

FINANCIAL REPORT  
AUDITED  
**VILLAGE OF NYACK, NEW YORK**  
For the Year Ended May 31, 2020

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*Audited for:*

Board of Trustees

**VILLAGE OF NYACK, NEW YORK**

DRAFT

*Audited By:*

RBT CPAs, LLP  
11 Racquet Road  
Newburgh, NY 12550  
(845) 567-9000

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# VILLAGE OF NYACK, NEW YORK

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LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Village of Nyack  
9 N. Broadway  
Nyack, New York 10960

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Nyack, New York (the "Village"), as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Nyack Housing Authority (a component unit), which represents 99% and 98%, respectively, of the assets and revenues of the component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Nyack Housing Authority, is based solely on the work of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 entity'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 entity's internal control. Accordingly, we express no such opinion.

[rbtcpas.com](http://rbtcpas.com)

11 Racquet Road  
Newburgh, NY 12550  
T: (845) 567-9000  
F: (845) 567-9228

2678 South Road, Suite 101  
Poughkeepsie, NY 12601  
T: (845) 485-5510  
F: (845) 485-5547

P.O. Box 209  
51 Sullivan Street  
Wurtsboro, NY 12790  
T: (845) 888-5656  
F: (845) 888-2789

340 Madison Avenue  
19th Floor  
New York, NY 10173  
T: (718) 772-0850  
F: (718) 772-0851

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Nyack, New York, as of May 31, 2020, and the respective changes in financial position thereof 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 the management's discussion and analysis, budgetary comparisons, schedule of changes in net OPEB liability and related ratios, proportionate share of the net pension liability and related ratios, and employer contributions on pages 3 through 8 and 35 through 39 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.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the Village of Nyack, New York's basic financial statements. The accompanying combining statements – component units and schedule of indebtedness are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and schedule 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 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements – component units and schedule of indebtedness are fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated **March 23, 2023**, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*RBT CPAs, LLP*

Newburgh, NY  
**March 23, 2023**

**VILLAGE OF NYACK, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The accompanying management discussion and analysis of the Village's financial performance has been prepared to provide an overview of the Village's financial activities for the year ended May 31, 2020. This discussion and analysis is only an introduction and should be read in conjunction with the Village's financial statements.

Requests for Information

This report is designed to provide an overview of the Village's finances for those with an interest in this area. Questions concerning the information found in this report or requests for additional information should be directed to the Village Mayor's office at the Village of Nyack, 9 N. Broadway Nyack, NY 10960.

**2018 Financial Highlights**

- The Village's net position (defined as assets plus deferred outflows less liabilities and deferred inflows) was (\$14,448,901) as of December 31, 2020.
- The governmental total net position decreased by \$1,248,199 during the year ended May 31, 2020.
- At May 31, 2020, the proportionate share of the net pension liability for the retirement system was included in total liabilities in the amount of \$2,495,732.
- As of the close of the year, the Village of Nyack's governmental funds reported an ending fund balance of \$1,658,750, a decrease of \$2,038,412 in comparison with the prior year.
- At the end of the current year, unassigned fund balance for the General Fund was \$1,445,627.

**Overview of the Financial Statements**

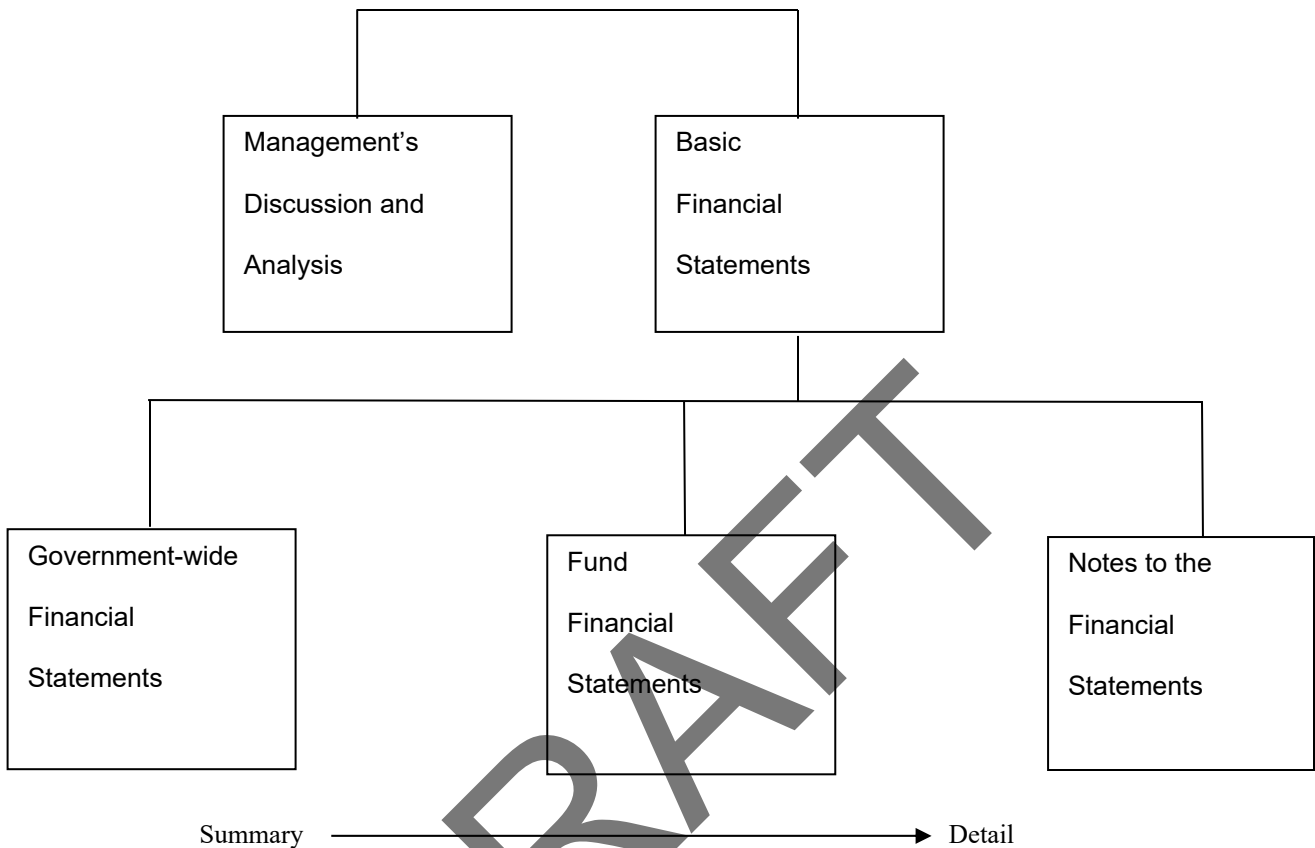
This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Village's financial position through the use of government-wide statements and fund financial statements. Each view will be explained in more detail following this narrative. In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the Village of Nyack, New York.

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**VILLAGE OF NYACK, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Required Components of the Village's Basic Financial Statements

**Figure 1**



**Basic Financial Statements**

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Village's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements, they include: 1) the governmental, proprietary, and fiduciary fund statements and 2) reconciliations to the government-wide financial statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the Village's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Village's financial status as a whole.

The two government-wide statements report the Village's net position and how it has changed. Net position is the difference between the Village's total assets and total liabilities. Measuring net position is one way to gauge the Village's financial condition.

The governmental activities include most of the Village's basic services such as public safety, road maintenance and administration. Property taxes, sales tax, charges for services and state aid finance most of these activities.

**VILLAGE OF NYACK, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fund Financial Statements**

The fund financial statements provide a more detailed look at the Village's most significant activities. A fund is a group of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like all other governmental entities in New York, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as New York State general municipal law and local finance law or the Village's budget regulations. All of the funds of the Village are classified in one of two categories: governmental funds and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Village's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Village's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations that are a part of the fund financial statements.

**Fiduciary Funds** – The Village acts in an agency capacity for assets that are ultimately transferred to others, such as guarantee and bid deposits. These funds are excluded from the government-wide financial statements because the Village cannot use these assets to finance operations.

The Village adopts an annual budget for certain funds as required by municipal law. The budget is a legally adopted document that incorporates input from the citizens and management of the Village, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Village to obtain funds from identified sources to finance these current period activities. The budgetary comparison demonstrates how well the Village complied with the final budget and whether or not the Village succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule uses the budgetary basis of accounting and is presented using the same format, language and classifications as the legal budget document. The schedule shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual revenues, expenditures and ending balances; and 4) the variance between the final budget and actual revenues and expenditures. The schedule is presented as required supplementary information.

**Notes to the Financial Statements**

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

**VILLAGE OF NYACK, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

**GOVERNMENTAL-ACTIVITY FINANCIAL ANALYSIS  
STATEMENT OF NET POSITION**

	2020	2019	\$ Change	% Change
Current and Other Assets	\$ 5,979,345	\$ 8,018,950	(2,039,605)	-25.43%
Capital	10,500,453	9,572,966	927,487	9.69%
Total Assets	16,479,798	17,591,916	(1,112,118)	-6.32%
Deferred Outflows of Resources	1,572,596	421,005	1,151,591	273.53%
Other Liabilities	4,722,940	4,889,536	(166,596)	-3.41%
Long-Term Liabilities	27,680,462	26,059,755	1,620,707	6.22%
	32,403,402	30,949,291	1,454,111	4.70%
Deferred Inflows of Resources	97,893	264,332	(166,439)	-62.97%
Net Position:				
Net Investment in Capital Assets	4,633,169	4,446,425	186,744	4.20%
Unrestricted	(19,082,070)	(17,647,127)	(1,434,943)	8.13%
Total Net Position	\$ (14,448,901)	\$ (13,200,702)	\$ (1,248,199)	9.46%

**Management’s Explanation of Changes**

Total assets decreased mainly due to decreased cash as a result of capital project spending and payments on Bond Anticipation Notes. Liabilities overall increased, including an increase in the net pension liability of \$1,960,558 and an increase in the Other Postemployment Benefits of \$485,000 and a decrease in serial bonds of \$655,000 in payments.

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**VILLAGE OF NYACK, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS  
GOVERNMENTAL ACTIVITIES  
CHANGES IN NET POSITION**

	2020	%	2019	%	\$ Change	% Change
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 4,453,734	47.40%	\$ 4,868,208	50.41%	(414,474)	-8.51%
Operating Grants and Contributions	109,007	1.16%	103,950	1.08%	5,057	4.86%
Capital Grants and Contributions	376,045	4.00%	343,736	3.56%	32,309	9.40%
<b>General Revenues</b>						
Real Property Taxes	3,712,190	39.51%	3,591,577	37.19%	120,613	3.36%
Real Property Tax Items	20,300	0.22%	24,254	0.25%	(3,954)	-16.31%
Non Property Taxes	400,448	4.26%	431,015	4.46%	(30,567)	-7.09%
Use of Money and Property	9,212	0.10%	40,975	0.42%	(31,763)	-77.52%
Sale of Property and Compensation for Loss	28,174	0.30%	10,376	0.11%	17,798	171.53%
State and Federal Aid	275,026	2.93%	232,414	2.41%	42,612	18.33%
Miscellaneous	11,126	0.12%	10,719	0.11%	407	3.80%
<b>Total Revenues</b>	<b>9,395,262</b>	<b>100.00%</b>	<b>9,657,224</b>	<b>100.00%</b>	<b>(261,962)</b>	<b>-2.71%</b>
<b>Expenses</b>						
General Government and Support	2,729,473	25.64%	2,712,530	20.68%	16,943	0.62%
Public Safety	875,919	8.23%	1,113,234	8.49%	(237,315)	-21.32%
Health	67,817	0.64%	49,828	0.38%	17,989	36.10%
Transportation	2,102,781	19.76%	2,853,064	21.75%	(750,283)	-26.30%
Economic Assistance and Opportunity	8,450	0.07%	-	0.00%	8,450	100.00%
Culture and Recreation	517,000	4.86%	795,680	6.07%	(278,680)	-35.02%
Home and Community Service	4,118,751	38.70%	5,375,314	40.98%	(1,256,563)	-23.38%
Debt Service	223,270	2.10%	215,759	1.65%	7,511	3.48%
<b>Total Expenses</b>	<b>10,643,461</b>	<b>100.00%</b>	<b>13,115,409</b>	<b>100.00%</b>	<b>(2,471,948)</b>	<b>-18.85%</b>
Increase/(Decrease) in Net Position	\$ (1,248,199)		\$ (3,458,185)			

**Management's Explanation of Changes**

Revenues decreased primarily due to the decrease in charges for services pertaining to fees from the Parking Authority and court-related fines and forfeitures directly related to the COVID-19 shutdown. Expenses decreased in that the expenditures for other postemployment benefits for 2020 was \$485,000, while the amount for 2019 was \$3,600,000, a net change of (\$3,115,000).

**VILLAGE OF NYACK, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Financial Analysis of the Village of Nyack Funds

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

**Governmental Funds:** The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Village's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the year.

The General Fund is the chief operating fund of the Village. At the end of the current year, the unassigned fund balance of the General Fund was \$1,446,627. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 24% of total General Fund expenditures.

At May 31, 2020, the governmental funds of the Village reported a combined fund balance of \$1,658,750, a 55 percent decrease over the prior year end. Included in this change in fund balance are decreases in the General, Capital Project and Community Development (Non-major) Funds and increases in the Water Fund.

**General Fund Budgetary Highlights:** During the year, the Village revised the General Fund budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

**Capital Asset and Debt Administration**

**Capital Assets:** The Village's investment in capital assets for its governmental activities as of May 31, 2020 totaled \$10,500,453 (net of accumulated depreciation). These assets include construction in progress, land, buildings, improvements, machinery and equipment, and infrastructure.

**Debt:** As of May 31, 2020, the Village of Nyack had total debt outstanding for its governmental activities of \$7,815,000. This amount is made up of BANs payable of \$3,165,000 and serial bonds payable of \$4,650,000. The Village's total debt decreased by \$1,145,000 during the 2020 fiscal year.

For more detailed information on capital assets and long-term debt, see the notes to the basic financial statements.

**VILLAGE OF NYACK, NEW YORK  
STATEMENT OF NET POSITION  
MAY 31, 2020**

	Primary Government Governmental Activities	Component Units
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,548,905	\$ 858,658
Cash and Cash Equivalents - Restricted	-	101,087
Receivables (net)	1,817,847	79,421
Due from Fiduciary Fund	6,750	-
Due from Related Party	1,605,843	38,314
Prepaid Expenses	-	56,397
Inventories	-	10,181
Investments	-	1,200,231
	<u>5,979,345</u>	<u>2,344,289</u>
Capital Assets, not being depreciated	3,892,923	235,443
Capital Assets, being depreciated, net	6,607,530	3,835,169
Total Capital Assets, net (Note V)	<u>10,500,453</u>	<u>4,070,612</u>
Total Assets	<u>16,479,798</u>	<u>6,414,901</u>
<b>Deferred Outflows of Resources (Note VI)</b>	<u>1,572,596</u>	<u>313,135</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>18,052,394</u>	<u>6,728,036</u>
<b>LIABILITIES</b>		
Accounts Payable	764,494	96,595
Accrued Liabilities	178,284	34,415
Other Liabilities	35,107	91,692
Due to Related Party	55	1,605,843
Note Payable	-	12,831
Bond Anticipation Notes Payable (Note VIII)	3,165,000	-
Noncurrent Liabilities:		
Due and Payable Within One Year:		
Bond Payable	580,000	
Due and Payable More Than One Year:		
Bonds Payable (Note IX)	4,070,000	-
Lease Payable (Note ??)		217,634
Compensated Absences (Note IX)	634,630	48,536
Net Pension Liability - ERS (Note VI)	2,495,732	402,368
Other Postemployment Benefits (Note VII)	20,480,100	80,115
Total Liabilities	<u>32,403,402</u>	<u>2,590,029</u>
<b>Deferred Inflows of Resources (Note VI)</b>	<u>97,893</u>	<u>63,751</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,633,169	4,057,781
Restricted	-	956,976
Unrestricted	<u>(19,082,070)</u>	<u>(940,501)</u>
<b>Total Net Position</b>	<u>\$ (14,448,901)</u>	<u>\$ 4,074,256</u>

See accompanying notes to basic financial statements.

**VILLAGE OF NYACK, NEW YORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2020**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units
<b>FUNCTIONS/PROGRAMS:</b>						
Primary Government:						
Governmental Activities:						
General Government Support	\$ (2,729,473)	\$ 3,051	\$ -	\$ -	\$ (2,726,422)	\$ -
Public Safety	(875,919)	77,989	-	-	(797,930)	-
Health	(67,817)	55,383	-	-	(12,434)	-
Transportation	(2,102,781)	5,800	109,007	375,945	(1,612,029)	-
Economic Assistance and Opportunity	(8,450)	-	-	-	(8,450)	-
Culture and Recreation	(517,000)	112,728	-	100	(404,172)	-
Home and Community Services	(4,118,751)	4,198,783	-	-	80,032	-
Interest on Long-term Debt	(223,270)	-	-	-	(223,270)	-
<b>Total Primary Government</b>	<b>\$ (10,643,461)</b>	<b>\$ 4,453,734</b>	<b>\$ 109,007</b>	<b>\$ 376,045</b>	<b>(5,704,675)</b>	<b>-</b>
Component Units:						
Nyack Housing Authority	\$ (4,505,448)	\$ 1,677,138	\$ 2,846,669	\$ -	-	\$ 18,359
Parking Authority	(1,014,441)	846,651	-	-	-	(167,790)
<b>Total Component Units</b>	<b>\$ (5,519,889)</b>	<b>\$ 2,523,789</b>	<b>\$ 2,846,669</b>	<b>\$ -</b>	<b>-</b>	<b>(149,431)</b>
General Revenues						
Real Property Taxes					3,712,190	-
Real Property Tax Items					20,300	-
Non Property Tax Items					400,448	-
Use of Money and Property					9,212	47,135
Sale of Property and Compensation for Loss					28,174	-
State and Federal Aid					275,026	-
Miscellaneous					11,126	147,948
<b>Total General Revenues</b>					<b>4,456,476</b>	<b>195,083</b>
Change in Net Position					(1,248,199)	45,652
Net Position - Beginning					(13,200,702)	4,043,951
Prior Period Adjustments (Note XIV)					-	(15,347)
Net Position - Beginning as Restated					(13,200,702)	4,028,604
Net Position - Ending					\$ (14,448,901)	\$ 4,074,256

See accompanying notes to basic financial statements.

**VILLAGE OF NYACK, NEW YORK**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**MAY 31, 2020**

	General	Water	Capital Projects	Non-Major Governmental Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 160,688	\$ 440,501	\$ 1,947,716	\$ -	\$ 2,548,905
Receivables:					
Other	142,115	-	-	-	142,115
Charges for Services	-	1,462,239	-	-	1,462,239
Due from Other Funds (Note IV)	606,635	-	734,871	193,057	1,534,563
Due from Other Governments	132,645	-	10,335	-	142,980
Due from Related Party (Note X)	1,605,843	-	-	-	1,605,843
Federal and State Aid Receivable	41,713	28,800	-	-	70,513
<b>Total Assets</b>	<b>\$ 2,689,639</b>	<b>\$ 1,931,540</b>	<b>\$ 2,692,922</b>	<b>\$ 193,057</b>	<b>\$ 7,507,158</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 244,886	\$ 269,436	\$ 246,364	\$ 3,808	\$ 764,494
Accrued Liabilities	122,572	69,079	-	-	191,651
Other Liabilities	35,107	-	-	-	35,107
Bond Anticipation Notes Payable	-	-	3,165,000	-	3,165,000
Due to Other Funds (Note IV)	807,392	237,258	282,719	200,444	1,527,813
Due TO Other Governments	55	-	-	-	55
<b>Total Liabilities</b>	<b>1,210,012</b>	<b>575,773</b>	<b>3,694,083</b>	<b>204,252</b>	<b>5,684,120</b>
Deferred Inflows of Resources	33,000	131,288	-	-	164,288
<b>Fund Balances</b>					
Assigned	-	1,224,479	(599,169)	-	625,310
Unassigned	1,446,627	-	(401,992)	(11,195)	1,033,440
<b>Total Fund Balances</b>	<b>1,446,627</b>	<b>1,224,479</b>	<b>(1,001,161)</b>	<b>(11,195)</b>	<b>1,658,750</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,689,639</b>	<b>\$ 1,931,540</b>	<b>\$ 2,692,922</b>	<b>\$ 193,057</b>	<b>\$ 7,507,158</b>

See accompanying notes to basic financial statements.

**VILLAGE OF NYACK, NEW YORK**  
**RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**MAY 31, 2020**

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,548,905	\$ -	\$ -	\$ 2,548,905
Receivables:				
Charges for Services	1,462,239	-	-	1,462,239
Other	142,115	-	-	142,115
Due from Other Funds	1,534,563	-	(1,527,813)	6,750
Due from Other Governments	142,980	-	-	142,980
State and Federal Aid Receivable	70,513	-	-	70,513
Due from Related Party	1,605,843	-	-	1,605,843
Capital Assets	-	10,500,453	-	10,500,453
Deferred Outflows of Resources	-	1,572,596	-	1,572,596
Total Assets and Deferred Outflows of Resources	\$ 7,507,158	\$ 12,073,049	\$ (1,527,813)	\$ 18,052,394
<b>LIABILITIES</b>				
Accounts Payable	\$ 764,494	\$ -	\$ -	\$ 764,494
Accrued Liabilities	191,651	(13,367)	-	178,284
Other Liabilities	35,107	-	-	35,107
Bond Anticipation Notes Payable	3,165,000	-	-	3,165,000
Due to Other Funds	1,527,813	-	(1,527,813)	-
Compensated Absence Liabilities	-	634,630	-	634,630
Bonds Payable	-	4,650,000	-	4,650,000
Net Employee Retirement System Liability	-	2,495,732	-	2,495,732
Other Postemployment Benefits	-	20,480,100	-	20,480,100
Total Liabilities	5,684,120	28,247,095	(1,527,813)	32,403,402
Deferred Inflows of Resources	164,288	(66,395)	-	97,893
Total Liabilities and Deferred Inflows of Resources	5,848,408	28,180,700	(1,527,813)	32,501,295
Total Fund Balances	1,658,750	(16,107,651)	-	(14,448,901)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances/Net Position	\$ 7,507,158	\$ 12,073,049	\$ (1,527,813)	\$ 18,052,394

See accompanying notes to basic financial statements.

**VILLAGE OF NYACK, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MAY 31, 2020**

	General	Water	Capital Projects	Non-Major Governmental Fund	Total Governmental Funds
Revenues					
Real Property Taxes	\$ 3,712,190	\$ -	\$ -	\$ -	\$ 3,712,190
Real Property Tax Items	20,300	-	-	-	20,300
Non Property Tax Items	400,448	-	-	-	400,448
Departmental Income	803,161	3,487,237	-	-	4,290,398
Use of Money and Property	6,821	1,226	1,165	-	9,212
Licenses and Permits	28,875	-	-	-	28,875
Fines and Forfeitures	60,556	-	-	-	60,556
Sale of Property and Compensation for Loss	39,770	-	-	-	39,770
Miscellaneous Local Sources	7,981	3,145	-	-	11,126
State and Federal Aid	384,033	-	186,796	189,249	760,078
<b>Total Revenues</b>	<b>5,464,135</b>	<b>3,491,608</b>	<b>187,961</b>	<b>189,249</b>	<b>9,332,953</b>
Expenditures					
General Government Support	1,391,601	237,199	10,163	-	1,638,963
Public Safety	482,628	-	-	-	482,628
Health	36,542	-	-	-	36,542
Transportation	1,275,493	-	-	-	1,275,493
Economic Assistance and Opportunity	8,450	-	-	-	8,450
Culture and Recreation	400,070	-	22	-	400,092
Home and Community Services	348,710	2,358,879	320	-	2,707,909
Capital Outlay	34,934	-	1,622,021	193,080	1,850,035
Employee Benefits	1,265,030	803,563	-	-	2,068,593
Debt Service	703,689	238,971	-	-	942,660
<b>Total Expenditures</b>	<b>5,947,147</b>	<b>3,638,612</b>	<b>1,632,526</b>	<b>193,080</b>	<b>11,411,365</b>
Excess of Revenues over/(under) Expenditures	(483,012)	(147,004)	(1,444,565)	(3,831)	(2,078,412)
Other Financing Sources/(Uses):					
Operating Transfers In	222,000	-	-	-	222,000
Operating Transfers Out	-	(222,000)	-	-	(222,000)
BANs Redeemed from Appropriations	-	-	40,000	-	40,000
<b>Total Other Financing Sources/(Uses)</b>	<b>222,000</b>	<b>(222,000)</b>	<b>40,000</b>	<b>-</b>	<b>40,000</b>
Change in Fund Balance	(261,012)	(369,004)	(1,404,565)	(3,831)	(2,038,412)
Fund Balances - Beginning	1,707,639	1,593,483	403,404	(7,364)	3,697,162
Fund Balances - Ending	\$ 1,446,627	\$ 1,224,479	\$ (1,001,161)	\$ (11,195)	\$ 1,658,750

See accompanying notes to basic financial statements.

**VILLAGE OF NYACK, NEW YORK**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MAY 31, 2020**

	Total Governmental Funds	Long-Term Revenue and Expenses	Capital Related Transactions	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities
<b>Revenues</b>						
Real Property Taxes	\$ 3,712,190	\$ -	\$ -	\$ -	\$ -	\$ 3,712,190
Real Property Tax Items	20,300	-	-	-	-	20,300
Non Property Tax Items	400,448	-	-	-	-	400,448
Departmental Income	4,290,398	62,309	-	-	-	4,352,707
Use of Money and Property	9,212	-	-	-	-	9,212
Licenses and Permits	28,875	-	-	-	-	28,875
Fines and Forfeitures	60,556	-	-	-	-	60,556
Sale of Property and Compensation for Loss	39,770	-	-	-	-	39,770
Miscellaneous Local Sources	11,126	-	-	-	-	11,126
State and Federal Aid	760,078	-	-	-	-	760,078
<b>Total Revenues</b>	<b>9,332,953</b>	<b>62,309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,395,262</b>
<b>Expenditures/Expenses</b>						
General Government Support	1,638,963	-	584,176	-	506,334	2,729,473
Public Safety	482,628	-	-	-	393,291	875,919
Health	36,542	-	-	-	31,275	67,817
Transportation	1,275,493	-	163,824	-	663,464	2,102,781
Economic Assistance and Opportunity	8,450	-	-	-	-	8,450
Culture and Recreation	400,092	-	68,114	-	48,794	517,000
Home and Community Services	2,707,909	-	106,434	-	1,304,408	4,118,751
Capital Outlay	1,850,035	-	(1,850,035)	-	-	-
Employee Benefits	2,068,593	878,973	-	-	(2,947,566)	-
Debt Service	942,660	-	-	(719,390)	-	223,270
<b>Total Expenditures / Expenses</b>	<b>11,411,365</b>	<b>878,973</b>	<b>(927,487)</b>	<b>(719,390)</b>	<b>-</b>	<b>10,643,461</b>
Excess/(Deficiency) of Revenues over Expenditures	(2,078,412)	(816,664)	927,487	719,390	-	(1,248,199)
<b>Other Financing Sources/(Uses):</b>						
Operating Transfers In	222,000	-	-	-	(222,000)	-
Operating Transfers Out	(222,000)	-	-	-	222,000	-
BANs Redeemed from Appropriations	40,000	-	-	(40,000)	-	-
<b>Total Financing Sources/(Uses)</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>(40,000)</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balances</b>	<b>\$ (2,038,412)</b>	<b>\$ (816,664)</b>	<b>\$ 927,487</b>	<b>\$ 679,390</b>	<b>\$ -</b>	<b>\$ (1,248,199)</b>

See accompanying notes to basic financial statements.

**VILLAGE OF NYACK, NEW YORK  
 STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED MAY 31, 2020**

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 651,760
Due from Other Funds	<u>3,161</u>
Total Assets	<u>654,921</u>
<b>Liabilities</b>	
Escrow Funds Returnable and Other Liabilities	645,010
Due to Other Funds	<u>9,911</u>
Total Liabilities	<u>654,921</u>
<b>NET POSITION</b>	<u><u>\$ -</u></u>

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**VILLAGE OF NYACK, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Village of Nyack, New York (the "Village"), established in May 1899, is governed by the Village law and the various other applicable laws of the State of New York. The Village Board is the legislative body responsible for overall operations; the Village Mayor serves as the Chief Executive Officer and the Village Treasurer as the Chief Fiscal Officer.

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 the Governmental Accounting Standards Board (the "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 the GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component units were included in the Village's reporting entity because of their operational or financial relationship with the Village:

- a. The Village of Nyack Housing Authority (the "Housing Authority") was organized pursuant to the Housing Statutes of the State of New York. The Housing Authority's purpose is to provide low-income housing. Revenues are derived from rentals, sales and services to tenants, and subsidies received from the Department of Housing and Urban Development.

Of the seven members who serve as the Governing Board, five are appointed by the Mayor, which causes the Housing Authority to meet the criteria for inclusion as a component unit. The Housing Authority's financial information is included in the discretely presented component units of the Village. See Note XXII.

- b. The Nyack Parking Authority (the "Parking Authority") was established in July 1991 by the State of New York as provided for in the Chapter 489, A.3411-B, Title 22 of the Public Authorities Law of the State of New York. The Parking Authority manages, improves, and leases property to provide public parking in the Village. Since the Village Board is the Governing Board for the Parking Authority it meets the criteria for inclusion as a component unit. The Parking Authority's financial information is included in the discretely presented component units.

The accounting policies of the Village conform to accounting principles generally accepted in the United States of America for governmental units as established by the Governmental Accounting Standards Board (GASB). The notes to the financial statements are an integral part of the statements and are intended to be read with them.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statements of net position and activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the 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, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**VILLAGE OF NYACK, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and 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 in 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.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental fund:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Water Fund* is used to account for financial resources to be used for the operations and maintenance of the Water district within the Village.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition and construction of major capital facilities. The principal source of financing is from the sale of bonds or bond anticipation notes.

Additionally, the Village reports the following fund types:

Non-major funds:

The *Community Development Fund* is used to account for funds expended for community development project planning.

Fiduciary funds are used to report assets which are held in a trust or agency capacity for others and are, therefore, not available to support Village's programs.

**D. Pervasiveness of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of other postemployment benefits, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

**VILLAGE OF NYACK, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**E. Budgetary Data**

The Village's budget policies are as follows:

1. No later than April 1<sup>st</sup> week, the budget officer submits a tentative budget to the Village Board for the year commencing the following June 1. The tentative budget includes proposed expenditures and estimated revenue as the means of financing for all funds.
  - a. After public hearings are conducted to obtain taxpayers' comments, the governing body adopts the budget no later than April 15th.
  - b. All modifications of the budget must be approved by the Village Board.
2. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all funds. Encumbrances are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

**F. Property Taxes**

The Village submits an approved budget to the County of Rockland Commissioner of Finance by May 1st of the previous year. The County then establishes the warrant for the year which is due and payable on or about June 1st of each year. The Village collects taxes without penalty through July 1st and with penalties and interest through October 31st. The Village's collections of the taxes are recognized and the responsibility for the uncollected taxes is transferred to the County of Rockland who has the responsibility for conducting in-rem foreclosure proceedings. On or about April 1st, the County remits to the balance of all uncollected taxes to the Village.

**G. Cash and Investments**

The Village investment policies are governed by State statutes. The Village's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

**H. Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables are expected to be collected within sixty days of year end.

**I. Due To/From Other Funds**

Amounts due to and due from within the same fund type have been eliminated in the Government-wide statements. See Note IV for a schedule detailing the interfund balances.

**J. Inventories and Prepaid Items**

Purchases of inventoriable items are recorded as expenditures in the Governmental Funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the Government-wide statements.

Prepaid items represent payments made by the Village for which benefits extend beyond year end.

**VILLAGE OF NYACK, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**K. Capital Assets**

Capital assets are reported at historical cost. The Village depreciates capital assets using the straight line method over the estimated useful lives of the assets. Capitalization thresholds and estimated lives of assets reported in the Government-wide statements are as follows:

	Capitalization Theshold	Estimated Useful Life
Buildings	\$ 5,000	20-40 years
Improvements	5,000	15 years
Machinery and Equipment	5,000	5-25 years

**L. Infrastructure**

The Village includes long-lived improvements to roads, property, and water systems as capital assets in the Government-wide statements. Infrastructure is reported at historical cost and is depreciated using the straight-line method over the estimated useful lives.

Under generally accepted accounting principles, the Village is considered a small government and, as such, is required only to recognize infrastructure on a prospective basis.

Capitalization thresholds and estimated useful lives for infrastructure are as follows:

	Capitalization Theshold	Estimated Useful Life
Water Infrastructure	\$ 5,000	40 years
Roads	5,000	30 years

**M. Vested Employee Benefits**

Village employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee may be entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. A liability for accrued vacation and sick time is reflected in the Government-wide statements under the heading "Compensated Absences." See Note IX.

The Village's employees participate in the New York State Employees' Retirement System. See Note VI.

**N. Unemployment Insurance**

Village employees are not covered by unemployment insurance. The Village is exempt from federal unemployment insurance tax.

**O. Deferred Compensation**

The Village, through the New York State Deferred Compensation Board, offers its employees a Deferred Compensation Plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible participants, permits participants to defer a portion of their salary (up to the IRS limits) until future years. Amounts deferred under the Plan are not available to the employee until termination, retirement, death or unforeseeable emergency. The Village does not contribute to this plan.

**P. Risk Retention**

The Village assumes the liability for most risk including, but not limited to, property damage and personal injury liability. The Village purchases commercial insurance to mitigate these risks, subject to certain deductibles. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

**VILLAGE OF NYACK, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Q. Equity Classification**

1. Government-wide Statements

Equity is defined as net position and displayed in three components:

Net Investment in Capital Assets:

Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position:

Consists of net assets with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position:

The remaining portion of net position that does not meet the definition of "restricted" or "net investment in capital assets."

2. Fund Financial Statements

Equity is defined as fund balance and displayed in five fund balance classifications, which are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds:

Nonspendable:

Amounts that cannot be spent in the current period either because of their form or because they must be maintained intact. Prepaid expenses are nonspendable assets because, by definition, the money has already been spent.

Restricted:

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

Various New York State statutes allow local governments to establish reserve funds for various purposes. The Village does not have any reserve funds to classify as restricted fund balance.

Committed:

Amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority (the Village Board) before the end of the year. The same level of formal action is required to remove the constraint.

Assigned:

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

Unassigned:

Represents the residual amount of fund balance in the General Fund. In funds other than the General Fund, this should only be used to report a deficit balance. The Community Development deficit fund balance was \$(7,364).

3. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Village's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements. Similarly, when an expenditure is incurred for which multiple classifications of fund balance are available the Village's policy is to apply fund balance in the following order: restricted, committed, assigned, unassigned.

**VILLAGE OF NYACK, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**R. Interfund Transfers**

The operations of the Village give rise to certain transactions between funds, including transfers to provide services and construct assets. Interfund transfers within fund categories are eliminated for the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided in Note IV.

**S. Subsequent Events**

Management has evaluated subsequent events from May 31, 2019 through March 23, 2023, the date on which the financial statements were available to be issued.

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the government-wide statements, compared with the current financial resources focus of the governmental funds.

**A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities**

Total fund balances of the Village's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the Governmental Funds Balance Sheet.

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Funds Balance Sheet and Net Position reported on the Statement of Net Position.

- (1) The costs of building and acquiring capital assets (land, infrastructure, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Village as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Original Cost of Capital Assets	\$ 30,593,146
Accumulated Depreciation	<u>(20,092,693)</u>
Capital Assets, Net	<u>\$ 10,500,453</u>

- (2) Interest and accrued pension expense is recognized in the government-wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest or accrued pension expense that was not paid from current financial resources.

Interest Payable	\$ (58,256)
Accrued Pension Liabilities	<u>71,623</u>
	<u>\$ 13,367</u>

- (3) The governmental funds do not include long-term liabilities because they are not due and payable in the current period. However, these liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Bonds and Installment Obligations Payable	\$ (4,650,000)
Compensated Absences Payable	(634,630)
Other Postemployment Benefits	(20,480,100)
Net Pension Liability	<u>(2,495,732)</u>
	<u>\$ (28,260,462)</u>

VILLAGE OF NYACK, NEW YORK  
 NOTES TO BASIC FINANCIAL STATEMENTS

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS - CONTINUED

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities - Continued

- (4) Deferred outflows and inflows related to pensions are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year end were:

Deferred Outflows of Resources	\$ 1,572,596
Deferred Inflows of Resources	<u>(97,893)</u>
	<u>\$ 1,474,703</u>

- (5) Deferred inflows related to departmental income receivables are reported on the accrual basis in the Statement of Net Position, but on the modified accrual basis in the governmental funds. The adjustments between the two bases at year end were:

Deferred Inflows of Resources	<u>\$ 164,288</u>
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B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

- Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds use a current financial resource measurement focus, whereas the Statement of Activities uses an economic resource measurement focus.
- Capital asset transaction differences include the difference between recording an expenditure for the purchase of capital assets in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements when paid, whereas interest payments are recorded in the Statement of Activities as incurred and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the governmental fund statements and the change in net position reported in the Statement of Activities.

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds	\$ 9,332,953
Recognition of deferred recreation fees	30,500
Water billings are recognized in the entity-wide statements under full accrual accounting, whereas they are recognized when measurable and available in the governmental fund statements. This is the amount by which the fourth quarter Water billings for the current year exceeded the fourth quarter Water billings for the prior year.	<u>31,809</u>
Total revenues reported in the Statement of Activities	<u>\$ 9,395,262</u>

**VILLAGE OF NYACK, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS - CONTINUED**

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities - Continued**

Total expenditures reported in governmental funds	\$ 11,411,365
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which the liability for compensated absences decreased during the year.	(53,421)
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the year they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of \$922,548 was less than capital expenditures of \$1,850,035 in the current year.	(927,487)
In the Statement of Activities, the expenses for other postemployment benefits are measured based on the actuarially determined OPEB liability of the Village. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which the OPEB expense exceeded the amount of financial resources used during the year.	485,030
Interest payable is recognized in the government-wide statements under full accrual accounting, whereas it is recognized when paid in the governmental fund statements. This is the amount by which interest payable for the current year is less than the interest payable for the prior year.	(24,390)
In the Statement of Activities, pension expense related to ERS defined benefit plans is measured as the change in the Village's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds, however, these expenditures are recognized as the sum of (1) amounts paid by the employer to the pension plan, and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was greater than the amount of financial resources expended during the year.	447,364
Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	<u>(695,000)</u>
Total expenses reported in the Statement of Net Position	<u>\$ 10,643,461</u>

**VILLAGE OF NYACK, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**III. CASH**

At May 31, 2020, the carrying amount of the Village’s deposits (cash, certificates of deposit and interest-bearing savings accounts) was \$3,200,665 and the bank balance was \$3,338,857. The Village’s deposits at May 31, 2020, and during the year then ended, were entirely covered by FDIC Insurance or by pledged collateral held by the Village’s agent bank in the Village’s name. Petty Cash is included in Cash and Cash Equivalents and totaled \$601 at year end.

**IV. INTERFUND ACTIVITY**

Interfund receivables and payables (Due to/From Other Funds) at May 31, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 606,635	\$ 807,392
Capital	734,871	282,719
Water Fund	-	237,258
Community Development Fund	193,057	200,444
Total Governmental Funds	<u>1,534,563</u>	<u>1,527,813</u>
Agency Fund	<u>3,161</u>	<u>9,911</u>
<b>TOTAL</b>	<b><u>\$ 1,537,724</u></b>	<b><u>\$ 1,537,724</u></b>

Interfund revenues and expenditures at May 31, 2020 are as follows:

	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General	\$ 222,000	\$ -
Water Fund	-	222,000
<b>Total</b>	<b><u>\$ 222,000</u></b>	<b><u>\$ 222,000</u></b>

Interfund transfers were made for the rental of office space from the Village by the Water Fund.

**VILLAGE OF NYACK, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**V. CAPITAL ASSETS**

Capital asset balances and activity for the year ended May 31, 2020 were as follows:

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, not being depreciated:					
Land	\$ 1,946,114	\$ -	\$ -	\$ -	\$ 1,946,114
Construction in Progress	505,448	1,442,515	-	(1,154)	1,946,809
Total Capital Assets, not being depreciated	<u>2,451,562</u>	<u>1,442,515</u>	<u>-</u>	<u>(1,154)</u>	<u>3,892,923</u>
Capital Assets, being depreciated:					
Buildings	4,035,537	-	-	-	4,035,537
Improvements Other Than Buildings	11,060,765	-	-	-	11,060,765
Infrastructure:					
Roads	4,838,575	193,080	-	1,154	5,032,809
Water	2,274,909	-	-	-	2,274,909
Machinery and Equipment	4,081,763	214,440	-	-	4,296,203
Total Capital Assets, being depreciated	<u>26,291,549</u>	<u>407,520</u>	<u>-</u>	<u>1,154</u>	<u>26,700,223</u>
Accumulated Depreciation for:					
Buildings	(2,434,183)	(100,888)	-	-	(2,535,071)
Improvements Other Than Buildings	(7,477,161)	(685,269)	-	-	(8,162,430)
Infrastructure:					
Roads	(4,679,332)	(13,365)	-	-	(4,692,697)
Water	(929,103)	(75,830)	-	-	(1,004,933)
Machinery and Equipment	(3,650,366)	(47,196)	-	-	(3,697,562)
Total Accumulated Depreciation	<u>(19,170,145)</u>	<u>(922,548)</u>	<u>-</u>	<u>-</u>	<u>(20,092,693)</u>
Total Capital Assets, being depreciated, net	<u>7,121,404</u>	<u>(515,028)</u>	<u>-</u>	<u>1,154</u>	<u>6,607,530</u>
Governmental Activities Capital Assets, net	<u>\$ 9,572,966</u>	<u>\$ 927,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,500,453</u>

Depreciation was charged to governmental activities as follows:

<b>Governmental Activities:</b>	
General Government Support	\$ 584,176
Transportation	163,824
Culture and Recreation	68,114
Home and Community Services	106,434
Total Depreciation Expense	<u>\$ 922,548</u>

**VI. PENSION PLANS**

Plan Description

The Village of Nyack participates in the New York State and Local Employees' Retirement System (the "System"). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (the "NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York (the Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and

**VILLAGE OF NYACK, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS - CONTINUED**

Plan Description (continued)

for the custody and control of the funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first 10 years of employment, employees who joined on or after January 1, 2010 generally contribute 3% of their salary for their entire length of service, and employees who joined on or after April 1, 2012 generally contribute between 3% - 6% of their salary, based on their annual compensation, for their entire length of service. Under the authority of the NYSRSSL, the Comptroller shall annually certify the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Village of Nyack is required to contribute at an actuarially determined rate. The Village's contributions made to the System were equal to or in excess of 100 percent of the contributions required for each year.

The required contributions for the current and two preceding years were:

	<u>ERS</u>
2020	\$ 453,385
2019	457,948
2018	414,102

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

At May 31, 2020, the Village reported a liability of \$2,495,732 and the Parking Authority reported a liability of \$271,480, for a total of \$2,767,212 for its proportionate share of the net pension liability. These amounts are recorded as a long-term liability due to the NYS Retirement System. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. All amounts described below are on a combined Village and Parking Authority basis. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, as actuarially determined.

At March 31, 2020, the Village's proportion of the net pension liability was 0.0104500%. At March 31, 2019, the Village's proportion of the net pension liability was .01113849%.

For the year ended May 31, 2020, the Village recognized pension expense of \$952,684 pertaining to the System. At May 31, 2020, the Village reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 162,862	\$ -
Changes of assumptions	55,719	48,112
Net difference between projected and actual earnings on investments	1,418,607	-
Changes in proportion and difference between employer actual and proportionate share in contribution	<u>107,038</u>	<u>60,785</u>
Total	<u>\$1,744,226</u>	<u>\$ 108,897</u>

**VILLAGE OF NYACK, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS - CONTINUED**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

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

	Year Ended May 31	ERS
	2021	\$ 280,783
	2022	420,634
	2023	524,162
	2024	409,750

Actuarial Assumptions

The total pension liability at March 31, 2020, was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the valuation were as follows:

	ERS
Measurement Date	March 31, 2020
Investment Rate of Return	6.8% compounded annually net of investment expense
Projected Salary Increases	4.20%
Decrement Tables	April 1, 2010 - March 31, 2015 System's Experience
Inflation Rate	2.5%
Mortality Improvement	Society of Actuaries Scale MP - 2014

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 returns net of investment expense 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 of the target asset allocation percentage and by adding expected inflation.

**VILLAGE OF NYACK, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. PENSION PLANS - CONTINUED**

Actuarial Assumptions - Continued

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for both retirement systems are summarized below:

Measurement Date	ERS	
	March 31, 2020	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	36%	4.05%
International equity	14%	6.15%
Private equity	10%	6.75%
Real estate	10%	4.95%
Absolute return strategies	2%	3.25%
Opportunistic portfolio	3%	4.65%
Real assets	3%	5.95%
Bonds and mortgages	17%	0.75%
Cash	1%	0%
Inflation-indexed bonds	4%	0.50%
Total	100%	

Discount Rate

The discount rate used to calculate the total pension liability was 6.80% for ERS. 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. Based upon these 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.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 6.8 percent, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
Village's Proportionate Share of the net Pension Asset/(Liability)	\$ (5,078,615)	\$ (2,767,212)	\$ (638,400)

**VILLAGE OF NYACK, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS - CONTINUED**

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all employers as of March 31, 2019, were as follows:

Measurement Date	ERS	
	March 31, 2020 (Dollars in Thousands)	
Employers' total pension asset/(liability)	\$	(194,596,261)
Plan net position		168,115,682
Employers' net pension asset/(liability)	\$	<u>(26,480,579)</u>
Ratio of plan net position to the employers' total pension asset/(liability)		86.39%

Payables to the Pension Plan

For ERS, employer and employee contributions for the fiscal year ended March 31, 2020 were paid to the System in December 2019. Accrued retirement contributions as of May 31, 2020 amount to \$71,623.

**VII. OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

The Village provides postemployment health insurance coverage to retired employees through a self-administered single employer plan in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Village's contractual agreements. A trust that meets the criteria in paragraph 4 of GASB Statement 75 has not been established.

Benefits Provided

The Village's OPEB plan subsidizes the cost of healthcare to eligible retired employees and their spouses and dependent children. Eligibility is based on the respective rules of the New York State and Local Employees Retirement System (the "System") as well as the provisions of the Village's agreements with its employees. The following eligibility rules currently apply to the Village's employees:

- All staff: eligibility for retirement under ERS; 15 years of Village service.

Medical and prescription drug benefits are offered to retirees on a Village-subsidized basis. Upon attaining age 65 or upon disability retirement, Medicare (Parts A and B) becomes the primary provider for hospital insurance and supplementary medical insurance, with the Village's plan providing an additional layer of coverage.

The benefit terms are dependent on which contract covers each employee. Contribution rates for new retirees are as follows:

Group	Provider Options		Village Contributions (Fixed)		Reimburse Part B Premium		
			Individual	Family	Individual	Spouse	Surviving Spouse
Staff	NYSHIP	Under 65	\$ 1,042.85	\$ 2,412.77	Y	Y	Y
		Over 65	403.27	1,133.57			

The Village's contribution is equivalent to the portion of health insurance premiums paid that are allocated to retirees, estimated to be \$145,177 during the year ended May 31, 2020.

**VILLAGE OF NYACK, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED**

Employees Covered by Benefit Terms

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

Active employees	27
Retired	30
Deceased	3
Total employees covered by benefit terms	<u>60</u>

Total OPEB Liability

The Village obtained an actuarial valuation report as of May 31, 2020, covering both Village and Parking Authority employees and retirees. The liability for other postemployment benefits was measured as of May 31, 2020 and totaled \$20,480,100,

Actuarial Assumptions and Other Inputs

The total OPEB liability in the May 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Projected Salary Increases, Including Wage Inflation	2.00%
Discount Rate	2.05%
Healthcare Cost Trend Rates	Pre-65: 4.6% for medical, 3.5% for dental and 3.0% for vision, 7.6% for prescription for 2020 reduced incrementally to an ultimate rate of 4.7% after 10 years Post-65: Same
Current Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement
Future Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement

- The discount rate was based on the S&P Municipal Bond estimated High Grade Bond index rate of 3.05%.
- Mortality Rates were based on the RP-2000 mortality table with 18 year projection.

Changes in the Total OPEB Liability during the year ended 5/31/20:

Balance - Beginning	\$ 19,995,070
Changes for the Year:	
Differences Between Expected and Actual Experience	<u>485,030</u>
Net Changes	<u>485,030</u>
Balance - Ending	<u>\$ 20,480,100</u>

**VILLAGE OF NYACK, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED**

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table 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 or higher than the current discount rate.

Sensitivity of the total OPEB Liability to Changes in the Discount Rate:

	1% Decrease 1.05%	Discount Rate 2.05%	1% Increase 3.05%
Total OPEB Liability	\$ 23,622,790	\$ 20,480,100	\$ 17,951,640

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table 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 healthcare cost trend rate that is 1 percentage point lower or higher than the healthcare cost trend rate.

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trends:

	1% Decrease 6.6% decreasing to 3.7%	Healthcare Cost Trend Rate 7.6% Decreasing to 4.7%	1% Increase 8.6% decreasing to 5.7%
Total OPEB Liability	\$ 17,677,470	\$ 20,480,100	\$ 23,956,560

OPEB Expense

For the year ended May 31, 2020, the Village recognized OPEB expense of \$3,593,860.

**VIII. SHORT-TERM DEBT**

Bond anticipation notes can be used for any purpose for which bonds are authorized, and are generally accounted for in the Capital Projects Fund, since maturities cannot exceed one year. Local finance law allows the notes to be renewed, up to five years for capital purposes and up to the period of probable usefulness for assessable improvements, provided that stipulated annual reductions of principal are made.

The following is a summary of the Village’s outstanding bond anticipation notes as of May 31, 2020:

<b>Purpose</b>	<b>Balance at May 31, 2019</b>	<b>New Issues</b>	<b>Payments</b>	<b>Converted to Bonds or BANs</b>	<b>Balance at May 31, 2020</b>
Marina Improvements - 2018	950,000	-	(950,000)	-	-
Packer Truck	205,000	-	(40,000)	(165,000)	-
Water Main Replacements	2,500,000	-	-	-	2,500,000
Various Purposes	-	665,000	-	-	665,000
<b>Total</b>	<b>\$ 3,655,000</b>	<b>\$ 665,000</b>	<b>\$ (990,000)</b>	<b>\$ (165,000)</b>	<b>\$ 3,165,000</b>

**VILLAGE OF NYACK, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VIII. SHORT-TERM DEBT - CONTINUED**

Interest on short-term debt paid during the year was:

Interest Paid	\$ 104,771
Less: Interest accrued - prior year	(39,876)
Plus: Interest accrued - current year	<u>17,406</u>
	<u>\$ 82,301</u>

**IX. LONG-TERM DEBT**

The Village borrows money in order to acquire or construct buildings and public improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are backed by the full faith and credit of the Village.

At May 31, 2020, the total long-term bond indebtedness outstanding of the Village, was \$4,650,000. See Schedule of Indebtedness.

Interest on long-term debt paid during the year was:

Interest Paid	\$ 142,889
Less: Interest accrued - prior year	(42,770)
Plus: Interest accrued - current year	<u>40,850</u>
	<u>\$ 140,969</u>

Long-term liability balances and activity for the year are summarized below:

	<u>Beginning Balance</u>	<u>Issued/ Earned</u>	<u>Redeemed/ Paid</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Serial Bonds	<u>\$ 5,305,000</u>	<u>\$ -</u>	<u>\$ (655,000)</u>	<u>\$ 4,650,000</u>	<u>\$ 580,000</u>
Other Liabilities:					
Other Postemployment Benefits	\$ 19,995,070	\$ 485,030	\$ -	20,480,100	\$ -
Compensated Absences	688,051	-	(53,421)	634,630	-
ERS Net Pension Liability (Combined)	<u>806,654</u>	<u>1,960,558</u>	<u>-</u>	<u>2,767,212</u>	<u>-</u>
Total Other Liabilities	<u>\$ 21,489,775</u>	<u>\$ 2,445,588</u>	<u>\$ (53,421)</u>	<u>\$ 23,881,942</u>	<u>\$ -</u>

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Statement of Net Position.

The following is a summary of the maturity of the serial bonds:

**VILLAGE OF NYACK, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

<u>Maturity Years</u>	<u>Bonds</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 580,000	\$ 125,530	\$ 705,530
2022	570,000	110,432	680,432
2023	535,000	95,715	630,715
2024	520,000	81,119	601,119
2025	415,000	68,761	483,761
2026-2030	1,585,000	191,255	1,776,255
2031-2033	445,000	23,388	468,388
	<u>\$ 4,650,000</u>	<u>\$ 696,200</u>	<u>\$ 5,346,200</u>

**X. RELATED PARTY TRANSACTIONS – DUE FROM RELATED PARTY**

Nyack Parking Authority

The Village of Nyack provides both metered street parking as well as municipal lots to residents and visitors through the systems managed by the Nyack Parking Authority. The Village charges the Nyack Parking Authority a monthly lease fee. As of May 31, 2020, the net amount receivable from the Nyack Parking Authority was \$1,605,843. The Parking Authority employees are reported to the NYS Retirement System along with the Village employees and are included in all actuarial calculations.

**XI. CONTINGENCIES**

Grant Funding

The Village participates in various state and federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act or other regulations. Accordingly, the Village’s compliance with the applicable grant requirements will 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.

Certiorari Proceedings

Open tax certiorari cases, which claim excessive assessed values, exist with several taxpayers. Claims allowed, if any, will result in a refund of Property Taxes previously collected by the Village. Any such refunds resulting from adverse settlements will be provided for when determinable.

Judgements and Claims

A few claims against the Village are presently pending for miscellaneous matters. Although final outcome of these matters is not known at this time, management of the Village does not believe that the final settlement of these matters will have a materially adverse effect on the financial condition of the Village.

**XII. COMPONENT UNITS**

This note presents summarized financial information from the audited financial statements of the Village’s major component unit.

Nyack Housing Authority

The Nyack Housing Authority (the “Housing Authority”) was incorporated under the laws of New York State. The Authority operates under a board of commissioner form of government to provide safe and decent housing to low and moderate income families and elderly individuals. The following is a summary of financial information included in the audited financial statements issued for the Housing Authority for the year ended March 31, 2020. These financial statements are issued separately and can be obtained from the Nyack Housing Authority at 15 Highview Ct. Nyack, NY 10960.

Total Assets and Deferred Outflows	<u>\$ 6,226,319</u>
Total Liabilities and Deferred Inflows	<u>\$ 444,017</u>
Component Net Position	<u>\$ 5,782,302</u>
Total Revenues	<u>\$ 4,696,029</u>
Total Expenses	<u>\$ 4,505,448</u>

**VILLAGE OF NYACK, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**XIII. PROPERTY TAX ABATEMENT**

The Village currently has no tax abatements to report.

**XIV. PRIOR PERIOD ADJUSTMENTS**

The Village of Nyack Parking Authority reported a reclassification of meter collection fees to the prior year in the amount of \$15,463.

**XV. SUBSEQUENT EVENTS**

In February 2020, the Village authorized the execution of a financing lease to provide funding for the LED street lighting replacement project, in the amount of \$418,035, pending completion of an acceptance certificate. The lease payment terms are \$50,875.01 beginning February 2021 annually for ten years, including interest of 3.74% on an annual basis.

The Village was awarded \$732,454 in American Rescue Plan funding, received in two payments in July 2021 and July 2022. The Village plans to use \$366,973 for government services and \$365,481 for capital projects.

The Village has authorized \$8,764,000 in additional debt of which \$1,154,000 has been issued.

**XVI. NEW ACCOUNTING PRINCIPLES**

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Village is required to implement this standard for the year ended May 31, 2021. The Village has not evaluated the effect of GASB 84 on its financial statements.

In June 2017, GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Village is required to implement this standard for the fiscal year ending on May 31, 2022. The Village has not evaluated the effect of GASB 87 on its financial statements.

In March 2018, GASB issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The Village is required to implement this standard for the year ending on May 31, 2020. The Village has not evaluated the effect of GASB 88 on its financial statements.

GASB has also issued Statements 86, 89, through 101, none of which are expected to have any substantive effects on the Village's net position.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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**VILLAGE OF NYACK, NEW YORK**  
**SCHEDULE OF CHANGES IN THE VILLAGE'S NET OPEB LIABILITY AND RELATED RATIOS**

<u>Total OPEB Liability</u>	<u>May 31, 2020</u>
Differences Between Expected and Actual Experience	\$ 485,030
Net Change in Total OPEB Liability	485,030
Total OPEB liability - beginning	<u>19,995,070</u>
Total OPEB liability - ending (a)	<u>\$ 20,480,100</u>
<u>Plan Fiduciary net position</u>	
Contributions - Employer	\$ 145,177
Net Investment Income	-
Benefit Payments	(145,177)
Administrative Expense	-
Net Change in Plan Fiduciary Net Position	<u>-</u>
Plan Fiduciary net position - beginning	-
Plan Fiduciary net position - ending (b)	<u>\$ -</u>
Village's net OPEB liability - ending (a) - (b)	<u>\$ 20,480,100</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%
Covered Payroll	3,450,490
Total OPEB Liability as a percentage of covered payroll	593.54%

Notes to Schedule:

Changes in Assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

May 31, 2018	3.60%
May 31, 2019	2.05%
May 31, 2020	2.05%

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

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2019 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

**VILLAGE OF NYACK, NEW YORK**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS**

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>Employees' Retirement System</b>					
3/31/2020	0.01045000%	\$ (2,767,212)	\$ 3,451,031	80.19%	86.39%
3/31/2019	0.01138490%	\$ (806,654)	\$ 3,105,859	25.97%	96.27%
3/31/2018	0.01026910%	\$ (331,429)	\$ 2,671,523	12.41%	98.24%
3/31/2017	0.0095185%	\$ (894,382)	\$ 2,589,311	34.54%	94.70%
3/31/2016	0.0112863%	\$ (1,811,480)	\$ 3,190,888	56.77%	90.70%

GASB 68 requires that the past 10 years of information be presented. Due to the fact that GASB 68 was recently implemented, prior year information is not available for 10

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**VILLAGE OF NYACK, NEW YORK  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution deficiency (excess)	Covered Payroll	Required Contributions as a Percentage of its Covered Payroll
<b>Employees' Retirement System</b>					
3/31/2020	\$ 453,385	\$ 453,385	\$ -	3,451,031	13.14%
3/31/2019	\$ 457,948	\$ 457,948	\$ -	3,105,859	14.74%
3/31/2018	\$ 414,102	\$ 414,102	\$ -	2,671,523	15.50%
3/31/2017	\$ 407,848	\$ 407,848	\$ -	2,589,311	15.75%
3/31/2016	\$ 502,794	\$ 502,794	\$ -	3,190,888	15.76%

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**VILLAGE OF NYACK, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**GENERAL FUND**  
**FOR THE YEAR ENDED MAY 31, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
<b>Revenues:</b>				
Real Property Taxes	\$ 3,712,190	\$ 3,712,190	\$ 3,712,190	\$ -
Real Property Tax Items	20,650	20,650	20,300	(350)
Non Property Tax Items	400,000	400,000	400,448	448
Departmental Income	222,450	222,450	803,161	580,711
Use of Money and Property	8,050	8,050	6,821	(1,229)
Licenses and Permits	422,300	422,300	28,875	(393,425)
Fines and Forfeitures	85,000	85,000	60,556	(24,444)
Sale of Property and Compensation for Loss	15,800	15,800	39,770	23,970
Miscellaneous Local Sources	7,000	7,000	7,981	981
State and Federal Aid	189,575	293,582	384,033	90,451
<b>Total Revenues</b>	<b>5,083,015</b>	<b>5,187,022</b>	<b>5,464,135</b>	<b>277,113</b>
<b>Expenditures:</b>				
General Government Support	1,165,782	1,200,782	1,386,926	(186,144)
Public Safety	467,395	467,395	482,628	(15,233)
Public Health	36,145	36,145	36,542	(397)
Transportation	1,171,823	1,245,467	1,275,493	(30,026)
Culture and Recreation	445,613	443,113	435,004	8,109
Home and Community Service	401,000	401,000	348,710	52,290
Capital Outlay	20,000	52,863	-	52,863
Employee Benefits	1,420,386	1,420,386	1,267,334	153,052
Debt Service	676,871	676,871	703,689	(26,818)
<b>Total Expenditures</b>	<b>5,805,015</b>	<b>5,944,022</b>	<b>5,944,776</b>	<b>(754)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(722,000)	(757,000)	(480,641)	276,359
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	722,000	757,000	222,000	(535,000)
Operating Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<b>722,000</b>	<b>757,000</b>	<b>222,000</b>	<b>(535,000)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(258,641)	(258,641)
Net Change in Fund Balance	-	-	(258,641)	(258,641)
Appropriated Fund Balance	-	-	-	-
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (258,641)</b>	<b>\$ (258,641)</b>

**VILLAGE OF NYACK, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**WATER FUND**  
**FOR THE YEAR ENDED MAY 31, 2020**

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Departmental Income	\$ 4,171,750	\$ 4,171,750	\$ 3,968,360	\$ (203,390)
Use of Money and Property	1,500	1,500	1,226	(274)
Miscellaneous Local Sources	100	100	576	476
Total Revenues	<u>4,173,350</u>	<u>4,173,350</u>	<u>3,970,162</u>	<u>(203,188)</u>
<b>Expenditures:</b>				
General Government Support	355,100	355,100	237,199	117,901
Home and Community Service	2,601,550	2,601,550	2,358,879	242,671
Employee Benefits	829,700	829,700	839,616	(9,916)
Debt Service	165,000	165,000	164,179	821
Total Expenditures	<u>3,951,350</u>	<u>3,951,350</u>	<u>3,599,873</u>	<u>351,477</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures	<u>222,000</u>	<u>222,000</u>	<u>370,289</u>	<u>148,289</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>(222,000)</u>	<u>(222,000)</u>	<u>(222,000)</u>	<u>-</u>
Total Other Financing Sources	<u>(222,000)</u>	<u>(222,000)</u>	<u>(222,000)</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures	<u>-</u>	<u>-</u>	<u>148,289</u>	<u>148,289</u>
Net Change in Fund Balance	-	-	148,289	148,289
Appropriated Fund Balance	-	-	-	-
Total Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,289</u>	<u>\$ 148,289</u>

**OTHER  
SUPPLEMENTARY  
INFORMATION**

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**VILLAGE OF NYACK, NEW YORK  
COMBINING STATEMENT OF NET POSITION -  
COMPONENT UNITS  
FOR THE YEAR ENDED MAY 31, 2020**

	<b>Housing Authority 03/31/2020</b>	<b>Parking Authority 05/31/2020</b>	<b>Total Component Units</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 855,462	\$ 3,196	\$ 858,658
Cash and cash equivalents - restricted	101,087	-	101,087
Receivables	82,154	(2,733)	79,421
Due from related party	-	38,314	38,314
Prepaid expenses and other assets	50,058	6,339	56,397
Inventories	10,181	-	10,181
Investments	1,200,231	-	1,200,231
<b>Total current assets</b>	<b>2,299,173</b>	<b>45,116</b>	<b>2,344,289</b>
<b>Capital Assets</b>			
Land	235,443	-	235,443
Building and Equipment	10,182,689	675,819	10,858,508
Less accumulated depreciation	(6,632,491)	(390,848)	(7,023,339)
<b>Total Non-Current Assets</b>	<b>3,785,641</b>	<b>284,971</b>	<b>4,070,612</b>
Deferred outflows of resources	141,505	171,630	313,135
<b>Total Assets and Deferred Outflows of Resources</b>	<b>6,226,319</b>	<b>501,717</b>	<b>6,728,036</b>
<b>Current Liabilities</b>			
Accounts payable	18,726	77,869	96,595
Accrued liabilities	21,310	13,105	34,415
Security deposits	91,692	-	91,692
BANs	-	12,831	12,831
Due to related party	-	1,605,843	1,605,843
<b>Total current liabilities</b>	<b>131,728</b>	<b>1,709,648</b>	<b>1,841,376</b>
<b>Noncurrent Liabilities</b>			
Lease Payable	-	217,634	217,634
Accrued pension & OPEB liabilities	211,003	271,480	482,483
Accrued compensated absences	48,536	-	48,536
<b>Total noncurrent liabilities</b>	<b>259,539</b>	<b>489,114</b>	<b>748,653</b>
<b>Total Liabilities</b>	<b>391,267</b>	<b>2,198,762</b>	<b>2,590,029</b>
<b>Deferred inflows of resources</b>	<b>52,750</b>	<b>11,001</b>	<b>63,751</b>
<b>NET POSITION</b>			
Net investment in capital assets	3,785,641	272,140	4,057,781
Restricted	956,976	-	956,976
Unrestricted	1,039,685	(1,980,186)	(940,501)
<b>Total Net Position</b>	<b>\$ 5,782,302</b>	<b>\$ (1,708,046)</b>	<b>\$ 4,074,256</b>

**VILLAGE OF NYACK, NEW YORK  
COMBINING STATEMENTS OF REVENUES,  
EXPENDITURES AND CHANGES IN NET POSITION -  
COMPONENT UNITS  
FOR THE YEAR ENDED MAY 31, 2020**

	<b>Housing Authority 03/31/2020</b>	<b>Parking Authority 05/31/2020</b>	<b>Total Component Units</b>
<b>REVENUES</b>			
Tenant revenue	\$ 1,677,138	\$ -	\$ 1,677,138
Parking Lot/Meter Revenue	-	846,651	846,651
Government Operating Grants	2,846,669	-	2,846,669
Other Revenue	125,087	22,861	147,948
<b>Total revenues</b>	<b>4,648,894</b>	<b>869,512</b>	<b>5,518,406</b>
<b>EXPENSES</b>			
Administrative	607,404	-	607,404
Personal Services	-	337,871	337,871
Tenant Services	10,405	-	10,405
Related Party Lease Expense	-	172,064	172,064
Other lease expense	-	5,833	5,833
Office Expense	-	3,528	3,528
Minor Equipment	-	19,583	19,583
Telephone	-	2,459	2,459
Meter Repairs & Maintenance	-	23,362	23,362
Utilities	182,318	-	182,318
Professional Services	-	113,955	113,955
Interest Expense	-	2,271	2,271
Insurance	-	30,628	30,628
Maintenance	543,813	-	543,813
Uniforms	-	5,236	5,236
Auto	-	1,538	1,538
Meter Collection Fees	-	77,574	77,574
Employee Benefits	-	217,122	217,122
Protective services	1,755	-	1,755
General	109,048	-	109,048
Housing assistance payments	2,656,660	-	2,656,660
Depreciation	394,045	1,417	395,462
<b>Total expenses</b>	<b>4,505,448</b>	<b>1,014,441</b>	<b>5,519,889</b>
<b>Operating (Loss)</b>	<b>143,446</b>	<b>(144,929)</b>	<b>(1,483)</b>
<b>Non Operating Revenues (Expenses)</b>			
Interest and investment revenue	47,135	-	47,135
<b>Net Non Operating Revenues</b>	<b>47,135</b>	<b>-</b>	<b>47,135</b>
<b>Change in Net Position</b>	<b>190,581</b>	<b>(144,929)</b>	<b>45,652</b>
<b>Net Position - Beginning, as Reported</b>	<b>5,591,721</b>	<b>(1,547,770)</b>	<b>4,043,951</b>
<b>Prior-Year adjustment</b>	<b>-</b>	<b>(15,347)</b>	<b>(15,347)</b>
<b>Net Position - Beginning, as Adjusted</b>	<b>5,591,721</b>	<b>(1,563,117)</b>	<b>4,028,604</b>
<b>Total Net Position</b>	<b>\$ 5,782,302</b>	<b>\$ (1,708,046)</b>	<b>\$ 4,074,256</b>

**VILLAGE OF NYACK, NEW YORK  
COMBINING CASH FLOW STATEMENT –  
COMPONENT UNITS  
FOR THE YEAR ENDED MAY 31, 2020**

	<b>Housing Authority 03/31/2020</b>	<b>Parking Authority 05/31/2020</b>	<b>Total Component Units</b>
<b>Cash Flows from Operating Activities</b>			
Cash received from operations and tenants	\$ 1,663,080	\$ 899,779	\$ 2,562,859
Other receipts	125,087	-	125,087
Federal grants	2,904,272	-	2,904,272
Payments to vendors and employees	(1,452,309)	(686,293)	(2,138,602)
Payments to landlords and leasing	(2,656,660)	(172,064)	(2,828,724)
<b>Net cash provided by operating activities</b>	<b>583,470</b>	<b>41,422</b>	<b>624,892</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of capital equipment	(842,401)	(267,025)	(1,109,426)
Proceeds of capital debt	-	242,567	242,567
Principal debt payments	-	(29,009)	(29,009)
<b>Cash used for capital activities</b>	<b>(842,401)</b>	<b>(53,467)</b>	<b>(895,868)</b>
<b>Cash flows from Investing Activities</b>			
Investments	693,643	-	693,643
Interest received	47,135	-	47,135
<b>Cash provided by investing activities</b>	<b>740,778</b>	<b>-</b>	<b>740,778</b>
<b>Net cash increase (decrease)</b>	<b>481,847</b>	<b>(12,045)</b>	<b>469,802</b>
<b>Cash at beginning of year</b>	<b>474,702</b>	<b>15,241</b>	<b>489,943</b>
<b>Cash balance at end of year</b>	<b>\$ 956,549</b>	<b>\$ 3,196</b>	<b>\$ 959,745</b>
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>			
Operating (Loss)	\$ 143,446	\$ (144,929)	\$ (1,483)
Adjustments to Reconcile Operating (Loss) to Net Cash Used by Operating Activities:			
Depreciation	394,045	1,417	395,462
Prior Period Adjustment Reclassification	-	(15,347)	(15,347)
<b>Changes in Assets and Liabilities:</b>			
(Increase)/Decrease in Accounts Receivable	58,436	30,267	88,703
(Increase)/Decrease in Prepaid Expense	(4,541)	200	(4,341)
(Increase)/Decrease in Inventories	(181)	-	(181)
(Increase)/Decrease in Deferred Outflows	80,095	(125,267)	(45,172)
Increase/(Decrease) in Accounts Payable	(3,356)	50,905	47,549
Increase/(Decrease) in Accrued Liabilities	79,682	6,615	86,297
Increase/(Decrease) in Net Pension Liability	-	191,460	191,460
Increase/(Decrease) in Unearned Revenue	(11,068)	-	(11,068)
Increase/(Decrease) in Deferred Inflows	(153,088)	(18,108)	(171,196)
Increase/(Decrease) in Due to Related Party	-	64,209	64,209
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 583,470</b>	<b>\$ 41,422</b>	<b>\$ 624,892</b>

**VILLAGE OF NYACK, NEW YORK  
SCHEDULE OF INDEBTEDNESS  
MAY 31, 2020**

	Date of Issue/Renewal	Date of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Renewed with new BAN or Bond	Outstanding End of Fiscal Year	Interest Paid During Fiscal Year	Due Within the Next Year	Interest Accrued at Year End
<u>Bond Anticipation Notes</u>											
Marina Improvements - 2018	6/14/18	6/14/19	2.75%	\$ 950,000	\$ -	\$ 950,000	\$ -	\$ -	\$ 26,125	\$ -	\$ -
Packer Truck	8/18/18	8/19/19	1.88%	205,000	-	40,000	165,000	-	3,854	-	-
Water Main Replacements	4/2/20	4/2/21	2.09%	2,500,000	-	-	-	2,500,000	74,792	2,500,000	8,446
Various	8/14/19	8/14/20	1.69%	-	665,000	-	-	665,000	-	665,000	8,960
Total Bond Anticipation Notes				3,655,000	665,000	990,000	165,000	3,165,000	104,771	3,165,000	17,406
<u>Serial Bonds</u>											
Water Supply - Series 2003	2003	2032	4.500%	615,000	-	30,000	-	585,000	34,200	30,000	8,336
Water Supply - Series 2005	2005	2020	4.090%	55,000	-	55,000	-	-	2,310	-	-
Water Improvements - 2012	2013	2031	2.180%	370,000	-	35,000	-	335,000	7,669	35,000	2,323
Public Improvements - Series 2010	2010	2023	2.560%	550,000	-	125,000	-	425,000	19,012	120,000	5,608
Public Improvements - Series 2012	2013	2032	2.180%	1,155,000	-	130,000	-	1,025,000	23,869	130,000	7,523
Public Improvements - Series 2015	2015	2028	1.050%	940,000	-	110,000	-	830,000	20,444	95,000	6,448
Public Improvements - Series 2017	2017	2032	2.200%	1,540,000	-	150,000	-	1,390,000	33,761	150,000	10,193
Public Improvements - Series 2018	2018	2023	1.75-2.18%	80,000	-	20,000	-	60,000	1,624	20,000	418
Total Serial Bonds				5,305,000	-	655,000	-	4,650,000	142,889	580,000	40,849
<b>TOTAL INDEBTEDNESS</b>				<b>\$ 8,960,000</b>	<b>\$ 665,000</b>	<b>\$ 1,645,000</b>	<b>\$ 165,000</b>	<b>\$ 7,815,000</b>	<b>\$ 247,660</b>	<b>\$ 3,745,000</b>	<b>\$ 58,255</b>

**OTHER REPORTING  
REQUIRED BY  
GOVERNMENT AUDITING  
STANDARDS**

DRAFT



LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Village of Nyack  
9 N. Broadway  
Nyack, New York 10960

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Nyack, New York, as of and for the year ended May 31, 2020, and the related Notes to the Financial Statements, which collectively comprise the Village of Nyack, New York's basic financial statements, and have issued our report thereon dated **March 23, 2023**. Our report includes a reference to other auditors who audited the financial statements of the Nyack Housing Authority as described in our report on the Village of Nyack, New York's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Nyack, New York's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Nyack, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Nyack, New York's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, we identified

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11 Racquet Road  
Newburgh, NY 12550  
T: (845) 567-9000  
F: (845) 567-9228

2678 South Road, Suite 101  
Poughkeepsie, NY 12601  
T: (845) 485-5510  
F: (845) 485-5547

P.O. Box 209  
51 Sullivan Street  
Wurtsboro, NY 12790  
T: (845) 888-5656  
F: (845) 888-2789

340 Madison Avenue  
19th Floor  
New York, NY 10173  
T: (718) 772-0850  
F: (718) 772-0851

deficiencies in internal control described in the accompanying schedule of findings as items 2020-1 and 2020-2 that we consider to be material weaknesses and 2020-3 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Nyack, New York’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2020-4.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Nyack’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Nyack’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RBT CPAs, LLP*

Newburgh, NY

March 23, 2023

DRAFT

**VILLAGE OF NYACK, NEW YORK  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED MAY 31, 2020**

**Internal Control Findings:**

**Material Weaknesses:**

**2020-1: Capital Assets**

Condition: The Village could not provide supporting documentation for its prior year capital assets and depreciation calculations.

Criteria: The Village is required to document and maintain accurate records of fixed assets.

Cause: The Village was unable to provide a detailed depreciation schedule and therefore could not promptly identify all of the individual assets, their corresponding depreciation, and any new additions or disposals of fixed assets within the fiscal year.

Effect: The Village's capital assets could be under or overstated at any given point in time potentially causing a material misstatement when recording capital assets. There is also the potential for a corresponding depreciation expense misstatement on the government wide financial statements.

Recommendation: RBT recommends that the Village implement a formal system of tracking capital assets and itemize its capital assets in order to be able to properly report capital assets.

**2020-2: Due from Related Party -Parking Authority**

Condition: The Village records a lease receivable and revenue from the Village of Nyack Parking Authority annually, however the receivable continues to increase as the annual total is not paid.

Criteria: The Village is recording a revenue that is not ultimately being collected,

Cause: The Parking Authority has insufficient cash to pay the liability to the Village and consistently incurs losses. The Village has not taken steps to revise its billing to the Parking Authority to be more reflective of the actual cash that could expected to be received.

Effect: The Village's revenues and fund balance could be overstated. The receivable from the Parking Authority is \$1,605,843. Had the Village not accrued this revenue, its fund balance would be \$(151,541) , instead of \$1,451,302.

Recommendation: Since the Village appoints the members of the Parking Authority board, the Village has the ability to make changes to the relationship between the Authority and the Village. RBT recommends that the Village consider making changes to the contract and/or consider changes to assist the Authority in raising revenues or decreasing other expenses so that the Authority can appropriately pay its bills.

**VILLAGE OF NYACK, NEW YORK  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED MAY 31, 2020**

**Significant Deficiency:**

**2020-3: Cash Reconciliation**

Condition: The Village's bank reconciliations included numerous old reconciling items, deposits not recorded and transactions between funds that did not balance.

Criteria: The purpose of a bank reconciliation is to identify any reconciling items and record adjustments in a timely manner.

Cause: The Village has experienced employee turnover preventing timely review and adjustment of reconciling items.

Effect: Depending on the cash account in question, the Village's cash balances were either overstated or understated.

Recommendation: RBT recommends that the Village make addressing items identified in the bank reconciliation process a priority so that Village reports are accurate.

**Compliance Finding:**

**2020-4: Justice Court**

Condition: The Village did not provide any of the documentation related to the funds held by their Justice Court, including bank reconciliations, as these items were not provided by the Court.

Criteria: As per New York Uniform Justice Court Act, the Village Justice Court is required to present its records at least once a year to the Village to be examined by the auditing board or official, or by a Certified Public Accountant.

Cause: The Village Justice Court did not have an independent audit conducted and did not provide the Village's auditors with bank records for examination.

Effect: The Village Justice Court is not in compliance with the requirements of the NYS Unified Court System.

Recommendation: RBT recommends that the Village arrange for the Justice Court records to be audited annually.