

Village of Ardsley, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2019

Village of Ardsley, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	21
Statement of Assets and Liabilities - Fiduciary Fund	22
Notes to Financial Statements	23
Required Supplementary Information	
Other Post Employment Benefits -	
Schedule of Change in the Village's Total OPEB, Liability and Related Ratios	52
New York State and Local Employees' Retirement System	
Schedule of the Village's Proportionate Share of the Net Pension Liability	53
Schedule of Contributions	54
New York State and Local Police and Fire Retirement System	
Schedule of the Village's Proportionate Share of the Net Pension Liability	55
Schedule of Contributions	56
Fire Service Award Program	
Schedule of Changes in Total Pension Liability and Related Ratios	57
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Combining Balance Sheet – Sub-Funds	58
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Sub - Funds	60
Comparative Balance Sheet – Sub - Fund	61
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Sub - Fund	62
Schedule of Revenues and Other Financing Sources Compared to Budget – Sub-Fund	64
Schedule of Expenditures and Other Financing Uses Compared to Budget – Sub-Fund	66
Capital Projects Fund	
Comparative Balance Sheet	69
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	70
Project-Length Schedule	71

Village of Ardsley, New York

Table of Contents (Concluded)

Non-Major Governmental Funds	
Combining Balance Sheet	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	74
Public Library Fund	
Comparative Balance Sheet	75
Comparative Schedule of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual	76
Special Purpose Fund	
Comparative Balance Sheet	78
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	79

Independent Auditors' Report

**The Honorable Mayor and Village Board
of the Village of Ardsley, 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 Ardsley, New York ("Village") as of and for the year ended May 31, 2019 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village, as of May 31, 2019 and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended May 31, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules for the year ended May 31, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended May 31, 2019 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended May 31, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended May 31, 2018 (not presented herein), and have issued our report thereon dated October 30, 2018 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended May 31, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2018 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the

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

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

(This page intentionally left blank)

Village of Ardsley, New York

Management's Discussion and Analysis May 31, 2019

Introduction

The Village of Ardsley, New York ("Village"), presents this Management's Discussion and Analysis ("MD&A") as an overview of the Village's financial activities for the fiscal year ended May 31, 2019. This MD&A focuses on current year activities, resulting changes, and currently known facts and should be read in conjunction with the basic financial statements and the notes to the Village's financial statements which immediately follow this section.

The following is a brief outline of other noteworthy changes and events that took place in this fiscal year:

- Sidewalk work was completed on a portion of Heatherdell Road. Additional sections are scheduled.
- Work continues on a conceptual design and site engineering for the highway garage.
- Work on the Village's Comprehensive Plan and Local Waterfront Revitalization Plan continued and the Board of Trustees is working through a draft.
- The Village also completed various road improvements during 2018-2019.
- The Village's bond rating remains an Aa2. However in July 2019 Moody's changed the outlook on the Village's general obligations bonds to positive.
- Work has begun on a couple of commercial properties in the heart of the Village that will hopefully have a positive impact on the "downtown" area.

The Village looks forward to these activities and to taking a fresh look at its operations and infrastructure needs.

Financial Highlights

- For the year ended May 31, 2019, the Village implemented GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*. This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(20,387,503).
- At May 31, 2019 the Village reported in its Statement of Net Position a liability of \$1,626,615 for its proportionate share of the Employees' Retirement System ("ERS") and the Police and Fire Retirement System ("PFRS") net pension liabilities. More detailed

information about the Village's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to the financial statements.

- On the government-wide financial statements, the liabilities and deferred inflows of resources of the Village exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$25,098,557. Of this amount, the unrestricted amount is a deficit of \$27,796,917. This deficit is due to the OPEB obligation of \$28,723,626.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$4,356,276, inclusive of the Capital Projects Fund deficit of \$1,705,595. The General Fund's unassigned fund balance is \$3,923,206 and is available for spending at the Village's discretion. This represents 31% of the 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. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements present the Village as a single, unified entity and are intended to give the reader a broad perspective of the Village's financial condition. These statements closely resemble the financial statements of a private sector entity.

The statement of net position presents financial information on all of the Village's assets, liabilities and deferred inflows/outflows 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 indicating how the Village's net position changed during the 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 (e.g., uncollected taxes and earned but unused vacation leave).

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 group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other 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 assessing 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 funds balance sheet and the governmental funds 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 two major governmental funds: the General Fund and the Capital Projects Fund. Major funds have their information presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances. The Public Library Fund and Special Purpose Fund are grouped together as non-major governmental funds.

The Village adopts annual budgets for the General Fund and the Public Library Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the respective budget.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Village programs. The Village maintains one type of fiduciary fund, the Agency Fund. Resources are held in the Agency Fund by the Village purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment and remittance of resources to the appropriate individual, organization or government. The Pension Trust Fund which accounts for the Service Awards Program for volunteer firefighters is accounted for in the General Fund.

Notes to Financial Statements

The notes to financial statements 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 financial statements and include individual fund financial statements 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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$25,098,557 at the close of the most recent fiscal year.

The deficit of the net position is common among many municipalities due to the changes in GASB pronouncements (OPEB, net pension liability and length of service award program).

A portion of the Village's net position is its net investment in capital assets of \$2,166,462 (land, buildings and improvements, machinery and equipment and infrastructure), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to its citizens and as a result these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position

	Governmental Activities	
	2019	2018
Current Assets	\$ 8,582,329	\$ 7,873,968
Capital Assets, net	10,027,644	10,494,298
Total Assets	18,609,973	18,368,266
Deferred Outflows of Resources	1,947,191	2,674,427
Current Liabilities	4,106,838	4,549,857
Long-term Liabilities	39,212,548	19,323,168
Total Liabilities	43,319,386	23,873,025
Deferred Inflows of Resources	2,336,335	2,189,722
Net Position		
Net Investment in Capital Assets	2,166,462	1,843,611
Restricted	531,898	720,632
Unrestricted	(27,796,917)	(7,584,297)
Total Net Position	\$ (25,098,557)	\$ (5,020,054)

A portion of the Village's net position is restricted and represents resources that are subject to external restrictions on how they may be used. The restricted net position is to be used for the following purposes:

	May 31,	
	2019	2018
Debt Service	\$ 443,622	\$ 632,812
Special Purpose	88,275	87,820
	\$ 531,897	\$ 720,632

Change in Net Position

	Year Ended May 31,	
	2019	2018
REVENUES		
Program Revenues		
Charges for Services	\$ 1,365,866	\$ 1,314,754
Operating Grants and Contributions	547,355	347,110
Capital Grants and Contributions	4,525	9,401
Total Program Revenues	<u>1,917,746</u>	<u>1,671,265</u>
General Revenues		
Real Property Taxes	10,492,508	10,005,264
Other Tax Items	63,142	30,219
Non-Property Taxes	1,033,709	1,001,443
Unrestricted Use of Money and Property	21,949	21,046
Sale of Property and Compensation for Loss	21,794	195,769
Unrestricted State Aid	142,381	197,018
Miscellaneous	131,851	214,348
Total General Revenues	<u>11,907,334</u>	<u>11,665,107</u>
Total Revenues	<u>13,825,080</u>	<u>13,336,372</u>
PROGRAM EXPENSES		
General Government Support	2,643,220	2,579,950
Public Safety	6,435,377	6,577,249
Health	128,545	142,683
Transportation	2,008,858	3,417,609
Economic Opportunity and Development	11,241	12,070
Culture and Recreation	1,102,159	1,111,739
Home and Community Services	913,497	810,290
Interest	273,183	222,114
Total Expenses	<u>13,516,080</u>	<u>14,873,704</u>
Change in Net Position	<u>309,000</u>	<u>(1,537,332)</u>
NET POSITION		
Beginning, as reported	(5,020,054)	(1,291,755)
Cumulative Effect of Change in Accounting Principle	<u>(20,387,503)</u>	<u>(2,190,967)</u>
Beginning, as restated	<u>(25,407,557)</u>	<u>(3,482,722)</u>
Ending	<u>\$ (25,098,557)</u>	<u>\$ (5,020,054)</u>

Governmental Activities

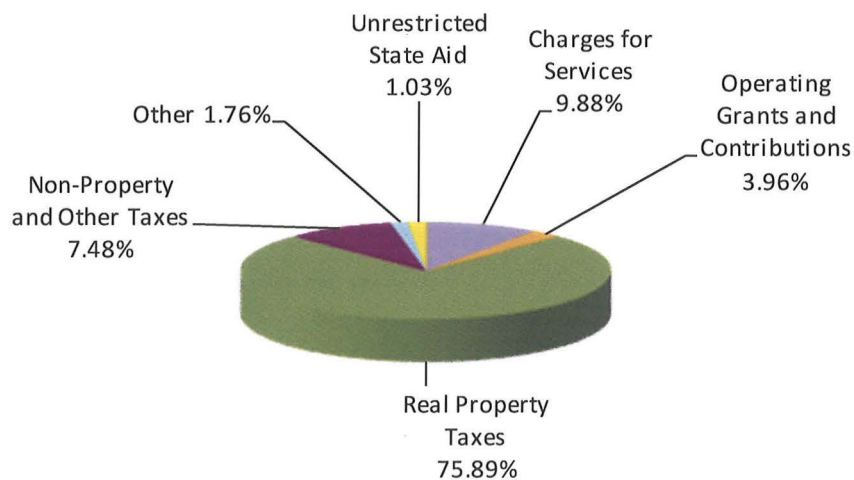
Governmental activities decreased the Village's net position by \$20,078,503.

For the fiscal year ended May 31, 2019, revenues from governmental activities totaled \$13,825,080. Program revenues are 14% of this total and 86% is attributable to taxes and other sources. The major changes are as follows:

Revenues:

- Real property tax revenues increased by \$487,244. This was the result of a higher tax levy.
- Operating grants and contributions increased by \$200,245. The increase was due to a grant received from the Dormitory Authority of the State of New York ("DASNY").
- Sale of Property and Compensation for Loss decreased by \$173,975. The decrease was due to in the prior year there were more worker compensation reimbursements.

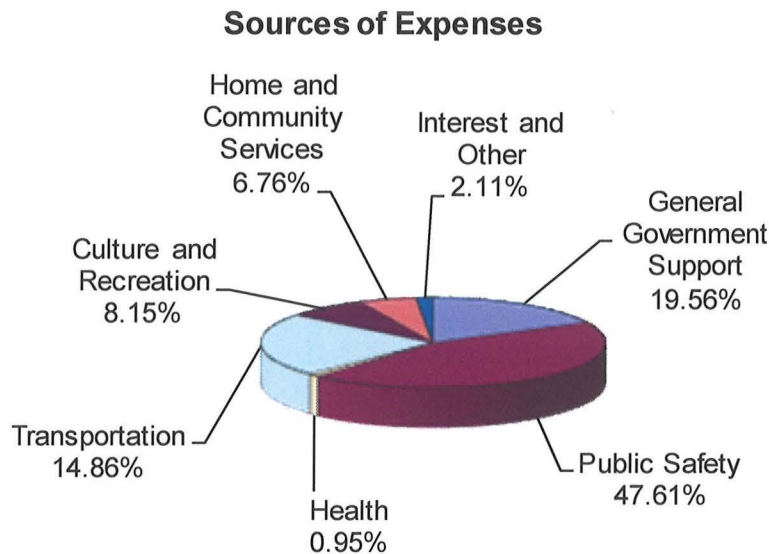
Revenues by Sources



Total expenses for governmental activities were \$13,516,080.

Expenses:

- Public safety expenses decreased by \$141,872.
- Transportation expenses decreased by \$1,408,751. In the prior year the Village incurred costs associated with street paving.



Financial Analysis of the Village's Funds

Fund Balance Reporting

Governmental Accounting Standards Board ("GASB") issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Village's fiscal period ending May 31, 2012; GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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 to be 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 will be 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 will be 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 Board of Trustees.

Assigned fund balance, in the General Fund, will represent amounts constrained either by 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. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

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.

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

Governmental Funds

The 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, assigned and 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 \$4,356,276. \$3,923,206 of the total ending fund balance constitutes unassigned fund balance in the General Fund. \$100,000 of the fund balance has been appropriated for use in the 2019-2020. A portion of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted for debt service (\$443,623), special purpose (\$88,275) and pension benefits (\$1,604,145).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the fund balance of the General Fund was \$5,961,224. When the FY 2018-2019 General Fund budget was adopted, it anticipated to use \$351,134 of the fund balance. Actual results of operations resulted in an increase of Fund Balance of \$992,804.

Revenues and other financing sources were \$13,351,112 which was \$363,900 or 2.8% more than the final budget. Expenditures and other financing uses were \$12,496,558 which was \$929,206 or 7.4%, less than the final budget.

The major areas where revenues were more than budget were: non-property taxes by \$89,709, licenses and permits by \$104,100, fines and forfeitures by \$117,278 and miscellaneous sources by \$82,991.

The major areas where the spending was less than budgeted was in general government support by \$375,053; transportation \$237,486 and employee benefits \$186,254.

The Capital Projects Fund has an unassigned fund deficit of \$1,705,595. Liabilities for bond anticipation notes payable in the amount of \$3,091,045 are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. A majority of capital projects are financed by short and long term debt as of May 31, 2019.

General Fund Budgetary Highlights

There was an increase between the original adopted budget and the final budget of \$237,004. This increase was due to additional unanticipated expenditures. Expenditures and other financing uses were \$929,206 less than the final budget.

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2019, net of \$7,937,706 of accumulated depreciation, was \$10,027,644. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

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

- Vehicle/Truck purchases
- Street paving
- Improvements to Village Hall

Additional information on the Village's capital assets can be found in note 3D in the notes to financial statements.

Capital Assets

	Government Activities	
	2019	2018
Capital Assets, Not Being Depreciated		
Land	\$ 1,226,906	\$ 1,226,906
Capital Assets Being Depreciated		
Building and Improvements	9,118,137	9,053,966
Machinery and Equipment	5,310,449	5,243,949
Infrastructure	2,309,858	2,081,645
Total assets being depreciated	16,738,444	16,379,560
Less Accumulated Depreciation for		
Building and Improvements	4,441,504	3,790,467
Machinery and Equipment	3,065,415	2,958,210
Infrastructure	430,787	363,491
Total accumulated depreciation	7,937,706	7,112,168
Total Capital Assets being Depreciated, net	\$ 8,800,738	\$ 9,267,392
Capital Assets, net	\$ 10,027,644	\$ 10,494,298

Long-term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$5,995,000. In accordance with New York State Law, the Village issues general obligation bonds, backed by the full faith and credit of the Village.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the Village is subject to a "constitutional debt limit". This debt limit is calculated by taking 7% of the latest five-year average full valuation of all taxable real property within the Village. At May 31, 2019, the Village's five year average full valuation was \$970,548,285, thereby establishing a constitutional debt limit of \$67,938,380.

The Village's underlying rating on its outstanding bonds by Moody's Investors Service is Aa2.

Other Post Employment Benefits

For the year ended May 31, 2019, the Village implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")". This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(20,387,503). The OPEB obligation as of May 31, 2019 was \$28,723,626. This amount is reflected in the government-wide financial statements.

Economic Factors and Next Year's Budgets and Rates

Increases in personnel services due to contractual raise in grades, contractual and supply expenses, increases in Employee Benefits and increased Debt Service costs, were all factors that were taken into consideration in development and preparation of the FY 2019-2020 budget.

The Village appropriated \$246,870 of the general fund balance for expenditures in FY 2019-2020 (\$146,870 from debt service and \$100,000 from fund balance).

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Meredith S. Robson, Village of Ardsley, 507 Ashford Avenue, Ardsley, New York 10502.

(This page intentionally left blank)

Village of Ardsley, New York

Statement of Net Position

May 31, 2019

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 4,729,226
Investments	2,576,398
Receivables	
Taxes	251,493
Accounts	223,621
State and Federal aid	21,810
Due from other governments	779,781
Capital assets	
Not being depreciated	1,226,906
Being depreciated, net	8,800,738
	<hr/>
Total Assets	18,609,973
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	1,947,191
	<hr/>
LIABILITIES	
Accounts payable	225,404
Accrued liabilities	497,130
Due to retirement systems	157,222
Unearned revenues	9,665
Bond anticipation notes payable	3,091,045
Accrued interest payable	126,372
Non-current liabilities	
Due within one year	569,000
Due in more than one year	38,643,548
	<hr/>
Total Liabilities	43,319,386
	<hr/>
DEFERRED INFLOWS OF RESOURCES	2,336,335
	<hr/>
NET POSITION	
Net investment in capital assets	2,166,462
Restricted	
Debt service	443,623
Special purpose	88,275
Unrestricted	(27,796,917)
	<hr/>
Total Net Position	\$ (25,098,557)
	<hr/>

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

Village of Ardsley, New York

Statement of Activities
Year Ended May 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 2,643,220	\$ 55,531	\$ -	\$ -	\$ (2,587,689)
Public safety	6,435,377	589,839	145,602	-	(5,699,936)
Health	128,545	-	113,092	-	(15,453)
Transportation	2,008,858	45,147	104,780	-	(1,858,931)
Economic opportunity and development	11,241	-	-	-	(11,241)
Culture and recreation	1,102,159	331,810	55,898	-	(714,451)
Home and community services	913,497	343,539	127,731	3,428	(438,799)
Interest	273,183	-	252	1,097	(271,834)
Total Governmental Activities	\$ 13,516,080	\$ 1,365,866	\$ 547,355	\$ 4,525	(11,598,334)
General revenues					
Real property taxes					10,492,508
Other tax items					
Interest and penalties on real property taxes					63,142
Non-property taxes					
Non-property tax distribution from County					719,612
Hotel occupancy tax					81,854
Franchise fees					119,733
Utilities gross receipts taxes					112,510
Unrestricted use of money and property					21,949
Sale of property and compensation for loss					21,794
Unrestricted State aid					142,381
Miscellaneous					131,851
Total General Revenues					11,907,334
Change in Net Position					309,000
NET POSITION					
Beginning, as reported					(5,020,054)
Cumulative Effect of Change in Accounting Principle					(20,387,503)
Beginning, as restated					(25,407,557)
Ending					\$ (25,098,557)

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

Village of Ardsley, New York

Balance Sheet
 Governmental Funds
 May 31, 2019

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 3,229,671	\$ 1,382,273	\$ 117,282	\$ 4,729,226
Investments	2,576,398	-	-	2,576,398
Taxes receivable	251,493	-	-	251,493
Other receivables				
Accounts	223,621	-	-	223,621
State and Federal aid	21,810	-	-	21,810
Due from other governments	779,781	-	-	779,781
Due from other funds	1,826	8,856	-	10,682
	1,027,038	8,856	-	1,035,894
Total Assets	<u>\$ 7,084,600</u>	<u>\$ 1,391,129</u>	<u>\$ 117,282</u>	<u>\$ 8,593,011</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 211,774	\$ 5,679	\$ 7,951	\$ 225,404
Accrued liabilities	490,272	-	6,858	497,130
Due to other funds	8,856	-	1,826	10,682
Due to retirement systems	157,222	-	-	157,222
Unearned revenues	9,665	-	-	9,665
Bond anticipation notes payable	-	3,091,045	-	3,091,045
Total Liabilities	877,789	3,096,724	16,635	3,991,148
Deferred inflows of resources				
Deferred tax revenues	245,587	-	-	245,587
Total Liabilities and Deferred Inflows of Resources	<u>1,123,376</u>	<u>3,096,724</u>	<u>16,635</u>	<u>4,236,735</u>
Fund balances (Deficits)				
Restricted	1,908,018	139,750	88,275	2,136,043
Assigned	130,000	-	12,372	142,372
Unassigned	3,923,206	(1,845,345)	-	2,077,861
Total Fund Balances (Deficits)	<u>5,961,224</u>	<u>(1,705,595)</u>	<u>100,647</u>	<u>4,356,276</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 7,084,600</u>	<u>\$ 1,391,129</u>	<u>\$ 117,282</u>	<u>\$ 8,593,011</u>

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

Village of Ardsley, New York

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

Fund Balances - Total Governmental Funds	<u>\$ 4,356,276</u>
--	---------------------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>10,027,644</u>
---	-------------------

Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension assets (liabilities) and post employment benefit obligations whereas these amounts are deferred and amortized in the statement of activities

Deferred amounts on net pension liabilities	956,964
Deferred amounts on refunding bonds	129,444
Deferred amounts on post employment benefit obligations	(1,690,863)
Deferred amounts on fire service award program	<u>215,311</u>
	<u>(389,144)</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>245,587</u>
---------------------	----------------

Long-term liabilities that are not due and payable in the current period are not reported in the funds.

Accrued interest payable	(126,372)
Bonds payable	(6,193,025)
Compensated absences	(142,620)
Net pension liability	(1,626,615)
Total pension liability - fire service award program	(2,526,662)
Other post employment benefit obligations payable	<u>(28,723,626)</u>
	<u>(39,338,920)</u>

Net Position of Governmental Activities	<u><u>\$ (25,098,557)</u></u>
---	-------------------------------

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

Village of Ardsley, New York

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended May 31, 2019

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
REVENUES				
Real property taxes	\$ 10,492,116	\$ -	\$ -	\$ 10,492,116
Other tax items	63,142	-	-	63,142
Non-property taxes	1,033,709	-	-	1,033,709
Departmental income	601,555	-	277,933	879,488
Net change in fair value of investments	136,610	-	-	136,610
Use of money and property	21,949	1,097	252	23,298
Licenses and permits	279,100	-	-	279,100
Fines and forfeitures	207,278	-	-	207,278
Sale of property and compensation for loss	21,794	-	-	21,794
State aid	385,526	-	1,276	386,802
Federal aid	113,092	-	-	113,092
Miscellaneous	131,851	3,428	52,980	188,259
Total Revenues	13,487,722	4,525	332,441	13,824,688
EXPENDITURES				
Current				
General government support	1,912,563	-	-	1,912,563
Public safety	3,711,283	-	-	3,711,283
Health	127,024	-	-	127,024
Transportation	1,188,437	-	-	1,188,437
Economic opportunity and development	11,241	-	-	11,241
Culture and recreation	301,665	-	461,520	763,185
Home and community services	623,795	-	-	623,795
Employee benefits	3,188,786	-	149,846	3,338,632
Debt service				
Principal	540,000	-	-	540,000
Interest	244,200	-	-	244,200
Capital outlay	-	179,148	-	179,148
Total Expenditures	11,848,994	179,148	611,366	12,639,508
Excess (Deficiency) of Revenues Over Expenditures	1,638,728	(174,623)	(278,925)	1,185,180
OTHER FINANCING SOURCES (USES)				
Transfers in	-	381,128	264,796	645,924
Transfers out	(645,924)	-	-	(645,924)
Total Other Financing Sources (Uses)	(645,924)	381,128	264,796	-
Net Change in Fund Balances	992,804	206,505	(14,129)	1,185,180
FUND BALANCES (DEFICITS)				
Beginning of Year	4,968,420	(1,912,100)	114,776	3,171,096
End of Year	\$ 5,961,224	\$ (1,705,595)	\$ 100,647	\$ 4,356,276

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

Village of Ardsley, New York

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

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,185,180
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	358,884
Depreciation expense	(825,538)
	(466,654)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	392
Long-term debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities.	
Amortization of premium and loss on refunding bonds	5,209
Principal paid on serial bonds	540,000
	545,209
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	(34,192)
Compensated absences	9,015
Pension liabilities	(192,964)
Other post employment benefit obligations	(736,986)
	(955,127)
Change in Net Position of Governmental Activities	\$ 309,000

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

Village of Ardsley, New York

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 10,560,944	\$ 10,560,944	\$ 10,492,116	\$ (68,828)
Other tax items	36,600	36,600	63,142	26,542
Non-property taxes	944,000	944,000	1,033,709	89,709
Departmental income	586,857	586,857	601,555	14,698
Net change in fair value of investments	-	-	136,610	136,610
Use of money and property	3,000	3,000	21,949	18,949
Licenses and permits	175,000	175,000	279,100	104,100
Fines and forfeitures	90,000	90,000	207,278	117,278
Sale of property and compensation for loss	17,250	17,250	21,794	4,544
State aid	275,975	399,701	385,526	(14,175)
Federal aid	125,000	125,000	113,092	(11,908)
Miscellaneous	23,000	48,860	131,851	82,991
Total Revenues	12,837,626	12,987,212	13,487,722	500,510
EXPENDITURES				
Current				
General government support	2,204,066	2,287,616	1,912,563	375,053
Public safety	3,724,581	3,763,590	3,711,283	52,307
Health	163,690	163,690	127,024	36,666
Transportation	1,479,463	1,425,923	1,188,437	237,486
Economic opportunity and development	14,400	14,844	11,241	3,603
Culture and recreation	310,854	316,391	301,665	14,726
Home and community services	541,737	646,906	623,795	23,111
Employee benefits	3,347,945	3,376,680	3,188,786	187,894
Debt service				
Principal	540,000	540,000	540,000	-
Interest	224,956	244,200	244,200	-
Total Expenditures	12,551,692	12,779,840	11,848,994	930,846
Excess of Revenues Over Expenditures	285,934	207,372	1,638,728	1,431,356
OTHER FINANCING SOURCES (USES)				
Transfers out	(637,068)	(645,924)	(645,924)	-
Net Change in Fund Balance	(351,134)	(438,552)	992,804	1,431,356
FUND BALANCE				
Beginning of Year	351,134	438,552	4,968,420	4,529,868
End of Year	\$ -	\$ -	\$ 5,961,224	\$ 5,961,224

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

Village of Ardsley, New York

Statement of Assets and Liabilities
Fiduciary Funds
May 31, 2019

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 204,942</u>
LIABILITIES	
Account payable	\$ 78,918
Deposits payable	<u>126,024</u>
	<u>\$ 204,942</u>

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

Note 1 - Summary of Significant Accounting Policies

The Village of Ardsley, New York ("Village") was established in 1896 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Village Manager serves as the Administrative Officer and the Chief Budget 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 fund of the Village in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

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

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 non-major special revenue funds of the Village are as follows:

Public Library Fund - The Public Library Fund is used to account for the activities of the Village's Public Library.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to net pension liability, total pension liabilities, compensated absences and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The Village follows the provisions of GASB Statement No. 72, "*Fair Value 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. CLASS issues separately available audited financial statements with a year end of May 31st. CLASS investments totaled \$1,016,891 at May 31, 2019.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2019.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Village does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Village's investment policy limits the amount on deposit at each of its banking institutions.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in two installments due in June and December. 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.

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as May 31, 2019, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been

Note 1 - Summary of Significant Accounting Policies (Continued)

provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by a reservation of fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$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 historical cost for the initial reporting period of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price-level index to deflate the cost to the 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 is 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	10-40
Machinery and equipment	5-10
Infrastructure	20-50

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

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

The Village reported deferred inflows of resources of \$245,587 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.

The amount reported deferred for the deferred loss on refunding bonds results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
New York State and Local Employees' Retirement System	\$ 489,280	\$ 208,788
New York State and Local Police and Fire Retirement System	1,051,869	375,397
Deferred Loss on Refunding Bonds	129,444	-
Other Post Employment Benefit Obligations	-	1,690,863
Fire Service Award Program	276,598	61,287
	<u>\$ 1,947,191</u>	<u>\$ 2,336,335</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources in relation to the Village's pension obligations and other postemployment benefits obligations are detailed in Note 3G.

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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 has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 debt service and special purpose. The balance is classified as unrestricted.

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

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they 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 Village Board of Trustees is the highest level of decision making authority for the Village that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain designations established and approved by the Village Board of Trustees.

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Village Board of Trustees, 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

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

F. Encumbrances

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

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 31, 2019.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Village 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 Village Board of Trustees may meet to discuss and review the tentative budget in a series of budget work sessions after March 20th and up to April 30th.
- c) The Village Board of Trustees must conduct a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for the General and Public Library funds.
- f) Budgets for the General and Public Library funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted by the Village Board of Trustees for the Special Purpose Fund.
- g) The Village Board of Trustees 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 Village Board of Trustees. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Village Board of Trustees.
- h) Appropriations in the General and Public Library 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 Village Board of Trustees.

B. Property Tax Limitations

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2018-2019 was \$19,410,966 which exceeded the actual levy (inclusive of exclusions) by \$8,850,022.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Board first enacts, by a vote of at least sixty percent of the total voting power of the Board, a local law to override such limit for such coming fiscal year.

C. Capital Projects Fund Deficits

The deficits in various individual projects arise in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. This deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

D. Cumulative Effect of Change in Accounting Principle

For the year ended May 31, 2019, the Village implemented GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*". This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of (\$20,387,503).

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

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

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

The Village had the following investments and average maturities in its Service Award Program:

Type of Investment	Fair Value	N/A	1-5 Years	5-10 Years
Bond Funds	\$ 199,973	\$ -	\$ -	\$ 199,973
Short -Term Treasury Securities	104,156	-	104,156	-
U.S and International Equities Funds	1,185,587	1,185,587	-	-
Life Insurance Policies	69,791	69,791	-	-
	<u>\$ 1,559,507</u>	<u>\$ 1,255,378</u>	<u>\$ 104,156</u>	<u>\$ 199,973</u>

These investments had the following average credit ratings:

Type of Investment	Fair Value	N/A	A or better	BBB
Bond Funds	\$ 199,973	\$ -	\$ 150,840	\$ 49,133
Short -Term Treasury Securities	104,156	-	104,156	-
U.S and International Equities Funds	1,185,587	1,185,587	-	-
Life Insurance Policies	69,791	69,791	-	-
	<u>\$ 1,559,507</u>	<u>\$ 1,255,378</u>	<u>\$ 254,996</u>	<u>\$ 49,133</u>

The Bond Funds, Short-Term Treasury Securities and U.S. International Equities are considered to be Level 1 inputs which have the highest reliability and are related to assets with unadjusted quoted prices in active markets. The Life Insurance policies are not subject to the fair value hierarchy.

B. Taxes Receivable

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

Current Year	\$ 76,726
Prior Years	<u>174,767</u>
	<u>\$ 251,493</u>

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)**C. Due From/To Other Funds**

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

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,826	\$ 8,856
Capital Projects	8,856	-
Special Purpose	-	1,826
	<u>\$ 10,682</u>	<u>\$ 10,682</u>

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

D. Capital Assets

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

	<u>Balance June 1, 2018</u>	<u>Additions</u>	<u>Balance May 31, 2019</u>
Capital Assets, not being depreciated			
Land	<u>\$ 1,226,906</u>	<u>\$ -</u>	<u>\$ 1,226,906</u>
Capital Assets, being depreciated:			
Buildings and improvements	\$ 9,053,966	\$ 64,171	\$ 9,118,137
Machinery and equipment	5,243,949	66,500	5,310,449
Infrastructure	<u>2,081,645</u>	<u>228,213</u>	<u>2,309,858</u>
Total Capital Assets, being depreciated	<u>16,379,560</u>	<u>358,884</u>	<u>16,738,444</u>
Less Accumulated Depreciation for:			
Buildings and improvements	3,790,467	651,037	4,441,504
Machinery and equipment	2,958,210	107,205	3,065,415
Infrastructure	<u>363,491</u>	<u>67,296</u>	<u>430,787</u>
Total Accumulated Depreciation	<u>7,112,168</u>	<u>825,538</u>	<u>7,937,706</u>
Total Capital Assets, being depreciated, net	<u>\$ 9,267,392</u>	<u>\$ (466,654)</u>	<u>\$ 8,800,738</u>
Capital Assets, net	<u>\$ 10,494,298</u>	<u>\$ (466,654)</u>	<u>\$ 10,027,644</u>

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

General Government Support	\$ 39,319
Public Safety	313,719
Transportation	292,961
Culture and Recreation	<u>179,539</u>
Total Depreciation Expense	<u>\$ 825,538</u>

E. Accrued Liabilities

Accrued liabilities of \$490,272 at May 31, 2019 were for payroll and employee benefits recorded in the General Fund and \$6,858 recorded in the Public Library Fund.

F. Short-Term Capital Borrowings - Bond Anticipation Notes

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance June 1, 2018	Redemptions	Balance May 31, 2019
Highway Equipment	2014	08/01/19	- %	\$ 45,400	\$ 45,400	\$ -
Highway Garage	2016	08/01/19	2.75	729,217	243,072	486,145
Various Village Purposes	2017	08/01/19	2.75	1,592,200	66,600	1,525,600
Land for Garage	2017	08/01/19	2.75	<u>1,096,500</u>	<u>17,200</u>	<u>1,079,300</u>
				<u>\$ 3,463,317</u>	<u>\$ 372,272</u>	<u>\$ 3,091,045</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 \$63,925 were recorded in the fund financial statements in the General Fund. Interest expense of \$103,842 was recorded in the government-wide financial statements.

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

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

	Balance as Reported June 1, 2019	Cumulative Effect of Change in Accounting Principle *	Balance as Restated June 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2019	Due Within One Year
General Obligation Bonds Payable	\$ 6,535,000	\$ -	\$ 6,535,000	\$ -	\$ 540,000	\$ 5,995,000	\$ 555,000
Plus							
Unamortized premium on bonds	213,065	-	213,065	-	15,040	198,025	-
	<u>6,748,065</u>	<u>-</u>	<u>6,748,065</u>	<u>-</u>	<u>555,040</u>	<u>6,193,025</u>	<u>555,000</u>
Other Non-Current Liabilities:							
Net Pension Liability	927,865	-	927,865	698,750	-	1,626,615	-
Total Pension Liability - Length of service award program	2,205,603	-	2,205,603	321,059	-	2,526,662	-
Compensated Absences	151,635	-	151,635	-	9,015	142,620	14,000
Other Post Employment Benefit Obligations Payable	9,290,000	20,387,503	29,677,503	(463,596)	490,281	28,723,626	-
Total Othe Non-Current Liabilities	<u>12,575,103</u>	<u>20,387,503</u>	<u>32,962,606</u>	<u>556,213</u>	<u>499,296</u>	<u>33,019,523</u>	<u>14,000</u>
Total Long-Term Liabilities	<u>\$ 19,323,168</u>	<u>\$ 20,387,503</u>	<u>\$ 39,710,671</u>	<u>\$ 556,213</u>	<u>\$ 1,054,336</u>	<u>\$ 39,212,548</u>	<u>\$ 569,000</u>

*See Note 2D.

Each governmental fund's liability for general obligation bonds, net pension liability, total pension liability, compensated absences, and other post employment benefit obligations are liquidated by the General Fund.

General Obligation Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2019
Public Improvements	2012	\$1,211,500	March, 2027	2.0 - 2.750 %	\$ 690,000
Public Improvements	2016	3,364,370	August, 2035	2.0 - 3.375	2,620,000
Public Improvements	2017	2,945,000	August, 2031	2.0 - 5.000	2,685,000
					<u>\$ 5,995,000</u>

Interest expenditures of \$180,275 was recorded in the fund financial statements in the General Fund. Interest expense of \$169,341 was recorded in the government-wide financial statements for governmental activities.

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of May 31, 2019 including interest payments of \$1,031,495 are as follows:

Year Ended May 31,	Principal	Interest
2020	555,000	162,551
2021	520,000	144,901
2022	500,000	129,001
2023	475,000	114,689
2024	475,000	99,737
2025-2029	2,255,000	310,375
2030-2034	1,115,000	66,899
2035-2036	100,000	3,342
	<u>\$ 5,995,000</u>	<u>\$ 1,031,495</u>

Pension Plans

New York State and Local Retirement System

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

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2019 are as follows:

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

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

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2019	March 31, 2019
Net pension liability	\$ 569,581	\$ 1,057,034
Village's proportion of the net pension liability	0.0080389 %	0.0630289 %
Change in proportion since the prior measurement date	0.0004682 %	(0.0045963) %

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

For the year ended May 31, 2019, the Village recognized pension expense in the government-wide financial statements of \$438,261 for ERS and \$776,741 for PFRS, in governmental activities. Pension expenditures of \$390,375 for ERS and \$677,884 for PFRS were recorded in the fund financial statements and were charged to the following funds:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 353,901	\$ 677,884
Library	36,474	-
	<u>\$ 390,375</u>	<u>\$ 677,884</u>

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 112,162	\$ 38,235	\$ 256,783	\$ 112,856
Changes of assumptions	143,169	-	384,049	-
Net difference between projected and actual earnings on pension plan investments	-	146,186	-	211,698
Changes in proportion and differences between Village contributions and proportionate share of contributions	174,179	24,367	313,585	50,843
Village contributions subsequent to the measurement date	59,770	-	97,452	-
	<u>\$ 489,280</u>	<u>\$ 208,788</u>	<u>\$ 1,051,869</u>	<u>\$ 375,397</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 368,945	\$ 38,235		
Changes of assumptions	527,218	-		
Net difference between projected and actual earnings on pension plan investments	-	146,186		
Changes in proportion and differences between Village contributions and proportionate share of contributions	487,764	24,367		
Village contributions subsequent to the measurement date	157,222	-		
	<u>\$ 1,541,149</u>	<u>\$ 208,788</u>		

\$59,770 and \$97,452 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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:

Year Ended March 31,	ERS	PFRS
2020	\$ 172,264	\$ 289,376
2021	(68,266)	37,149
2022	19,067	55,545
2023	97,657	156,175
2024	-	40,775

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

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

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

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

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

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

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,490,297</u>	<u>\$ 569,581</u>	<u>\$ (1,043,958)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 3,819,964</u>	<u>\$ 1,057,034</u>	<u>\$ (1,250,333)</u>

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

	ERS	PFRS	Total
Total pension liability	\$ 189,803,429,000	\$ 34,128,100,000	\$ 223,931,529,000
ERS fiduciary net position	<u>182,718,124,000</u>	<u>32,451,037,000</u>	<u>215,169,161,000</u>
Employers' net pension liability	<u>\$ 7,085,305,000</u>	<u>\$ 1,677,063,000</u>	<u>\$ 8,762,368,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>96.27%</u>	<u>95.09%</u>	<u>96.09%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2019 represent the employer contribution for the period of April 1, 2019 through May 31, 2019 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly. Accrued retirement contributions to ERS and PFRS as of May 31, 2019 were \$59,770 and \$97,452, respectively.

Note 3 - Detailed Notes on All Funds (Continued)

Voluntary Defined Contribution Plan

The Village can offer a defined contribution plan to all non-union employees hired on or after June 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.

Service Award Program

The Village, pursuant to Article 11-A of the General Municipal Law of the State of New York and legislative resolution, has established a Length of Service Award Program ("Program") for volunteer firefighters. This Program is a single employer defined benefit plan established as a grantor/rabbi trust and, as such, the assets are subject to the claims of the Village's general creditors. The Program is accounted for in the Village's financial statements within the General Fund.

Active volunteer firefighters, upon attainment of age 18, and upon earning 50 or more points in a calendar year after 1990 under the provisions of the Program point system, are eligible to become participants in the Program. Points are granted for the performance of certain activities in accordance with a system established by the Village on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 62 or the participant's age after earning 50 program points), shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity. The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Village's Board, are authorized to invest the funds in authorized investment vehicles. Administrative costs are paid by the Village from the General Fund. Separate financial statements are not issued by the Program.

At the May 31, 2019 measurement date, the following participants were covered by the benefit terms:

Inactive participants entitled to but not yet receiving benefits payments	36
Active participants	<u>37</u>
Total	<u><u>73</u></u>

The General Municipal Law of the State of New York requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village's Board of Trustees.

The total pension liability at the May 31, 2019 measurement date was determined using an actuarial valuation as of that date.

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability in the May 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal

Inflation: 2.00%

Salary Scale: None assumed

Mortality rates were based on the RP-2000-Unisex Mortality Table

The discount rate of 3.12% used to measure the total pension liability was based upon the Fidelity 20 Year- GO AA Bond Index. The Village's change in the total pension liability of the LOSAP program for the program year ended May 31, 2019 is as follows:

Total Pension Liability - Beginning of Period	\$ 2,205,603
Service cost	37,508
Interest	77,593
Changes of assumptions or other inputs	204,764
Differences between expected and actual experience	65,470
Benefit payments	<u>(64,276)</u>
Total Pension Liability - End of Period	<u><u>\$ 2,526,662</u></u>

The following presents the total pension liability of the Village as of the May 31, 2019 measurement date, calculated using the discount rate of 3.12 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.12%) or 1-percentage point higher (4.12%) than the current rate:

	1% Decrease (2.12%)	Current Assumption (3.12%)	1% Increase (4.12%)
Total Pension Liability	<u>\$ 2,946,000</u>	<u>\$ 2,526,662</u>	<u>\$ 2,191,000</u>

For the year ended May 31, 2019, the Village recognized pension expense of \$80,000 in the General Fund. At May 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 71,834	\$ 61,287
Differences between expected and actual experience	<u>204,764</u>	<u>-</u>
	<u><u>\$ 276,598</u></u>	<u><u>\$ 61,287</u></u>

Note 3 - Detailed Notes on All Funds (Continued)

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

Year Ended December 31,	
2020	\$ 19,059
2021	19,059
2022	19,059
2023	19,059
2024	19,059
2025 and Thereafter	120,016

Compensated Absences

Pursuant to collective bargaining agreements, employees of the Department of Public Works and non-union full-time employees may accumulate up to 175 days of sick time. Upon retirement, these employees will be compensated for 50% of unused sick time at their current salary level. Effective June 1, 1994, police employees have unlimited sick leave. Prior to this date, police employees could accumulate up to 150 days of sick time. Days accumulated as of June 1, 1994 were frozen and police employees, at retirement, separation of service or upon written notification, may receive payment for 50% of these accumulated days at their hourly rate. Compensatory time for overtime hours may be accumulated by police employees. At the option of the employee, payment will be made either through additional compensation or compensatory time. Payment is limited to 150 hours. Compensatory time for police officers may accumulate without limit. Employees will be paid for this time, at their option. However, requests for payment must be made prior to February 1st of each year. Vacation time for employees of the Department of Public Works may be carried over to the subsequent year, and upon separation of service, employees will be compensated for any unused days from the prior year. Vacation time for police and non-union employees is generally taken in the year earned and may not be accumulated.

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 Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

Inactive participants entitled to but not yet receiving benefits payments	23
Active participants	<u>42</u>
Total	<u><u>65</u></u>

The Village's total OPEB liability of \$28,723,626 was measured as of May 31, 2019 and was determined by an actuarial valuation as of June 1, 2018.

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

Inflation	3.00%
Salary increases	3.00%
Discount rate	3.05%
Healthcare cost trend rates	8.0% for 2019, decreasing by up to .5% per year to an ultimate rate of 5.0%
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was based on the S&P Municipal Bond 20-year High Grade Rate Index.

Mortality rates were based on the RP-2014 Mortality Tables for employees and healthy annuitants, and then adjusted for mortality improvements with scale MP-2016 projection mortality improvement scale on a fully generational basis.

The actuarial assumptions used in the June 1, 2018 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2010 to March 31, 2015 experience study released by the Retirement Systems Actuary and published in their August 2015 report.

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

Total OPEB Liability - Beginning of Year	\$ 29,677,503
Service Cost	667,753
Interest	897,687
Change in assumptions or other inputs	(2,029,036)
Benefit payments	<u>(490,281)</u>
Total OPEB Liability - End of Year	<u><u>\$ 28,723,626</u></u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.05%) or 1 percentage point higher (4.05%) than the current discount rate:

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (2.05%)	Current Assumption (3.05%)	1% Increase (4.05%)
Total OPEB Liability	<u>\$ 33,345,403</u>	<u>\$ 28,723,626</u>	<u>\$ 24,100,614</u>

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

	1% Decrease (7.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 23,673,456</u>	<u>\$ 28,723,626</u>	<u>\$ 34,781,928</u>

For the year ended May 31, 2019, the Village recognized OPEB expense of \$1,227,267 in the government-wide financial statements. At May 31, 2019, the Village reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -
Differences between expected and actual experience	<u>1,690,863</u>
	<u>\$ 1,690,863</u>

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

Year Ended March 31,	
2020	\$ (338,173)
2021	(338,173)
2022	(338,173)
2023	(338,173)
2024	(338,171)
Thereafter	-

Note 3 - Detailed Notes on All Funds (Continued)

H. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers.

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	<u>\$ 381,128</u>	<u>\$ 264,796</u>	<u>\$ 645,924</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 2) move amounts earmarked in the operating funds to fulfill commitments for the Public Library Fund.

I. Net Position

The components of net position are detailed below:

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

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

Restricted for Special Purpose - the component of net position that represents funds restricted for specific purposes under New York State law 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 Ardsley, New York

Notes to Financial Statements (Continued)
May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2019				2018			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable -								
Prepaid expenditures	\$ -	\$ -	\$ -	\$ -	\$ 2,417	\$ -	\$ -	\$ 2,417
Restricted:								
Pension benefits	1,604,145	-	-	1,604,145	1,465,895	-	-	1,465,895
Special purpose	-	-	88,275	88,275	-	-	87,820	87,820
Capital projects	-	-	-	-	-	-	-	-
Debt service	157,003	139,750	-	296,753	279,107	138,653	-	417,760
Debt service - for subsequent year's expenditures	146,870	-	-	146,870	215,052	-	-	215,052
Total Restricted	1,908,018	139,750	88,275	2,136,043	1,960,054	138,653	87,820	2,186,527
Assigned:								
Contractual obligations	30,000	-	-	30,000	36,082	-	-	36,082
Subsequent year's expenditures - General Fund	100,000	-	-	100,000	100,000	-	-	100,000
Non-Major Governmental Fund Public Library	-	-	12,372	12,372	-	-	26,956	26,956
Total Assigned	130,000	-	12,372	142,372	136,082	-	26,956	163,038
Unassigned	3,923,206	(1,845,345)	-	2,077,861	2,869,867	(2,050,753)	-	819,114
Total Fund Balances	\$ 5,961,224	\$ (1,705,595)	\$ 100,647	\$ 4,356,276	\$ 4,968,420	\$ (1,912,100)	\$ 114,776	\$ 3,171,096

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 Pension Benefits represents funds 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.

Assigned for Contractual Obligations - This is used to segregate a portion of fund balance of the General Fund for contractual obligations.

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

Unassigned fund balance in the General Fund represents amounts not classified as restricted or assigned. Unassigned fund balance in the Capital Projects Fund represents the deficit balances in various capital projects.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

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

Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. 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.

B. Risk Management

The Village purchases various insurance coverages to reduce its exposure to loss. The Village maintains a general liability insurance policy with coverage up to \$1 million for each occurrence and an umbrella policy with coverage up to \$10 million. The public officials liability policy provides coverage up to \$1 million. The Village also purchases conventional workers' compensation insurance with coverage at statutory limits and medical insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Village of Ardsley, New York

Notes to Financial Statements (Concluded)

May 31, 2019

Note 5 - Subsequent Events

The Village, in August 2019, issued a bond, in the amount of \$17,060,000 to finance the costs of the construction, maintenance and purchase of equipment, road reconstruction and the acquisition of land. The bonds mature annually through July 2041, with interest at rates ranging from 2.75% to 5.00%, depending on maturity.

(This page intentionally left blank)

Village of Ardsley, New York

Required Supplementary Information - Schedule of the
Village's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	2019	2018	2017	2016 (2)
Village's proportion of the net pension liability	<u>0.0080389%</u>	<u>0.0075707%</u>	<u>0.0082543%</u>	<u>0.0079419%</u>
Village's proportionate share of the net pension liability	<u>\$ 569,581</u>	<u>\$ 244,339</u>	<u>\$ 775,591</u>	<u>\$ 1,274,695</u>
Village's covered payroll	<u>\$ 2,641,989</u>	<u>\$ 2,505,643</u>	<u>\$ 2,483,991</u>	<u>\$ 2,484,759</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>21.56%</u>	<u>9.75%</u>	<u>31.22%</u>	<u>51.30%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>

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

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

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

Village of Ardsley, New York

Required Supplementary Information - Schedule of the Changes in the Village's Total OPEB Liability and Related Costs Last Ten Fiscal Years (1) (2)

	<u>2019</u>
Total OPEB Liability:	
Service cost	\$ 667,753
Interest	897,687
Difference between expected and actual experience	-
Changes of benefit terms	-
Changes of assumptions or other inputs	(2,029,036) (3)
Benefit payments	<u>(490,281)</u>
Net Change in Total OPEB Liability	(953,877)
Total OPEB Liability - Beginning of Year	<u>29,677,503</u>
Total OPEB Liability - End of Year	<u><u>\$ 28,723,626</u></u>
Village's covered - employee payroll	<u><u>\$ 5,416,196</u></u>
Total OPEB liability as a percentage of covered- employee payroll	<u><u>530.33%</u></u>

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

(2) No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75 to pay related benefits.

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

See independent auditors' report.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 393,797	\$ 380,179	\$ 383,756	\$ 405,434
Contributions in relation to the contractually required contribution	<u>(393,797)</u>	<u>(380,179)</u>	<u>(383,756)</u>	<u>(405,434)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 2,862,929</u>	<u>\$ 2,644,314</u>	<u>\$ 2,617,427</u>	<u>\$ 2,414,425</u>
Contributions as a percentage of covered payroll	<u>13.76%</u>	<u>14.38%</u>	<u>14.66%</u>	<u>16.79%</u>

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

Village of Ardsley, New York

Required Supplementary Information - Schedule of the Village's Proportionate Share of the Net Pension Liability New York State and Local Police and Fire Retirement System Last Ten Fiscal Years (1)

	2019	2018	2017	2016 (2)
Village's proportion of the net pension liability	<u>0.0630289%</u>	<u>0.0676252%</u>	<u>0.0694456%</u>	<u>0.0706975%</u>
Village's proportionate share of the net pension liability	<u>\$ 1,057,034</u>	<u>\$ 683,526</u>	<u>\$ 1,439,365</u>	<u>\$ 2,093,201</u>
Village's covered payroll	<u>\$ 2,949,578</u>	<u>\$ 3,017,455</u>	<u>\$ 2,927,982</u>	<u>\$ 2,636,208</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>35.84%</u>	<u>22.65%</u>	<u>49.16%</u>	<u>79.40%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>

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

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 683,825	\$ 725,989	\$ 691,508	\$ 696,155
Contributions in relation to the contractually required contribution	<u>(683,825)</u>	<u>(725,989)</u>	<u>(691,508)</u>	<u>(696,155)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 2,830,489</u>	<u>\$ 2,966,466</u>	<u>\$ 2,950,095</u>	<u>\$ 2,850,335</u>
Contributions as a percentage of covered payroll	<u>24.16%</u>	<u>24.47%</u>	<u>23.44%</u>	<u>24.42%</u>

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

(This page intentionally left blank)

Village of Ardsley, New York

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

	2019	* 2018
Total Pension Liability - Beginning of Period	\$ 2,205,603	\$ 2,190,967
Service cost	37,508	47,873
Interest	77,593	76,669
Changes of assumptions or other inputs	204,764	(66,424)
Differences between expected and actual experience	65,470	6,897
Benefit payments	(64,276)	(50,379)
Total Pension Liability - End of Period	<u>\$ 2,526,662</u>	<u>\$ 2,205,603</u>
Village's covered payroll	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A

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

Notes to Schedule:

Changes in assumptions or other inputs. The discount rate used to measure the total pension liability was based upon the Fidelity 20-Year GO AA Bond Index and was as follows:

May 31, 2017	3.54%
May 31, 2018	3.57%
May 31, 2019	3.12%

(1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68" to pay related benefits.

See independent auditors' report.

Village of Ardsley, New York

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

	General	Fire Service Award Program
ASSETS		
Cash and equivalents	\$ 3,185,033	\$ 44,638
Investments	1,016,891	1,559,507
Taxes receivable	251,493	-
Other receivables		
Accounts	223,621	-
State and Federal aid	21,810	-
Due from other governments	779,781	-
Due from other funds	1,826	-
	1,027,038	-
Prepaid expenditures	-	-
Total Assets	\$ 5,480,455	\$ 1,604,145
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 211,774	-
Accrued liabilities	490,272	-
Due to other funds	8,856	-
Due to retirement systems	157,222	-
Unearned revenues	9,665	-
Total Liabilities	877,789	-
Deferred inflows of resources		
Deferred tax revenues	245,587	-
Total Liabilities and Deferred Inflows of Resources	1,123,376	-
Fund balance		
Nonspendable	-	-
Restricted	303,873	1,604,145
Assigned	130,000	-
Unassigned	3,923,206	-
Total Fund Balance	4,357,079	1,604,145
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 5,480,455	\$ 1,604,145

See independent auditors' report.

Totals	
2019	2018
\$ 3,229,671	\$ 3,878,959
2,576,398	1,452,380
251,493	261,370
223,621	118,276
21,810	65,878
779,781	438,970
1,826	262,072
1,027,038	885,196
-	2,417
<u>\$ 7,084,600</u>	<u>\$ 6,480,322</u>

211,774	\$ 340,685
490,272	237,218
8,856	522,219
157,222	166,585
9,665	-
877,789	1,266,707
245,587	245,195
1,123,376	1,511,902
-	2,417
1,908,018	1,960,054
130,000	136,082
3,923,206	2,869,867
5,961,224	4,968,420
<u>\$ 7,084,600</u>	<u>\$ 6,480,322</u>

Village of Ardsley, New York

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

	General	Fire Service Award Program	Eliminations	2019	2018
REVENUES					
Real property taxes	\$ 10,492,116	\$ -	\$ -	\$ 10,492,116	\$ 9,942,305
Other tax items	63,142	-	-	63,142	30,219
Non-property taxes	1,033,709	-	-	1,033,709	1,001,443
Departmental income	601,555	80,000	(80,000)	601,555	622,637
Net change in fair value of investments	-	136,610	-	136,610	146,202
Use of money and property	21,949	-	-	21,949	22,675
Licenses and permits	279,100	-	-	279,100	289,058
Fines and forfeitures	207,278	-	-	207,278	127,413
Sale of property and compensation for loss	21,794	-	-	21,794	195,769
State aid	385,526	-	-	385,526	241,215
Federal aid	113,092	-	-	113,092	77,795
Miscellaneous	131,851	-	-	131,851	214,348
Total Revenues	13,351,112	216,610	(80,000)	13,487,722	12,911,079
EXPENDITURES					
Current					
General government support	1,912,563	-	-	1,912,563	1,967,263
Public safety	3,711,283	-	-	3,711,283	3,839,962
Health	127,024	-	-	127,024	137,811
Transportation	1,188,437	-	-	1,188,437	1,219,982
Economic opportunity and development	11,241	-	-	11,241	12,070
Culture and recreation	301,665	-	-	301,665	281,076
Home and community services	623,795	-	-	623,795	505,374
Employee benefits	3,190,426	78,360	(80,000)	3,188,786	3,158,352
Debt service					
Principal	540,000	-	-	540,000	660,000
Interest	244,200	-	-	244,200	213,952
Total Expenditures	11,850,634	78,360	(80,000)	11,848,994	11,995,842
Excess of Revenues Over Expenditures	1,500,478	138,250	-	1,638,728	915,237
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	398,140
Transfers out	(645,924)	-	-	(645,924)	(690,694)
Total Other Financing Uses	(645,924)	-	-	(645,924)	(292,554)
Net Change in Fund Balance	854,554	138,250	-	992,804	622,683
FUND BALANCE					
Beginning of Year	3,502,525	1,465,895	-	4,968,420	4,345,737
End of Year	\$ 4,357,079	\$ 1,604,145	\$ -	\$ 5,961,224	\$ 4,968,420

Village of Ardsley, New York

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

	2019	2018
ASSETS		
Cash and equivalents	\$ 3,185,033	\$ 3,865,444
Investments	1,016,891	-
Taxes receivable	251,493	261,370
Other receivables		
Accounts	223,621	118,276
State and Federal aid	21,810	65,878
Due from other governments	779,781	438,970
Due from other funds	1,826	262,072
	1,027,038	885,196
Prepaid expenditures	-	2,417
Total Assets	\$ 5,480,455	\$ 5,014,427
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 211,774	\$ 340,685
Accrued liabilities	490,272	237,218
Due to other funds	8,856	522,219
Due to retirement systems	157,222	166,585
Unearned revenues	9,665	-
Total Liabilities	877,789	1,266,707
Deferred inflows of resources		
Deferred tax revenues	245,587	245,195
Total Liabilities and Deferred Inflows of Resources	1,123,376	1,511,902
Fund balance		
Nonspendable	-	2,417
Restricted	303,873	494,159
Assigned	130,000	136,082
Unassigned	3,923,206	2,869,867
Total Fund Balance	4,357,079	3,502,525
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 5,480,455	\$ 5,014,427

See independent auditors' report.

Village of Ardsley, New York

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

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 10,560,944	\$ 10,560,944	\$ 10,492,116	\$ (68,828)
Other tax items	36,600	36,600	63,142	26,542
Non-property taxes	944,000	944,000	1,033,709	89,709
Departmental income	586,857	586,857	601,555	14,698
Use of money and property	3,000	3,000	21,949	18,949
Licenses and permits	175,000	175,000	279,100	104,100
Fines and forfeitures	90,000	90,000	207,278	117,278
Sale of property and compensation for loss	17,250	17,250	21,794	4,544
State aid	275,975	399,701	385,526	(14,175)
Federal aid	125,000	125,000	113,092	(11,908)
Miscellaneous	23,000	48,860	131,851	82,991
Total Revenues	12,837,626	12,987,212	13,351,112	363,900
EXPENDITURES				
Current				
General government support	2,204,066	2,287,616	1,912,563	375,053
Public safety	3,724,581	3,763,590	3,711,283	52,307
Health	163,690	163,690	127,024	36,666
Transportation	1,479,463	1,425,923	1,188,437	237,486
Economic opportunity and development	14,400	14,844	11,241	3,603
Culture and recreation	310,854	316,391	301,665	14,726
Home and community services	541,737	646,906	623,795	23,111
Employee benefits	3,347,945	3,376,680	3,190,426	186,254
Debt service				
Principal	540,000	540,000	540,000	-
Interest	224,956	244,200	244,200	-
Total Expenditures	12,551,692	12,779,840	11,850,634	929,206
Excess of Revenues Over Expenditures	285,934	207,372	1,500,478	1,293,106
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers out	(637,068)	(645,924)	(645,924)	-
Total Other Financing Uses	(637,068)	(645,924)	(645,924)	-
Net Change in Fund Balance	(351,134)	(438,552)	854,554	1,293,106
FUND BALANCE				
Beginning of Year	351,134	438,552	3,502,525	3,063,973
End of Year	\$ -	\$ -	\$ 4,357,079	\$ 4,357,079

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,082,143	\$ 10,082,143	\$ 9,942,305	\$ (139,838)
36,500	36,500	30,219	(6,281)
854,000	854,000	1,001,443	147,443
657,460	657,460	622,637	(34,823)
3,000	3,000	22,675	19,675
172,000	172,000	289,058	117,058
90,000	90,000	127,413	37,413
17,250	48,909	195,769	146,860
304,816	441,066	241,215	(199,851)
125,000	125,000	77,795	(47,205)
17,000	17,000	214,348	197,348
12,359,169	12,527,078	12,764,877	237,799
2,014,176	1,998,747	1,967,263	31,484
3,705,187	3,841,889	3,839,962	1,927
155,779	155,779	137,811	17,968
1,219,133	1,220,528	1,219,982	546
11,680	12,070	12,070	-
311,099	290,110	281,076	9,034
486,417	506,522	505,374	1,148
3,079,123	3,164,863	3,164,161	702
660,000	660,000	660,000	-
329,812	213,952	213,952	-
11,972,406	12,064,460	12,001,651	62,809
386,763	462,618	763,226	300,608
-	158,076	398,140	240,064
(456,763)	(690,694)	(690,694)	-
(456,763)	(532,618)	(292,554)	240,064
(70,000)	(70,000)	470,672	540,672
70,000	70,000	3,031,853	2,961,853
\$ -	\$ -	\$ 3,502,525	\$ 3,502,525

Village of Ardsley, New York

General Fund - Sub - Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended May 31, 2019
 (With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
REAL PROPERTY TAXES	\$ 10,560,944	\$ 10,560,944	\$ 10,492,116	\$ (68,828)	\$ 9,942,305
OTHER TAX ITEMS					
Interest and penalties on real property taxes	36,600	36,600	63,142	26,542	30,219
NON-PROPERTY TAXES					
Non-property tax distribution from County	680,000	680,000	719,612	39,612	702,437
Hotel occupancy taxes	50,000	50,000	81,854	31,854	79,249
Franchise fees	112,000	112,000	119,733	7,733	110,239
Utilities gross receipts taxes	102,000	102,000	112,510	10,510	109,518
	944,000	944,000	1,033,709	89,709	1,001,443
DEPARTMENTAL INCOME					
Tax advertising	300	300	528	228	456
Clerk fees	100	100	15	(85)	63
Police fees	250	250	305	55	280
Prisoner transportation	10,000	10,000	15,192	5,192	21,508
Special events	6,000	6,000	53,058	47,058	10,093
Safety inspection fees	2,000	2,000	2,525	525	1,925
Stop DWI fees	-	-	-	-	600
Registrar of Vital Statistics	2,070	2,070	1,130	(940)	1,680
Parking	44,000	44,000	41,185	(2,815)	51,272
Parks and recreation charges	65,800	65,800	53,877	(11,923)	60,620
Zoning fees	2,000	2,000	800	(1,200)	2,000
Planning board fees	1,000	1,000	3,650	2,650	3,500
Refuse removal	91,680	91,680	78,419	(13,261)	79,635
Fire protection	361,397	361,397	350,559	(10,838)	388,716
Snow removal	260	260	312	52	289
	586,857	586,857	601,555	14,698	622,637
USE OF MONEY AND PROPERTY					
Earnings on investments	3,000	3,000	21,949	18,949	22,675

LICENSES AND PERMITS

Permit fees	165,000	165,000	265,120	100,120	278,138
Alarm fees	10,000	10,000	13,980	3,980	10,920

	175,000	175,000	279,100	104,100	289,058
--	---------	---------	---------	---------	---------

FINES AND FORFEITURES

Fines and forfeited bail	90,000	90,000	207,278	117,278	127,413
--------------------------	--------	--------	---------	---------	---------

**SALE OF PROPERTY AND COMPENSATION
FOR LOSS**

Sale of equipment	-	-	4,405	4,405	47,160
Other minor sales	2,250	2,250	5,174	2,924	13,946
Insurance recoveries	15,000	15,000	12,215	(2,785)	134,663

	17,250	17,250	21,794	4,544	195,769
--	--------	--------	--------	-------	---------

STATE AID

Per capita	28,009	28,009	28,009	-	28,009
Mortgage tax	130,000	130,000	114,372	(15,628)	169,009
Consolidated Highway Improvement Aid	117,410	117,410	104,780	(12,630)	23,900
Dormitory Authority of the State of New York	-	110,826	110,826	-	-
Justice Court Grant	-	8,900	8,900	-	-
Youth programs	556	556	1,642	1,086	-
Other Public Safety	-	-	92	92	4,285
Community projects	-	4,000	16,905	12,905	16,012

	275,975	399,701	385,526	(14,175)	241,215
--	---------	---------	---------	----------	---------

FEDERAL AID

Substance Abuse and Mental Health Services	125,000	125,000	113,092	(11,908)	77,795
--	---------	---------	---------	----------	--------

MISCELLANEOUS

Other	23,000	48,860	131,851	82,991	214,348
-------	--------	--------	---------	--------	---------

TOTAL REVENUES

	12,837,626	12,987,212	13,351,112	363,900	12,764,877
--	------------	------------	------------	---------	------------

OTHER FINANCING SOURCES

Transfers in	-	-	-	-	398,140
Special Purpose Fund	-	-	-	-	-

TOTAL OTHER FINANCING SOURCES

	-	-	-	-	398,140
--	---	---	---	---	---------

**TOTAL REVENUES AND OTHER
FINANCING SOURCES**

	\$ 12,837,626	\$ 12,987,212	\$ 13,351,112	\$ 363,900	\$ 13,163,017
--	---------------	---------------	---------------	------------	---------------

See independent auditors' report.

Village of Ardsley, New York

General Fund - Sub - Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 10,325	\$ 10,325	\$ 9,600	\$ 725	\$ 10,114
Justice	132,512	154,547	150,037	4,510	127,949
Mayor	105,300	105,300	45,925	59,375	71,368
Village Manager	250,440	259,391	253,621	5,770	215,394
Auditor	55,375	53,675	51,925	1,750	47,475
Treasurer	289,118	317,132	286,816	30,316	254,944
Village Clerk	124,855	127,227	125,868	1,359	117,436
Law	147,227	194,744	161,361	33,383	124,162
Buildings	138,000	185,161	176,684	8,477	110,104
Central data processing	55,160	55,160	43,715	11,445	48,083
Central garage	365,922	366,687	353,207	13,480	472,810
Unallocated insurance	161,000	148,645	148,645	-	142,493
Municipal association dues	4,217	4,292	4,292	-	4,167
Refund of real property taxes	150,000	82,225	40,118	42,107	166,466
Metropolitan commuter transportation mobility tax	19,600	19,600	16,259	3,341	17,756
Other	36,000	44,490	44,490	-	36,542
Contingency	159,015	159,015	-	159,015	-
	<u>2,204,066</u>	<u>2,287,616</u>	<u>1,912,563</u>	<u>375,053</u>	<u>1,967,263</u>
PUBLIC SAFETY					
Police	3,196,024	3,189,652	3,162,081	27,571	3,328,136
Traffic control	6,000	39,024	39,024	-	875
Fire department	347,620	360,193	340,383	19,810	338,739
Safety inspection	174,937	174,721	169,795	4,926	172,212
	<u>3,724,581</u>	<u>3,763,590</u>	<u>3,711,283</u>	<u>52,307</u>	<u>3,839,962</u>
HEALTH					
Youth Council	163,690	163,690	127,024	36,666	137,811

TRANSPORTATION

Street administration	267,514	296,399	291,201	5,198	257,102
Street maintenance	1,032,949	943,022	715,391	227,631	790,151
Snow removal	128,000	130,006	125,349	4,657	141,011
Street lighting	51,000	56,496	56,496	-	31,718

	1,479,463	1,425,923	1,188,437	237,486	1,219,982
--	-----------	-----------	-----------	---------	-----------

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging	14,400	14,844	11,241	3,603	12,070
------------------------	--------	--------	--------	-------	--------

CULTURE AND RECREATION

Parks	222,680	223,550	215,207	8,343	208,228
Community center	53,668	57,752	56,532	1,220	49,614
Historian	1,500	1,500	1,460	40	1,509
Celebrations	9,450	10,033	10,033	-	3,494
CATV committee	23,556	23,556	18,433	5,123	18,231

	310,854	316,391	301,665	14,726	281,076
--	---------	---------	---------	--------	---------

HOME AND COMMUNITY SERVICES

Planning	4,500	4,500	1,466	3,034	4,372
Zoning	4,400	4,400	1,585	2,815	6,367
Sanitary sewers	11,500	13,377	13,345	32	15,478
Storm sewers	36,687	116,406	105,637	10,769	22,384
Refuse and garbage	440,650	457,279	452,634	4,645	430,767
Shade trees	25,000	31,191	31,191	-	18,800
Community beautification	17,000	17,000	15,184	1,816	7,206
Street cleaning	2,000	2,753	2,753	-	-

	541,737	646,906	623,795	23,111	505,374
--	---------	---------	---------	--------	---------

EMPLOYEE BENEFITS

State retirement	373,479	364,623	353,901	10,722	354,966
State retirement - Police	713,412	713,412	677,884	35,528	749,396
Service award program	80,000	80,000	80,000	-	75,000
Social security	452,837	433,237	391,414	41,823	394,626
Workers' compensation benefits	250,217	307,658	305,751	1,907	243,113
Unemployment benefits	-	338	338	-	2,198
Life insurance	11,000	11,000	9,912	1,088	10,890
Disability insurance	2,950	332	332	-	2,620
Medical and dental insurance	1,464,050	1,466,080	1,370,894	95,186	1,331,352

	3,347,945	3,376,680	3,190,426	186,254	3,164,161
--	-----------	-----------	-----------	---------	-----------

(Continued)

Village of Ardsley, New York

General Fund - Sub - Fund

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

Year Ended May 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2018 Actual
DEBT SERVICE					
Principal					
Serial bonds	\$ 540,000	\$ 540,000	\$ 540,000	\$ -	\$ 660,000
Interest					
Serial bonds	180,275	180,275	180,275	-	200,663
Bond anticipation notes	44,681	63,925	63,925	-	13,289
	224,956	244,200	244,200	-	213,952
TOTAL EXPENDITURES	12,551,692	12,779,840	11,850,634	929,206	12,001,651
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	372,272	381,128	381,128	-	446,548
Public Library Fund	264,796	264,796	264,796	-	244,146
TOTAL OTHER FINANCING USES	637,068	645,924	645,924	-	690,694
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 13,188,760</u>	<u>\$ 13,425,764</u>	<u>\$ 12,496,558</u>	<u>\$ 929,206</u>	<u>\$ 12,692,345</u>

See independent auditors' report.

Village of Ardsley, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	2019	2018
ASSETS		
Cash and equivalents	\$ 1,382,273	\$ 1,512,889
Due from other funds	8,856	519,455
Total Assets	<u>\$ 1,391,129</u>	<u>\$ 2,032,344</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 5,679	\$ 221,819
Due to other funds	-	259,308
Bond anticipation notes payable	3,091,045	3,463,317
Total Liabilities	3,096,724	3,944,444
Fund balance (Deficit)		
Restricted	139,750	138,653
Unassigned	(1,845,345)	(2,050,753)
Total Fund Balance (Deficit)	<u>(1,705,595)</u>	<u>(1,912,100)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 1,391,129</u>	<u>\$ 2,032,344</u>

(This page intentionally left blank)

Village of Ardsley, New York

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

	<u>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ 1,097	\$ 1,843
Miscellaneous	<u>3,428</u>	<u>5,929</u>
Total Revenues	4,525	7,772
EXPENDITURES		
Capital outlay	<u>179,148</u>	<u>2,605,967</u>
Deficiency of Revenues Over Expenditures	<u>(174,623)</u>	<u>(2,598,195)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	381,128	446,548
Transfers out	<u>-</u>	<u>(398,140)</u>
Total Other Financing Sources	<u>381,128</u>	<u>48,408</u>
Net Change in Fund Balance	206,505	(2,549,787)
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(1,912,100)</u>	<u>637,687</u>
End of Year	<u><u>\$ (1,705,595)</u></u>	<u><u>\$ (1,912,100)</u></u>

Village of Ardsley, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through May 31, 2019

<u>Project</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
Acquisition of Cable Equipment	\$ 212,825	\$ 173,454	\$ 39,371
Safe Route to School	475,000	322,923	152,077
Planning - Drainage	27,280	-	27,280
Planning - Drainage 2016-17	51,000	-	51,000
Purchase and Installation - Parking Meters 2016-17	23,015	2,000	21,015
Pascon Park 2017-2018	63,050	49,850	13,200
Highway Garage-Engineering costs 2015-16	1,020,000	43,288	976,712
Highway Garage - Land 2017-18	1,105,356	1,105,356	-
Pickup Truck 2017-18	115,000	98,747	16,253
Dump Truck 2017-18	225,000	217,000	8,000
Tennis Court - Pascone Park	501,000	24,215	476,785
Street Paving 2017-2018	1,202,000	1,202,000	-
Sidewalk Maintenance- Heatherdell	325,000	23,529	301,471
	<u>\$ 5,345,526</u>	<u>\$ 3,262,362</u>	<u>\$ 2,083,164</u>
Totals			

See independent auditors' report.

<u>Total</u> <u>Revenues</u>	<u>Fund</u> <u>Balance</u> <u>(Deficit) at</u> <u>May 31, 2019</u>	<u>Bond</u> <u>Anticipation</u> <u>Notes Out-</u> <u>standing at</u> <u>May 31, 2019</u>
\$ 216,254	\$ 42,800	\$ -
446,567	123,644	-
27,280	27,280	-
51,000	51,000	-
23,015	21,015	-
14,950	(34,900)	48,100
547,395	504,107	486,145
26,056	(1,079,300)	1,079,300
4,800	(93,947)	110,200
9,400	(207,600)	215,600
-	(24,215)	-
50,300	(1,151,700)	1,151,700
-	(23,529)	-
<u>\$ 1,417,017</u>	<u>\$ (1,845,345)</u>	<u>\$ 3,091,045</u>

Village of Ardsley, New York

Non-Major Governmental Funds

Combining Balance Sheet

May 31, 2019

(With Comparative Totals for 2018)

	Public Library Fund	Special Purpose Fund	Total Non-Major Governmental Funds	
			2019	2018
ASSETS				
Cash and equivalents	<u>\$ 21,853</u>	<u>\$ 95,429</u>	<u>\$ 117,282</u>	<u>\$ 142,829</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,623	\$ 5,328	\$ 7,951	\$ 28,053
Accrued Liabilities	6,858	-	6,858	-
Due to other funds	<u>-</u>	<u>1,826</u>	<u>1,826</u>	<u>-</u>
Total Liabilities	9,481	7,154	16,635	28,053
Fund balances				
Restricted	-	88,275	88,275	87,820
Assigned	<u>12,372</u>	<u>-</u>	<u>12,372</u>	<u>26,956</u>
Total Fund Balances	<u>12,372</u>	<u>88,275</u>	<u>100,647</u>	<u>114,776</u>
Total Liabilities and Fund Balances	<u>\$ 21,853</u>	<u>\$ 95,429</u>	<u>\$ 117,282</u>	<u>\$ 142,829</u>

Village of Ardsley, New York**Non-Major Governmental Funds****Combining Statement of Revenues, Expenditures and Changes
in Fund Balances**

Year Ended May 31, 2019

(With Comparative Totals for 2018)

	Public Library Fund	Special Purpose Fund	Total Non-Major Governmental Funds	
			2019	2018
REVENUES				
Departmental income	\$ 277,933	\$ -	\$ 277,933	\$ 275,646
Use of money and property	224	28	252	153
State aid	1,276	-	1,276	1,404
Miscellaneous	-	52,980	52,980	77,359
Total Revenues	279,433	53,008	332,441	354,562
EXPENDITURES				
Current				
Culture and recreation	408,967	52,553	461,520	449,917
Employee benefits	149,846	-	149,846	150,245
Total Expenditures	558,813	52,553	611,366	600,162
Excess (Deficiency) of Revenues Over Expenditures	(279,380)	455	(278,925)	(245,600)
OTHER FINANCING SOURCES				
Transfers in	264,796	-	264,796	244,146
Net Change in Fund Balances	(14,584)	455	(14,129)	(1,454)
FUND BALANCES				
Beginning of Year	26,956	87,820	114,776	116,230
End of Year	\$ 12,372	\$ 88,275	\$ 100,647	\$ 114,776

See independent auditors' report.

(This page intentionally left blank)

Village of Ardsley, New York

Public Library Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 21,853</u>	<u>\$ 38,255</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,623	\$ 11,299
Accrued Liabilities	<u>6,858</u>	<u>-</u>
Total Liabilities	9,481	11,299
Fund balance		
Assigned	<u>12,372</u>	<u>26,956</u>
Total Liabilities and Fund Balance	<u>\$ 21,853</u>	<u>\$ 38,255</u>

Village of Ardsley, New York

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

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 311,597	\$ 311,597	\$ 277,933	\$ (33,664)
Use of money and property	50	50	224	174
State aid	1,264	1,264	1,276	12
Total Revenues	312,911	312,911	279,433	(33,478)
EXPENDITURES				
Current				
Culture and recreation	427,504	427,504	408,967	18,537
Employee benefits	150,203	150,203	149,846	357
Total Expenditures	577,707	577,707	558,813	18,894
Deficiency of Revenues Over Expenditures	(264,796)	(264,796)	(279,380)	(14,584)
OTHER FINANCING SOURCES				
Transfers in	264,796	264,796	264,796	-
Net Change in Fund Balance	-	-	(14,584)	(14,584)
FUND BALANCE				
Beginning of Year	-	-	26,956	26,956
End of Year	\$ -	\$ -	\$ 12,372	\$ 12,372

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 277,397	\$ 277,397	\$ 275,646	\$ (1,751)
50	50	125	75
1,264	1,264	1,404	140
278,711	278,711	277,175	(1,536)
398,181	400,773	395,551	5,222
154,676	152,084	150,245	1,839
552,857	552,857	545,796	7,061
(274,146)	(274,146)	(268,621)	5,525
244,146	244,146	244,146	-
(30,000)	(30,000)	(24,475)	5,525
30,000	30,000	51,431	21,431
\$ -	\$ -	\$ 26,956	\$ 26,956

Village of Ardsley, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 95,429</u>	<u>\$ 104,574</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 5,328	\$ 16,754
Due to other funds	<u>1,826</u>	<u>-</u>
Total Liabilities	7,154	16,754
Fund balance		
Restricted	<u>88,275</u>	<u>87,820</u>
Total Liabilities and Fund Balance	<u>\$ 95,429</u>	<u>\$ 104,574</u>

Village of Ardsley, New York

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

	<u>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ 28	\$ 28
Miscellaneous	<u>52,980</u>	<u>77,359</u>
Total Revenues	<u>53,008</u>	<u>77,387</u>
EXPENDITURES		
Current		
Culture and recreation	<u>52,553</u>	<u>54,366</u>
Excess of Revenues Over Expenditures	455	23,021
FUND BALANCE		
Beginning of Year	<u>87,820</u>	<u>64,799</u>
End of Year	<u><u>\$ 88,275</u></u>	<u><u>\$ 87,820</u></u>