



FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORT
May 31, 2022

INCORPORATED VILLAGE OF UPPER BROOKVILLE
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Incorporated Village of Upper Brookville
Glen Head, New York

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Incorporated Village of Upper Brookville (Village), as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Incorporated Village of Upper Brookville, as of May 31, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, 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 asset/(liability), and schedule of Village pension contributions on pages 3 through 13 and 38 through 42, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 22, 2022

**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, 2022 in comparison with the year ended May 31, 2021, with emphasis on the current year. This should be read in conjunction with the financial statements and notes to financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

- The Village's total net position, as reflected in the government-wide financial statements is \$5,850,961, an increase of \$930,165 over the prior year due to an excess of revenues over expenses using 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 \$2,715,748. Of this amount, \$148,470 was offset by program charges for services. General revenues of \$3,497,443 amount to 95.9% 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 \$906,579 to \$2,564,458. This was largely due to an excess of revenues over expenditures using 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 \$1,009,173. This represents an increase of 68.65% from the prior year.
- The Village's 2022 property tax levy of \$2,634,782 was a 5.08% decrease compared to the 2021 tax levy and was less than the property tax cap.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (MD&A), the financial statements, and required supplementary information. The financial statements consist of government-wide financial statements, fund financial statements, and notes to 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. To assess the overall health of the Village, one needs to consider additional nonfinancial factors such as changes in the Village's property tax base and the condition of the Village's infrastructure, equipment, buildings, and other capital assets.

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.

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 when they become measurable and available. It recognizes expenditures in the period when 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.

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

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.

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.

3. FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

A. Net Position

The Village's total net position increased by \$930,165 between fiscal year 2022 and 2021. The increase is due to revenues over expenses using the economic resources measurement focus and the accrual basis of accounting. A summary of the Village's Statements of Net Position follows:

	2022	2021	Increase (Decrease)	Percentage Change
Assets				
Current and Other Assets	\$ 3,538,032	\$ 2,528,024	\$ 1,010,008	39.95 %
Capital Assets	4,268,157	4,421,962	(153,805)	(3.48)%
Net Pension Asset - Proportionate Share	44,078	-	44,078	N/A
Total Assets	7,850,267	6,949,986	900,281	12.95 %
Deferred Outflows of Resources	115,443	181,513	(66,070)	(36.40)%
Liabilities				
Current and Other Liabilities	406,870	326,766	80,104	24.51 %
Long-Term Liabilities	1,535,000	1,655,000	(120,000)	(7.25)%
Net Pension Liability - Proportionate Share	-	750	(750)	(100.00)%
Total Liabilities	1,941,870	1,982,516	(40,646)	(2.05)%
Deferred Inflows of Resources	172,879	228,187	(55,308)	(24.24)%

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

Net Position	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Net Investment in Capital Assets	\$ 2,733,157	\$ 2,788,748	\$ (55,591)	(1.99)%
Restricted	104,587	104,315	272	0.26 %
Unrestricted	<u>3,013,217</u>	<u>2,027,733</u>	<u>985,484</u>	48.60 %
Total Net Position	<u>\$ 5,850,961</u>	<u>\$ 4,920,796</u>	<u>\$ 930,165</u>	18.90 %

The increase in current and other assets mostly relates to an increase in cash.

The decrease in capital assets is due to depreciation expense in excess of capital asset additions. The accompanying Notes to Financial Statements, Note 8 "Capital Assets" provides additional information.

Net Pension asset – proportionate share represents the Village's share of the New York State and Local Employees' Retirement System's collective net pension asset, at the measurement date. In the current year, the Village's proportionate share shifted from a liability to an asset. The accompanying Notes to Financial Statements, Note 11 "Pension Plan – New York State," provides additional information.

Deferred outflows of resources represents contributions to the pension plan subsequent to the measurement date and actuarial adjustments of the pension plan that will be amortized in future years.

The increase in current and other liabilities is primarily attributed to unspent American Rescue Plan Act funding.

The decrease in long-term liabilities is the result of the repayment of the current maturity of the bond indebtedness.

Net pension liability – proportionate share represents the Village's share of the New York State and Local Employees' Retirement System's collective net pension liability, at the measurement date. The decrease is due to the shift from net pension liability in the prior year, to net pension asset in the current 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 plan that will be amortized in future years.

The net investment in capital assets is the investment in capital assets at cost, net of accumulated depreciation and related outstanding debt.

The restricted amount is funds reserved for park and conservation projects.

The unrestricted amount relates to the balance of the Village's net position. This balance does not include the District's reserves, which are classified as restricted.

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

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, 2022 and 2021 is as follows:

	2022	2021	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	\$ 148,470	\$ 145,236	\$ 3,234	2.23 %
General Revenues				
Property Taxes	2,637,238	2,774,359	(137,121)	(4.94)%
State and Federal Sources	318,594	202,680	115,914	57.19 %
Other	541,611	487,963	53,648	10.99 %
Total Revenues	<u>3,645,913</u>	<u>3,610,238</u>	<u>35,675</u>	0.99 %
Expenses				
General government	526,609	538,840	(12,231)	(2.27)%
Public safety	1,441,488	2,455,816	(1,014,328)	(41.30)%
Transportation	534,771	566,246	(31,475)	(5.56)%
Culture and recreation	46	939	(893)	(95.10)%
Home and community	172,906	157,434	15,472	9.83 %
Debt Service - Interest	39,928	43,025	(3,097)	(7.20)%
Total Expenses	<u>2,715,748</u>	<u>3,762,300</u>	<u>(1,046,552)</u>	(27.82)%
Change in Net Position	<u>\$ 930,165</u>	<u>\$ (152,062)</u>	<u>\$ 1,082,227</u>	(711.70)%

The Village's net position increased by \$930,165 and decreased by \$152,062 for the years ended May 31, 2022 and 2021, respectively.

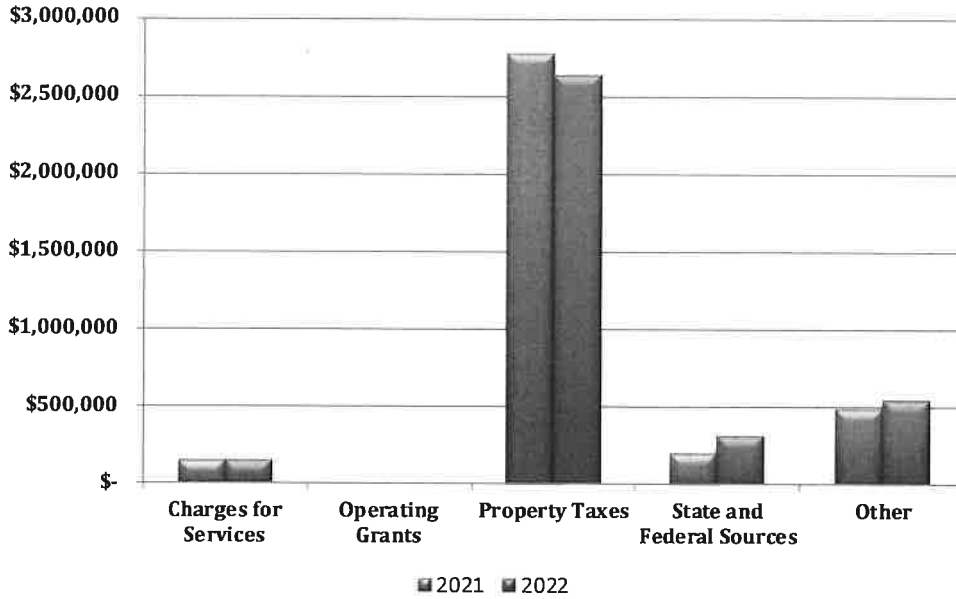
The Village's revenues increased by \$35,675 or 0.99%. The major factors that contributed to the increase were grants from the Federal Emergency Management Agency for personal protective equipment in response to the Coronavirus pandemic and repairs from Tropical Storm Isaias.

Expenses decreased by \$1,046,552 or 27.82%. The decrease in expenses is primarily due to a decrease in public safety expense. There was a reduction of police protection expenses paid to the OBPD resulting from a surplus of funds received by the OBPD, which enabled OBPD to reduce the amount charged 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., 72.3% and 76.8% of the total for the years 2022 and 2021, respectively). Public safety is the largest category of expenses incurred (i.e., 53.0% and 65.3% of the total for the years 2022 and 2021, respectively).

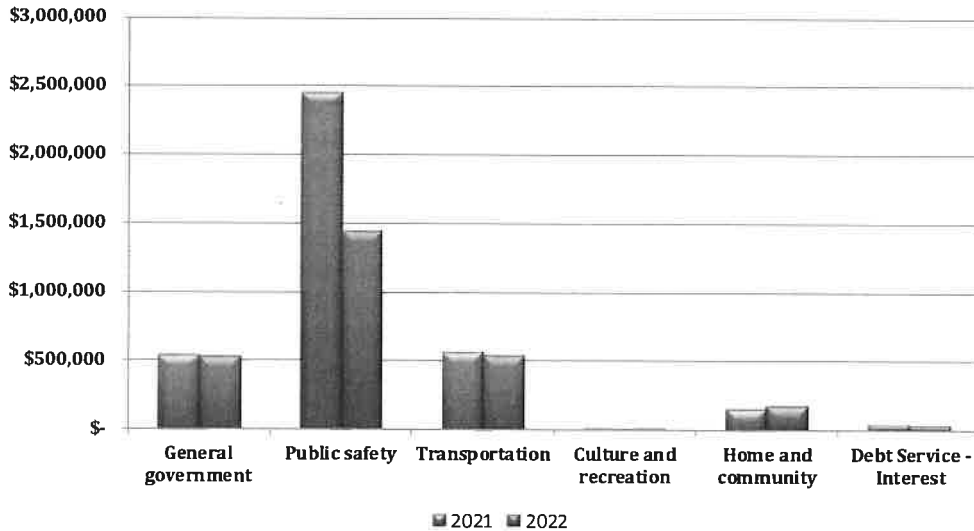
**INCORPORATED VILLAGE OF UPPER BROOKVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

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



	Charges for Services	Operating Grants	Property Taxes	State and Federal Sources	Other
2021	4.0%	0.0%	76.8%	5.6%	13.6%
2022	4.1%	0.0%	72.3%	8.7%	14.9%

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
2021	14.3%	65.3%	15.1%	0.0%	4.2%	1.1%
2022	19.4%	53.0%	19.7%	0.0%	6.4%	1.5%

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

4. FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

At May 31, 2022, the Village's governmental funds reported a combined fund balance of \$3,091,914, which is an increase of \$924,091 over the prior year. This increase is due to an excess of revenues over expenditures using the current financial resources measurement focus and the modified accrual basis of accounting. A summary of the change in the components of fund balance by fund is as follows:

	2022	2021	Increase (Decrease)	Percentage Change
General Fund				
Nonspendable: Prepaids	\$ 50,285	\$ 54,505	\$ (4,220)	(7.74)%
Assigned:				
Designated for litigation	200,000	200,000	-	0.00 %
Designated for Library		5,000	(5,000)	(100.00)%
Designated for Village Hall	505,000		505,000	N/A
Designated for Mill River Road	600,000	600,000	-	0.00 %
Designated for Planting Fields Road	200,000	200,000	-	0.00 %
Unassigned: Fund balance	1,009,173	598,374	410,799	68.65 %
	<u>2,564,458</u>	<u>1,657,879</u>	<u>906,579</u>	54.68 %
Parkland Fund				
Restricted: Parkland	104,587	104,315	272	0.26 %
Garbage District Fund				
Assigned: Unappropriated fund balance	6,856	6,447	409	6.34 %
Capital Projects Fund				
Restricted: Unspent bond proceeds	-	21,786	(21,786)	(100.00)%
Assigned: Unappropriated fund balance	416,013	377,396	38,617	10.23 %
	<u>416,013</u>	<u>399,182</u>	<u>16,831</u>	4.22 %
Total Fund Balance	<u>\$ 3,091,914</u>	<u>\$ 2,167,823</u>	<u>\$ 924,091</u>	42.63 %

A. General Fund

The net change in the general fund – fund balance is an increase of \$906,579, compared to a decrease of \$1,493,220 in 2021. This resulted from revenues in excess of expenditures and other financing uses.

The Village's revenues decreased by \$8,452 or 0.24%, as compared to the prior year. This decrease is primarily attributable to decreases in real property taxes and refund of prior year expenditures, offset by increases in licenses and permits, and state aid.

Expenditures and other financing uses decreased by \$2,408,251, as compared to the prior year. This decrease is primarily attributable to decreases in operating transfers out and public safety. There was a reduction of police protection expenditures paid to the OBPD resulting from a surplus of funds received by the OBPD, which enabled OBPD to reduce the amount charged to other local governments for police services.

B. Parkland Fund

The net change in the parkland fund - fund balance is an increase of \$272, due to interest earned in excess of expenditures incurred during the year.

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

C. Garbage District Fund

The net change in the garbage fund - fund balance is an increase of \$409, due to departmental income and interest revenues in excess of garbage expenditures.

D. Capital Projects Fund

The net change in the capital projects fund - fund balance is an increase of \$16,831, due to revenues in excess of expenditures incurred during the year on capital projects.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2021-2022 Budget

The Village's general fund adopted budget for the year ended May 31, 2022 was \$3,156,506.

The final budget was funded through estimated revenues. The majority of this funding source was \$2,634,782 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 current and prior years' excess revenues over expenditures, net of transfers to reserves, appropriations to fund the subsequent year's budget, 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	\$	598,374
Fund Balance Appropriated for Budget Revision		(500,000)
Revenues Over Budget		337,164
Expenditures Under Budget		569,415
Net Change in Nonspendable Fund Balance		4,220
Closing, Unassigned Fund Balance	\$	1,009,173

Opening, Unassigned Fund Balance

The \$598,374 shown in the table is the portion of the Village's May 31, 2021 fund balance that was retained as unassigned.

Fund Balance Appropriated for Budget Revision

The District increased appropriations by \$500,000, which was funded by unassigned fund balance. The increase was needed to fund Village Hall. This decreases the unassigned portion of the general fund fund balance.

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

Revenues Over Budget

The 2021-2022 final budget for revenues was \$3,156,506. Actual revenues recognized for the year were \$3,493,670. The excess of actual revenue over estimated or budgeted revenue was \$337,164, which contributes directly to the change to the general fund unassigned fund balance from May 31, 2021 to May 31, 2022. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Expenditures Under Budget

The final 2021-2022 final budget for expenditures as of May 31, 2022, was \$3,156,506. Actual expenditures as of May 31, 2022 was \$2,587,091. The final budget variance was \$569,415, which contributes directly to the change to the general fund unassigned fund balance from May 31, 2021 to May 31, 2022. The accompanying Required Supplementary Information, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, provides additional information.

Net Change in Nonspendable Fund Balance

The Village prepaid fire protection and various insurance premiums at May 31, 2022. The resulting balance sheet assets (prepaids) 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 decrease in nonspendable fund balance increases unassigned fund balance.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the table, the unassigned fund balance at May 31, 2022 was \$1,009,173.

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

A. Capital Assets

At May 31, 2022, the Village had invested in a broad range of capital assets, as indicated in the table below. The net decrease in capital assets is due to depreciation expense of \$217,020 in excess of capital additions of \$63,215 recorded for the year ended May 31, 2022. A summary of the Village's capital assets, net of accumulated depreciation at May 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Land	\$ 399,800	\$ 399,800	\$ -
Construction in progress	23,820	-	23,820
Buildings	1,551,578	1,572,744	(21,166)
Improvements	27,157	13,916	13,241
Equipment	41,138	32,730	8,408
Infrastructure	<u>2,224,664</u>	<u>2,402,772</u>	<u>(178,108)</u>
Capital assets, net	<u>\$ 4,268,157</u>	<u>\$ 4,421,962</u>	<u>\$ (153,805)</u>

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

B. Debt Administration

At May 31, 2022, the Village had total bonds payable of \$1,535,000. 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, 2022 and 2021 is as follows:

Issue Date	Interest Rate	2022	2021	Increase (Decrease)
1/30/2018	2.48%	\$ 1,535,000	\$ 1,655,000	\$ (120,000)

As of May 31, 2022, the Village has yet to issue \$1,000,000 of the \$3,000,000 approved bond authorization.

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. In the current year, the District's proportionate shares shifted from a liability to an asset.

	2022	2021	Increase (Decrease)
Net pension liability - proportionate share	\$	\$ 750	\$ (750)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A. Subsequent Year's Budget

The Board of Trustees approved a \$3,176,054 general fund budget for the year ending May 31, 2023. This is a \$19,548 increase compared to the previous year's budget.

The Village budgeted revenues other than property taxes at an increase of \$72,249 compared to the prior year's estimate, which is principally due to estimated increases in state aid and licenses and permits. Property taxes were budgeted at a decrease of \$52,701 (2.00%), levy to levy.

B. Future Budgets

Dwindling support of initiatives established during the pandemic, the continued need for additional resources, and increases in fuel costs, and charges of goods and services may impact the Village's future budgets but such increases are expected to be immaterial.

C. 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 2022-2023 is 5.15%. The 2022-2023 property tax levy decrease of 2.00% was less than the tax cap and did not require

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

an override vote. In fact, the Village has lowered the property tax levy in each of the past six years and anticipates doing so in next year's budget as well.

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
24 Wolver Hollow Road
Glen Head, New York 11545

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Statement of Net Position
May 31, 2022

ASSETS

Cash	
Unrestricted	\$ 3,184,928
Restricted	104,587
Receivables	
Accounts receivable	16,548
Taxes receivable	53,523
Due from state and federal	121,563
Due from other governments	3,168
Other assets	3,430
Prepays	50,285
Capital assets not being depreciated	423,620
Capital assets being depreciated, net of accumulated depreciation	3,844,537
Net pension asset - proportionate share	<u>44,078</u>
Total Assets	<u>7,850,267</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	<u>115,443</u>
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LIABILITIES

Payables	
Accounts payable	28,434
Accrued liabilities	50,643
Guaranty and bid deposits	93,174
Due to employees' retirement system	5,436
Unearned credits: Collections in advance	229,183
Long-term liabilities	
Due and payable within one year	
Bonds payable	120,000
Due and payable after one year	
Bonds payable	<u>1,415,000</u>
Total Liabilities	<u>1,941,870</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	<u>172,879</u>
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NET POSITION

Net investment in capital assets	2,733,157
Restricted	104,587
Unrestricted	<u>3,013,217</u>
Total Net Position	<u>\$ 5,850,961</u>

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Statement of Activities
For the Year Ended May 31, 2022

	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS			
General government	\$ 526,609	\$ 19,543	\$ (507,066)
Public safety	1,441,488		(1,441,488)
Transportation	534,771		(534,771)
Culture and recreation	46		(46)
Home and community	172,906	128,927	(43,979)
Debt service - interest	39,928		(39,928)
	\$ 2,715,748	\$ 148,470	(2,567,278)
GENERAL REVENUES			
Real property taxes			2,637,238
Other tax items			11,104
Non-property taxes			99,131
Use of money and property			10,872
Licenses and permits			380,442
Miscellaneous			40,062
State and federal aid			318,594
Total General Revenues			3,497,443
Change in Net Position			930,165
Total Net Position - Beginning of Year			4,920,796
Total Net Position - End of Year			\$ 5,850,961

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Balance Sheet - Governmental Funds
 May 31, 2022

	General	Parkland	Garbage District	Capital Projects	Total Governmental Funds
ASSETS					
Cash					
Unrestricted	\$ 2,655,226	\$	\$ 131,542	\$ 398,160	\$ 3,184,928
Restricted		104,587			104,587
Receivables					
Accounts receivable	16,548				16,548
Taxes receivable	53,523				53,523
Due from other funds	182				182
Due from state and federal	103,528			18,035	121,563
Due from other governments	3,168				3,168
Other assets	3,430				3,430
Prepays	50,285				50,285
Total Assets	\$ 2,885,890	\$ 104,587	\$ 131,542	\$ 416,195	\$ 3,538,214
LIABILITIES					
Payables					
Accounts payable	\$ 28,434	\$	\$	\$	\$ 28,434
Accrued liabilities	36,367				36,367
Guaranty and bid deposits	93,174				93,174
Due to other funds				182	182
Due to employees' retirement system	5,436				5,436
Unearned credits					
Collections in advance	104,497		124,686		229,183
Total Liabilities	267,908	-	124,686	182	392,776
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	53,524				53,524
FUND BALANCES					
Nonspendable: Prepays	50,285				50,285
Restricted: Parkland		104,587			104,587
Assigned:					
Designated for litigation	200,000				200,000
Designated for Village Hall	505,000				505,000
Designated for Mill River Road	600,000				600,000
Designated for Planting Fields Road	200,000				200,000
Unappropriated fund balance			6,856	416,013	422,869
Unassigned: Fund balance	1,009,173				1,009,173
Total Fund Balances	2,564,458	104,587	6,856	416,013	3,091,914
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,885,890	\$ 104,587	\$ 131,542	\$ 416,195	\$ 3,538,214

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
May 31, 2022

Total Governmental Fund Balances \$ 3,091,914

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

The costs of building and acquiring capital assets 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.

Original cost of capital assets	\$ 5,886,276	
Less: Accumulated depreciation	<u>(1,618,119)</u>	
		4,268,157

Proportionate share of long-term assets, as well as, deferred outflows and inflows associated with participation in the state retirement system are not current financial resources or assets and are not reported in the funds.

Net pension asset - employees' retirement system	44,078	
Deferred outflows of resources	115,443	
Deferred inflows of resources	<u>(172,879)</u>	
		(13,358)

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. 53,524

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:

Accrued interest on bonds payable	(14,276)	
Bonds payable	<u>(1,535,000)</u>	
		<u>(1,549,276)</u>

Total Net Position \$ 5,850,961

INCORPORATED VILLAGE OF UPPER BROOKVILLE
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended May 31, 2022

	General	Parkland	Garbage District	Capital Projects	Total Governmental Funds
REVENUES					
Real property taxes	\$ 2,632,541	\$	\$	\$	\$ 2,632,541
Real property tax items	11,104				11,104
Non-property taxes	99,131				99,131
Departmental income	7,000		128,927		135,927
Use of money and property	10,288	318	266		10,872
Licenses and permits	380,442				380,442
Fines and forfeited bail	12,543				12,543
Miscellaneous	22,027			18,035	40,062
State and federal aid	318,594				318,594
Total Revenues	3,493,670	318	129,193	18,035	3,641,216
EXPENDITURES					
General government	540,871				540,871
Public safety	1,406,322				1,406,322
Transportation	319,174			1,204	320,378
Culture and recreation		46			46
Home and community	42,943		128,784		171,727
Employee benefits	116,737				116,737
Debt service					
Principal	120,000				120,000
Interest	41,044				41,044
Total Expenditures	2,587,091	46	128,784	1,204	2,717,125
Net Change in Fund Balances	906,579	272	409	16,831	924,091
Fund Balances					
Beginning of Year	1,657,879	104,315	6,447	399,182	2,167,823
End of Year	<u>\$ 2,564,458</u>	<u>\$ 104,587</u>	<u>\$ 6,856</u>	<u>\$ 416,013</u>	<u>\$ 3,091,914</u>

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, 2022

Net Change in Fund Balances		\$ 924,091
Amounts reported for governmental activities in the Statement of Activities are different because:		
<u>Long-Term Revenue and Expense Differences</u>		
In the Statement of Activities, certain operating revenues are measured by the amounts earned during the year. In the governmental funds, however, revenues for these items are measured by the amount of financial resources provided (essentially, the amounts actually received).		4,697
<u>Capital Related Differences</u>		
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 and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation expense exceeded capital outlays and other additions in the period.		
Capital outlays and other additions	\$ 63,215	
Depreciation expense	<u>(217,020)</u>	(153,805)
<u>Long-Term Debt Transactions Differences</u>		
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	120,000	
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 decreased from May 31, 2021 to May 31, 2022.	<u>1,116</u>	121,116
<u>Pension Differences</u>		
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		<u>34,066</u>
Change in Net Position of Governmental Activities		<u>\$ 930,165</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, 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. 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. Separate statements for each fund type 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.

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.

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 collections from residents to pay for the services provided by the private carter.

Capital Projects Fund - is used to account for the financial resources used for acquisition, construction, renovation or major repair of capital facilities and other capital assets.

C. Measurement Focus and Basis of Accounting

Measurement focus describes what type of information is reported, and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the Village would not expect to liquidate currently with expendable available financial resources would not be reported.

Basis of accounting describes when changes are recognized, and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

The government-wide 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. Nonexchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, state aid, grants and donations. On an accrual basis,

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

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.

The governmental fund financial 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. Payments in Lieu of Taxes (PILOT)

The Village's PILOT revenues also include payments from the Long Island Power Authority (LIPA) remitted by Nassau County. Beginning in the 2015-16 fiscal year, the Nassau County Legislature removed properties owned by LIPA from the assessment and tax rolls and, instead, allowed LIPA to make payments in lieu of taxes in response to the New York State Public Authorities Law §1020-q (the "LIPA Reform Act") enacted by the state in 2013. These LIPA PILOT payments are not the result of tax abatement agreements as defined by GASB Statement No. 77, *Tax Abatement Disclosures*, under which an entity receiving a reduction in tax revenues promises to take specific action that contributes to economic development or otherwise benefits the governments or residents of the governments. The Village received \$4,519 in LIPA PILOT revenue during the 2021-2022 fiscal year.

F. 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.

G. 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, eliminations have been made for all interfund receivables and payables between the funds.

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

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 and payables activity is provided subsequently in these Notes to Financial Statements.

H. 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 revenue availability, pension costs, potential contingent liabilities, and useful lives of capital assets.

I. 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.

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

J. 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.

K. Prepaid Items

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 prepaid item is recorded at the time of purchase and an 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 prepaids do not constitute available spendable resources.

L. Capital Assets

Capital assets are reflected in the government-wide financial statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the date of donation.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds, the dollar value above which asset acquisitions are added to the capital asset accounts, and estimated useful lives of capital assets as reported in the government-wide statements are as follows:

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

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	50 years
Improvements	5,000	5-50 years
Vehicles Equipment	5,000	5-15 years
Infrastructure - Bridges	5,000	20-50 years
Infrastructure - Roads	5,000	20-50 years
Infrastructure - Water & Sewer	5,000	50-100 years

M. 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 balance 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, and the Village's contributions to the pension system (ERS) subsequent to the measurement date.

N. 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.

O. 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; seven years if originally issued during calendar year 2015 through and including 2021. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter.

No short-term debt was issued during the year ended May 31, 2022.

P. Employee Benefits

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

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

Village employees may choose to participate in the Village's elective deferred compensation plan established under Internal Revenue Code §457.

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

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.

Q. 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/expense credit) 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.

R. 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.

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 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:

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

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 may also include an amount appropriated to partially fund the subsequent year’s budget, as well as special designations.

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.

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. FUTURE ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) Statements are issued to set generally accepted accounting principles (GAAP) for state and local governments. The following is not an all-inclusive list of GASB standards issued, but statements that the Village feels may have a future impact on these financial statements. The Village will evaluate the impact of these pronouncements and implement them, as applicable, if material.

Effective for the Year Ending	Statement
May 31, 2023	GASB No. 87 - <i>Leases</i>

GASB Statement No. 87 will change the reporting of leases in the government-wide financial statements. A lessee will be required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of financial resources.

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

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENT-WIDE STATEMENTS AND THE GOVERNMENTAL FUND STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the government-wide statements and the governmental fund statements, certain financial transactions are treated differently. The financial statements contain a full reconciliation of these items.

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 deferred outflows of resources, and long-term assets and liabilities, and deferred inflows of resources.

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.

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.

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

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 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. No supplemental appropriations occurred during the year.

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.

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

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.

6. DUE FROM STATE AND FEDERAL

Due from state and federal at May 31, 2022 consisted of:

General Fund	
Nassau County mortgage tax	\$ 43,600
Nassau County sales tax	<u>59,928</u>
	<u>\$ 103,528</u>

Village management expects these amounts to be fully collectible.

7. PREPAIDS

Prepays at May 31, 2022 consisted of:

General Fund	
Fire protection	\$ 33,020
Health insurance	9,513
Workers' compensation	6,607
NYCOM dues	1,082
Telephone	<u>63</u>
	<u>\$ 50,285</u>

8. INTERFUND TRANSACTIONS

Interfund balances and activities at May 31, 2022 are as follows:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 182	\$
Capital Projects Fund	<u></u>	<u>182</u>
	<u>\$ 182</u>	<u>\$ 182</u>

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

9. CAPITAL ASSETS

Capital asset balances and activity for the year ended May 31, 2022 were as follows:

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 399,800	\$	\$	\$ 399,800
Construction in progress	-	23,820		23,820
Total capital assets not being depreciated	<u>399,800</u>	<u>23,820</u>	<u>-</u>	<u>423,620</u>
Capital assets being depreciated:				
Buildings	1,753,621	14,000		1,767,621
Improvements	16,355	14,420		30,775
Equipment	38,453	10,975		49,428
Infrastructure	3,614,832			3,614,832
Total capital assets being depreciated	<u>5,423,261</u>	<u>39,395</u>	<u>-</u>	<u>5,462,656</u>
Less accumulated depreciation for:				
Buildings	180,877	35,166		216,043
Improvements	2,439	1,179		3,618
Equipment	5,723	2,567		8,290
Infrastructure	1,212,060	178,108		1,390,168
Total accumulated depreciation	<u>1,401,099</u>	<u>217,020</u>	<u>-</u>	<u>1,618,119</u>
Total capital assets being depreciated, net	<u>4,022,162</u>	<u>(153,805)</u>		<u>3,844,537</u>
Capital assets, net	<u>\$ 4,421,962</u>	<u>\$ (153,805)</u>	<u>\$ -</u>	<u>\$ 4,268,157</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 2,567
Public safety	35,166
Transportation	178,108
Home & community	1,179
	<u>1,179</u>
	<u>\$ 217,020</u>

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

10. LONG-TERM LIABILITIES

A. Changes

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

	Balance May 31, 2021	Additions	Reductions	Balance May 31, 2022	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 1,655,000	\$	\$ (120,000)	\$ 1,535,000	\$ 120,000

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, 2022
Serial bonds	1/30/2018	1/15/2033	2.48%	\$ 1,535,000

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

Year Ending May,	Principal	Interest	Total
2023	\$ 120,000	\$ 38,068	\$ 158,068
2024	125,000	35,092	160,092
2025	130,000	31,992	161,992
2026	130,000	28,768	158,768
2027	135,000	25,544	160,544
2028 - 2032	735,000	75,392	810,392
2033	160,000	3,968	163,968
Total	\$ 1,535,000	\$ 238,824	\$ 1,773,824

C. Interest Expense

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

Interest paid	\$ 41,044
Less interest accrued in the prior year	(15,392)
Plus interest accrued in the current year	14,276
Total interest expense on long-term debt	\$ 39,928

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 a cost-sharing multiple employer, defined benefit, 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 New York State Retirement and Social Security Law (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 15.15% of covered payroll for the ERS' fiscal year ended March 31, 2022.

The Village's share of the required contributions, based on covered payroll for the Village's year ended May 31, 2022 was \$42,703 for ERS at an average contribution rate of 15.15%.

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, 2022, the Village reported the following asset for its proportionate share of the net pension liability for the system. The net pension asset was measured as of March 31, 2022. The total pension asset used to calculate the net pension liability was determined by an actuarial valuation. The Village's proportion of the net pension asset 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, 2022
Village's proportionate share of the net pension asset	\$ 44,078
Village's portion of the Plan's total net pension asset/(liability)	0.0005392%
Change in proportion since the prior measurement date	(0.0002145)

For the year ended May 31, 2022, the Village recognized pension expense of \$8,635 for ERS. At May 31, 2022, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,338	\$ 4,330
Changes of assumptions	73,560	1,241
Net difference between projected and actual earnings on pension plan investments		144,335
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	33,109	22,973
Village contributions subsequent to the measurement date	<u>5,436</u>	
Total	<u>\$ 115,443</u>	<u>\$ 172,879</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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending May 31,</u>	
2023	\$ (4,749)
2024	(12,800)
2025	(37,482)
2026	<u>(7,841)</u>
	<u>\$ (62,872)</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, 2022
Actuarial valuation date	April 1, 2021
Inflation	2.70%
Salary increases	4.40%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.40%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 system experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020. The previous actuarial valuation as of April 1, 2020 used the same assumptions for the measurement of total pension liability.

The actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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.

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

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

	Target Allocation	Long-term Expected Real Rate of Return
Measurement date		March 31, 2022
Asset type		
Domestic equity	32.0%	3.30%
International equity	15.0%	5.85%
Real estate equity	9.0%	5.00%
Private equities	10.0%	6.50%
Alternatives investments	10.0%	3.78-5.58%
Fixed income	23.0%	0.00%
Cash	1.0%	-1.00%
	100.0%	

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

Discount Rate

The discount rate used to measure the total pension liability was 5.90%. 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 Liability to the Discount Rate Assumption

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.90%) or 1 percentage point higher (6.90%) than the current rate:

	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
ERS			
Village's proportionate share of the net pension asset/(liability)	\$ (113,455)	\$ 44,078	\$ 175,846

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

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, 2022
Employers' total pension liability	\$ (223,874,888)
Plan fiduciary net position	<u>232,049,473</u>
Employers' net pension asset	<u>\$ 8,174,585</u>
Ratio of plan fiduciary net position to the employers' total pension liability	103.65%

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, 2022, represent the projected employer contribution for the period of April 1, 2022 through May 31, 2022 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of May 31, 2022 amounted to \$5,436 of employer contributions. Employee contributions are remitted monthly.

12. PENSION PLANS - OTHER

Deferred Compensation Plan

The Village has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The Village makes no contributions into this Plan. The amount deferred by eligible employees for the year ended May 31, 2022 totaled \$29,114.

13. 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.

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

- 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 \$797,564 for the fiscal year ended May 31, 2022.
- E. Accident liability insurance shall be carried on employees of the Police Department.

14. 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. There have been no significant reductions in insurance coverage as compared to the prior year, and settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

15. COMMITMENTS AND CONTINGENCIES

A. 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.

B. 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.

C. 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, 2022, which could affect future operating budgets of the Village.

D. Operating Leases/Related Party

The Village leases its street maintenance equipment from a company whose principal is a Village employee. Lease expenses for the year were \$86,480. The lease renews annually.

16. 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, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance with Actual
REVENUES				
Local Sources				
Real Property Taxes	\$ 2,634,782	\$ 2,634,782	\$ 2,632,541	\$ (2,241)
Other Real Property Tax Items	8,500	8,500	11,104	2,604
Non-Property Taxes	95,000	95,000	99,131	4,131
Departmental Income	6,000	6,000	7,000	1,000
Use of Money and Property	12,000	12,000	10,288	(1,712)
Licenses and Permits	239,500	239,500	380,442	140,942
Fines and Forfeited Bail	25,000	25,000	12,543	(12,457)
Miscellaneous	1,000	1,000	22,027	21,027
State and Federal Aid	134,724	134,724	318,594	183,870
Total Revenues	\$ 3,156,506	\$ 3,156,506	3,493,670	\$ 337,164

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, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance
EXPENDITURES				
General Government Support				
Municipal Court	\$ 24,500	\$ 27,975	\$ 20,565	\$ 7,410
Legislative Board	2,500	3,523	3,523	-
Auditor	12,500	12,500	11,000	1,500
Clerk	237,203	248,685	232,350	16,335
Attorney	88,000	126,387	104,029	22,358
Engineer	5,000	10,796	10,796	-
Elections	1,000	1,000	704	296
Buildings	25,000	119,133	116,197	2,936
Unallocated insurance	29,000	29,000	25,042	3,958
Municipal association dues	3,500	3,500	2,552	948
Judgements and claims	25,000	25,000	14,113	10,887
Village taxes	3,170	3,170	-	3,170
Total General Government Support	456,373	610,669	540,871	69,798
Public Safety				
Police	1,388,419	1,189,904	866,748	323,156
Fire Protection	460,000	461,740	432,013	29,727
Safety Inspection	99,500	110,818	107,561	3,257
Total Public Safety	1,947,919	1,762,462	1,406,322	356,140
Transportation				
Street Maintenance	403,464	422,706	308,085	114,621
Snow Removal	11,500	11,750	5,863	5,887
Street Lighting	3,000	5,227	5,226	1
Total Transportation	417,964	439,683	319,174	120,509
Culture & Recreation				
Celebrations	3,500	3,500	-	3,500
Home & Community				
Zoning Board of Appeals	31,500	32,938	31,723	1,215
Planning Board	1,500	3,015	3,015	-
Flood	5,000	8,205	8,205	-
Total Home & Community	38,000	44,158	42,943	1,215
Employee Benefits				
State Retirement	45,000	45,000	42,703	2,297
Social Security & Medicare	25,000	27,091	27,091	-
Workers' Compensation	13,500	13,500	8,355	5,145
Unemployment Insurance	1,000	2,193	2,192	1
Disability Insurance	250	250	-	250
Hospital & Medical Insurance	45,000	45,000	36,396	8,604
Total Employee Benefits	129,750	133,034	116,737	16,297

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, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance
EXPENDITURES				
Debt Service				
Principal	\$ 120,000	\$ 120,000	\$ 120,000	\$ -
Interest	43,000	43,000	41,044	1,956
Total Debt Service	163,000	163,000	161,044	1,956
Total Expenditures	<u>\$ 3,156,506</u>	<u>\$ 3,156,506</u>	<u>2,587,091</u>	<u>\$ 569,415</u>
Net Change in Fund Balance			906,579	
Fund Balance - Beginning of Year			<u>1,657,879</u>	
Fund Balance - End of Year			<u>\$ 2,564,458</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 Asset/(Liability)
 Last Four Fiscal Years

Employees' Retirement System

	2022	2021	2020	2019
Village's proportion of the net pension asset/(liability)	0.0005392%	0.0007537%	0.0008517%	0.0006730%
Village's proportionate share of the net pension asset/(liability)	\$ 44,078	\$ (750)	\$ (225,537)	\$ (47,681)
Village's covered payroll	\$ 281,878	\$ 308,879	\$ 289,183	\$ 238,541
Village's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	15.64 %	0.24 %	77.99 %	19.99 %
Plan fiduciary net position as a percentage of the total pension asset/(liability)	103.65%	99.95%	86.39%	96.27%
Discount Rate	5.90 %	5.90 %	6.80 %	7.00 %

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 Four Fiscal Years

Employees' Retirement System

	2022	2021	2020	2019
Contractually required contribution	\$ 42,703	\$ 42,874	\$ 39,766	\$ 35,137
Contributions in relation to the contractually required contribution	<u>42,703</u>	<u>42,874</u>	<u>39,766</u>	<u>35,137</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 281,878	\$ 308,879	\$ 289,183	\$ 238,541
Contributions as a percentage of covered payroll	15%	14%	14%	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.

