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April 20, 2016

Ed Markunas, Mayor  
Members of the Board of Trustees  
Village of Suffern  
61 Washington Avenue  
Suffern, NY 10901

Report Number: B6-16-8

Dear Mayor Markunas and Members of the Board of Trustees:

Chapter 99 of the Laws of 2015 authorized the Village of Suffern (Village) to issue debt totaling \$5 million to liquidate the accumulated deficit in the Village's general, water, sewer and capital projects funds as of May 31, 2015. New York State Local Finance Law Section 10.10 requires all local governments that have been authorized to issue obligations to fund operating deficits to submit to the State Comptroller each year, starting with the fiscal year during which the local government is authorized to issue obligations and for each subsequent fiscal year during which the deficit obligations are outstanding, their tentative budget for the next succeeding fiscal year.

The budget must be submitted no later than 30 days before the date scheduled for the governing board's vote on its adoption or the last date on which the budget may be finally adopted, whichever is sooner. The State Comptroller must examine the tentative budget and make recommendations for any changes that are needed to bring the tentative budget into balance. Such recommendations are made after the examination into the estimates of revenues and expenditures of the Village. Our Office has recently completed a review of the Village's budget for the 2016-17 fiscal year. The objective of the review was to provide an independent evaluation of the tentative budget. Our review addressed the following question related to the Village's budget for the upcoming fiscal year:

- Are the significant revenues and appropriations in the Village's tentative budget reasonable?

To accomplish our objective in this review, we requested your tentative budget, salary schedules, debt service payment schedules and other pertinent information. We identified and examined significant estimated revenues and appropriations for reasonableness with emphasis on significant and/or unrealistic increases or decreases. We analyzed, verified and/or corroborated trend data and

estimates, where appropriate. We identified any significant new or unusually high revenue or expenditure estimates, made appropriate inquiries and reviewed supporting documentation to determine the nature of the items and to assess whether the estimates were realistic and reasonable.

The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS). We do not offer comments or make specific recommendations on public policy decisions, such as the type and level of services under consideration to be provided.

The tentative budget package submitted for review for the fiscal year ending May 31, 2017 consisted of the following:

- Cover Letter
- 2016-17 Tentative Budget
- Supplementary Information

The tentative budget submitted to our Office is summarized as follows:

<b>Fund</b>	<b>Appropriations And Provisions for Other Uses</b>	<b>Estimated Revenues</b>	<b>Real Property Taxes</b>
General	\$14,324,794	\$3,757,358	\$10,567,436
Water	\$1,971,720	\$1,971,720	\$0
Sewer	\$1,921,016	\$1,921,016	\$0

Based on the results of our review, we found that the significant revenue and expenditure projections in the tentative budget are reasonable.

### **Tax Cap Compliance**

The State Legislature and the Governor enacted Chapter 97 of the Laws of 2011 that established a tax levy limit on all local governments, which was effective beginning in the 2012-13 fiscal year. The law precludes local governments from adopting a budget that requires a tax levy that exceeds the prior year's tax levy by more than 2 percent or the rate of inflation, whichever is less, unless the governing board adopts a local law to override the tax levy limitation.

The Village's proposed budget complies with the tax levy limit because it includes a tax levy of \$10,567,436, which increases the 2015-16 tax levy within the limit. In adopting the 2016-17 budget, the Board should be mindful of the legal requirement to maintain the tax levy increase to no more than the tax levy limit as permitted by law, unless it adopts a local law to override the cap.

We request that you provide us with a copy of the adopted budget.

We hope that this information is useful as you adopt the upcoming budget for the Village. If you have any questions on the scope of our work, please feel free to contact Tenneh Blamah, Chief Examiner of the Newburgh Regional Office, at (845) 567-0858.

Very truly yours,

Gabriel F. Deyo  
Deputy Comptroller

cc: Michael Genito, Treasurer  
Virginia Menscher, Village Clerk  
Hon. Catharine Young, Chair, NYS Senate Finance Committee  
Hon. Herman Farrell, Jr., Chair, NYS Assembly Ways and Means Committee  
Hon. Ellen Jaffee, NYS Assembly  
Hon. David Carlucci, NYS Senate  
Robert F. Mujica, Jr., Director, Division of Budget  
Andrew A. SanFilippo, Executive Deputy Comptroller  
Tennah Blamah, Chief Examiner