</u>

* Prior Period Adjustment – Beginning net position of the Village as of May 31, 2018 was restated for amounts incorrectly expensed that should have been capitalized as part of construction in progress.

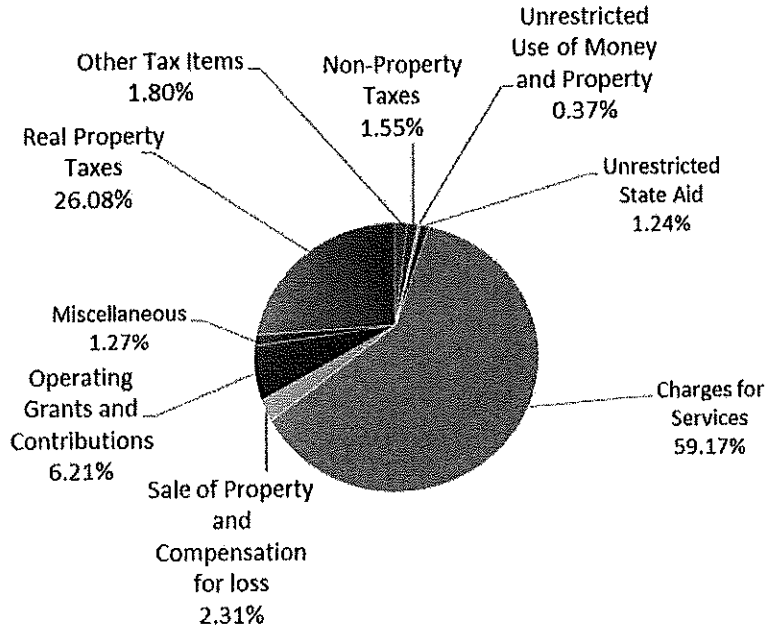
Governmental Activities

Governmental activities decreased the Village's net position by \$42,939 in 2020 and increased by \$688,512 in 2019.

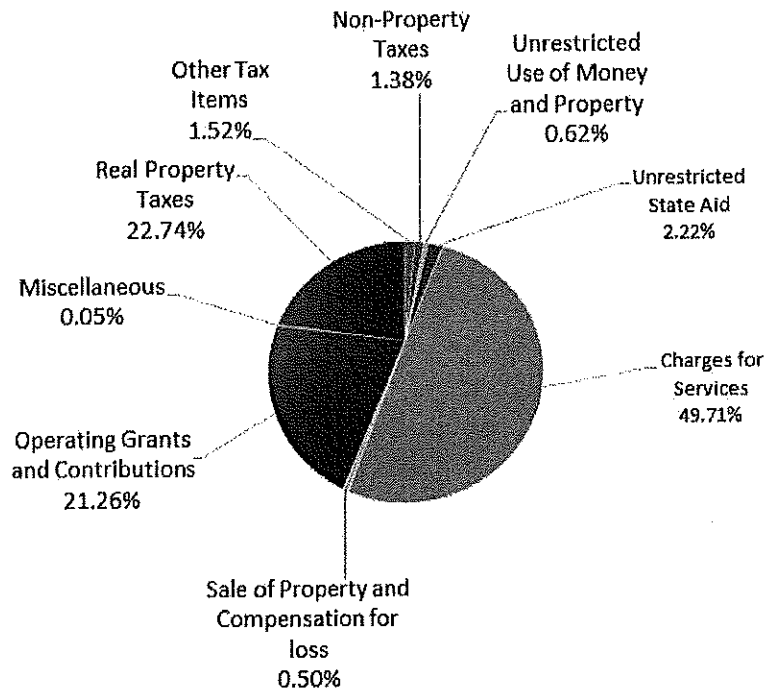
For the fiscal years ended May 31, 2020 and 2019, revenues from governmental activities totaled \$6,329,934 and \$6,512,014 respectively. Tax revenues (\$1,679,264 in 2020 and \$1,670,306 in 2019), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (27% in 2020 and 26% in 2019).

The largest components of governmental activities' expenses are general government support (25% in 2020 and 27% in 2019), public safety (20% in 2020 and 19% in 2019), transportation (8% in 2020 and 8% in 2019), and home and community services (38% in 2020 and 40% in 2019). 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.

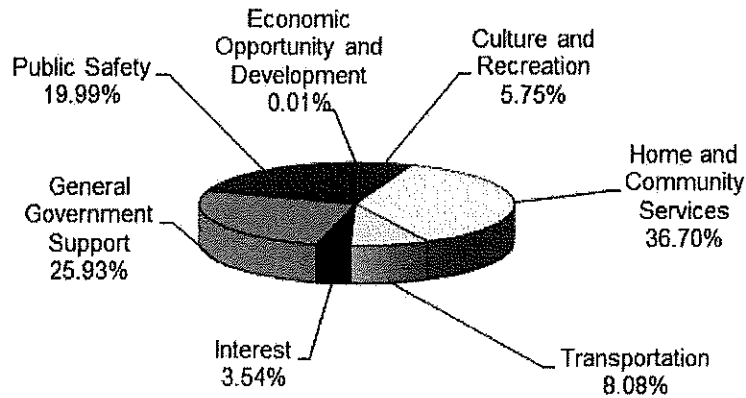
**Sources of Revenue for Fiscal Year 2020
Governmental Activities**



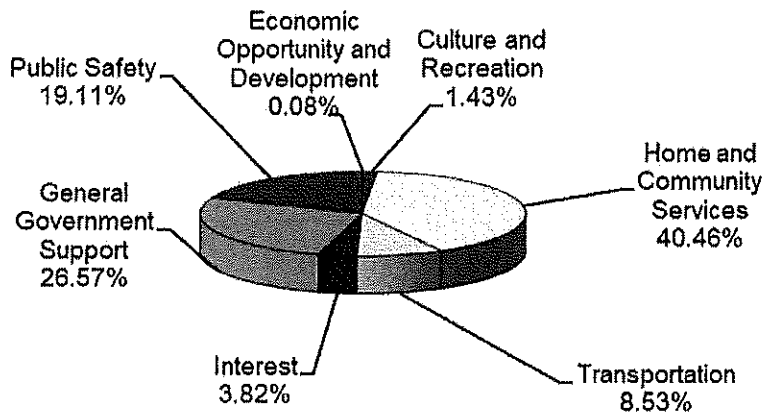
**Sources of Revenue for Fiscal Year 2019
Governmental Activities**



**Sources of Expenses for Fiscal Year 2020
Governmental Activities**



**Sources of Expenses for Fiscal Year 2019
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 \$359,739 (inclusive of the Capital Project Fund deficit of \$3,031,610). Of this amount, \$572,810 of the total ending fund balance constitutes unassigned fund balance in the General Fund. The Village has assigned \$160,000 for subsequent year's expenditures and represents the amount estimated for use in the 2021 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 \$572,810 representing 33% of the total General Fund balance of \$1,737,778. When the fiscal year 2019-2020 General Fund budget was adopted, it anticipated the use of \$98,500 of fund balance. Actual results of operations resulted in an increase of the fund balance in the amount of \$88,159. Revenues were \$3,247,438 which were \$97,327 more than the final budget. Expenditures were \$3,300,193, which were \$229,020 less than the final budget. The major areas where spending was less than budgeted was Transportation of \$146,819 and Public Safety \$31,863.

The Community Development, which provides assistance to businesses in the community. Payments for this assistance ended its fiscal year with a fund balance of \$582,086 an increase of \$7,809 from the prior year fund balance of \$574,277.

The fund balance of the Water Fund at May 31, 2020 was \$534,006 a decrease of \$153,810 from the prior year. Revenues of \$1,336,277 were \$141,787 less than budgeted, and expenditures of \$1,553,739 (including an operating transfer out of \$202,000) were \$175,066 less than budgeted.

The fund balance of the Sewer Fund at May 31, 2020 was \$463,332 an increase of \$8,870 from the prior year. Revenues of \$1,185,832 were \$205,297 less than budgeted and expenditures of \$1,176,962 (including operating transfer out of \$373,000 were \$208,192 less than budgeted.

The Capital Projects Fund has an unassigned fund deficit of \$3,031,610 at May 31, 2020, an increase of \$1,226,879 from the 2019 deficit of \$1,804,731. The majority of the capital projects are financed by short-term debt as of year end. Bond anticipation notes payable were \$3,507,680 at May 31, 2020.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2020, net of accumulated depreciation, was \$18,434,214. 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	2020	2019
Land	\$ 1,003,324	\$ 1,003,324
Construction in progress	5,338,576	3,831,654
Building and improvements	3,080,183	3,248,822
Land improvements	590,950	665,974
Infrastructure	5,618,585	5,436,721
Machinery and equipment	2,802,596	2,205,607
	\$ 18,434,214	\$ 16,392,102

Construction in progress represents the ongoing USDA Water Filtration upgrades project.

Long-term Debt /Short-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$4,725,000 and bond anticipation notes (BAN's) of \$3,507,680. 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, 2020, bond principal of \$265,000 and bond anticipation notes principal of \$825,000 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, 2020, the Village five year average full valuation was \$300,806,112 thereby establishing a constitutional debt limit of \$21,056,428.

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 2020-2021 budget.

The Village assigned \$160,000 unassigned fund balance of the General Fund to reduce the tax levy in the 2020-2021 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 York

Statement of Net Position
May 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 1,618,316
Investments	1,653,227
Receivables	
Taxes	3,679
Accounts	16,220
Water rents	128,512
Sewer rents	112,358
Due from other governments	482,784
State and Federal aid	55,869
Capital assets	
Not being depreciated	6,341,900
Being depreciated, net	<u>12,092,314</u>
Total Assets	<u>22,505,179</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,107,060</u>
LIABILITIES	
Accounts payable	182,690
Accrued liabilities	14,428
Bond interest and matured bonds payable	2,749
Bond anticipation notes payable	3,507,680
Accrued interest payable	47,080
Non-current liabilities	
Due within one year	356,061
Due in more than one year	<u>14,157,572</u>
Total Liabilities	<u>18,268,260</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,086,846</u>
NET POSITION	
Net investment in capital assets	10,346,636
Restricted	
Purchase and development of property for recreational purposes	9,318
Sidewalk repairs	74,184
Fire apparatus purchase	473,660
Highway equipment purchases	23,594
Water supply system improvements	94,091
Sanitary sewage treatment plant	40,372
Service awards	423,970
Debt service	54,263
Special Revenue Funds	
Community Development	582,086
Special Purpose	74,147
Unrestricted	<u>(7,939,188)</u>
Total Net Position	<u>\$ 4,257,133</u>

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, 2020

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	\$ 1,652,400	\$ 183,840	\$ 19,996	\$ -	\$ (1,448,564)
Public safety	1,274,040	754,250	200,000	-	(319,790)
Transportation	515,051	-	5,000	-	(510,051)
Economic opportunity and development	900	-	-	-	(900)
Culture and recreation	366,219	-	52,045	-	(314,174)
Home and community services	2,338,664	2,438,638	77,496	623,081	800,551
Interest	225,599	-	-	-	(225,599)
Total Governmental Activities	\$ 6,372,873	\$ 3,376,728	\$ 354,537	\$ 623,081	(2,018,527)
General revenues					
Real property taxes					1,488,252
Other tax items					93,685
Payments in lieu of taxes					9,099
Interest and penalties on real property taxes					
Non-property taxes					36,494
Franchise fees					51,734
Utilities gross receipts taxes					20,956
Unrestricted use of money and property					71,029
Unrestricted State aid					131,588
Sale of property and compensation for loss					72,751
Miscellaneous					
Total General Revenues					1,975,588
Change in Net Position					(42,939)
Net Position - Beginning					4,300,072
Net Position - Ending					\$ 4,257,133

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, 2020

	General	Community Development	Water
ASSETS			
Cash and equivalents	\$ 430,400	\$ 582,086	\$ 7,525
Investments	1,399,243	-	152,233
Taxes receivable	3,679	-	-
Other receivables			
Accounts	13,844	-	-
Water rents	-	-	128,512
Sewer rents	-	-	-
Due from other governments	-	-	257,649
State and Federal aid	38,576	-	-
	52,420	-	386,161
Total Assets	<u>\$ 1,885,742</u>	<u>\$ 582,086</u>	<u>\$ 545,919</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 127,108	\$ -	\$ 11,913
Accrued liabilities	14,428	-	-
Bond interest and matured bonds payable	2,749	-	-
Bond anticipation notes payable	-	-	-
Total Liabilities	144,285	-	11,913
Deferred inflows of resources			
Deferred tax revenues	3,679	-	-
Total Liabilities and Deferred Inflows of Resources	<u>147,964</u>	<u>-</u>	<u>11,913</u>
Fund balances (deficits)			
Restricted	1,004,968	582,086	113,889
Assigned	160,000	-	420,117
Unassigned	572,810	-	-
Total Fund Balances (Deficits)	<u>1,737,778</u>	<u>582,086</u>	<u>534,006</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 1,885,742</u>	<u>\$ 582,086</u>	<u>\$ 545,919</u>

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

<u>Sewer</u>	<u>Special Purpose</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ 40,005	\$ 74,147	\$ 484,153	\$ 1,618,316
101,751	-	-	1,653,227
-	-	-	3,679
2,376	-	-	16,220
-	-	-	128,512
112,358	-	-	112,358
225,135	-	-	482,784
-	-	17,293	55,869
339,869	-	17,293	795,743
<u>\$ 481,625</u>	<u>\$ 74,147</u>	<u>\$ 501,446</u>	<u>\$ 4,070,965</u>
\$ 18,293	\$ -	\$ 25,376	\$ 182,690
-	-	-	14,428
-	-	-	2,749
-	-	3,507,680	3,507,680
18,293	-	3,533,056	3,707,547
-	-	-	3,679
18,293	-	3,533,056	3,711,226
74,595	74,147	-	1,849,685
388,737	-	-	968,854
-	-	(3,031,610)	(2,458,800)
463,332	74,147	(3,031,610)	359,739
<u>\$ 481,625</u>	<u>\$ 74,147</u>	<u>\$ 501,446</u>	<u>\$ 4,070,965</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, 2020

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

Fund Balances - Total Governmental Funds	<u>\$ 359,739</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>18,434,214</u>
Governmental funds do not reflect the effect of assets or liabilities related to net pension liabilities and amounts related to other post employment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension liabilities	527,461
Deferred amounts on other post employment benefit obligations	<u>(507,247)</u>
	<u>20,214</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 and, therefore, are not reported in the funds.	
Accrued interest payable	(47,080)
General obligation bonds payable	(4,725,000)
Installment purchase debt payable	(318,138)
Judgments and claims	(52,255)
Compensated absences	(116,200)
Net pension liability	(964,826)
Other post employment benefit obligations payable	<u>(8,337,214)</u>
	<u>(14,560,713)</u>
Net Position of Governmental Activities	<u>\$ 4,257,133</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, 2020

	General	Community Development	Water
REVENUES			
Real property taxes	\$ 1,488,252	\$ -	\$ -
Other tax items	102,784	-	-
Non-property taxes	88,228	-	-
Departmental income	628,949	-	1,330,861
Net change in fair value of investments	6,488	-	-
Use of money and property	35,152	7,809	5,416
Licenses and permits	13,335	-	-
Fines and forfeitures	254,122	-	-
Sale of property and compensation for loss	131,588	-	-
State aid	285,987	-	-
Federal aid	-	-	-
Miscellaneous	74,980	-	-
Total Revenues	3,109,865	7,809	1,336,277
EXPENDITURES			
Current			
General government support	941,784	-	41,891
Public safety	706,081	-	-
Transportation	233,498	-	-
Economic opportunity and development	900	-	-
Culture and recreation	68,854	-	-
Home and community services	133,610	-	690,636
Employee benefits	534,083	-	132,841
Debt service			
Principal	11,528	-	276,529
Interest	29,983	-	209,842
Capital outlay	-	-	-
Total Expenditures	2,660,321	-	1,351,739
Excess (Deficiency) of Revenues Over Expenditures	449,544	7,809	(15,462)
OTHER FINANCING SOURCES (USES)			
Installment purchase debt issued	-	-	-
Transfers in	158,257	-	63,652
Transfers out	(630,602)	-	(202,000)
Total Other Financing Sources (Uses)	(472,345)	-	(138,348)
Net Change in Fund Balances	(22,801)	7,809	(153,810)
FUND BALANCES (DEFICITS)			
Beginning of Year	1,760,579	574,277	687,816
End of Year	<u>\$ 1,737,778</u>	<u>\$ 582,086</u>	<u>\$ 534,006</u>

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

Sewer	Special Purpose	Capital Projects	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 1,488,252
-	-	-	102,784
-	-	-	88,228
1,119,922	-	-	3,079,732
-	-	-	6,488
2,207	726	-	51,310
-	-	-	13,335
-	-	-	254,122
-	-	-	131,588
-	-	623,081	909,068
57,000	-	-	57,000
728	51,319	-	127,027
<u>1,179,857</u>	<u>52,045</u>	<u>623,081</u>	<u>6,308,934</u>
107,918	-	-	1,091,593
-	-	-	706,081
-	-	-	233,498
-	-	-	900
-	219,160	-	288,014
538,309	-	-	1,362,555
132,408	-	-	799,332
11,529	-	-	299,586
13,798	-	-	253,623
-	-	3,056,211	3,056,211
<u>803,962</u>	<u>219,160</u>	<u>3,056,211</u>	<u>8,091,393</u>
<u>375,895</u>	<u>(167,115)</u>	<u>(2,433,130)</u>	<u>(1,782,459)</u>
-	-	206,533	206,533
5,975	-	1,705,602	1,933,486
<u>(373,000)</u>	<u>(22,000)</u>	<u>(705,884)</u>	<u>(1,933,486)</u>
<u>(367,025)</u>	<u>(22,000)</u>	<u>1,206,251</u>	<u>206,533</u>
8,870	(189,115)	(1,226,879)	(1,575,926)
<u>454,462</u>	<u>263,262</u>	<u>(1,804,731)</u>	<u>1,935,665</u>
<u>\$ 463,332</u>	<u>\$ 74,147</u>	<u>\$ (3,031,610)</u>	<u>\$ 359,739</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, 2020

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

Net Change in Fund Balances - Total Governmental Funds \$ (1,575,926)

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 3,167,610
Depreciation expense (1,125,498)

2,042,112

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Installment purchase debt issued (206,533)
Principal paid on general obligation bonds 265,000
Principal paid on installment purchase debt 34,586

93,053

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 28,024
Judgments and claims payable (40,428)
Compensated absences (18,472)
Pension obligations (169,305)
Other post employment benefit obligations (401,997)

(602,178)

Change in Net Position of Governmental Activities \$ (42,939)

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, 2020

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,487,478	\$ 1,487,478	\$ 1,488,252	\$ 774
Other tax items	104,625	104,625	102,784	(1,841)
Non-property taxes	88,000	88,000	88,228	228
Departmental income	699,578	699,578	628,949	(70,629)
Net change in fair value of investments	-	-	6,488	6,488
Use of money and property	15,000	15,000	35,152	20,152
Licenses and permits	15,500	15,500	13,335	(2,165)
Fines and forfeitures	275,000	275,000	254,122	(20,878)
Sale of property and compensation for loss	11,000	11,000	131,588	120,588
State aid	272,030	322,030	285,987	(36,043)
Federal aid	-	-	-	-
Miscellaneous	9,900	9,900	74,980	65,080
Total Revenues	2,978,111	3,028,111	3,109,865	81,754
EXPENDITURES				
Current				
General government support	866,969	925,711	941,784	(16,073)
Public safety	692,168	747,214	706,081	41,133
Health	120	120	-	120
Transportation	413,094	380,317	233,498	146,819
Economic opportunity and development	5,000	5,000	900	4,100
Culture and recreation	46,296	77,791	68,854	8,937
Home and community services	174,811	163,328	133,610	29,718
Employee benefits	599,782	557,432	534,083	23,349
Debt service				
Principal	-	11,528	11,528	-
Interest	28,371	30,170	29,983	187
Total Expenditures	2,826,611	2,898,611	2,660,321	238,290
Excess (Deficiency) of Revenues Over Expenditures	151,500	129,500	449,544	320,044
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	122,000	158,257	36,257
Transfers out	(350,000)	(630,602)	(630,602)	-
Total Other Financing Uses	(250,000)	(508,602)	(472,345)	36,257
Net Change in Fund Balances	(98,500)	(379,102)	(22,801)	356,301
FUND BALANCES				
Beginning of Year	98,500	379,102	1,760,579	1,381,477
End of Year	\$ -	\$ -	\$ 1,737,778	\$ 1,737,778

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,460,061	1,460,061	1,330,861	(129,200)	1,313,454	1,313,454	1,119,922	(193,532)
-	-	-	-	-	-	-	-
8,000	8,000	5,416	(2,584)	4,000	4,000	2,207	(1,793)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,000	10,000	-	(10,000)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	65,700	57,000	(8,700)
-	-	-	-	2,000	2,000	728	(1,272)
<u>1,478,061</u>	<u>1,478,061</u>	<u>1,336,277</u>	<u>(141,784)</u>	<u>1,319,454</u>	<u>1,385,154</u>	<u>1,179,857</u>	<u>(205,297)</u>
54,000	66,527	41,891	24,636	139,000	189,550	107,918	81,632
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
842,286	816,432	690,636	125,796	637,979	639,802	538,309	101,493
157,475	157,475	132,841	24,634	157,475	157,475	132,408	25,067
265,000	276,529	276,529	-	-	11,529	11,529	-
208,044	209,842	209,842	-	12,000	13,798	13,798	-
<u>1,526,805</u>	<u>1,526,805</u>	<u>1,351,739</u>	<u>175,066</u>	<u>946,454</u>	<u>1,012,154</u>	<u>803,962</u>	<u>208,192</u>
<u>(48,744)</u>	<u>(48,744)</u>	<u>(15,462)</u>	<u>33,282</u>	<u>373,000</u>	<u>373,000</u>	<u>375,895</u>	<u>2,895</u>
-	-	63,652	63,652	-	-	5,975	5,975
<u>(202,000)</u>	<u>(202,000)</u>	<u>(202,000)</u>	<u>-</u>	<u>(373,000)</u>	<u>(373,000)</u>	<u>(373,000)</u>	<u>-</u>
<u>(202,000)</u>	<u>(202,000)</u>	<u>(138,348)</u>	<u>63,652</u>	<u>(373,000)</u>	<u>(373,000)</u>	<u>(367,025)</u>	<u>5,975</u>
<u>(250,744)</u>	<u>(250,744)</u>	<u>(153,810)</u>	<u>96,934</u>	<u>-</u>	<u>-</u>	<u>8,870</u>	<u>8,870</u>
<u>250,744</u>	<u>250,744</u>	<u>687,816</u>	<u>437,072</u>	<u>-</u>	<u>-</u>	<u>454,462</u>	<u>454,462</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 534,006</u>	<u>\$ 534,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,332</u>	<u>\$ 463,332</u>

Village of New Paltz, New York

Statement of Assets and Liabilities

Fiduciary Funds

May 31, 2020

	Agency Fund
ASSETS	
Cash and equivalents	<u>\$ 25,342</u>
LIABILITIES	
Accounts payable	685
Deposits	<u>24,657</u>
Total Liabilities	<u>\$ 25,342</u>

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

Village of New Paltz, New York

Notes to Financial Statements
May 31, 2020

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, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

Village of New Paltz, New York

Notes to Financial Statements (Continued)

May 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2020 the Village had \$1,229,257 in 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.

Village of New Paltz, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2020.

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

Village of New Paltz, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State and Local Employees' Retirement System	\$ 599,509	\$ 72,048
Other Post Employment Benefit Obligations	<u>507,551</u>	<u>1,014,798</u>
	<u>\$ 1,107,060</u>	<u>\$ 1,086,846</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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Water and Sewer funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses, and such differences may be material. See Note 4B.

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 21, 2020.

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.

Village of New Paltz, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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 2019-2020 was \$6,016,122 which exceeded the actual levy (inclusive of exclusions) by \$4,528,644.

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 \$3,031,610 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. Expenditures in Excess of Budget

The following categories of expenditure exceeded their budgetary provisions by the amounts indicated. A bond anticipation note will be issued next year to cover this expenditure.

General Fund:	
General Government Support -	
Engineer	\$ 110,960

Note 3 - Detailed Notes on All Funds

A. Investments

At May 31, 2020, the village had the following investments in the Service Awards Program:

<u>Type of Investment</u>	<u>Fair Value</u>
Cash and equivalents	\$ 48,825
Equities	157,402
Fixed Income	217,743
	<u>\$ 423,970</u>

The investments above are measured using Level 1 inputs.

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

B. Taxes Receivable

Taxes receivable at May 31, 2020 consisted of the following:

Tax Sale Certificates \$ 3,679

C. Capital Assets

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

	Balance, June 1, 2019	Additions	Balance May 31, 2020
Capital Assets, not being depreciated			
Land	\$ 1,003,324	\$ -	\$ 1,003,324
Construction-in-progress	3,831,654	1,506,922	5,338,576
Total Capital Assets, not being depreciated	<u>\$ 4,834,978</u>	<u>\$ 1,506,922</u>	<u>\$ 6,341,900</u>
Capital Assets, being depreciated			
Buildings and improvements	\$ 8,563,512	\$ -	\$ 8,563,512
Land improvements	1,654,834	-	1,654,834
Infrastructure	10,743,433	725,806	11,469,239
Machinery and equipment	5,681,510	934,882	6,616,392
Total Capital Assets, being depreciated	<u>26,643,289</u>	<u>1,660,688</u>	<u>28,303,977</u>
Less Accumulated Depreciation for			
Buildings and improvements	5,314,690	168,639	5,483,329
Land improvements	988,860	75,024	1,063,884
Infrastructure	5,306,712	543,942	5,850,654
Machinery and equipment	3,475,903	337,893	3,813,796
Total Accumulated Depreciation	<u>15,086,165</u>	<u>1,125,498</u>	<u>16,211,663</u>
Total Capital Assets, being depreciated, net	<u>\$ 11,557,124</u>	<u>\$ 535,190</u>	<u>\$ 12,092,314</u>
Capital Assets, net	<u>\$ 16,392,102</u>	<u>\$ 2,042,112</u>	<u>\$ 18,434,214</u>

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

General Government Support	\$ 18,576
Public Safety	249,283
Transportation	128,605
Culture and Recreation	13,320
Home and Community Services	<u>715,714</u>
Total Depreciation Expense	<u>\$ 1,125,498</u>

Construction in progress represents the ongoing USDA Water Filtration upgrades project.

D. Accrued Liabilities

Accrued liabilities as of May 31, 2020 were as follows:

	<u>General Fund</u>
Payroll and Employee Benefits	<u>\$ 14,428</u>

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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, 2019	New Issues	Redemptions	Balance May 31, 2020
Water tank	6/19/13	9/17/20	1.500 %	\$ 637,000	\$ -	\$ 100,000	\$ 537,000
Purchase fire truck	11/15/14	9/17/20	1.500	139,956	-	139,956	-
Purchase of land	9/22/15	9/17/20	1.500	475,000	-	100,000	375,000
Improvements water filtration plant	5/02/16	9/17/20	1.500	250,000	-	50,000	200,000
Purchase of fire truck	9/21/16	9/17/20	1.500	180,724	-	60,044	120,680
Various improvements	12/02/16	9/17/20	1.500	400,000	-	325,000	75,000
Installation of storm sewers	9/19/18	9/17/20	1.500	150,000	-	50,000	100,000
Water filtration plant	11/01/19	9/17/20	2.000	-	1,300,000	-	1,300,000
Fire truck	11/01/19	9/17/20	2.000	-	400,000	-	400,000
DEP project	11/01/19	9/17/20	2.000	-	400,000	-	400,000
				<u>\$ 2,232,680</u>	<u>\$ 2,100,000</u>	<u>\$ 825,000</u>	<u>\$ 3,507,680</u>

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

Interest expenditures of \$28,184, \$26,610 and \$12,000 were recorded in the fund financial statements in the General Fund, Water Fund and Sewer Fund, respectfully. Interest expense of \$34,610 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, 2020:

	Balance June 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2020	Due Within One Year
General obligation bonds payable	\$ 4,990,000	\$ -	\$ 265,000	\$ 4,725,000	\$ 265,000
Installment purchase debt payable	146,191	206,533	34,586	318,138	74,261
Judgments and claims	11,827	371,390	330,962	52,255	5,200
Compensated absences	97,728	28,272	9,800	116,200	11,600
Net pension liability	274,493	690,333	-	964,826	-
Other post employment benefit obligations payable	7,926,085	589,572	178,443	8,337,214	-
Total Long-Term Liabilities	<u>\$ 13,446,324</u>	<u>\$ 1,886,100</u>	<u>\$ 818,791</u>	<u>\$ 14,513,633</u>	<u>\$ 356,061</u>

Village of New Paltz, New York

Notes to Financial Statements (Continued)

May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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, 2020 are comprised of the following:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at May 31, 2020
Various Village Purposes	2007	\$ 2,200,000	September, 2026	4.125 %	\$ 1,015,000
Various Village Purposes	2019	3,850,000	April, 2039	3.000-5.000	3,710,000
					<u>\$ 4,725,000</u>

Interest expenditures of \$181,434 were recorded in the fund financial statements in the Water Fund. Interest expense of \$185,594 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 \$1,799, \$1,798, and \$1,798 were recorded in the fund financial statements in the General, Water and Sewer Funds. Interest expense of \$5,395 was recorded in the government-wide financial statements. The balance due at May 31, 2020 was \$318,138.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt outstanding as of May 31, 2020, including interest payments of \$1,790,585 are as follows:

Year Ending May 31,	General Obligation Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 265,000	\$ 172,391	\$ 74,261	\$ 11,658	\$ 339,261	\$ 246,652
2022	280,000	160,028	76,986	8,933	440,028	237,014
2023	290,000	147,106	79,812	6,107	437,106	226,918
2024	300,000	133,728	42,759	3,179	433,728	176,487
2025	310,000	119,894	44,320	1,618	429,894	164,214
2026-2030	1,215,000	415,600	-	-	1,630,600	415,600
2031-2035	1,070,000	247,800	-	-	1,317,800	247,800
2036-2039	995,000	75,900	-	-	1,070,900	75,900
	<u>\$ 4,725,000</u>	<u>\$ 1,472,447</u>	<u>\$ 318,138</u>	<u>\$ 31,495</u>	<u>\$ 6,099,317</u>	<u>\$ 1,790,585</u>

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

Village of New Paltz, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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 \$52,255.

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 using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision 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>2020</u>	<u>2019</u>
Balance - Beginning of Year	\$ 11,827	\$ 12,186
Provision for Claims and Claims Adjustment Expenses	371,390	313,033
Claims and Claims Adjustment Expenses Paid	<u>(330,962)</u>	<u>(313,392)</u>
Balance - End of Year	<u>\$ 52,255</u>	<u>\$ 11,827</u>
Due within one year	<u>\$ 5,200</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.

Village of New Paltz, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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 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 2020 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
4 A14	15.7 %
5 A15	13.1
6 A15	9.2

At May 31, 2020, the Village reported the following for its proportionate share of the net pension liability for ERS:

Measurement date	March 31, 2020
Net pension liability	\$ 964,826
Village's proportion of the net pension liability	0.0036435 %
Change in proportion since the prior measurement date	-0.0002306 %

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The net pension liability was measured as of March 31, 2020 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, 2020, the Village recognized pension expense in the government-wide financial statements of \$306,299. Pension expenditures of \$136,994 were recorded in the fund financial statements and were charged to the following funds:

General Fund	\$ 84,936
Water Fund	26,029
Sewer Fund	<u>26,029</u>
	<u>\$ 136,994</u>

At May 31, 2020, 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	\$ 56,784	\$ -
Net difference between projected and actual earnings on pension plan investments	494,616	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	5,798	55,273
Changes of assumptions	19,427	16,775
Village contributions subsequent to the measurement date	<u>22,884</u>	<u>-</u>
	<u>\$ 599,509</u>	<u>\$ 72,048</u>

\$22,884 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 March 31,</u>	
2021	\$ 72,770
2022	124,790
2023	167,134
2024	139,883

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the March 31, 2020 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, 2020
Actuarial valuation date	April 1, 2019
Investment rate of return	6.8% *
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-2018.

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.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.05 %
International Equity	14	6.15
Private Equity	10	6.75
Real Estate	10	4.95
Absolute Return Strategies	2	3.25
Opportunistic Portfolio	3	4.65
Real Assets	3	5.95
Bonds and Mortgages	17	0.75
Cash	1	0.00
Inflation Indexed Bonds	4	0.50
	100 %	

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

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to calculate the total pension liability was 6.8%. 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 6.8%, 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 (5.8%) or 1 percentage point higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
	<u> </u>	<u> </u>	<u> </u>
Village's proportionate share of the net pension liability (asset)	\$ 1,770,727	\$ 964,826	\$ 222,587
	<u> </u>	<u> </u>	<u> </u>

The components of the net pension liability as of the March 31, 2020 measurement date were as follows:

Total pension liability	\$ 194,596,261,000
ERS fiduciary net position	<u>168,115,682,000</u>
Employers' net pension liability	<u>\$ 26,480,579,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>86.39%</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, 2020 represent the projected employer contribution for the period of April 1, 2020 through May 31, 2020 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS as of May 31, 2020 was \$22,884.

Voluntary Defined Contribution Plan

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

Village of New Paltz, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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.

Assets of the Service Award Program consist of the following at May 31, 2020:

	<u>% of Total</u>	
Cash and equivalents	11.52 %	\$ 48,825
Equities	37.13	157,402
Fixed income	51.36	<u>217,743</u>
		<u>\$ 423,970</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 \$21,000, 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.

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

At May 31, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	9
Active employees	<u>28</u>
	<u>37</u>

The Village's total OPEB liability of \$8,337,214 was measured as of May 31, 2019, and was determined by an actuarial valuation as of June 1, 2019.

The total OPEB liability in the June 1, 2019 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	2.63%
Healthcare cost trend rates	8.0% for 2020, decreasing 0.5% per year to an ultimate rate of 5.0% for 2025 and later years

The discount rate was based on S&P municipal bond 20-year high grade rate index as of May 29, 2020.

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

The actuarial assumptions used in the June 1, 2019 actuarial valuation were based on published municipal bond indices.

The Village's change in the total OPEB liability for the year ended May 31, 2020 is as follows:

Total OPEB Liability - Beginning of Year	\$ 7,926,085
Service cost	391,797
Interest	239,024
Changes of benefit terms	-
Differences between expected and actual experience	(594,941)
Changes in assumptions or other inputs	553,692
Benefit payments	<u>(178,443)</u>
Total OPEB Liability - End of Year	<u>\$ 8,337,214</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) or 1 percentage point higher (3.63%) than the current discount rate:

	1% Decrease (1.63%)	Current Assumption (2.63%)	1% Increase (3.63%)
Total OPEB Liability	<u>\$ 9,654,770</u>	<u>\$ 8,337,214</u>	<u>\$ 7,019,659</u>

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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	\$ 6,745,961	\$ 8,337,214	\$ 10,277,893

For the year ended May 31, 2020, the Village recognized OPEB expense of \$580,440 in the government-wide financial statements. At May 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 507,551	\$ -
Differences between expected and actual experience	-	1,014,798
	<u>\$ 507,551</u>	<u>\$ 1,014,798</u>

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

Year Ended May 31,	
2021	\$ (50,381)
2022	(50,381)
2023	(50,381)
2024	(50,381)
2025	(50,381)
Thereafter	(255,342)

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.

Village of New Paltz, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In				Total
	General Fund	Water Fund	Sewer Fund	Capital Projects Fund	
General Fund	\$ -	\$ -	\$ -	\$ 630,602	\$ 630,602
Water Fund	52,000	-	-	150,000	202,000
Sewer Fund	48,000	-	-	325,000	373,000
Capital Projects Fund	36,257	63,652	5,975	600,000	705,884
Special Purpose Fund	22,000	-	-	-	22,000
	<u>\$ 158,257</u>	<u>\$ 63,652</u>	<u>\$ 5,975</u>	<u>\$ 1,705,602</u>	<u>\$ 1,933,486</u>

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 General Municipal Laws of the State of New York.

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

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 Laws of the State of New York.

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 Laws of the State of New York.

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 Laws of the State of New York.

Village of New Paltz, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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 Laws of the State of New York.

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

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

Restricted for 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.

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, 2020

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balance

	2020						2019							
	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	\$ 9,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,318	\$ 9,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,173
Sidewalk repairs	74,184	-	-	-	-	-	74,184	73,028	-	-	-	-	-	73,028
Fire apparatus purchase	473,660	-	-	-	-	-	473,660	425,306	-	-	-	-	-	425,306
Highway equipment purchases	23,584	-	84,081	-	-	-	107,665	23,226	-	92,625	-	-	-	115,851
Water supply system improvements	-	-	-	40,372	-	-	40,372	-	-	-	39,743	-	-	39,743
Sanitary sewage treatment plant	423,970	-	19,798	34,223	-	-	477,991	384,016	-	19,798	34,223	-	-	438,037
Service awards	242	-	-	-	-	-	242	242	-	-	-	-	-	242
Debt service	-	582,086	-	-	-	-	582,086	-	574,277	-	-	197,942	-	772,229
Community development fund	-	-	-	-	8,827	-	8,827	-	-	-	-	65,320	-	74,147
Parklands	-	-	-	-	65,320	-	65,320	-	-	-	-	-	-	65,320
Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Restricted	1,004,968	582,086	113,889	74,595	74,147	-	1,849,685	924,991	574,277	112,423	73,966	263,262	-	1,948,919
Assigned														
Subsequent year's expenditures	160,000	-	218,036	-	-	-	378,036	98,500	-	250,744	-	-	-	349,244
Major funds	-	-	202,081	388,737	-	-	590,818	-	-	324,649	380,496	-	-	705,145
Total Assigned	160,000	-	420,117	388,737	-	-	968,854	98,500	-	575,393	380,496	-	-	1,054,389
Unassigned	572,810	-	-	-	-	(3,031,610)	(2,458,800)	737,088	-	-	-	(1,804,731)	(1,057,643)	(1,057,643)
Total Fund Balances	\$ 1,737,778	\$ 582,086	\$ 534,006	\$ 463,332	\$ 74,147	\$ (3,031,610)	\$ 369,739	\$ 1,760,579	\$ 574,277	\$ 687,816	\$ 454,462	\$ 263,262	\$ (1,804,731)	\$ 1,935,665

Village of New Paltz, New York

Notes to Financial Statements (Continued)

May 31, 2020

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 General Municipal Laws of the State of New York. 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, 2020, 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.

B. Contingencies

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

Coronavirus

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of Coronavirus. This was followed by the President of the United States declaring the outbreak of Coronavirus a national emergency on March 13, 2020.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Preceding these announcements, the Governor of the State of New York declared a state of emergency on March 7, 2020 and has since issued multiple Executive Orders regarding the pandemic. Furthermore, the Enacted 2020-21 New York State budget granted the Budget Director the authority to reduce state aid payments to local governments and school districts by any amount needed to achieve a balanced budget. The Budget Director is authorized, under Section 1(f) of Chapter 53 of the Laws of 2020, to withhold all or some of specific local aid payments during state fiscal year 2020-21, that began on April 1, 2020, if the budget is deemed unbalanced and if the Budget Director further determines that such withholding is necessary to respond to the direct and indirect economic financial and social effects of the Coronavirus pandemic ("Reduction Authority").

The ultimate size of any permanent reductions would depend in part on the availability of unrestricted Federal aid. The Federal government has not reached a consensus on additional recovery legislation at this time. Therefore, in the interim, without assurance of Federal aid, New York State has begun withholding a minimum of 20% of most municipal and school district aid payments to achieve the cash flow savings anticipated in the Executive Budget Financial Plan as updated for the Governor's amendments and forecast revisions pursuant to the Reduction Authority.

In addition to these New York State actions, the Village's economically sensitive revenues (i.e., sales tax distributions, interest earnings, charges for services) are being negatively impacted. Meanwhile, the Village's expenditures on health and safety measures (personal protective equipment, sanitizing supplies, personnel overtime, technology acquisitions to support remote work) will increase significantly.

The outbreak of the Coronavirus and the dramatic steps taken by the Federal government and New York State to address it will continue to negatively affect New York State and its local economies. The full impact of the Coronavirus on New York State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the Village's future operations and finances as a result of the Coronavirus is extremely difficult to predict due to uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including New York State, to contain or mitigate its effects. The spread of the outbreak or reemergence later in the year could have a material adverse financial effect on New York State and local municipalities, including the Village. The Village is continuously monitoring the situation and will take such proactive measures as may be required to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the actual impact on the Village's future financial position at this time.

C. 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, 2020

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, 2020 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>\$ 93,685</u>	<u>\$ 80,993</u>

Note 6 - Subsequent Event

The Village, on September 16, 2020, issued a \$717,000 bond anticipation note. The proceeds of the note, along with \$120,000 in available funds, will be used to redeem \$837,000 of outstanding bond anticipation notes. The note is due on September 16, 2021 with interest at 1.25%.

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)(2)

	<u>2020</u>	<u>2019</u>
Total OPEB Liability:		
Service cost	\$ 391,797	\$ 428,857
Interest	239,024	241,145
Changes of benefit terms	-	-
Differences between expected and actual experience	(594,941)	(563,323)
Changes of assumptions or other inputs	553,692 (4)	-
Benefit payments	<u>(178,443)</u>	<u>(174,003)</u>
Net Change in Total OPEB Liability	411,129	(67,324)
Total OPEB Liability – Beginning of Year	<u>7,926,085</u>	<u>7,993,409 (3)</u>
Total OPEB Liability – End of Year	<u>\$ 8,337,214</u>	<u>\$ 7,926,085</u>
Village's covered-employee payroll	<u>\$ 1,207,303</u>	<u>\$ 1,155,652</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>691%</u>	<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.
- (4) The discount rate used to calculate total OPEB liability was decreased from 3.05% to 2.63% effective with the June 1, 2019 measurement date.

See independent auditors' report.

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)

	Schedule of the Town's Proportionate Share of the Net Pension Liability (2)				
	2020 (4)	2019	2018	2017	2016 (3)
Village's proportion of the net pension liability	0.0036435%	0.0038741%	0.0043362%	0.0040727%	0.0042751%
Village's proportionate share of the net pension liability	\$ 964,826	\$ 274,493	\$ 139,948	\$ 382,679	\$ 686,166
Village's covered payroll	\$ 1,055,048	\$ 1,012,089	\$ 1,007,299	\$ 944,279	\$ 924,507
Village's proportionate share of the net pension liability as a percentage of its covered payroll	91.45%	27.12%	13.89%	40.53%	74.22%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%

Schedule of Contributions

	2020	2019	2018	2017	2016
Contractually required contribution	\$ 137,305	\$ 139,167	\$ 142,895	\$ 138,839	\$ 172,278
Contributions in relation to the contractually required contribution	(137,305)	(139,167)	(142,895)	(138,839)	(172,278)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 1,068,893	\$ 1,155,652	\$ 1,022,195	\$ 1,008,584	\$ 995,411
Contributions as a percentage of covered payroll	12.85%	12.04%	13.98%	13.77%	17.31%

- (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 amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.
- (3) 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 date.
- (4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

See independent auditors' report.

Village of New Paltz, New York

General Fund
 Combining Balance Sheet - Sub-Funds
 Year Ended May 31, 2020
 (With Comparative Totals for 2019)

	General	Fire Service Awards Program	Totals	
			2020	2019
ASSETS				
Cash and equivalents	\$ 430,400	\$ -	\$ 430,400	\$ 482,513
Investments	975,273	423,970	1,399,243	1,303,204
Taxes receivable	3,679	-	3,679	3,679
Other receivables				
Accounts	13,844	-	13,844	13,875
State and Federal aid	38,576	-	38,576	210
	52,420	-	52,420	14,085
Total Assets	\$ 1,461,772	\$ 423,970	\$ 1,885,742	\$ 1,803,481
LIABILITIES, DEFERRED INFLOWS OF RESOURCE AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 127,108	\$ -	\$ 127,108	\$ 21,853
Accrued liabilities	14,428	-	14,428	14,621
Bond interest and matured bonds payable	2,749	-	2,749	2,749
Total Liabilities	144,285	-	144,285	39,223
Deferred inflows of resources				
Deferred tax revenues	3,679	-	3,679	3,679
Total Liabilities and Deferred Inflows of Resources	147,964	-	147,964	42,902
Fund balances				
Restricted	580,998	423,970	1,004,968	924,991
Assigned	160,000	-	160,000	98,500
Unassigned	572,810	-	572,810	737,088
Total Fund Balances	1,313,808	423,970	1,737,778	1,760,579
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,461,772	\$ 423,970	\$ 1,885,742	\$ 1,803,481

See independent auditors' report.

Village of New Paltz, New York

General Fund
 Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Sub-Funds
 Year Ended May 31, 2020
 (With Comparative Totals for 2019)

	Fire Service Awards			Totals	
	General	Program	Eliminations	2020	2019
REVENUES					
Real property taxes	\$ 1,488,252	\$ -	\$ -	\$ 1,488,252	\$ 1,479,037
Other tax items	102,784	-	-	102,784	99,305
Non-property taxes	88,228	-	-	88,228	89,871
Departmental income	628,949	21,000	(21,000)	628,949	748,712
Net change in fair value of investments	-	6,488	-	6,488	(8,096)
Use of money and property	20,956	14,196	-	35,152	54,947
Licenses and permits	13,335	-	-	13,335	14,690
Fines and forfeitures	254,122	-	-	254,122	236,568
Sale of property and compensation for loss	131,588	-	-	131,588	32,476
State aid	285,987	-	-	285,987	412,420
Miscellaneous	74,980	-	-	74,980	8,484
Total Revenues	3,089,181	41,684	(21,000)	3,109,865	3,168,414
EXPENDITURES					
Current					
General government support	941,784	-	-	941,784	889,146
Public safety	715,351	11,730	(21,000)	706,081	641,447
Transportation	233,498	-	-	233,498	262,875
Economic opportunity and development	900	-	-	900	4,700
Culture and recreation	68,854	-	-	68,854	34,656
Home and community services	133,610	-	-	133,610	138,988
Employee benefits	534,083	-	-	534,083	516,961
Debt service					
Principal	11,528	-	-	11,528	13,270
Interest	29,983	-	-	29,983	26,802
Total Expenditures	2,669,591	11,730	(21,000)	2,660,321	2,528,845
Excess of Revenues Over Expenditures	419,590	29,954	-	449,544	639,569
OTHER FINANCING SOURCES (USES)					
Transfers in	158,257	-	-	158,257	154,404
Transfers out	(630,602)	-	-	(630,602)	(393,000)
Total Other Financing Uses	(472,345)	-	-	(472,345)	(238,596)
Net Change in Fund Balances	(52,755)	29,954	-	(22,801)	400,973
FUND BALANCES					
Beginning of Year	1,366,563	394,016	-	1,760,579	1,359,606
End of Year	\$ 1,313,808	\$ 423,970	\$ -	\$ 1,737,778	\$ 1,760,579

See independent auditors' report.

Village of New Paltz, New York

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

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 430,400	\$ 482,513
Investments	<u>975,273</u>	<u>909,188</u>
Taxes receivable	<u>3,679</u>	<u>3,679</u>
Other receivables		
Accounts	13,844	13,875
State and Federal aid	<u>38,576</u>	<u>210</u>
	<u>52,420</u>	<u>14,085</u>
Total Assets	<u><u>\$ 1,461,772</u></u>	<u><u>\$ 1,409,465</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 127,108	\$ 21,853
Accrued liabilities	14,428	14,621
Bond interest and matured bonds payable	<u>2,749</u>	<u>2,749</u>
Total Liabilities	144,285	39,223
Deferred inflows of resources		
Deferred tax revenues	<u>3,679</u>	<u>3,679</u>
Total Liabilities and Deferred Inflows of Resources	<u>147,964</u>	<u>42,902</u>
Fund balance		
Restricted	580,998	530,975
Assigned	160,000	98,500
Unassigned	<u>572,810</u>	<u>737,088</u>
Total Fund Balance	<u>1,313,808</u>	<u>1,366,563</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 1,461,772</u></u>	<u><u>\$ 1,409,465</u></u>

See independent auditors' report.

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,

	2020			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,487,478	\$ 1,487,478	\$ 1,488,252	\$ 774
Other tax items	104,625	104,625	102,784	(1,841)
Non-property taxes	88,000	88,000	88,228	228
Departmental income	699,578	699,578	628,949	(70,629)
Use of money and property	15,000	15,000	20,956	5,956
Licenses and permits	15,500	15,500	13,335	(2,165)
Fines and forfeitures	275,000	275,000	254,122	(20,878)
Sale of property and compensation for loss	11,000	11,000	131,588	120,588
State aid	272,030	322,030	285,987	(36,043)
Miscellaneous	9,900	9,900	74,980	65,080
Total Revenues	2,978,111	3,028,111	3,089,181	61,070
EXPENDITURES				
Current				
General government support	866,969	925,711	941,784	(16,073)
Public safety	692,168	747,214	715,351	31,863
Health	120	120	-	120
Transportation	413,094	380,317	233,498	146,819
Economic opportunity and development	5,000	5,000	900	4,100
Culture and recreation	46,296	77,791	68,854	8,937
Home and community services	174,811	163,328	133,610	29,718
Employee benefits	599,782	557,432	534,083	23,349
Debt service				
Principal	-	11,528	11,528	-
Interest	28,371	30,170	29,983	187
Total Expenditures	2,826,611	2,898,611	2,669,591	229,020
Excess of Revenues Over Expenditures	151,500	129,500	419,590	(167,950)
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	122,000	158,257	36,257
Transfers out	(350,000)	(630,602)	(630,602)	-
Total Other Financing Uses	(250,000)	(508,602)	(472,345)	36,257
Net Change in Fund Balance	(98,500)	(379,102)	(52,755)	326,347
FUND BALANCE				
Beginning of Year	98,500	379,102	1,366,563	987,461
End of Year	\$ -	\$ -	\$ 1,313,808	\$ 1,313,808

See independent auditors' report.

2019

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,480,800	\$ 1,480,800	\$ 1,479,037	\$ (1,763)
107,050	107,050	99,305	(7,745)
90,000	90,000	89,871	(129)
685,372	685,372	748,712	63,340
7,000	7,000	40,199	33,199
14,500	14,500	14,690	190
225,000	225,000	236,568	11,568
11,000	11,000	32,476	21,476
198,864	307,231	412,420	105,189
5,000	5,000	8,484	3,484
<u>2,824,586</u>	<u>2,932,953</u>	<u>3,161,762</u>	<u>228,809</u>
874,493	987,334	889,146	98,188
636,038	727,640	640,102	87,538
120	120	-	120
318,663	322,550	262,875	59,675
5,000	5,000	4,700	300
45,579	49,579	34,656	14,923
231,113	175,890	138,988	36,902
645,238	583,171	516,961	66,210
-	13,270	13,270	-
26,746	26,803	26,802	1
<u>2,782,990</u>	<u>2,891,357</u>	<u>2,527,500</u>	<u>363,857</u>
<u>41,596</u>	<u>41,596</u>	<u>634,262</u>	<u>592,666</u>
154,404	154,404	154,404	-
(393,000)	(393,000)	(393,000)	-
<u>(238,596)</u>	<u>(238,596)</u>	<u>(238,596)</u>	<u>-</u>
(197,000)	(197,000)	395,666	592,666
<u>197,000</u>	<u>197,000</u>	<u>970,897</u>	<u>773,897</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,366,563</u>	<u>\$ 1,366,563</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, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2019 Actual
REAL PROPERTY TAXES	\$ 1,487,478	\$ 1,487,478	\$ 1,488,252	\$ 774	\$ 1,479,037
OTHER TAX ITEMS					
Payments in lieu of taxes	93,625	93,625	93,685	60	89,865
Interest and penalties on real property taxes	11,000	11,000	9,099	(1,901)	9,440
	104,625	104,625	102,784	(1,841)	99,305
NON-PROPERTY TAXES					
Franchise fees	38,000	38,000	36,494	(1,506)	35,221
Utilities gross receipts taxes	50,000	50,000	51,734	1,734	54,650
	88,000	88,000	88,228	228	89,871
DEPARTMENTAL INCOME					
Clerk/Treasurer fees	600	600	1,270	670	299
Tax advertising	200	200	60	(140)	40
Administration fees	2,000	2,000	270	(1,730)	438
Safety inspection fees	140,000	140,000	115,051	(24,949)	182,350
Parking violation fines	185,000	185,000	148,061	(36,939)	199,000
Zoning fees	3,000	3,000	400	(2,600)	800
Planning board fees	18,000	18,000	19,579	1,579	23,617
Fire protection services	320,778	320,778	320,778	-	320,572
Other	30,000	30,000	23,480	(6,520)	21,596
	699,578	699,578	628,949	(70,629)	748,712
USE OF MONEY AND PROPERTY					
Earnings on investments	15,000	15,000	20,956	5,956	40,199

LICENSES AND PERMITS						
Business and occupational licenses	3,500	3,500	4,000	500	4,000	
Permits	12,000	12,000	9,335	(2,665)	10,690	
	15,500	15,500	13,335	(2,165)	14,690	
FINES AND FORFEITURES						
Fines and forfeited bail	275,000	275,000	254,122	(20,878)	236,568	
	11,000	11,000	131,588	120,588	32,476	
SALE OF PROPERTY AND COMPENSATION FOR LOSS						
Sale of equipment	11,000	11,000	131,588	120,588	32,476	
STATE AID						
Per capita	72,724	72,724	-	(72,724)	72,724	
Mortgage tax	80,000	80,000	71,029	(8,971)	71,784	
State Emergency Management Agency	-	-	-	-	2,545	
Consolidated Highway Improvement Program	119,306	119,306	-	(119,306)	-	
Park and Ride	-	-	5,000	5,000	7,000	
Historic preservation grant	-	-	9,958	9,958	58,367	
Public Safety - Other	-	50,000	200,000	150,000	200,000	
	272,030	322,030	285,987	(36,043)	412,420	
MISCELLANEOUS						
Gifts and donations	5,000	5,000	2,229	(2,771)	5,499	
Other	4,900	4,900	72,751	67,851	2,985	
	9,900	9,900	74,980	65,080	8,484	
TOTAL REVENUES	2,978,111	3,028,111	3,089,181	61,070	3,161,762	
OTHER FINANCING SOURCES						
Transfers in						
Water Fund	52,000	52,000	52,000	-	52,000	
Sewer Fund	48,000	48,000	48,000	-	48,000	
Capital Projects Fund	-	-	36,257	36,257	54,404	
Special Purpose Fund	-	22,000	22,000	-	-	
TOTAL OTHER FINANCING SOURCES	100,000	122,000	158,257	36,257	154,404	
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 3,078,111	\$ 3,150,111	\$ 3,247,438	\$ 97,327	\$ 3,316,166	

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, 2020
 (With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2019 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 37,050	\$ 33,000	\$ 31,673	\$ 1,327	\$ 38,801
Traffic Violations Bureau	51,947	56,439	54,691	1,748	53,900
Mayor	59,170	59,662	58,661	1,001	48,634
Auditor	45,000	34,000	33,294	706	28,578
Treasurer	153,384	177,134	176,710	424	182,077
Assessment	1,500	1,500	1,056	444	1,175
Clerk	70,090	91,690	90,948	742	70,657
Law	85,000	76,000	73,442	2,558	75,733
Engineer	10,000	41,819	152,779	(110,960)	61,458
Elections	-	-	-	-	4,416
Records management	200	200	12	188	9
Buildings	80,435	80,435	77,984	2,451	115,475
Central garage	99,773	93,773	91,055	2,718	99,622
Central printing and mailing	6,355	9,435	9,314	121	8,387
Central data processing	45,588	55,647	55,646	1	62,798
Unallocated insurance	33,000	26,500	26,218	282	28,461
Municipal association dues	3,277	3,277	3,277	-	3,277
Other	5,200	5,200	5,024	176	5,688
Contingency	80,000	80,000	-	80,000	-
	866,969	925,711	941,784	(16,073)	889,146
PUBLIC SAFETY					
Traffic control	17,487	19,387	19,213	174	8,929
On-street parking	112,163	110,263	90,284	19,979	73,521
Fire department	379,154	376,154	365,251	10,903	296,110
Safety inspection	161,868	169,914	169,226	688	181,961
Other public safety	21,496	71,496	71,377	119	79,581
	692,168	747,214	715,351	31,863	640,102

HEALTH					
Registrar of Vital Statistics	120	120	-	120	-
TRANSPORTATION					
Street administration	35,514	38,614	38,369	245	37,013
Street maintenance	70,730	83,730	78,391	5,339	85,519
Snow removal	101,793	53,366	42,896	10,470	69,459
Street lighting	64,504	64,504	60,441	4,063	60,654
Sidewalks	9,854	9,854	5,288	4,566	1,966
Off-street parking	11,392	10,942	8,113	2,829	8,264
Other transportation	119,307	119,307	-	119,307	-
	413,094	380,317	233,498	146,819	262,875
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Veterans' services	5,000	5,000	900	4,100	4,700
CULTURE AND RECREATION					
Parks	20,797	52,292	51,266	1,026	22,404
Historical property	7,850	7,850	5,864	1,986	4,810
Rail trail	9,688	9,688	7,353	2,335	5,266
Celebrations	7,961	7,961	4,371	3,590	2,176
	46,296	77,791	68,854	8,937	34,656
HOME AND COMMUNITY SERVICES					
Zoning Board	10,928	13,528	9,535	3,993	7,064
Planning Board	19,557	16,994	16,742	252	14,538
Storm sewers	30,724	25,723	21,596	4,127	25,225
Refuse and garbage	71,726	69,726	63,936	5,790	69,631
Street cleaning	9,362	11,362	8,215	3,147	13,516
Community beautification	12,109	10,590	6,735	3,855	4,493
Conservation	1,000	1,000	104	896	171
Shade trees	18,405	13,405	6,584	6,821	4,266
Other	1,000	1,000	163	837	84
	174,811	163,328	133,610	29,718	138,988

(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, 2020
 (With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2019 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 89,900	\$ 85,900	\$ 84,936	\$ 964	\$ 73,592
Social security	79,500	79,500	70,611	8,889	70,976
Fire service awards	18,000	21,000	21,000	-	14,331
Workers' compensation benefits	31,000	24,000	23,909	91	24,472
Unemployment benefits	7,251	7,251	-	7,251	8,310
Disability insurance	3,850	3,850	2,147	1,703	2,068
Hospital and medical insurance	370,281	335,931	331,480	4,451	323,212
	599,782	557,432	534,083	23,349	516,961
DEBT SERVICE					
Principal	-	11,528	11,528	-	13,270
Interest	-	1,799	1,799	-	57
Installment purchase debt	28,371	28,371	28,184	187	26,745
Bond anticipation notes	28,371	30,170	29,983	187	26,802
	28,371	41,698	41,511	187	40,072
TOTAL EXPENDITURES	2,826,611	2,898,611	2,669,591	229,020	2,527,500
OTHER FINANCING USES					
Transfers out	350,000	630,602	630,602	-	393,000
Capital Projects Fund					
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 3,176,611	\$ 3,529,213	\$ 3,300,193	\$ 229,020	\$ 2,920,500

See independent auditors' report.

Village of New Paltz, New York

Community Development Fund
Comparative Balance Sheet
May 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	<u>\$ 582,086</u>	<u>\$ 574,277</u>
FUND BALANCE		
Restricted	<u>\$ 582,086</u>	<u>\$ 574,277</u>

See independent auditors' report.

Village of New Paltz, New York

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

	<u>2020</u>	<u>2019</u>
REVENUES		
Departmental income	\$ -	\$ 42,359
Use of money and property	<u>7,809</u>	<u>10,270</u>
Total Revenues	7,809	52,629
EXPENDITURES		
Economic opportunity and development	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	7,809	52,629
FUND BALANCE		
Beginning of Year	<u>574,277</u>	<u>521,648</u>
End of Year	<u>\$ 582,086</u>	<u>\$ 574,277</u>

See independent auditors' report.

Village of New Paltz, New York

Water Fund
Comparative Balance Sheet
May 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 7,525	\$ 258,019
Investments	<u>152,233</u>	<u>149,860</u>
Receivables		
Water rents	128,512	134,018
Due from other governments	<u>257,649</u>	<u>160,151</u>
	<u>386,161</u>	<u>294,169</u>
Total Assets	<u>\$ 545,919</u>	<u>\$ 702,048</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 11,913</u>	<u>\$ 14,232</u>
Fund balance		
Restricted	113,889	112,423
Assigned	<u>420,117</u>	<u>575,393</u>
Total Fund Balance	<u>534,006</u>	<u>687,816</u>
Total Liabilities and Fund Balance	<u>\$ 545,919</u>	<u>\$ 702,048</u>

See independent auditors' report.

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,

	2020			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 1,460,061	\$ 1,460,061	\$ 1,330,861	\$ (129,200)
Use of money and property	8,000	8,000	5,416	(2,584)
Sale of property and compensation for loss	10,000	10,000	-	(10,000)
Total Revenues	1,478,061	1,478,061	1,336,277	(141,784)
EXPENDITURES				
Current				
General government support	54,000	66,527	41,891	24,636
Home and community services	842,286	816,432	690,636	125,796
Employee benefits	157,475	157,475	132,841	24,634
Debt service				
Principal	265,000	276,529	276,529	-
Interest	208,044	209,842	209,842	-
Total Expenditures	1,526,805	1,526,805	1,351,739	175,066
Excess (Deficiency) of Revenues Over Expenditures	(48,744)	(48,744)	(15,462)	33,282
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	63,652	63,652
Transfers out	(202,000)	(202,000)	(202,000)	-
Total Other Financing Uses	(202,000)	(202,000)	(138,348)	63,652
Net Change in Fund Balance	(250,744)	(250,744)	(153,810)	96,934
FUND BALANCE				
Beginning of Year	250,744	250,744	687,816	437,072
End of Year	\$ -	\$ -	\$ 534,006	\$ 534,006

See independent auditors' report.

2019

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,394,586	\$ 1,394,586	\$ 1,384,222	\$ (10,364)
3,000	3,000	9,691	6,691
10,000	10,000	-	(10,000)
<u>1,407,586</u>	<u>1,407,586</u>	<u>1,393,913</u>	<u>(13,673)</u>
71,875	99,926	67,827	32,099
906,815	865,437	808,209	57,228
169,636	169,636	136,107	33,529
120,000	133,270	133,270	-
178,708	178,765	178,764	1
<u>1,447,034</u>	<u>1,447,034</u>	<u>1,324,177</u>	<u>122,857</u>
<u>(39,448)</u>	<u>(39,448)</u>	<u>69,736</u>	<u>109,184</u>
-	-	-	-
<u>(202,000)</u>	<u>(202,000)</u>	<u>(202,000)</u>	<u>-</u>
<u>(202,000)</u>	<u>(202,000)</u>	<u>(202,000)</u>	<u>-</u>
<u>(241,448)</u>	<u>(241,448)</u>	<u>(132,264)</u>	<u>109,184</u>
<u>241,448</u>	<u>241,448</u>	<u>820,080</u>	<u>578,632</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 687,816</u>	<u>\$ 687,816</u>

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Village of New Paltz, New York

Sewer Fund
Comparative Balance Sheet
May 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 40,005	\$ 109,688
Investments	<u>101,751</u>	<u>100,165</u>
Receivables		
Accounts	2,376	1,349
Sewer rents	112,358	122,418
Due from other governments	<u>225,135</u>	<u>140,363</u>
	<u>339,869</u>	<u>264,130</u>
Total Assets	<u>\$ 481,625</u>	<u>\$ 473,983</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 18,293	\$ 19,521
Fund balance		
Restricted	74,595	73,966
Assigned	<u>388,737</u>	<u>380,496</u>
Total Fund Balance	<u>463,332</u>	<u>454,462</u>
Total Liabilities and Fund Balance	<u>\$ 481,625</u>	<u>\$ 473,983</u>

See independent auditors' report.

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,

	2020			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 1,313,454	\$ 1,313,454	\$ 1,119,922	\$ (193,532)
Use of money and property	4,000	4,000	2,207	(1,793)
Sale of property and compensation for loss	-	-	-	-
State aid	-	-	-	-
Federal aid	-	65,700	57,000	(8,700)
Miscellaneous	2,000	2,000	728	(1,272)
Total Revenues	<u>1,319,454</u>	<u>1,385,154</u>	<u>1,179,857</u>	<u>(205,297)</u>
EXPENDITURES				
Current				
General government support	139,000	189,550	107,918	81,632
Home and community services	637,979	639,802	538,309	101,493
Employee benefits	157,475	157,475	132,408	25,067
Debt service				
Principal	-	11,529	11,529	-
Interest	12,000	13,798	13,798	-
Total Expenditures	<u>946,454</u>	<u>1,012,154</u>	<u>803,962</u>	<u>208,192</u>
Excess of Revenues Over Expenditures	<u>373,000</u>	<u>373,000</u>	<u>375,895</u>	<u>2,895</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	5,975	5,975
Transfers out	(373,000)	(373,000)	(373,000)	-
Total Other Financing Uses	<u>(373,000)</u>	<u>(373,000)</u>	<u>(367,025)</u>	<u>5,975</u>
Net Change in Fund Balance	-	-	8,870	8,870
FUND BALANCE				
Beginning of Year	-	-	454,462	454,462
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,332</u>	<u>\$ 463,332</u>

See independent auditors' report.

2019

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,223,651	\$ 1,223,651	\$ 1,021,535	\$ (202,116)
1,000	1,000	3,227	2,227
-	-	10,000	10,000
-	-	2,819	2,819
-	701,360	701,360	-
2,000	2,000	-	(2,000)
<u>1,226,651</u>	<u>1,928,011</u>	<u>1,738,941</u>	<u>(189,070)</u>
86,500	135,755	113,058	22,697
620,249	1,287,667	1,286,051	1,616
169,636	140,996	129,654	11,342
-	13,269	13,269	-
13,500	13,558	13,558	-
<u>889,885</u>	<u>1,591,245</u>	<u>1,555,590</u>	<u>35,655</u>
<u>336,766</u>	<u>336,766</u>	<u>183,351</u>	<u>(153,415)</u>
-	-	17,756	17,756
(470,000)	(470,000)	(363,000)	107,000
(470,000)	(470,000)	(345,244)	124,756
(133,234)	(133,234)	(161,893)	(28,659)
<u>133,234</u>	<u>133,234</u>	<u>616,355</u>	<u>483,121</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 454,462</u>	<u>\$ 454,462</u>

Village of New Paltz, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	<u>\$ 74,147</u>	<u>\$ 263,262</u>
FUND BALANCE		
Restricted	<u>\$ 74,147</u>	<u>\$ 263,262</u>

See independent auditors' report.

Village of New Paltz, New York

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

	<u>2020</u>	<u>2019</u>
REVENUES		
Use of money and property	\$ 726	\$ 943
Miscellaneous	<u>51,319</u>	<u>140,750</u>
Total Revenues	52,045	141,693
EXPENDITURES		
Current		
Culture and recreation	<u>219,160</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(167,115)	141,693
OTHER FINANCING USES		
Transfers out	<u>(22,000)</u>	<u>-</u>
Net Change in Fund Balance	(189,115)	141,693
FUND BALANCE		
Beginning of Year	<u>263,262</u>	<u>121,569</u>
End of Year	<u>\$ 74,147</u>	<u>\$ 263,262</u>

See independent auditors' report.

Village of New Paltz, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 484,153	\$ 721,694
State and Federal aid	<u>17,293</u>	<u>-</u>
Total Assets	<u>\$ 501,446</u>	<u>\$ 721,694</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 25,376	\$ 293,745
Bond anticipation notes payable	<u>3,507,680</u>	<u>2,232,680</u>
Total Liabilities	3,533,056	2,526,425
Fund deficit		
Unassigned	<u>(3,031,610)</u>	<u>(1,804,731)</u>
Total Liabilities and Fund Deficit	<u>\$ 501,446</u>	<u>\$ 721,694</u>

See independent auditors' report.

Village of New Paltz, New York

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

	<u>2020</u>	<u>2019</u>
REVENUES		
State aid	\$ 623,081	\$ -
EXPENDITURES		
Capital outlay	<u>3,056,211</u>	<u>3,687,168</u>
Deficiency of Revenues Over Expenditures	(2,433,130)	(3,687,168)
OTHER FINANCING SOURCES (USES)		
Installment purchase debt issued	206,533	186,000
General obligation bonds issued	-	3,850,000
Transfers in	1,705,602	858,000
Transfers out	<u>(705,884)</u>	<u>(72,160)</u>
Total Other Financing Sources	<u>1,206,251</u>	<u>4,821,840</u>
Net Change in Fund Balance	(1,226,879)	1,134,672
FUND DEFICIT		
Beginning of Year	<u>(1,804,731)</u>	<u>(2,939,403)</u>
End of Year	<u>\$ (3,031,610)</u>	<u>\$ (1,804,731)</u>

See independent auditors' report.

Village of New Paltz, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through May 31, 2020

Project	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
Morielli Pool	\$ 1,354,532	\$ 1,348,929	\$ -	\$ 1,348,929
Fire Truck	439,500	439,435	-	439,435
DEP - Other Water Source	2,751,882	1,426,076	1,325,806	2,751,882
New Water Tank	1,637,000	1,637,000	-	1,637,000
USDA Water Filtration upgrades	5,500,000	3,831,654	1,506,922	5,338,576
Digester Lid Cover Sewer Plant	815,000	809,025	5,975	815,000
Fire Truck 2016	480,724	480,724	-	480,724
Fire Truck 2012	839,956	839,956	-	839,956
Millbrook Preserve Property	650,000	650,000	-	650,000
West Center Street Storm Sewer	150,000	113,743	36,257	150,000
Fire Truck 2018	680,602	-	680,602	680,602
Installment Purchase Debt	206,533	-	206,533	206,533
Totals	\$ 15,505,729	\$ 11,576,542	\$ 3,762,095	\$ 15,338,637

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Unexpended Balance	Total Revenues	Fund Balance (Deficit) at May 31, 2020	Bond Anticipation Notes Outstanding at May 31, 2020
\$ 5,603	\$ 1,361,694	\$ 12,765	\$ -
65	439,500	65	-
-	2,653,698	(98,184)	400,000
-	1,100,000	(537,000)	537,000
161,424	4,000,000	(1,338,576)	1,500,000
-	740,000	(75,000)	75,000
-	360,044	(120,680)	120,680
-	839,956	-	-
-	275,000	(375,000)	375,000
-	50,000	(100,000)	100,000
-	280,602	(400,000)	400,000
-	206,533	-	-
<u>\$ 167,092</u>	<u>\$ 12,307,027</u>	<u>\$ (3,031,610)</u>	<u>\$ 3,507,680</u>