



**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORT**

May 31, 2019

INCORPORATED VILLAGE OF UPPER BROOKVILLE
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Incorporated Village of Upper Brookville
Oyster Bay, New York

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary fund of the Incorporated Village of Upper Brookville (Village), as of and for the year ended May 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion on Governmental Activities

The Village did not maintain adequate accounting records to support reported capital assets amounts, primarily village roads, for the period of July 1, 2004 through May 31, 2016 in accordance with generally accepted accounting principles, and accordingly, the Village has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that all capital assets, including general infrastructure be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to above, do not present fairly, the financial position of the governmental activities of the Incorporated Village of Upper Brookville as of May 31, 2019, or the changes in financial position thereof for the year then ended, in accordance with accounting principles general accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the fiduciary fund information of the Incorporated Village of Upper Brookville, as of May 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As described in Note 2, the Village has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of May 31, 2019.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, and the schedule of revenues, expenditures and changes in fund balance - budget and actual - general fund, schedule of the Village's proportionate share of the net pension liability, and schedule of Village pension contributions on pages 3 through 12 and 38 through 42, respectively, 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.

Cullen & Danowski, LLP

November 18, 2019

**INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Incorporated Village of Upper Brookville's discussion and analysis of the financial performance provides an overall review of the Village's financial activities for the fiscal year ended May 31, 2019 in comparison with the year ended May 31, 2018, with emphasis on the current year. This should be read in conjunction with the financial statements, which immediately follow this section.

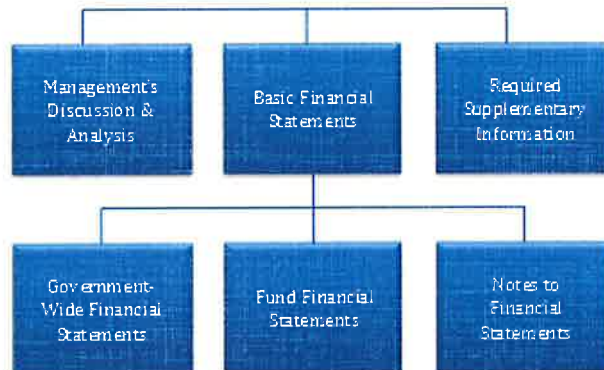
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2019 are as follows:

- The Village has implemented GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, and prepared financial statements in accordance with the provisions of the Statement. As such, an adverse opinion has been received on governmental activities due to inadequate reporting on the Village's capital assets and depreciation. The Village intends to obtain the necessary valuations to be in compliance with reporting requirements in future reporting periods.
- The Village's total net position at May 31, 2018 was restated and decreased by \$2,000,923, as a result of the required implementation of a GASB accounting standard during the 2018 fiscal year. This GASB accounting standard has no impact on the governmental funds financial statements.
- The Village's total net position, as reflected in the government-wide financial statements, increased by \$426,845. This was due to an excess of revenues over expenses based on the economic resources measurement focus and the accrual basis of accounting.
- The Village's expenses for the year, as reflected in the government-wide financial statements, totaled \$3,389,595. Of this amount, \$338,057 was offset by program charges for services, operating grants and capital grants. General revenues of \$3,478,383 amount to 91.1% of total revenues, and were adequate to cover the balance of program expenses.
- The general fund's total fund balance, as reflected in the fund financial statements, increased by \$41,126. This was due to an excess of revenues over expenditures and other financing uses based on the current financial resources measurement focus and the modified accrual basis of accounting.
- On the balance sheet, the general fund's unassigned fund balance at year end was \$1,202,336, a decrease of \$272,651 as the Village appropriated \$280,000 of fund balance to reduce taxes for the next year's budget.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (MD&A), the basic financial statements, and required supplementary information. The basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A. Government-wide Financial Statements

The government-wide financial statements present the governmental activities of the Village and are organized to provide an understanding of the fiscal performance of the Village as a whole in a manner similar to a private sector business. There are two government-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the Village's finances.

These statements utilize the economic resources measurement focus and the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the Village's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Revenues are recognized in the period when they are earned and expenses are recognized in the period when the liability is incurred. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the Village's funds, not the Village as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the Village are reported in the governmental funds and the fiduciary funds.

Governmental Funds

These statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period in which the Village incurs the liability, except for certain expenditures such as debt service on general long-term indebtedness and pension costs, which are recognized as expenditures to the extent the related liabilities mature each period.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the Village's operations and the services it provides.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains four individual governmental funds: general fund, parkland fund, garbage district fund and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Village in its capacity as agent or trustee and utilize the economic resources measurement focus and the accrual basis of accounting. All of the Village's fiduciary activities are reported in a separate statement of Fiduciary Net Position. The fiduciary activities have been excluded from the government-wide financial statements because the Village cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

A. Net Position

The Village's total net position increased by \$426,845 between fiscal year 2019 and 2018. The May 31, 2018 net position has been restated, resulting from the implementation of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*. A summary of the Village's Statements of Net Position follows:

	2019	As Restated 2018	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	\$ 2,708,356	\$ 2,629,009	\$ 79,347	3.02 %
Capital Assets	2,343,091	2,234,595	108,496	4.86 %
Total Assets	5,051,447	4,863,604	187,843	3.86 %
Deferred Outflows of Resources	46,316	60,692	(14,376)	(23.69)%
Liabilities				
Current and Other Liabilities	71,127	196,563	(125,436)	(63.81)%
Long-Term Liabilities	1,885,000	2,000,000	(115,000)	(5.75)%
Net Pension Liability - Proportionate Share	47,681	17,859	29,822	166.99 %
Total Liabilities	2,003,808	2,214,422	(210,614)	(9.51)%
Deferred Inflows of Resources	19,853	62,617	(42,764)	(68.29)%
Net Position				
Net Investment in Capital Assets	458,091	234,595	223,496	95.27 %
Restricted	104,150	93,574	10,576	
Unrestricted	2,511,861	2,319,088	192,773	8.31 %
Total Net Position	\$ 3,074,102	\$ 2,647,257	\$ 426,845	16.12 %

Current and other assets increased by \$79,347, as compared to the prior year. The increase is primarily related to an increase in cash of \$151,935, offset by decreases in due from state and federal of \$60,606 and accounts receivable of \$15,587.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Capital assets increased by \$108,496, as compared to the prior year. The accompanying Notes to Financial Statements, Note 8 "Capital Assets" provides additional information.

Deferred outflows of resources represents contributions to the pension plan subsequent to the measurement date and actuarial adjustments at the plan level that will be amortized in future years. This amount decreased by \$14,376 from the prior year.

Current and other liabilities decreased by \$125,436, as compared to the prior year. This decrease is primarily contributed to a decrease in accounts payable and accrued liabilities of \$60,872, and collections in advance of \$53,288.

Long-term liabilities decreased by \$115,000, as compared to the prior year. This decrease is the result of the repayment of the current maturity of the bond indebtedness.

Net pension liability - proportionate share increased by \$29,822 in the current year. This liability represents the Village's share of the New York State and Local Employees' Retirement System's collective net pension liability, at the measurement date of the respective year. The accompanying Notes to Financial Statements, Note 11 "Pension Plan - New York State", provides additional information.

Deferred inflows of resources represents actuarial adjustments of the pension plans that will be amortized in future years. This amount decreased by \$42,764 to \$19,853.

The net investment in capital assets is the investment in capital assets at cost such as land; buildings, equipment and infrastructure, net of depreciation and related outstanding debt. This number increased over the prior year by \$223,496.

The restricted amount of \$104,150 is funds reserved for park and conservation projects.

The unrestricted amount of \$2,511,861 is the balance of the Village's net position.

B. Changes in Net Position

The results of operations as a whole are reported in the Statement of Activities in a programmatic format. A summary of this statement for the years ended May 31, 2019 and 2018 is as follows:

	2019	2018	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	\$ 181,929	\$ 94,440	\$ 87,489	92.64 %
Operating Grants	56,128	1,634	54,494	3335.01 %
Capital Grants	100,000	134,779	(34,779)	(25.80)%
General Revenues				
Property Taxes	2,858,431	3,053,133	(194,702)	(6.38)%
State Sources	125,395	127,496	(2,101)	(1.65)%
Other	494,557	486,668	7,889	1.62 %
Total Revenues	<u>3,816,440</u>	<u>3,898,150</u>	<u>(81,710)</u>	<u>(2.10)%</u>
Expenses				
General government	428,196	353,889	74,307	21.00 %
Public safety	2,387,492	2,694,715	(307,223)	(11.40)%
Transportation	408,280	424,139	(15,859)	(3.74)%
Culture and recreation	424	124	300	241.94 %
Home and community	115,961	112,462	3,499	3.11 %
Debt Service - Interest	49,242	15,822	33,420	211.22 %
Total Expenses	<u>3,389,595</u>	<u>3,601,151</u>	<u>(211,556)</u>	<u>(5.87)%</u>
Change in Net Position	<u>\$ 426,845</u>	<u>\$ 296,999</u>	<u>\$ 129,846</u>	<u>43.72 %</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

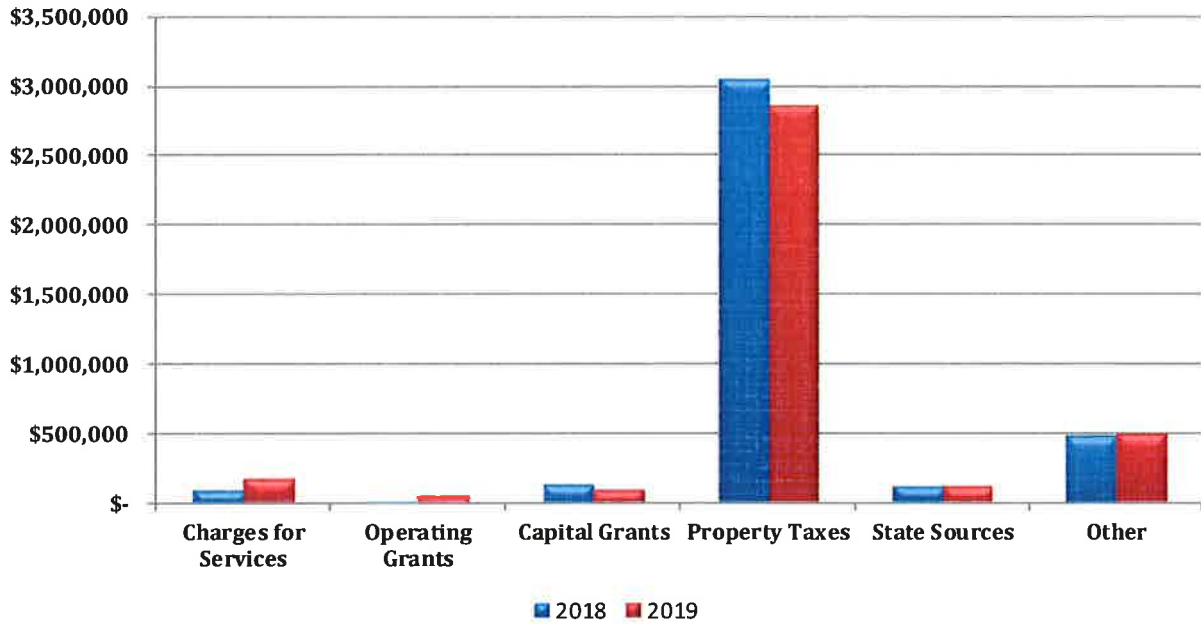
The Village's net position increased by 426,845 and \$296,999 for the years ended May 31, 2019 and 2018, respectively.

The Village's revenues decreased by \$81,710 or 2.10%. Decreases in real property taxes of \$194,702 and capital grants of \$34,779 were offset by increases in charges for services of \$87,489 and operating grants of \$54,494.

Expenses decreased by \$211,556 or 5.87% from the prior year to current year. The decrease in costs associated with public safety of \$307,223 was offset by the increase in general government support. The decrease in public safety was primarily due to a decrease in police protection expenses paid to the Old Brookville Police Department (OBPD) for the current year of nearly \$258,000. This reduction was due to surplus funds received by the OBPD in prior years, enabling them to reduce the amount they charge to other local governments for police services.

As indicated on the graphs that follow, real property taxes is the largest component of revenues recognized (i.e., 74.9% and 78.3% of the total for the years 2019 and 2018, respectively). Public safety is the largest category of expenses incurred (i.e., 70.5% and 74.9% of the total for the years 2019 and 2018, respectively).

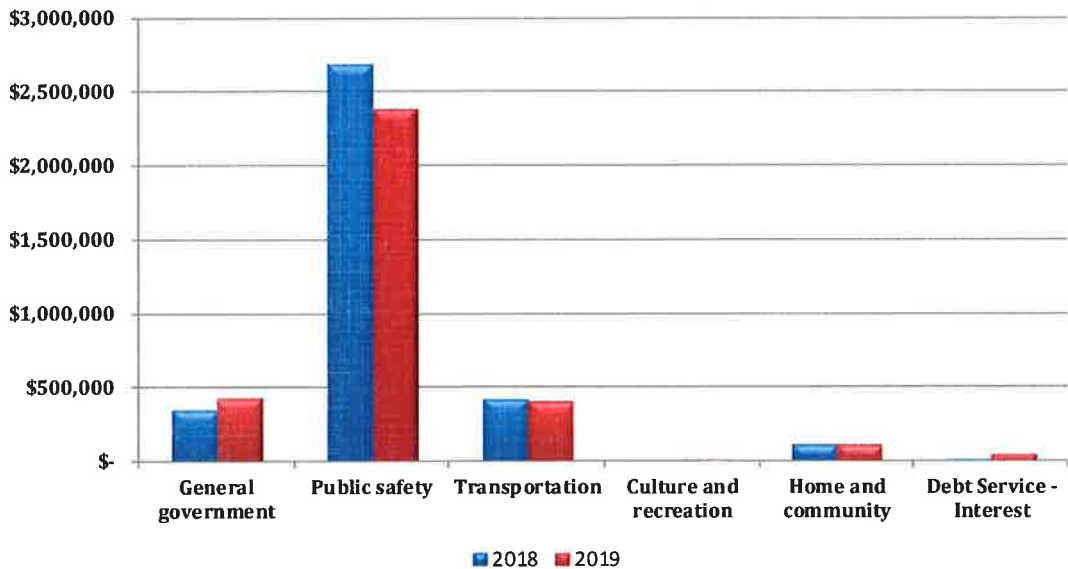
A graphic display of the distribution of revenues for the two years follows:



	Charges for Services	Operating Grants	Capital Grants	Property Taxes	State Sources	Other
2018	2.4%	0.0%	3.5%	78.3%	3.3%	12.5%
2019	4.8%	1.5%	2.6%	74.9%	3.3%	12.9%

INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A graphic display of the distribution of expenses for the two years follows:



	General government	Public safety	Transportation	Culture and recreation	Home and community	Debt Service - Interest
2018	9.8%	74.9%	11.8%	0.0%	3.1%	0.4%
2019	12.6%	70.5%	12.0%	0.0%	3.4%	1.5%

4. FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

At May 31, 2019, the Village's governmental funds reported a combined fund balance of \$2,620,077, which is an increase of \$206,492 over the prior year. This increase is due to an excess of revenues over expenditures based upon the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in fund balance by fund is as follows:

	2019	2018	Increase (Decrease)
General Fund			
Nonspendable: Prepays	\$ 45,142	\$ 41,526	\$ 3,616
Assigned:			
Designated for litigation	200,000	200,000	-
Designated for library	5,000	5,000	-
Appropriated	280,000		280,000
Unappropriated	30,161		30,161
Unassigned: Fund balance	1,202,336	1,474,987	(272,651)
	<u>1,762,639</u>	<u>1,721,513</u>	<u>41,126</u>
Parkland Fund			
Restricted: Parkland	104,150	93,574	10,576
Garbage District Fund			
Assigned: Unappropriated fund balance	4,526	2,260	2,266
Capital Projects Fund			
Assigned: Unappropriated fund balance	748,762	596,238	152,524
Total Fund Balance	<u>\$ 2,620,077</u>	<u>\$ 2,413,585</u>	<u>\$ 206,492</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

A. General Fund

The net change in the general fund – fund balance is an increase of \$41,126. This resulted from revenues in excess of expenditures and other financing uses.

B. Parkland Fund

The net change in the parkland fund – fund balance is an increase of \$10,576. This resulted from revenues in excess of expenditures.

C. Garbage District Fund

The net change in the garbage district fund – fund balance is an increase of \$2,266. This resulted from revenues in excess of expenditures.

D. Capital Projects Fund

The net change in the capital projects fund - fund balance is an increase of \$152,524, due to state sources of \$100,000, miscellaneous revenues of \$15,176, and an operating transfer in from the general fund of \$100,000, offset by expenditures totaling \$62,652

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2018-2019 Budget

The Village's general fund adopted budget for the year ended May 31, 2019 was \$3,456,490. This amount was increased by budget revisions in the amount of \$125,000 for a total final budget of \$3,581,490.

The budget was funded through a combination of estimated revenues and appropriated fund balance. The majority of this funding source was \$2,856,290 in estimated property taxes.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The general fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves, appropriations to fund the subsequent year's budget, encumbrances and amounts classified as nonspendable. The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 1,474,987
Fund Balance Appropriated for Budget Revisions	(125,000)
Revenues Over Budget	130,961
Expenditures and Encumbrances Under Budget	5,004
Net Change in Nonspendable Fund Balance	(3,616)
Appropriated Fund Balance	<u>(280,000)</u>
Closing, Unassigned Fund Balance	<u>\$ 1,202,336</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Opening, Unassigned Fund Balance

The \$1,474,987 shown in the table is the portion of the Village's May 31, 2018 fund balance that was retained as unassigned.

Fund Balance Appropriated for Budget Revision

During the 2018-2019 year, the Village appropriated \$125,000 from unassigned fund balance to cover additional unanticipated costs of \$25,000 and to transfer funds to the capital projects fund of \$100,000.

Revenues Over Budget

The 2018-2019 final budget for revenues was \$3,456,490. Actual revenues recognized for the year were \$3,587,451. The excess of actual revenue over estimated or budgeted revenue was \$130,961, which contributes directly to the change to the general fund unassigned fund balance from May 31, 2018 to May 31, 2019.

Expenditures and Encumbrances Under Budget

The final 2018-2019 budget for expenditures as of May 31, 2019, was \$3,581,490. Actual expenditures as of May 31, 2019 were \$3,546,325 and outstanding encumbrances were \$30,161. Combined, the expenditures plus encumbrances for 2018-2019 were \$3,576,486. The final budget was under expended by \$5,004. This under expenditure contributes directly to the change to the general fund unassigned fund balance from May 31, 2018 to May 31, 2019.

Net Change in Nonspendable Fund Balance

The Village prepaid fire protection insurance premiums, and contractual expenditures of \$43,060, and recorded inventory of \$2,082 at May 31, 2019. The resulting balance sheet assets (prepaids and inventory) cannot be spent because it is not in spendable form, meaning it will not be converted to cash. Accordingly, an equal amount of fund balance is classified as Nonspendable. The increase in nonspendable fund balance reduces unassigned fund balance.

Appropriated Fund Balance

The Village has chosen to use \$280,000 of the available May 31, 2019 unassigned fund balance to partially fund the 2019-2020 approved operating budget. As such, the May 31, 2019 unassigned fund balance must be reduced by this amount.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the table, the unassigned fund balance at May 31, 2019 was \$1,202,336.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

6. CAPITAL ASSETS, DEBT ADMINISTRATION AND OTHER LONG-TERM LIABILITIES

A. Capital Assets

The Village's capital assets, as indicated in the following table, for its governmental activities as of May 31, 2019, amounts to \$2,343,091. A summary of the Village's capital assets at May 31, 2019 and 2018 is as follows:

	2019	2018	Increase (Decrease)
Construction in progress	\$ 21,790	\$	\$ 21,790
Buildings	75,966	19,961	56,005
Equipment	66,110	41,907	24,203
Infrastructure	2,179,225	2,172,727	6,498
Capital assets	<u>\$ 2,343,091</u>	<u>\$ 2,234,595</u>	<u>\$ 108,496</u>

The Village is continuing to make significant capital expenditures resulting from a voter approved \$3,000,000 bond authorization for capital improvements to Village facilities and infrastructure. As of May 31, 2019, the Village has issued \$2,000,000 in bonds and the construction is ongoing.

B. Debt Administration

At May 31, 2019, the Village had total bonds payable of \$1,885,000. The bonds were issued to construct improvements to Friendly Road, Chapel Gate Lane and other Village roads. The decrease in outstanding debt represents principal payments. A summary of the outstanding debt at May 31, 2019 and 2018 is as follows:

Issue Date	Interest Rate	2019	2018	Increase (Decrease)
1/30/2018	2.48%	<u>\$ 1,885,000</u>	<u>\$ 2,000,000</u>	<u>\$ (115,000)</u>

As of May 31, 2019, the Village has yet to issue \$1,000,000 of the \$3,000,000 approved bond authorization.

The Village's outstanding serial bonds at May 31, 2019 are approximately 3.22% of the Village's debt limit.

C. Other Long-Term Liabilities

Included in the Village's long-term liabilities is the net pension liability - proportionate share, which is based on an actuarial valuation.

	2019	2018	Increase (Decrease)
Net pension liability - proportionate share	<u>\$ 47,681</u>	<u>\$ 17,859</u>	<u>\$ 29,822</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The Board of Trustees approved a \$3,816,675 general fund budget for the year ending May 31, 2020. This is a \$360,185 increase over the previous year's budget.

The Village budgeted revenues other than property taxes at a \$97,400 increase over the prior year's estimate, which is principally due to estimated increases in interest earnings and state aid. In addition, the Village assigned, appropriated fund balance applied to the budget in the amount of \$280,000. Property taxes were budgeted at a decrease of \$17,215 (0.60%), levy to levy.

B. Tax Cap

New York State law limits the increase in the property tax levy of Villages to the lesser of 2% or the rate of inflation. There are additional statutory adjustments in the law. Villages may override the tax levy limit by first passing a local law that allows for the tax levy to be exceeded. The override vote requires a 60% vote of the total voting power of the governing board. Based on the law, the Village's tax levy cap for 2019-2020 is 4.2%. The 2019-2020 property tax levy decrease of (0.60%) did not require an override vote.

8. CONTACTING THE VILLAGE

This financial report is designed to provide the reader with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. Requests for additional information can be directed to:

Elliot S. Conway, Mayor
Incorporated Village of Upper Brookville
1395 Planting Fields Road
Oyster Bay, New York 11771

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Statement of Net Position
May 31, 2019

ASSETS	
Cash	
Unrestricted	\$ 2,496,757
Restricted	104,150
Receivables	
Accounts receivable	7,506
Taxes receivable	34,683
Due from state and federal	20,118
Prepays	43,060
Inventory	2,082
Capital assets	<u>2,343,091</u>
Total Assets	<u>5,051,447</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pensions	<u>46,316</u>
 LIABILITIES	
Payables	
Accounts payable	15,841
Accrued liabilities	42,637
Other liabilities	895
Due to employees' retirement system	6,544
Unearned credits: Collections in advance	5,210
Long-term liabilities	
Due and payable within one year	
Bonds payable	115,000
Due and payable after one year	
Bonds payable	1,770,000
Net pension liability - proportionate share	<u>47,681</u>
Total Liabilities	<u>2,003,808</u>
 DEFERRED INFLOWS OF RESOURCES	
Pensions	<u>19,853</u>
 NET POSITION	
Net investment in capital assets	458,091
Restricted	104,150
Unrestricted	<u>2,511,861</u>
Total Net Position	<u>\$ 3,074,102</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE

Statement of Activities

For the Year Ended May 31, 2019

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	Capital Grants	
FUNCTIONS/PROGRAMS					
General government	\$ 428,196	\$ 79,645	\$	\$	\$ (348,551)
Public safety	2,387,492				(2,387,492)
Transportation	408,280			100,000	(308,280)
Culture and recreation	424				(424)
Home and community	115,961	102,284	56,128		42,451
Debt service - interest	49,242				(49,242)
	<u>\$ 3,389,595</u>	<u>\$ 181,929</u>	<u>\$ 56,128</u>	<u>\$ 100,000</u>	<u>(3,051,538)</u>
GENERAL REVENUES					
Real property taxes					2,858,431
Other tax items					16,067
Nonproperty taxes					100,193
Use of money and property					67,487
Licenses and permits					278,143
Miscellaneous					32,667
State aid					<u>125,395</u>
Total General Revenues					<u>3,478,383</u>
Change in Net Position					426,845
Total Net Position - Beginning of Year, as Restated					<u>2,647,257</u>
Total Net Position - End of Year					<u>\$ 3,074,102</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Balance Sheet - Governmental Funds
 May 31, 2019

	General	Parkland	Garbage District	Capital Projects	Total Governmental Funds
ASSETS					
Cash					
Unrestricted	\$ 1,742,575	\$	\$ 3,390	\$ 750,792	\$ 2,496,757
Restricted		104,150			104,150
Receivables					
Accounts receivable	6,370		1,136		7,506
Taxes receivable	34,683				34,683
Due from other funds	2,030				2,030
Due from state and federal	20,118				20,118
Prepays	43,060				43,060
Inventory	2,082				2,082
Total Assets	<u>\$ 1,850,918</u>	<u>\$ 104,150</u>	<u>\$ 4,526</u>	<u>\$ 750,792</u>	<u>\$ 2,710,386</u>
LIABILITIES					
Payables					
Accounts payable	\$ 15,841	\$	\$	\$	\$ 15,841
Accrued liabilities	25,106				25,106
Other liabilities	895				895
Due to other funds				2,030	2,030
Due to employees' retirement system	6,544				6,544
Unearned credits					
Collections in advance	5,210				5,210
Total Liabilities	<u>53,596</u>	<u>-</u>	<u>-</u>	<u>2,030</u>	<u>55,626</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	34,683				34,683
FUND BALANCES					
Nonspendable:					
Prepays	43,060				43,060
Inventory	2,082				2,082
Restricted: Parkland		104,150			104,150
Assigned:					
Appropriated fund balance	280,000				280,000
Designated for litigation	200,000				200,000
Designated for library	5,000				5,000
Unappropriated fund balance	30,161		4,526	748,762	783,449
Unassigned: Fund balance	1,202,336				1,202,336
Total Fund Balances	<u>1,762,639</u>	<u>104,150</u>	<u>4,526</u>	<u>748,762</u>	<u>2,620,077</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,850,918</u>	<u>\$ 104,150</u>	<u>\$ 4,526</u>	<u>\$ 750,792</u>	<u>\$ 2,710,386</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
May 31, 2019

Total Governmental Fund Balances		\$ 2,620,077
Amounts reported for governmental activities in the Statement of Net Position are different because:		
<p>The costs of building and acquiring capital assets (land, buildings, 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, and their original costs are expensed annually over their useful lives.</p>		
Original cost of capital assets		2,343,091
<p>Proportionate share of long-term liability, and deferred outflows and inflows associated with participation in the state retirement system are not current financial resources or obligations and are not reported in the funds.</p>		
Deferred outflows of resources	\$ 46,316	
Net pension liability - employees' retirement system	(47,681)	
Deferred inflows of resources	<u>(19,853)</u>	(21,218)
<p>Some of the Village's revenues will be collected after the year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds, but are not deferred on the Statement of Net Position.</p>		
		34,683
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:</p>		
Accrued interest on bonds payable	(17,531)	
Bonds payable	<u>(1,885,000)</u>	(1,902,531)
Total Net Position		<u>\$ 3,074,102</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended May 31, 2019

	General	Parkland	Garbage District	Capital Projects	Total Governmental Funds
REVENUES					
Real property taxes	\$ 2,858,431	\$	\$	\$	\$ 2,858,431
Real property tax items	16,067				16,067
Non-property taxes	100,193				100,193
Departmental income	6,000	10,000	102,284		118,284
Use of money and property	65,958	1,000	529		67,487
Licenses and permits	278,143				278,143
Fines and forfeited bail	63,645				63,645
Miscellaneous	17,491			15,176	32,667
State aid	181,523			100,000	281,523
Total Revenues	3,587,451	11,000	102,813	115,176	3,816,440
EXPENDITURES					
General government	402,675			56,154	458,829
Public safety	2,392,292				2,392,292
Transportation	348,279			6,498	354,777
Culture and recreation		424			424
Home and community	15,414		100,547		115,961
Employee benefits	125,132				125,132
Debt service					
Principal	115,000				115,000
Interest	47,533				47,533
Total Expenditures	3,446,325	424	100,547	62,652	3,609,948
Excess of Revenues Over Expenditures	141,126	10,576	2,266	52,524	206,492
OTHER FINANCING SOURCES AND (USES)					
Operating transfers in				100,000	100,000
Operating transfers (out)	(100,000)				(100,000)
Total Other Financing Sources and (Uses)	(100,000)	-	-	100,000	-
Net Change in Fund Balances	41,126	10,576	2,266	152,524	206,492
Fund Balances					
- Beginning of Year	1,721,513	93,574	2,260	596,238	2,413,585
End of Year	\$ 1,762,639	\$ 104,150	\$ 4,526	\$ 748,762	\$ 2,620,077

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Year Ended May 31, 2019

Net Change in Fund Balances \$ 206,492

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital Related Differences

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position. 108,496

Long-Term Debt Transactions Differences

Repayment of long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Repayment of bond principal \$ 115,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest increased from May 31, 2018 to May 31, 2019. (1,709)

113,291

Pension Differences

The change in the proportionate share of the collective pension expense of the state retirement plan reported in the Statement of Activities did not affect current financial resources and, therefore, is not reported in the governmental funds.

Employees' retirement system (1,434)

Change in Net Position of Governmental Activities \$ 426,845

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Statement of Fiduciary Net Position -
Fiduciary Funds
May 31, 2019

	<u>Agency</u>
ASSETS	
Cash: Unrestricted	<u>\$ 95,359</u>
LIABILITIES	
Other liabilities	<u>\$ 95,359</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Incorporated Village of Upper Brookville (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the Village are as follows:

A. Reporting Entity

The Village, which was incorporated in 1932, is governed by the Charter of the State of New York, Village law and other general Laws of the State of New York and various local laws and ordinances. The Village is governed by the Mayor and the Board of Trustees, which is the legislative body responsible for the overall operation of the Village (collectively five members). The Mayor serves as chief executive officer and the Treasurer serves as chief fiscal officer of the Village.

The financial reporting entity is based on criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The following basic services are provided: general support, public safety including contracted police and fire protection, sanitation, recreation, water, street maintenance and lighting.

The accompanying financial statements present the activities of the Village. The Village is not a component unit of another reporting entity. The decision to include a potential component unit in the Village's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the Village's reporting entity.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present information about the overall governmental financial activities of the Village, except for fiduciary activities. Eliminations have been made to minimize the double counting of interfund transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants reflect capital-specific grants, if applicable.

The Statement of Net Position presents the financial position of the Village at fiscal year end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Employee benefits are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including real property taxes and state aid, are presented as general revenues.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

The fund financial statements provide information about the Village's funds, including fiduciary funds. Separate statements for each fund type, governmental and fiduciary, are presented. The Village's financial statements present the following fund types:

Governmental Funds - are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The following are the Village's major governmental funds:

General Fund - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Revenue Funds - are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes.

Garbage District Fund - is used to account for garbage collection and disposal services provided by a private carter contracted with the Village. The major source of revenue is departmental income.

Parkland Fund - is used to account for special assessments from subdivisions that are specifically assigned for the improvement and conservation of parklands within the Village.

Capital Projects Fund - the capital projects fund is primarily used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

Fiduciary Funds - are used to account for activities in which the Village acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the Village, and are not available to be used to finance Village operations. The following are the Village's fiduciary fund:

Agency Funds - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets held by the Village represent various guarantee deposits.

C. Measurement Focus and Basis of Accounting

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

The government-wide and fiduciary fund 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 at the time liabilities are incurred, regardless of when the related cash transaction takes place. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is apportioned by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and pension costs. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

D. Real Property Taxes

Real property taxes are levied no later than May 15th and become a lien on June 1st. The Village collects its own taxes. Taxes are collected during the month of June without penalty. A 5% penalty is assessed on taxes paid after July 1, and an additional 1% is assessed each month on taxes paid after July. Unpaid Village taxes are collected through tax lien sales.

E. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net resources are available, the Village's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes to Financial Statements.

F. Interfund Transactions

The operations of the Village include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Village typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the Village must account for in other funds in accordance with budgetary authorizations.

In the Government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables are netted on the accompanying governmental funds balance sheet when it is the Village's practice to settle these amounts at a net balance based upon the right of legal offset.

A detailed disclosure by individual fund for interfund receivables, payables, transfers in and transfers out activity is provided subsequently in these Notes to Financial Statements.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

G. Use 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, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including potential contingent liabilities, and actuarial assumptions and methods underlying pension reporting.

H. Cash and Cash Equivalents/Investments

Cash and cash equivalents consist of cash on hand, bank deposits and investments with a maturity date of three months or less from date of acquisition.

Investments are reported at fair value, based on quoted market prices.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

I. Receivables

Receivables are shown net of an allowance for uncollectibles, if any. However, no allowance for uncollectibles has been provided since it is believed that such allowance would not be material.

J. Inventory and Prepaid Items

Inventory of salt/sand in the general fund is recorded at cost on a first-in, first-out basis. Inventory is accounted for on the consumption method.

Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the Village for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as assets on the Statement of Net Position and Balance Sheet using the consumption method.

Under the consumption method, a current asset for the inventory and/or prepaid item is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance has been classified as nonspendable to indicate that inventory and prepaids do not constitute available spendable resources.

K. Capital Assets

Capital assets are reflected in the government-wide financial statements. Capital assets are reported at actual cost, when the information is available. Donated assets are reported at acquisition value at the date of donation.

Capitalization thresholds, the dollar value above which asset acquisitions are added to the capital asset accounts, is \$1,000 for all assets. No depreciation has been provided on capital assets.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

L. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The Village has two items that qualify for reporting in this category. First is related to pensions and consists of the Village's proportionate share of changes in the collective net pension liability not included in the collective pension expense. The second item is the Village's contributions to the pension system (ERS) subsequent to the measurement date.

M. Collections in Advance

Collections in advance arise when resources are received by the Village before it has a legal claim to them, as when monies are received prior to the incurrence of qualifying expenditures or when charges for services monies are received in advance from payers prior to the services being rendered by the Village. These amounts are recorded as liabilities in the financial statements. The liabilities are removed and revenues are recognized in subsequent periods when the Village has legal claim to the resources.

N. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two items that qualify for reporting in this category. First is unavailable revenues reported in the governmental funds when potential revenues do not meet the availability criterion for recognition in the current period. In subsequent periods, when the availability criterion is met, unavailable revenues are reclassified as revenues. In the government-wide financial statements, unavailable revenues are treated as revenues. The second item is related to pensions reported in the government-wide Statement of Net Position and consists of the Village's proportionate share of changes in the collective net pension liability not included in the collective pension expense.

O. Other Benefits

Eligible Village employees participate in the New York State and Local Employees' Retirement System.

The Village provides health insurance coverage for active employees pursuant to Village policy.

Village employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Vacation must be used in the year earned and cannot be accumulated. Unused vacation days will not be paid at year end. Sick days unused at the end of the year may be carried over into the next year, to a maximum of 30 days. Employees will not be paid for unused sick days upon separation from the Village.

P. Short-Term Debt

The Village may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

No short-term debt was issued during the year ended May 31, 2019.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Q. Equity Classifications

Government-Wide Statements

In the government-wide statements there are three classes of net position:

Net investment in capital assets – Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisitions, construction and improvements of those assets. The Village has not provided for accumulated depreciation.

Restricted – Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – Reports the balance of net position that does not meet the definition of the above two classifications.

Fund Statements

The fund statements report fund balance classifications according to the relative strength of spending constraints placed on the purpose for which resources can be used, as follows:

Nonspendable – Consists of amounts that are inherently nonspendable in the current period either because of their form or because they must be maintained intact. Nonspendable fund balance consists of inventory and prepaids, which are recorded in the general fund.

Restricted – Consists of 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. The Village has established the following restricted fund balances:

Reserve for Parkland

Represents fees received from landowners that have received approval for land subdivision and future development. These fees will be used for future park and conservation projects.

Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the Village's Board of Education. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

Unassigned – Represents the residual classification for the Village's general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending of available resources.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Balance Classification

Any portion of fund balance may be applied or transferred for a specific purpose by law, voter approval if required by law or by formal action of the Board of Trustees if voter approval is not required. Amendments or modification to the applied or transferred fund balance must also be approved by formal action of the Board of Trustees.

The Board of Trustees shall delegate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned) the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either approved budget or Board approved budget revision and then from the assigned fund balance to the extent that there is an appropriation and then from the unassigned fund balance.

2. CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended May 31, 2019, the Village implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, which requires local governments to include Government-wide financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENTS AND THE 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 basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource measurement focus of the Government-wide statements, compared with the current financial resource measurement 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 long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and long-term assets and liabilities.

B. Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into any of four broad categories.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Long-Term Revenue and Expense Differences

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 report on a current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities.

Capital Related Differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because the issuance of long-term debt provides current financial resources to governmental funds, but is recorded as a liability in the Statement of Net Position. In addition, both interest and principal are recorded as expenditures in the fund statements when due and payable, whereas interest expense is recorded in the Statement of Activities as it accrues, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Pension Differences

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the Village's proportionate share of the collective pension expense of the plan.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

The Village's administration submits a tentative budget to the Board of Trustees. The tentative budget includes proposed expenditures and the proposed means of financing for the general fund.

A public hearing is held on the tentative budget by April 15th. After completion of the budget hearing, the Board of Trustees may further change the tentative budget. Such budget, as so revised, shall be adopted by resolution no later than May 1st.

All subsequent modifications of the budget must be approved by the Board of Trustees.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the current year are increased by the amount of the encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves, and can be increased by budget amendments approved by the Board of Trustees as a result of selected new revenue sources not included in the original budget (when permitted by law) and by the appropriation of

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

fund balance. These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. A summary of the general fund budget is as follows:

Approved Budget	\$ 3,456,490
Transfer to capital projects fund funded by fund balance	100,000
Additional appropriations funded by fund balance	<u>25,000</u>
	<u>\$ 3,581,490</u>

Budgets are adopted annually on a basis consistent with GAAP.

Budgets are established and used for individual capital projects based on authorized funding. The maximum project amount authorized is based upon the estimated cost of the project. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as part of assigned fund balance, unless classified as restricted, and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

5. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The Village's investment policies are governed by state statutes and Village policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. 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 and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities. Investments are stated at fair value.

Custodial credit risk is the risk that in the event of a bank failure, the Village may be unable to recover deposits or collateral securities that are in possession of an outside agency. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

- A. Uncollateralized,
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the Village's name.

The Village's aggregate bank balances were covered by FDIC insurance or fully collateralized by securities pledged on the Village's behalf at year end.

The Village did not have any investments at year-end. Consequently, the Village was not exposed to any material interest rate risk or foreign currency risk.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. DUE FROM STATE AND FEDERAL

Due from state and federal at May 31, 2019 consisted of \$20,118 from Nassau County for mortgage tax.

7. PREPAIDS

Prepays at May 31, 2019 consisted of:

General Fund		
Fire protection	\$	32,984
Health insurance		9,013
Contractual expenditures		<u>1,063</u>
	<u>\$</u>	<u>43,060</u>

8. CAPITAL ASSETS

Capital asset balances and activity for the year ended May 31, 2019 were as follows:

	Balance May 31, 2018	Additions	Reductions	Balance May 31, 2019
Construction in progress	\$ -	\$ 21,790	\$ -	\$ 21,790
Buildings	19,961	56,005		75,966
Equipment	41,907	24,203		66,110
Infrastructure	<u>2,172,727</u>	<u>6,498</u>		<u>2,179,225</u>
	<u>\$ 2,234,595</u>	<u>\$ 108,496</u>	<u>\$ -</u>	<u>\$ 2,343,091</u>

The Village has not provided depreciation expense or accumulated depreciation.

9. INTERFUND TRANSACTIONS

Interfund balances and activities at May 31, 2019, are as follows:

	Interfund			
	Receivable	Payable	Transfers In	Transfers Out
General Fund	\$ 2,030	\$ -	\$ -	\$ 100,000
Capital Projects Fund		<u>2,030</u>	<u>100,000</u>	
	<u>\$ 2,030</u>	<u>\$ 2,030</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

The transfer to the capital projects fund was a board approved transfer and was a general fund budget revision.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

10. LONG-TERM LIABILITIES

A. Changes

Long-term liability balances and activity, excluding pension obligations, for the year are summarized below:

	Balance May 31, 2018	Additions	Reductions	Balance May 31, 2019	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 2,000,000	\$ _____	\$ (115,000)	\$ 1,885,000	\$ 115,000

The general fund has typically been used to liquidate long-term liabilities.

B. Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at May 31, 2019
Serial bonds	1/30/2018	1/15/2033	2.48%	\$ 1,885,000

The following is a summary of debt service requirements for bonds payable:

Year Ending May,	Principal	Interest	Total
2020	\$ 115,000	\$ 46,748	\$ 161,748
2021	115,000	43,896	158,896
2022	120,000	41,044	161,044
2023	120,000	38,068	158,068
2024	125,000	35,092	160,092
2025 - 2029	680,000	127,224	807,224
2030 - 2033	610,000	38,440	648,440
Total	\$ 1,885,000	\$ 370,512	\$ 2,255,512

C. Interest Expense

Interest on long-term debt for the year was composed of:

Interest paid	\$ 47,533
Less interest accrued in the prior year	(15,822)
Plus interest accrued in the current year	17,531
Total interest expense on long-term debt	\$ 49,242

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Unissued Debt

On August 12, 2016, the Board adopted a \$3,000,000 bond resolution (\$500,000 to construct improvements to Friendly Road and Chapel Gate Lane and \$2,500,000 to construct improvements to other roads in the Village determined by the Board). The Village has issued \$2,000,000 in bonds for Friendly Road, Chapel Gate Lane, and other roads in the Village; therefore, \$1,000,000 remains authorized and unissued.

11. PENSION PLANS – NEW YORK STATE

A. General Information

The Village participates in the New York State and Local Employees' Retirement System (ERS). This is cost-sharing multiple employer, public employee retirement system. The system provides retirement, disability, withdrawal and death benefits to plan members and beneficiaries related to years of service and final average salary.

B. Provisions and Administration

Obligations of employers and employees to contribute and benefits to employees are governed by the NYSRSSL. The net position of the ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the fund and is the administrative head of the ERS. Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found on the NYS Comptroller's website at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244.

C. Funding Policies

Plan members who joined the system before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976, and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The Village paid 100% of the required contributions as billed by the ERS for the current year. The Village's average contribution rate was 14.7% of covered payroll for the ERS' fiscal year ended March 31, 2019.

The Village's share of the required contributions, based on covered payroll for the Village's year ended May 31, 2019 was \$35,137 for ERS.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At May 31, 2019, the Village reported the following liability for its proportionate share of the net pension liability for the system. The net pension liability was measured as of March 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. 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 system relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS in reports provided to the Village.

Measurement date	March 31, 2019
Village's proportionate share of the net pension liability	\$ (47,681)
Village's portion of the Plan's total net pension liability	0.0006730%
Change in proportion since the prior measurement date	0.0001197

For the year ended May 31, 2019, the Village recognized pension expense of \$36,569 for ERS. At May 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 9,389	\$ 3,201
Changes of assumptions	11,985	
Net difference between projected and actual earnings on pension plan investments		12,238
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	18,398	4,414
Village's contributions subsequent to the measurement date	<u>6,544</u>	
Total	<u>\$ 46,316</u>	<u>\$ 19,853</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending May 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending May 31,</u>	
2020	\$ 13,730
2021	(5,324)
2022	2,194
2023	<u>9,319</u>
	<u>\$ 19,919</u>

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Measurement date	March 31, 2019
Actuarial valuation date	April 1, 2018
Inflation	2.50%
Salary increases	4.20%
Investment rate of return (net of investment expense, including inflation)	7.00%
Cost of living adjustments	1.30%

The actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized below:

	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Measurement date		March 31, 2019
Asset type		
Domestic equity	36.0%	4.55%
International equity	14.0%	6.35%
Real estate	10.0%	5.55%
Private equities	10.0%	7.50%
Alternatives investments	8.0%	3.75-5.68%
Bonds and mortgages	17.0%	1.31%
Cash	1.0%	(0.25)%
Inflation indexed bonds	<u>4.0%</u>	1.25%
	100.0%	

Real rates of return are net of a long-term inflation assumption of 2.5%.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the 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 Asset/(Liability) to the Discount Rate Assumption

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

ERS	1% Decrease (6.00)%	Current Assumption (7.00)%	1% Increase (8.00)%
Village's proportionate share of the net pension asset (liability)	\$ (208,470)	\$ (47,681)	\$ 87,393

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurement date, were as follows:

	<i>(Dollars in Thousands)</i>
Measurement date	March 31, 2019
Employers' total pension liability	\$ (189,803,429)
Plan fiduciary net position	<u>182,718,124</u>
Employers' net pension liability	<u>\$ (7,085,305)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	96.27%

Payables to the Pension Plan

Employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of May 31, 2019, represent the projected employer contribution for the period of April 1, 2019 through May 31, 2019 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of May 31, 2019 amounted to \$6,544 of employer contributions. Employee contributions are remitted monthly.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

12. JOINT ACTIVITY CONTRACT

The Incorporated Village of Old Brookville established a Police Department and agreed to furnish police protection for itself and the Incorporated Villages of Brookville, Cove Neck, Matinecock, Mill Neck, and Upper Brookville. The contract has been renewed to May 31, 2022. The transactions of the Joint Police Activity Fund are excluded from the financial statements of all participating municipalities. Separate financial statements are issued for the joint activity.

Significant provisions of the contract are as follows:

- A. The governing body is the Board of Police Commissioners, which is comprised of six members, one from each participating municipality.
- B. The Board of Police Commissioners shall prepare and submit an annual budget to the Mayors of all participating municipalities by March 1 of each year. Each Village shall incorporate such budget, without change, in its tentative budget for filing, budget hearing and adoption, according to Village law.
- C. The Treasurer of Old Brookville shall maintain separate bank accounts to record activity of the Joint Police Activity Fund.
- D. The costs of operation of the Police Department shall be shared in the ratio of their respective assessed valuations as they appear on the assessment rolls of Nassau County. The Village's share of Police costs amounted to \$1,882,382 for the fiscal year ended May 31, 2019.
- E. Accident liability insurance shall be carried on employees of the Police Department.

13. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. These risks are covered by a commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

14. ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$280,000 has been appropriated to reduce taxes for the year ending May 31, 2020.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

15. CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

For the year ended May 31, 2019, the Village implemented GASB Statement No. 34.

Accounting changes adopted to conform to the provisions of this statement are to be applied retroactively and reported as a restatement of beginning net position. Accordingly, the Village's net position in the Government-wide Statement of Net Position was restated as follows:

Balance beginning of year, as originally stated	\$ 4,648,180
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The following adjustments were necessary to determine the beginning balances at May 31, 2018:

Long-term outstanding obligation items	(2,017,859)
Accrued interest on long-term obligations	(15,822)
Deferred revenue	34,683
GASB 68 NYSERS balances	<u>(1,925)</u>
Balance beginning of year, as restated	<u>\$ 2,647,257</u>

16. COMMITMENTS AND CONTINGENCIES

A. Encumbrances

All encumbrances are classified as assigned fund balance. At May 31, 2019, the Village encumbered the following amounts:

Assigned: Unappropriated Fund Balance:	
General Fund	
General government	<u>\$ 30,161</u>

B. Grants

The Village has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the Village's administration believes disallowances, if any, would be immaterial.

C. Litigation

The Village is involved in lawsuits arising from the normal conduct of its affairs. The Village believes that the outcome of any matters will not have a material effect on these financial statements.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Certiorari Proceedings

From time to time, the Village is involved in certiorari proceedings under which taxpayers seek reduction in the assessed value of property upon which taxes are measured. A reduction in assessed valuation may result in a refund of real property taxes previously paid by the claimant. It is not possible to estimate the amount of refunds, if any, that the Village may be required to make for taxes collected through May 31, 2019, which could affect future operating budgets of the Village.

E. Operating Leases

The Village leases its street maintenance equipment from a company whose principal is a Village employee. Lease expenses for the year were \$84,000. The minimum remaining operating lease payments are as follows:

<u>Year Ending May 31,</u>	<u>Amount</u>
2020	<u>\$ 84,000</u>

17. SUBSEQUENT EVENTS

The Village has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real Property Taxes	\$ 2,856,290	\$ 2,856,290	\$ 2,858,431	\$ 2,141
Other Real Property Tax Items	26,500	26,500	16,067	(10,433)
Non-Property Taxes	87,000	87,000	100,193	13,193
Departmental Income	12,000	12,000	6,000	(6,000)
Use of Money and Property	38,000	38,000	65,958	27,958
Licenses and Permits	250,000	250,000	278,143	28,143
Fines and Forfeited Bail	75,000	75,000	63,645	(11,355)
Miscellaneous	4,200	4,200	17,491	13,291
State Aid	107,500	107,500	181,523	74,023
Total Revenues	3,456,490	3,456,490	3,587,451	\$ 130,961
APPROPRIATED FUND BALANCE				
Prior Years' Surplus		125,000		
Total Revenues and Appropriated Fund Balance	\$ 3,456,490	\$ 3,581,490		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund (Continued)
For the Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
General Government Support					
Municipal Court	\$ 28,490	\$ 21,546	\$ 21,480	\$ -	\$ 66
Legislative Board	1,000	2,131	2,131	-	-
Auditor	10,000	10,000	10,000	-	-
Clerk	217,500	285,038	254,877	30,161	-
Assessment	400	400	131	-	269
Attorney	92,500	52,281	50,536	-	1,745
Engineer	5,000	960	960	-	-
Elections	2,000	942	942	-	-
Buildings	7,000	17,494	17,480	-	14
Unallocated insurance	19,200	19,200	18,797	-	403
Municipal association dues	4,000	4,000	3,507	-	493
Judgements and claims	30,000	21,834	21,834	-	-
Total General Government Support	<u>417,090</u>	<u>435,826</u>	<u>402,675</u>	<u>30,161</u>	<u>2,990</u>
Public Safety					
Police	1,882,382	1,882,382	1,882,382	-	-
Traffic Control	5,000	5,000	4,800	-	200
Fire Protection	412,800	407,789	407,347	-	442
Safety Inspection	88,700	98,027	97,763	-	264
Total Public Safety	<u>2,388,882</u>	<u>2,393,198</u>	<u>2,392,292</u>	<u>-</u>	<u>906</u>
Transportation					
Street Maintenance	318,735	339,440	338,754	-	686
Snow Removal	18,000	5,645	5,644	-	1
Street Lighting	4,000	4,000	3,881	-	119
Total Transportation	<u>340,735</u>	<u>349,085</u>	<u>348,279</u>	<u>-</u>	<u>806</u>
Culture & Recreation					
Celebrations	4,500	184	-	-	184
Home & Community					
Zoning Board of Appeals	5,500	10,386	10,386	-	-
Planning Board	1,000	1,282	1,282	-	-
Refuse & Garbage Removal	1,000	-	-	-	-
Flood	10,000	3,746	3,746	-	-
Total Home & Community	<u>17,500</u>	<u>15,414</u>	<u>15,414</u>	<u>-</u>	<u>-</u>
Employee Benefits					
State Retirement	35,000	35,137	35,137	-	-
Social Security & Medicare	23,000	25,061	25,061	-	-
Workers' Compensation	14,500	12,196	12,196	-	-
Unemployment Insurance	2,500	920	920	-	-
Disability Insurance	250	88	-	-	88
Hospital & Medical Insurance	50,000	51,848	51,818	-	30
Total Employee Benefits	<u>125,250</u>	<u>125,250</u>	<u>125,132</u>	<u>-</u>	<u>118</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund (Continued)
For the Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Actual & Encumbrances
EXPENDITURES					
Debt Service					
Principal	\$ 115,000	\$ 115,000	\$ 115,000	\$ -	\$ -
Interest	47,533	47,533	47,533	-	-
Total Debt Service	<u>162,533</u>	<u>162,533</u>	<u>162,533</u>	<u>-</u>	<u>-</u>
Total Expenditures	3,456,490	3,481,490	3,446,325	30,161	5,004
OTHER USES					
Operating Transfers Out	-	100,000	100,000	-	-
Total Expenditures and Other Uses	<u>\$ 3,456,490</u>	<u>\$ 3,581,490</u>	<u>3,546,325</u>	<u>\$ 30,161</u>	<u>\$ 5,004</u>
Net Change in Fund Balance			41,126		
Fund Balance - Beginning of Year			<u>1,721,513</u>		
Fund Balance - End of Year			<u>\$ 1,762,639</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Schedule of the Village's Proportionate Share of the Net Pension Liability
 Last Fiscal Year

Employees' Retirement System

	2019
Village's proportion of the net pension liability	0.0006730%
Village's proportionate share of the net pension liability	\$ 47,681
Village's covered payroll	\$ 238,541
Village's proportionate share of the net pension liability as a percentage of its covered payroll	19.99 %
Plan fiduciary net position as a percentage of the total pension liability	96.27%

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Schedule of Village Pension Contributions
 Last Fiscal Year

Employees' Retirement System

	2019
Contractually required contribution	\$ 35,137
Contributions in relation to the contractually required contribution	35,137
Contribution deficiency (excess)	\$ -
Village's covered payroll	\$ 238,541
Contributions as a percentage of covered payroll	15%

An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

