VILLAGE OF ROCKVILLE CENTRE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED MAY 31, 2016
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INTRODUCTORY SECTION

VILLAGE OF ROCKVILLE CENTRE, NASSAU COUNTY, NEW YORK AT MAY 31, 2016

Mayor Francis X. Murray

Board of Trustees

Nancy Howard
Edward J. Oppenheimer
Michael Sepe
Emilio F. Grillo

Village Justices

William J. Croutier
Kevin P. McDonough

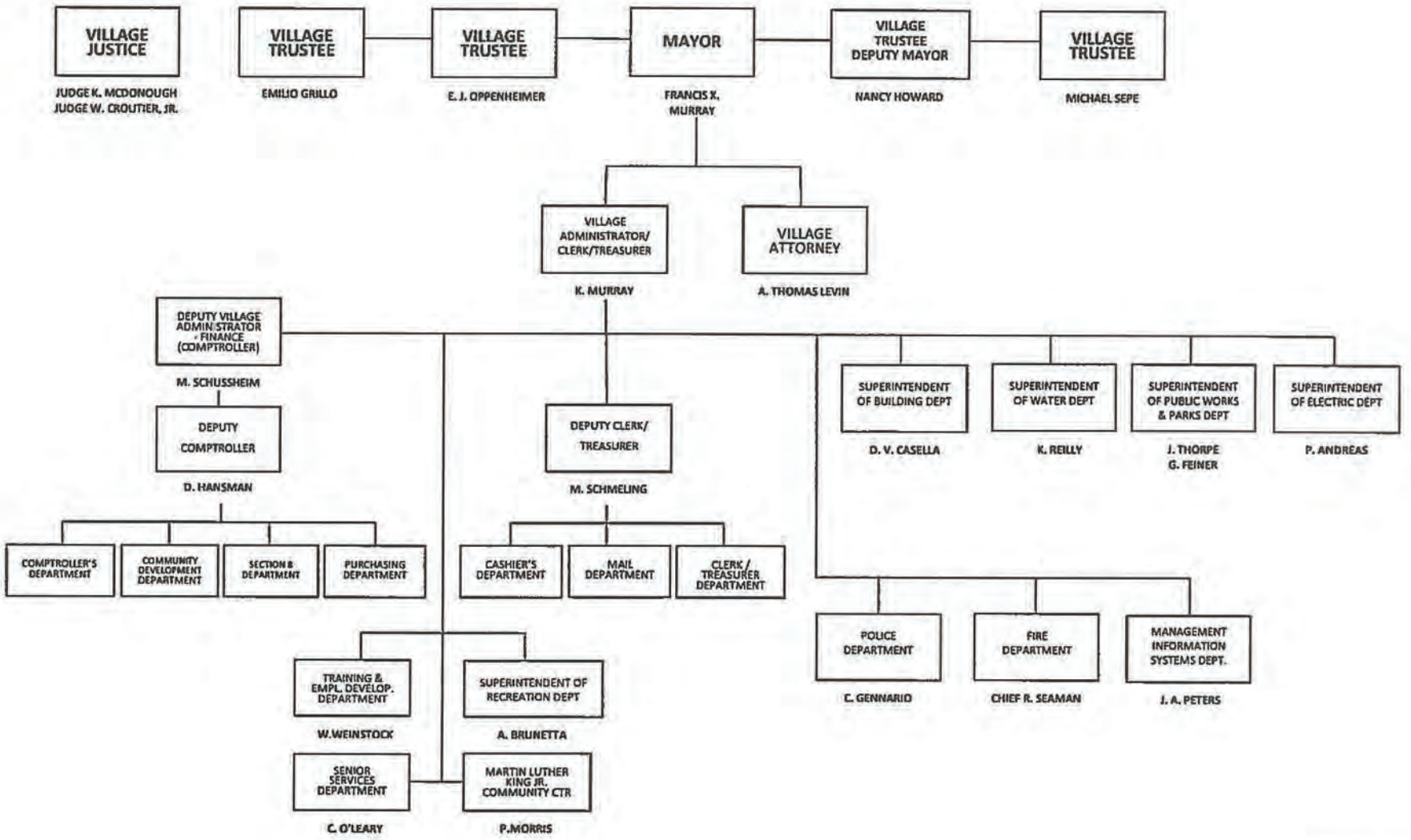
Village Administrator-Clerk/Treasurer

Kathleen M. Murray

Comptroller and Budget Officer

Michael Schussheim

VILLAGE OF ROCKVILLE CENTRE ORGANIZATIONAL CHART



May 31, 2016

VILLAGE OF ROCKVILLE CENTRE

ONE COLLEGE PLACE
P.O. BOX 950
ROCKVILLE CENTRE, N.Y. 11571-0950

FRANCIS X. MURRAY, Mayor
NANCY HOWARD, Trustee
EDWARD J. OPPENHEIMER, Trustee
MICHAEL SEPE, Trustee
EMILIO F. GRILLO, Trustee

KATHLEEN MURRAY
Village Administrator
Clerk-Treasurer

516/678-9212
FAX #: 516/678-9225
email: kmurray@rvcny.us

January 18, 2017

To the Honorable Mayor, Members of the Board of Trustees and Taxpayers of the Village of Rockville Centre, New York:

Submitted herewith is the comprehensive annual financial report of the Village of Rockville Centre, New York ("Village") as of and for the year ended May 31, 2016. The Comptroller's department is pleased to announce that for the thirteenth consecutive year, this report was prepared in compliance with Governmental Accounting Standards Board Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*

This report consists of management's representations concerning the finances of the Village. Therefore, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this comprehensive annual financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by R.S. Abrams & Co., LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village for the fiscal year ended May 31, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the fiscal year ended May 31, 2016, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report. To gain an enhanced overview of the financial activities of the Village, it is recommended that you read the Management, Discussion and Analysis that precedes the basic financial statements.

Profile of the Village of Rockville Centre, New York

The Village of Rockville Centre, incorporated under the New York State Village law in 1893, is a residential community located on the south shore of Long Island, five miles east of the New York City limits and twenty-one miles by rail from Pennsylvania Station in Manhattan. Its population of 24,023 (2010 Census) makes it one of the larger villages in the State encompassing an area of approximately 3.3 square miles. Commuting facilities include hourly train service provided by the Long Island Railroad. All railroad grade crossings have been eliminated and in the station there is an escalator and an elevator for the handicapped to access the elevated platform. A network of bus lines offers public transportation to the New York City subways in Jamaica and to Hempstead, Freeport, Long Beach and to nearly all other Nassau County communities. There is bus service within the Village as well as a taxi service.

Rockville Centre enjoys all modern public services, such as the municipally owned and operated electric generating plant and distribution system. In addition, the Village operates water pumping treatment and storage facilities along with its own distribution system. A sanitary sewer system was installed over 50 years ago. Collection sewers which are maintained by the Village, empty into the County's sewage disposal system. The Village has its own Police Department with a total of 54 uniformed personnel and all vehicles containing state of the art computer equipment. The Fire Department, with 342 volunteers, has up-to-date fire fighting equipment. The Recreation Department is a special part of the Village life. Oriented toward a community with a broad range of interests, programs are offered in sports, creative expression and cultural activities. The Village has its own Senior Center which offers socialization, transportation, classes and health screening to the Village's increasing senior population. One full-time and one part-time social worker give aid and counseling to senior citizens.

There are three senior citizen developments in the Village providing 309 living units. One of these developments, the Halandia Senior Citizen Housing Complex, built under the Federal Section 8 Housing Assistance program, was the last parcel of land in the Rockville Centre Urban Renewal Project. This Complex contains 165 apartments. The development costs were approximately $6.5 million. It contains several community rooms, two elevators, spacious private grounds and has an active tenant's organization. Additionally, there is a nursing home and a health related facility.

The Phillips House Museum, which receives some funding from the Village, is staffed by volunteers. There are changing exhibits, classes and special programs including an annual spring tour of Village homes and trips to nearby historic sites. The Guild for the Arts presents programs featuring renowned musical artists, summer concerts in the park, theatre, poetry readings, juried art and photography shows, museum tours and an annual Artfest. Molloy College, middle and senior public high schools, five grade schools, a full service public library and a Roman Catholic grade school constitute the education facilities. Churches of most denominations and two synagogues are located in the Village. The Diocesan Headquarters of the Diocese of Rockville Centre, which embraces all of the Counties of Nassau and Suffolk, is located in the Village. Mercy Hospital, with a bed capacity of 387, an 18 bed cancer care unit for the terminally ill, plus emergency and outpatient facilities, services the Village and adjacent communities. There are six professional medical centers located in the Village.

Rockville Centre has long been known for its banking facilities. Branches of many of the larger commercial banks in the country and branches of a variety of the large metropolitan savings banks are located in the central business district of the Village. A diversified retail business section attracts shoppers from surrounding communities as well as the Village. Twenty-seven municipal parking fields, strategically located, accommodate shoppers and commuters and aid in traffic control by providing thousands of off-street parking spaces.

Several areas of the Village are zoned for light industry. During recent years, the Village has seen an increase in the growth of office space provided to doctors, lawyers, CPA's, computer firms and commerce by new and renovated buildings. Rockville Centre's business district is located 15 minutes from Kennedy Airport and 35 minutes by train from Mid-town Manhattan.

The governing body of the Village is the Board of Trustees, which consists of the Mayor and four Trustees, all of whom are elected for four-year terms. There are two Village Justices who are the only other elected officials and who serve four-year terms. Elections are held every two years in odd number years. The Village Administrator/Clerk-Treasurer, Village Attorney, Tax Assessor, Comptroller and other department heads are appointed by the Mayor with consent of the Board of Trustees.

The Budget Officer is the Comptroller of the Village. The Budget Officer sends budget request forms to the various departments and the approximate timetable for budget development is as follows:

January 7	Comptroller's pro forma budget workpapers to all Department Heads.
January 21	All Department Heads return estimates to Comptroller.
March 20	Tentative budget filed with Village Clerk by this date
March 20-March 30	Meetings with bankers and civic groups.
	Notice of Public Hearing published.
April 15	Public Hearing on budget by this date.
May 1	Adoption of budget and salary scale, and setting of tax rate by this date.

The Board of Trustees has not formally adopted a capital program. Section 99-g of the General Municipal Law calls for a six-year program; such program is permissive, not mandatory. However, the Village has developed a five-year plan of capital projects, in order to establish priorities and determine projected impact on the tax rate of the Village.

The United States Census Bureau's "Census 2010" reports the Village has a Per Capita income of $53,417, which compares favorably to the national average of $27,334. Median household income totaled $104,023, more than double the national average of $51,914. In excess of 57% of the population aged 25 years and over has earned either a Bachelor's Degree or higher, the state average is below 33%.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered in light of the specific environment in which the Village operates.

Local Economy

On January 29, 2015, Standard and Poor's Rating Services upgraded their credit rating for the Village to AAA, their highest rating category. In their credit rating report, they praised the Village for its very strong budgetary flexibility, financial management and liquidity. Moody's Investors Service continues to assign a very strong credit rating of Aa2 to the Village. They continue to praise the Village for its strong financial management and low debt burden.

Full valuation of taxable real estate was approximately $4.0 billion during fiscal 2016, having declined 20% in five years. Median home prices are approximately $600,000 and certain homeowners continue to spend significant sums on building improvements. Numerous business owners have also invested considerable amounts of money on improving their properties.

Homeowners and businesses continue to benefit from the Village's relatively low electric and water rates. In comparison to electric rates in many surrounding communities, Village electric rates can be as much as 40% lower. This significant savings helps produce the extremely low vacancy rate in the central business district, as it helps attract new commercial establishments into the Village when infrequent vacancies become available.

Long-term Financial Planning

During fiscal 2017, the Village will be negotiating new collective bargaining agreements with the CSEA Clerical Unit, Police Benevolent Association and CSEA Supervisors Unit whose contracts lapse(d) on May 31, 2016, December 31, 2016 and May 31, 2017 respectively.

Construction will begin on an approximate $4 million iron filtration plant that will be located on Maple Avenue. This new plant, the second to be constructed during the last twenty years, will help reduce iron levels for numerous Village of Rockville Centre water customers.

The Electric Department is expected to finalize plans for the purchase & construction of new electric generation equipment. This project will result the first installation of new electric generation equipment since 1994.

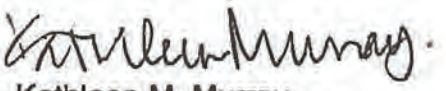
Significant street resurfacing improvement projects will continue as the Village anticipates borrowing approximately $4.7 million to help fund this endeavor.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its comprehensive annual financial report (CAFR) for the fiscal year ended May 31, 2015. This was the twentieth consecutive year that the Village received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an efficiently organized CAFR satisfying both generally accepted accounting principles and legal requirements that meets or exceeds reporting standards established by the GFOA.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire Comptroller's Department staff. I also want to thank the Mayor and Board of Trustees for their support. I also wish to extend a very special thank you to our independent auditors, R.S. Abrams & Co., LLP for their invaluable assistance.

Respectfully submitted,



Kathleen M. Murray
Village Administrator/Clerk Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Rockville Centre

New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

May 31, 2015

Executive Director/CEO

FINANCIAL SECTION

R.S. ABRAMS & CO., LLP
Accountants & Consultants for Over 75 years

Robert S. Abrams
(1926–2014)

Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Incorporated Village of Rockville Centre

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, fiduciary funds and the aggregate remaining fund information of the Incorporated Village of Rockville Centre as of and for the fiscal year ended May 31, 2016, and the related notes to the financial statements, which collectively comprise the Incorporated Village of Rockville Centre's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, fiduciary funds and the aggregate remaining fund information of the Incorporated Village of Rockville Centre as of May 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter-Change in Accounting Principle

As described in Note 1 to the financial statements, in 2016, the Incorporated Village of Rockville Centre adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of the Village's proportionate share of the net pension liability, and the schedule of the Village's contributions on pages 1 through 13 and 62 through 66, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Incorporated Village of Rockville Centre's basic financial statements. The other supplementary financial information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2016 on our consideration of the Incorporated Village of Rockville Centre's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Incorporated Village of Rockville Centre's internal control over financial reporting and compliance.

R S Abrams + Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
December 5, 2016

Introduction

The following discussion and analysis of the Incorporated Village of Rockville Centre, New York's financial statements provides an overview of the financial activities of the Village for the fiscal year ended May 31, 2016. This discussion should be read in conjunction with the transmittal letter, located at the front of this report, the basic financial statements and the accompanying notes to those statements that follow this section.

Financial Highlights for Fiscal Year 2016

- The general fund completed fiscal year 2016 with a fund balance totaling $8,151,190. Of this amount, unassigned fund balance totaled $3,754,317 while another $2,592,951 was assigned and $1,803,922 was restricted for unused sick and terminal leave payments, primarily for retiring police officers.

- The water fund had an increase in net position of $988,661 and the electric fund had an increase in net position of $811,395.

- The Village's total outstanding bonds payable at May 31, 2016 was $57,455,000. Of this total, $29,575,000 and $27,880,000 were attributable to the Village's governmental and business-type activities, respectively.

- The capital projects fund fund balance was $5,625,223 consisting of restricted fund balance totaling $5,248,882 and assigned fund balance of $376,341.

- The Village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* This resulted in the Village recording a net pension liability of $4,962,685 and $7,763,183 for fiscal year ending May 31, 2016, for the Employees' Retirement System and Police and Fire Retirement System, respectively, in the governmental activities and $2,281,271 for fiscal year ending May 31, 2016, for the Employees' Retirement System in the business-type activities. The net pension liability is the total cost of future pension benefit payments that have already been earned, minus the value of assets available to make the benefits (the net position of the plan). The Village also recorded deferred outflows and inflows related to pensions, which will be recognized in future periods. Please refer to Note 1X and 12 for more information.

Total net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) for fiscal year 2016 was $45,032,178. Of this amount $1,167,913 represents the governmental net position and $43,864,265 represents the business-type net position. The governmental activities net position increased by $11,745,035 for the fiscal year ended May 31, 2016. This was primarily due to the purchase and capitalization of assets in the current year and the recalculation of long-term compensated absences to conform to contractual

obligations. For the fiscal year ending May 31, 2016, the Village's net OPEB obligations were $34,828,197 of which $30,199,502 is recorded as a liability in governmental activities on the government-wide financial statements, and accordingly is the prime factor in the negative value of net position in governmental activities. For the business-type net position, the water fund and electric fund net position totals were $18,633,622 and $25,230,643, respectively.

Overview of the Financial Statements

The Village's financial statements are comprised of this MD&A and the basic financial statements. The MD&A provides an analysis and overview of the Village's financial activities. The basic financial statements include three components: government-wide financial statements; fund financial statements; and notes to financial statements. This report also includes other supplementary information as listed in the table of contents.

Government-Wide Financial Statements

The *government-wide* financial statements are presented in a manner similar to private-sector business financial statements. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The government-wide financial statements include two statements: Statement of Net Position and Statement of Activities. Fiduciary activities, whose resources are not available to finance Village programs, are excluded from these statements.

The Statement of Net Position presents the Village's total assets and deferred outflows of resources, as well as total liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in the net position may serve as a gauge to determine whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing the change in the Village's net position during the current fiscal year. All revenues and expenses are reported in this statement regardless of the timing of cash flows. The focus of this statement is on the net cost of providing various activities to the citizens of the Village.

Both of the above financial statements have separate sections for the two different types of activities. These two types of activities are:

Governmental activities - The activities reflected in this section are general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest. These activities are mostly supported by taxes, charges for services and operating grants and contributions.

Business-type activities - These activities consist of the Village's two enterprise funds: water and electric. These activities are intended to recover their cost of operation, including depreciation, primarily through user charges.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Village divides its funds into three categories: *governmental funds, proprietary funds and fiduciary funds.*

Governmental funds - Most of the basic services provided by the Village are financed and accounted for through governmental funds. Governmental fund financial statements focus on *current inflows and outflows of spendable resources* as well as the *available balances of these resources* at the end of the fiscal year. This information is useful in determining the Village's financing requirements for the subsequent fiscal period. Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting with the exception of the Section 8 Fund where the accrual basis of accounting is utilized.

Because the focus of governmental funds is for the much narrower current period, it is useful to compare this information to the data presented in the *government-wide* financial statements in order to better understand the long-term impact of the Village's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village has six individual governmental funds: general fund, capital projects fund, community development fund, section 8 housing fund, special purpose fund and debt service fund. Of these, the general and capital projects funds are reported as major funds and are presented in separate columns on the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. Data for the other governmental funds are combined into a single, aggregated column on these statements. Individual fund data for these non-major funds can be found on the combining statements elsewhere in this report.

The Village adopts an annual budget for its general fund and debt service fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the respective budgets.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Proprietary funds - The Village maintains two different types of proprietary funds: *enterprise funds and internal service funds*. These funds are used to show activities that operate similar to private business enterprises and charge fees for services provided. Proprietary fund financial statements use the economic resources measurement focus and the accrual basis of accounting, like the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Village uses enterprise funds to account for its Water and Electric activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. Within the Internal Service fund, the Village accounts for its activities related to workers' compensation benefits, general liability claims and unemployment claims.

The proprietary fund financial statements can be found in the basic financial statements section of this report.

Fiduciary funds - These funds are used to account for resources held for the benefit of parties outside of the Village. The fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the activities of the Village.

The fiduciary fund financial statements can be found in the basic financial statements section of this report.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the combining statements for the non-major governmental funds and proprietary funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $45,032,178 for fiscal year ended May 31, 2016.

The following table reflects the condensed Statement of Net Position:

	Restated May 31, 2015*			May 31, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	$ 26,924,579	$ 20,601,395	$ 47,525,974	$ 21,678,627	$ 22,168,770	$ 43,847,397
Capital Assets, Net	42,915,332	59,051,351	101,966,683	63,406,436	63,781,527	127,187,963
Total Assets	69,839,911	79,652,746	149,492,657	85,085,063	85,950,297	171,035,360
Deferred Outflows of Resources	2,660,595	607,268	3,267,863	13,710,559	2,445,322	16,155,881
Current Liabilities	5,094,085	7,056,687	12,150,772	4,043,256	6,214,280	10,257,536
Non-current Liabilities	77,860,755	31,139,118	108,999,873	91,810,722	38,042,112	129,852,834
Total Liabilitiles	82,954,840	38,195,805	121,150,645	95,853,978	44,256,392	140,110,370
Deferred Inflows of Resources	122,788		122,788	1,773,731	274,962	2,048,693
Net Position:						
Net Investment in Capital Assets	22,233,324	35,702,976	57,936,300	38,026,955	35,468,898	73,495,853
Restricted	2,880,887		2,880,887	3,140,928		3,140,928
Unrestricted (Deficit)	(35,691,333)	6,361,233	(29,330.100)	(39,999,970)	8,395,367	(31,604,603)
Total Net Position (Deficit)	$ (10,577,122)	$ 42,064,209	$ 31,487,087	$ 1,167,913	$ 43,864,265	$ 45,032,178

*The Village has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27.* The adoption of GASB Statement No. 68 has caused the restatements of amounts previously reported in 2015. See Note 12 for more information.

The largest component of the Village's net position reflects its net investment in capital assets amounting to $73,495,853. The Village uses these capital assets to provide services to its citizens and, consequently, these assets are not available for future spending. Although the Village's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be utilized to liquidate these liabilities.

Restricted net position of $3,140,928 represents resources that are subject to external restrictions on how they may be used. The restrictions are for the following purposes:

	May 31,	
	2015	2016
Capital projects	$480,610	$777,890
Employee benefit accrued liability	1,797,172	1,803,922
Debt service	280,812	267,190
Section 8 housing	131,104	84,106
Special purpose - culture and recreation and public safety	191,189	207,820
Total	$2,880,887	$3,140,928

Unrestricted net position (deficit) totaled ($31,604,603). This amount is comprised of governmental activities net position (deficit) totaling ($39,999,970) and business-type activities net position totaling $8,395,367. The deficit in governmental activities net position is primarily due to (1) compensated absences of approximately $15 million, and (2) other post employment benefit obligations recorded in accordance with GASB Statement No. 45 of approximately $30.2 million, with no offsetting assets. Also contributing to the deficit is the net pension liability – proportionate share recorded in accordance with GASB Statement No. 68 of approximately $12.7 million.

The following table reflects the changes in net position from operating results:

	May 31, 2015			May 31, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues:						
Charges for services:	$ 12,786,408	$ 30,050,716	$ 42,837,124	$ 12,590,566	$ 29,129,053	$ 41,719,619
Operating grants and contributions	3,669,389		3,669,389	3,219,290		3,219,290
Capital grants and contributions	1,434,560		1,434,560	759,929		759,929
General Revenues:						
Real property taxes	27,312,754		27,312,754	27,959,151		27,959,151
Other payments in lieu of taxes	503,117		503,117	525,092		525,092
Interest and penalties on taxes	111,683		111,683	108,935		108,935
Utilities	225,328		225,328	165,587		165,587
Non property taxes	66,749		66,749	66,749		66,749
Unrestricted use of money and property	82,143	101,026	183,169	89,087	127,030	216,117
State and federal aid	761,799		761,799	852,978		852,978
Miscellaneous	963,717		963,717	891,108		891,108
Total Revenues	47,917,647	30,151,742	78,069,389	47,228,472	29,256,083	76,484,555
Program Expenses:						
General government and admin.	8,316,220		8,316,220	6,961,316		6,961,316
Public safety	21,259,003		21,259,003	13,652,883		13,652,883
Health	56,349		56,349	96,976		96,976
Transportation	5,286,167		5,286,167	467,657		467,657
Economic opportunity and development	2,803,056		2,803,056	2,895,128		2,895,128
Culture and recreation	4,888,405		4,888,405	5,181,331		5,181,331
Home and community services	4,940,809		4,940,809	5,467,932		5,467,932
Interest	686,693		686,693	760,214		760,214
Water		4,827,391	4,827,391		4,629,859	4,629,859
Electric		24,312,369	24,312,369		22,826,168	22,826,168
Total expenses	48,236,702	29,139,760	77,376,462	35,483,437	27,456,027	62,939,464
Change in Net Position	(319,055)	1,011,982	692,927	11,745,035	1,800,056	13,545,091
Net Position - beginning of year as restated for 2016	(10,811,898)	41,213,998	30,402,100	(10,577,122)	42,064,209	31,487,087
Net Position - end of year	$ (11,130,953)	$ 42,225,980	$ 31,095,027	$ 1,167,913	$ 43,864,265	$ 45,032,178

2015 information was not restated because all the information necessary was not readily available. The cumulative effect of applying the change in accounting principle is shown as an adjustment to the beginning net position for 2016. See Note 12 for more information.

Governmental activities. As discussed previously, governmental activities resulted in an $11,745,035 reduction in the Village's net deficit during the current fiscal year. This resulted positively to the Village's financial condition. Governmental activities reflected a net position of $1,167,913, as opposed to ($11,130,953) in 2015, based on total revenues of $47,228,472 and total expenses of $35,483,437

Property taxes ($28.0 million) and charges for services ($12.6 million) represented the largest revenue sources. Property taxes grew 2.4% due to a real estate tax rate increase of 2.83%. Collection of the current tax levy remains very strong at nearly 100%. Operating grants for general government and administration decreased by $450,099 due primarily to FEMA reimbursements in the prior year.

Public Safety expenses totaled $13.7 million and represented 38% of total expenses. Culture and Recreation expenses totaled $5.2 million and reflected the Village's continuing commitment to its parks and recreation programs. Transportation expenditures totaled $467,657, a decrease of $4.8 million from the prior year. Expenses being capitalized in the amount of $18.4 million offset by additional post-employment benefits obligations of $4.1 million and net pension liability – proportionate share recorded in accordance with GASB Statement No. 68 of approximately $1.6 million were the primary reasons for the increase in net position.

Business-type activities. Business-type activities reflected a net position totaling $43,864,265 of which the water and electric funds totals were $18,633,622 and $25,230,643, respectively. Electric fund metered sales totaled $23,267,136, a decrease from $24,798,043 in fiscal 2015. This decrease was primarily due to the decrease in consumption offset by an increase in electric rates. Metered sales in the water fund increased from $4,440,216 in fiscal 2015 to $4,872,694 in fiscal 2016 due to a rate increase. Purchased power and production for the electric fund decreased from $11,476,806 and $2,114,815, respectively in fiscal 2015 to $10,598,755 and $1,712,544, respectively in fiscal 2016, due to the above decrease in customer utilization. Taxes decreased by approximately $360,000 and employee benefits for the electric fund decreased by approximately $13,000 from fiscal 2015, primarily due to decreases in retirement expense, compensated absences and medical and dental insurance costs which include other postemployment benefits. These decreases in expenses helped improve the net position of the fund.

Financial Analysis of the Village's Funds

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

Governmental funds. The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported a combined ending fund balance of $14,337,295, a decrease of $3,998,434 from the prior year. Of the total combined fund balance, $3,754,317 constitutes unassigned fund balance in the general fund, $2,592,951 constitutes assigned fund balance in the general fund, $376,341 constitutes assigned fund balance in the capital projects Fund, $1,766 is assigned for the community development fund, and $7,611,920 constitutes aggregate restricted fund balance in all governmental funds.

The general fund is the chief operating fund of the Village. At the end of the current fiscal year, the total fund balance of the general fund was $8,151,190 compared to $6,552,342 at May 31, 2015. None of the May 31, 2016 fund balance was appropriated towards the next fiscal year budget. $4,396,873 of the general fund fund balance is either assigned or restricted and therefore is not available for discretionary spending. The assigned fund balance is comprised of $2,024,956 for future real estate tax refunds and $567,995 to liquidate contracts and purchase orders.

The general fund revenues and other financing sources aggregate amount was $43,551,861 in fiscal 2016, a decrease of $90,772 from fiscal year 2015. Real property taxes totaled $27,959,151, an increase of $646,397 or 2.37% from fiscal year 2015 and represented the single largest revenue source at 64.20% of total general fund revenues. Parks and recreation charges totaled $1,865,606, a decrease of $17,596 from fiscal year 2015. Building and alteration permits increased by $229,104, from $1,319,133 in fiscal year 2015 to $1,548,237 in fiscal year 2016, primarily due to construction project at Molloy College and for Avalon Bay. Parking meter revenues increased from $1,252,933 in fiscal 2015 to $1,344,531 in fiscal 2016 due to new consoles and increase in usage. Interfund revenues generated from charges to the Water and Electric funds decreased by $606,378, to a total of $4,707,082, primarily as a result of decreases to reimbursements for wages and benefit expenditures.

Once again, public safety represented the largest expenditure category totaling $12,229,734, a $206,032 decrease from fiscal year 2015. Employee benefits decreased from $10,712,215 in fiscal year 2015 to $10,254,976 in fiscal year 2016. Health insurance related expenditures increased from $4,602,527 in fiscal year 2015 to $4,806,868 in fiscal year 2016. General government support expenditures aggregated $4,999,579, a decrease of $1,079,751 from fiscal year 2015. Lastly, transfers for debt service increased by $442,313 from $3,632,430 during fiscal year 2015 to $4,074,743 during fiscal 2016.

The capital projects fund is used to account for capital project activity throughout the Village, exclusive of activity in the water and electric enterprise funds. The fund balance totaled $5,625,223, a decrease of $5,553,795 from fiscal year 2015. Expenditures totaled $9,673,724 in fiscal year 2016, a $1,289,946 increase from fiscal year 2015. Capital projects during fiscal 2016 included road improvements, the renovation of Village buildings and athletic fields and the acquisition of two dump trucks, a passenger bus for the senior center and computer hardware.

Non-major Governmental Funds consists of special revenue funds and the debt service fund. The special revenue funds are made up of the following individual funds: community development,

section 8 housing and special purpose. For fiscal year 2016, the combined fund balance of the non-major Governmental Funds totaled $560,882 as compared to $604,369 at May 31, 2015. The special purpose fund portion of the fund balance totaled $217,506 and consisted of a reserve for trusts to be utilized for recreational and police purposes. The section 8 housing fund had a restricted fund balance of $84,106.

The debt service Fund had a total fund balance at May 31, 2016 of $267,190 all of which was restricted for future debt service purposes. At May 31, 2015, the debt service fund had a total fund balance of $280,812. Debt service expenditures for fiscal year 2016 totaled $4,149,743, an increase of $487,535 from fiscal year 2015.

Proprietary funds. The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position totaled $43,864,265 at the end of fiscal year 2016 compared to $42,064,209 at May 31, 2015. Other factors concerning the finances of the Enterprise Fund have already been addressed in the discussion of the Village's business-type activities.

There is no net position reported in the Village's internal service fund. It has been the Village's practice to have the general and enterprise funds transfer the necessary amounts to meet all projected general liability, unemployment and worker's compensation expenditures on an annual basis.

Budgetary Highlights

The Village adopts annual operating budgets for its general and debt service funds and reports the results of operations on a budgetary comparison basis. The Village also used budget estimates as a management tool for its enterprise and internal service funds, although the Village does not report the results of these funds on a budgetary comparison basis. The capital projects fund is budgeted on a project basis.

In preparing its budget, the Village attempts to estimate its revenues and expenditures using realistic, but conservative methods so as to budget its operations in a prudent manner. As a result, the Board of Trustees adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing or creation of new programs.

The final amended general fund budget reflected a $1,402,383 increase in appropriations from the original budget. The increase is largely attributable to the larger than anticipated expenditures in public safety, culture and recreation, and home and community offset by a decrease in general government support. The revenue budget increased $1,115,500, primarily due to unanticipated state and federal aid and licenses and permit income.

Capital Asset and Debt Administration

Capital Assets. The Village's capital assets for its governmental and business-type activities as of May 31, 2016 amount to $127,187,963 (net of accumulated depreciation). These capital assets include land, buildings and equipment, infrastructure and construction-in-progress.

Capital Assets
(Net of Depreciation)
(in thousands)

	May 31, 2015			May 31, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land	$4,576	$376	$4,952	$4,576	$376	$4,952
Buildings and Equipment	18,879	49,581	68,460	22,479	53,294	75,773
Infrastructure	8,279		8,279	20,163		20,163
Construction-in-Progress	11,181	9,094	20,275	16,188	10,111	26,299
Total	$42,915	$59,051	$101,966	$63,406	$63,781	$127,187

Additional information on the Village's capital assets can be found in Note 8 in the notes to financial statements.

Long-term Debt. At the end of the current fiscal year, the Village had total debt outstanding of $57,455,000 compared to $53,090,000 at May 31, 2015. The Village's total long-term debt increased by $4,365,000 from the prior fiscal year. All of this debt is backed by the full faith and credit of the Village. During fiscal year 2016 the Village issued $10,160,000 of new general obligation bonds.

Outstanding Debt
General Obligation Bonds
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
General Obligation Bonds	$30,125	$29,575	$22,965	$27,880	$53,090	$57,455

Through sound financial management, effective budgetary controls and manageable debt levels, the Village has been successful in receiving its high-grade ratings for its general obligation bonds. The Village enjoys bond ratings of AA2 from Moody's Investors Service and AA+ from Standard and Poor's. These ratings place the Village in the upper tier of rated Villages on Long Island.

The New York State Constitution limits the amount of indebtedness, both long-term and short-term, which the Village may incur. The State Constitution provides that the Village may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the Village for the most recent five years. Certain indebtedness is excluded in determining the Village's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the Village's authority to issue debt subject to the limit. At May 31, 2016, the Village had a constitutional debt limit in excess of $288 million. Total debt for both governmental and business-type activities is well below this amount.

Additional information on the Village's long-term debt can be found in Note 11 in the notes to financial statements.

Economic Factors and Fiscal Year 2017 Budget

The Village continues to enjoy both strong economic and fiscal health. "The 2010 Census" reported median household and per capita incomes at $104,023 and $53,417, which are 87% and 73% above the New York State averages respectively. 5.2% of the population is living below the poverty level, 63% below the New York State average.

The fiscal 2017 budget contained a 2.35% real estate tax rate increase. During the last twenty years, annual real estate tax increases have averaged approximately 4.87%. During this same time frame, annual real estate tax collections have averaged 99.9%.

The following revenue sources are expected to experience budget growth in 2017: payments in lieu of taxes from $526,008 to $586,592, street parking fees from $1,280,000 to $1,310,000, parking lots and garage from $1,180,000 to $1,230,000. Birth and death certificates are expected to generate approximately $67,000 for 2016.

The following revenue sources are anticipated to decline in 2017: park and recreation fees from $2,000,000 to $1,925,000, building permits from $1,100,000 to $1,050,000. Transfers from the Electric and Water funds are anticipated to decline a combined $333,179 during fiscal 2017.

The fiscal 2017 budget assumes a .87% increase in expenditures. General government support appropriations have decreased by approximately $320,000. Retirement systems expenditures and public safety appropriations are both anticipated to increase by approximately $140,000 and $510,000, respectively for 2017.

The schedule below provides the budget growth in funding premiums from the New York State Retirement Systems during the last twelve fiscal years.

Adopted General fund Budget for Retirement Systems

2006	2007	2008	2009	2010	2011
$ 1,675,000	$ 1,720,000	$ 1,670,000	$ 1,595,000	$ 1,582,000	$ 2,213,000

2012	2013	2014	2015	2016	2017
$ 2,692,000	$ 3,566,512	$ 4,117,926	$ 4,080,000	$ 3,950,000	$ 3,795,000

The total debt service budget for fiscal year 2017 is $4,011,096 compared to $4,074,743 during fiscal year 2016.

Health insurance related expenditures continue to grow. The schedule below reveals the budget growth in this category during the last twelve fiscal years.

Adopted General fund Budget for Health Insurance

2006	2007	2008	2009	2010	2011
$ 2,910,000	$ 3,210,000	$ 3,250,000	$ 3,475,000	$ 3,616,000	$ 3,852,000

2012	$ 2,013	2014	2015	2016	2017
$ 4,322,770	$ 4,537,000	$ 4,690,674	$ 4,653,000	$ 4,862,000	$ 5,142,000

The health insurance budget has increased 77% between fiscal year 2006 and fiscal year 2017. The fiscal year 2017 budget for health insurance is $5,142,000, an increase of $280,000 from fiscal year 2016. Short term health insurance premium increases are expected to continue at the same pace as in recent fiscal years. However, there is some concern that long term premium increases may experience more significant growth in response to federal health care reform.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dorothy Hansman, Deputy Comptroller, Village of Rockville Centre, PO Box 950, Rockville Centre, NY 11571-0950, telephone (516) 678-9228 or visit the Village's web site at www.rvcny.us.

BASIC FINANCIAL STATEMENTS

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
MAY 31, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents - unrestricted	$ 11,852,393	$ 14,122,348	$ 25,974,741
Cash and cash equivalents - restricted	7,869,388		7,869,388
Taxes receivable, net of allowance for uncollectible amounts	7,634		7,634
Other receivables:			
Accounts, net	222,307	4,796,533	5,018,840
State and federal aid	1,033,791		1,033,791
Due from other governments	420,995		420,995
Internal balances	20,543	(20,543)	-
Prepaid expenses	251,576		251,576
Inventories		3,270,432	3,270,432
Capital assets (net of accumulated depreciation):			
Land	4,576,378	375,885	4,952,263
Construction-in-progress	16,188,330	10,111,421	26,299,751
Buildings and equipment	22,478,853	53,294,221	75,773,074
Infrastructure	20,162,875		20,162,875
TOTAL ASSETS	85,085,063	85,950,297	171,035,360
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	13,418,913	2,200,447	15,619,360
Deferred charge on refunding	291,646	244,875	536,521
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,710,559	2,445,322	16,155,881
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	98,795,622	88,395,619	187,191,241
LIABILITIES			
Payables			
Accounts payable	1,608,553	4,135,338	5,743,891
Accrued liabilities	1,374,279	140,804	1,515,083
Due to fiduciary fund	16,643		16,643
Accrued interest payable	254,723	274,103	528,826
Due to other governments	2,001		2,001
Due to retirement systems	641,903	124,238	766,141
Customer deposits		1,495,130	1,495,130
Unearned revenues			
Collections in advance	145,154	44,667	189,821
Noncurrent liabilities			
Due within one year			
Bonds payable, inclusive of premiums	3,439,893	2,852,196	6,292,089
Claims payable	1,589,429		1,589,429
Compensated absences	1,427,990	64,366	1,492,356
Due in more than one year			
Bonds payable, inclusive of premiums	26,837,226	25,705,308	52,542,534
Claims payable	1,963,370		1,963,370
Compensated absences	13,627,444	2,510,276	16,137,720
Net pension liability - proportionate share	12,725,868	2,281,271	15,007,139
Net other post-employment benefits obligations	30,199,502	4,628,695	34,828,197
TOTAL LIABILITIES	95,853,978	44,256,392	140,110,370
DEFERRED INFLOWS OF RESOURCES			
Pensions	1,773,731	274,962	2,048,693
NET POSITION			
Net investment in capital assets	38,026,955	35,468,898	73,495,853
Restricted for:			
Capital projects	777,890		777,890
Employee benefit accrued liability	1,803,922		1,803,922
Debt service	267,190		267,190
Section 8 Housing	84,106		84,106
Special purpose	207,820		207,820
Unrestricted (deficit)	(39,999,970)	8,395,367	(31,604,603)
TOTAL NET POSITION (DEFICIT)	$ 1,167,913	$ 43,864,265	$ 45,032,178

See Accompanying Notes to the Financial Statements

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED MAY 31, 2016

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
					Primary Government		
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
FUNCTIONS / PROGRAMS							
Governmental Activities							
General government and administration	$ 6,961,316	$ 4,803,521	$ 363,648		$ (1,794,147)		$ (1,794,147)
Public safety	13,652,883	3,956,288	129,366		(9,567,229)		(9,567,229)
Health	96,976	68,315			(28,661)		(28,661)
Transportation	467,657			$ 297,279	(170,378)		(170,378)
Economic opportunity and development	2,895,128	86,868	2,642,425		(165,835)		(165,835)
Culture and recreation	5,181,331	1,902,448	4,079	462,650	(2,812,154)		(2,812,154)
Home and community services	5,467,932	1,773,126	79,773		(3,615,033)		(3,615,033)
Interest	760,214				(760,214)		(760,214)
Total Governmental Activities	35,483,437	12,590,566	3,219,290	759,929	(18,913,651)	$ -	(18,913,651)
Business-Type Activities							
Water fund	4,629,859	5,549,368				919,509	919,509
Electric fund	22,826,168	23,579,685				753,517	753,517
Total Business-Type Activities	27,456,027	29,129,053	-	-	-	1,673,026	1,673,026
Total Primary Government	$ 62,939,464	$ 41,719,619	$ 3,219,290	$ 759,929	(18,913,651)	1,673,026	(17,240,625)
GENERAL REVENUES							
Real property taxes, levied for general purpose					27,959,151		27,959,151
Other payments in lieu of taxes					525,092		525,092
Interest and penalties on taxes					108,935		108,935
Utilities					165,587		165,587
Non-property taxes					66,749		66,749
Use of money and property					89,087	127,030	216,117
State aid (unrestricted)					852,978		852,978
Miscellaneous					891,108		891,108
TOTAL GENERAL REVENUES					30,658,687	127,030	30,785,717
CHANGE IN NET POSITION					11,745,035	1,800,056	13,545,091
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 12)					(10,577,122)	42,064,209	31,487,087
NET POSITION - END OF YEAR					$ 1,167,913	$ 43,864,265	$ 45,032,178

See Accompanying Notes to the Financial Statements

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
BALANCE SHEET - GOVERNMENTAL FUNDS
MAY 31, 2016

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	$ 8,312,498	$ 137,928	$ 48,800	$ 8,499,226
Cash and cash equivalents - restricted	1,803,922	5,248,882	816,584	7,869,388
Taxes receivable, net of allowance for uncollectible amounts	7,634			7,634
Other receivables:				
Accounts, net	110,856	132		110,988
State and federal aid	99,000	934,791		1,033,791
Due from other governments	85,953	334,268	774	420,995
Due from other funds	103,545		33,269	136,814
TOTAL ASSETS	$ 10,523,408	$ 6,656,001	$ 899,427	$ 18,078,836
LIABILITIES AND FUND BALANCES				
Payables				
Accounts payable	$ 437,056	$ 997,509	$ 10,725	$ 1,445,290
Accrued liabilities	1,094,923		279,356	1,374,279
Due to other governments	2,001			2,001
Due to retirement systems	641,903			641,903
Due to other funds	51,181	33,269	48,464	132,914
Unearned revenues				
Collections in advance	145,154			145,154
TOTAL LIABILITIES	2,372,218	1,030,778	338,545	3,741,541
FUND BALANCES				
Restricted	1,803,922	777,890	559,116	3,140,928
Restricted (unspent proceeds)		4,470,992		4,470,992
Assigned (community development)			1,766	1,766
Assigned (tax certiorari)	2,024,956			2,024,956
Assigned (unappropriated)	567,995	376,341		944,336
Unassigned	3,754,317			3,754,317
TOTAL FUND BALANCES	8,151,190	5,625,223	560,882	14,337,295
TOTAL LIABILITIES AND FUND BALANCES	$ 10,523,408	$ 6,656,001	$ 899,427	$ 18,078,836

See Accompanying Notes to the Financial Statements

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
MAY 31, 2016

Total Governmental Fund Balances		$ 14,337,295
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Deferred inflows of resources - The Statement of Net Position recognized revenues and expenditures under the full accrual method. Governmental funds recognize revenue and expenditures under the modified accrual method. Deferred inflows of resources related to pensions will be recorded on the Statement of Net Position and amortized as a reduction of pension expense in future years.		(1,773,731)
Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows are related to pensions that will be recognized as expenditures in future periods amounted to:		13,418,913
The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include 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	$ 96,540,287	
Accumulated depreciation	(33,133,851)	63,406,436
The internal service fund is used by management to charge the costs of certain activities, such as insurance, to individual funds. This is the total assets of the internal service fund less current liabilities, reported on the Statement of Net Position.		3,552,799
Governmental funds report the effect of a deferred charge on defeasance when debt is first issued as an expenditure, whereas these amounts are deferred and amortized in the Statement of Activities.		291,646
Interest payable applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Position.		(254,723)
Premium on bond refunding and serial bonds. The Statement of Activities will amortize the premium on bond refunding and serial bonds over the life of the bonds. Governmental funds recorded the premiums as a revenue in the year of issue.		(702,119)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	$ (15,055,434)	
Claims payable	(3,552,799)	
Bonds payable	(29,575,000)	
Net pension liability - proportionate share	(12,725,868)	
Net other post-employment benefits obligation	(30,199,502)	(91,108,603)
Total Net Position (deficit)		$ 1,167,913

See Accompanying Notes to the Financial Statements

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED MAY 31, 2016

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes	$ 27,959,151			$ 27,959,151
Other tax items	866,363			866,363
Departmental income	4,707,082		$ 86,868	4,793,950
Use of money & property	113,660		32,697	146,357
Licenses & permits	2,051,526			2,051,526
Fines & forfeitures	1,396,097			1,396,097
Sale of property & compensation for loss	141,724			141,724
Intergovernmental charges	4,223,405			4,223,405
State aid	986,423	$ 297,279		1,283,702
Federal aid	221,924		2,722,198	2,944,122
Miscellaneous	884,506	462,650	74,916	1,422,072
TOTAL REVENUES	43,551,861	759,929	2,916,679	47,228,469
EXPENDITURES				
Current:				
General government	4,999,579			4,999,579
Public safety	12,229,734			12,229,734
Health	91,160			91,160
Transportation	2,620,012			2,620,012
Economic opportunity and development	90,269		2,776,683	2,866,952
Culture and recreation	3,308,183		58,285	3,366,468
Home and community services	3,734,357		79,341	3,813,698
Employee benefits	10,254,976			10,254,976
Debt service:				
Principal			3,360,000	3,360,000
Interest			789,743	789,743
Capital outlay		9,673,724		9,673,724
TOTAL EXPENDITURES	37,328,270	9,673,724	7,064,052	54,066,046
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,223,591	(8,913,795)	(4,147,373)	(6,837,577)
OTHER FINANCING SOURCES AND (USES)				
Premium on obligations			29,143	29,143
Issuance of serial bonds		2,810,000		2,810,000
Transfers in		550,000	4,074,743	4,624,743
Transfers (out)	(4,624,743)			(4,624,743)
TOTAL OTHER FINANCING SOURCES AND (USES)	(4,624,743)	3,360,000	4,103,886	2,839,143
NET CHANGE IN FUND BALANCES	1,598,848	(5,553,795)	(43,487)	(3,998,434)
FUND BALANCES - BEGINNING OF YEAR	6,552,342	11,179,018	604,369	18,335,729
FUND BALANCES - END OF YEAR	$ 8,151,190	$ 5,625,223	$ 560,882	$ 14,337,295

See Accompanying Notes to the Financial Statements

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED MAY 31, 2016

Net Change in Fund Balances		$ (3,998,434)
Long-Term Revenue and Expense Differences		
In the Statement of Activities, compensated absences (vacation and sick days) are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences from May 31, 2015 to May 31, 2016 changed by:		483,027
Net other post employment benefits obligation in the Statement of Activities is measured by the amounts earned or incurred during the year. In the governmental funds expenditures for these items are measured by the amount of financial resources used. Net other post employment benefits payable from May 31, 2015 to May 31, 2016 changed by:		(4,146,531)
Capital Related Differences		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.		
Capital outlays	$ 9,673,725	
Capital asset additions	13,565,459	
Loss on disposal	(331,365)	
Depreciation expense	(2,416,715)	20,491,104
Long-Term Debt Differences		
Repayment of bond principal 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.		3,360,000
Issuance of bonds is a source of revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		(2,810,000)
Governmental funds report the premiums, discounts and similar items on the refunded debt when the debt is first issued. These amounts are deferred and amortized in the Statement of Activities. Amortization for the fiscal year ended May 31, 2016 was:		98,599
Deferred charges are amortized in the Statement of Net Position over the life of the bond. Governmental funds recorded the charges as expenditures in the year received. Amortization for the fiscal year ended was:		(72,911)
Bond premiums received relating to serial bonds are revenues in the year of issue in the governmental funds. In the Statement of Activities, the premium is amortized over the life of the bonds.		(29,143)
Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the Statements of Activities, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from May 31, 2015 to May 31, 2016 changed by:		3,841
Pension Differences		
Increases/decreases in the proportionate share of the net pension liability and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Employees' retirement system	$ (356,520)	
Police and Firemen's retirement system	(1,277,997)	(1,634,517)
Change in Net Position of Governmental Activities		$ 11,745,035

See Accompanying Notes to the Financial Statements

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
MAY 31, 2016

	Business-Type Activities-Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
ASSETS				
Current Assets				
Cash and cash equivalents	$ 6,488,532	$ 7,633,816	$ 14,122,348	$ 3,353,167
Receivables				
Accounts, net	2,106,764	2,689,769	4,796,533	111,319
Due from other funds	10,273	25,942	36,215	
Prepaid expenses				251,576
Inventories	278,041	2,992,391	3,270,432	
Total Current Assets	8,883,610	13,341,918	22,225,528	3,716,062
Non-Current Assets				
Land	327,271	48,614	375,885	
Construction-in-progress	5,292,489	4,818,932	10,111,421	
Buildings and equipment	35,089,780	61,655,907	96,745,687	
	40,709,540	66,523,453	107,232,993	
Less - Accumulated depreciation	(10,302,284)	(33,149,182)	(43,451,466)	
Total Non-Current Assets	30,407,256	33,374,271	63,781,527	-
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	373,457	1,826,990	2,200,447	
Deferred charge on refunding	69,314	175,561	244,875	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	442,771	2,002,551	2,445,322	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 39,733,637	$ 48,718,740	$ 88,452,377	$ 3,716,062
LIABILITIES				
Payables				
Accounts payable	1,463,455	2,671,883	4,135,338	163,263
Accrued liabilities	19,671	121,133	140,804	
Accrued interest	150,321	123,782	274,103	
Due to other funds	22,700	34,058	56,758	
Customer deposits	35,912	1,459,218	1,495,130	
Due to retirement system	18,790	105,448	124,238	
Bonds payable, inclusive of premiums	1,571,397	1,280,799	2,852,196	
Claims payable				1,589,429
Compensated absences	7,655	56,711	64,366	
Unearned revenue				
Collections in advance	44,667	-	44,667	
Total Current Liabilities	3,334,568	5,853,032	9,187,600	1,752,692
Non-Current Liabilities				
Bonds payable, inclusive of premiums	16,367,970	9,337,338	25,705,308	
Claims payable				1,963,370
Compensated absences	298,530	2,211,746	2,510,276	
Net pension liability - proportionate share	389,696	1,891,575	2,281,271	
Net other post-employment benefits obligations	662,281	3,966,414	4,628,695	
Total Non-Current Liabilities	17,718,477	17,407,073	35,125,550	1,963,370
TOTAL LIABILITIES	21,053,045	23,260,105	44,313,150	3,716,062
DEFERRED INFLOWS OF RESOURCES				
Pensions	46,970	227,992	274,962	
NET POSITION				
Net investment in capital assets	12,537,203	22,931,695	35,468,898	
Unrestricted	6,096,419	2,298,948	8,395,367	
TOTAL NET POSITION	$ 18,633,622	$ 25,230,643	$ 43,864,265	$ -

See Accompanying Notes to the Financial Statements

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED MAY 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
OPERATING REVENUES				
Charges for services				
Metered sales	$ 4,872,694	$ 23,267,136	$ 28,139,830	
Penalty income	116,094		116,094	
Risk management				$ 2,080,334
Miscellaneous	38,241	312,549	350,790	
Total operating revenues	5,027,029	23,579,685	28,606,714	2,080,334
OPERATING EXPENSES				
Purchased power	174,161	10,598,755	10,772,916	
Depreciation	790,124	1,499,750	2,289,874	
Maintenance	324,179	80,432	404,611	
Interfund charges	601,016	2,949,736	3,550,752	
Production		1,712,544	1,712,544	
Transmission and distribution	752,905	1,182,947	1,935,852	
Street lighting		275,702	275,702	
General and administrative	1,165,228	1,172,021	2,337,249	492,951
Employee benefits	412,672	2,748,250	3,160,922	901,499
Insurance	41,666	291,667	333,333	190,122
Customer deposit interest		1,423	1,423	
Judgments and claims				505,495
Total operating expenses	4,261,951	22,513,227	26,775,178	2,090,067
Operating income (loss)	765,078	1,066,458	1,831,536	(9,733)
NON-OPERATING REVENUES (EXPENSES)				
Rental income	522,339		522,339	
Interest income	69,152	57,878	127,030	9,733
Interest expense	(367,908)	(312,941)	(680,849)	
Total non-operating revenues (expenses)	223,583	(255,063)	(31,480)	9,733
CHANGE IN NET POSITION	988,661	811,395	1,800,056	-
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 12)	17,644,961	24,419,248	42,064,209	-
TOTAL NET POSITION - END OF YEAR	$ 18,633,622	$ 25,230,643	$ 43,864,265	$ -

See Accompanying Notes to the Financial Statements

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED MAY 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue collected:				
Cash received from charges for services	$ 4,775,883	$ 24,154,819	$ 28,930,702	$ 2,080,334
Cash received from insurance recoveries				25,931
Internal activity-payments to other funds for expense reimbursements	6,455	(1,400)	5,055	
Payments for expenses:				
Cash payments to other suppliers of goods or services	(2,045,413)	(16,903,938)	(18,949,352)	
Cash payments to employees for services and related expenses	(1,086,457)	(5,347,379)	(6,433,836)	(901,499)
Cash payments to insurance carriers and claimants				(1,239,771)
Cash payments to customers on deposit - interest		(1,423)	(1,423)	
Internal activity-payments to other funds for expense reimbursements	(1,962)	6,871	4,909	-
Net Cash Provided by Operating Activities	1,648,506	1,907,550	3,556,056	(35,005)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(4,711,225)	(2,308,825)	(7,020,050)	
Proceeds from capital debt	6,628,356	785,452	7,413,808	
Principal paid on capital debt	(1,194,907)	(1,227,675)	(2,422,582)	
Interest paid on capital debt	(339,087)	(346,449)	(685,536)	
Net Cash Used by Capital and Related Financing Activities	383,137	(3,097,497)	(2,714,360)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and rental income	591,491	57,878	649,369	9,733
Net Cash Provided by Investing Activities	591,491	57,878	649,369	9,733
Net Increase in Cash and Cash Equivalents	2,623,134	(1,132,069)	1,491,065	(25,272)
Cash and Cash Equivalents at Beginning of Year	3,865,398	8,765,885	12,631,283	3,378,439
Cash and Cash Equivalents at End of Year	$ 6,488,532	$ 7,633,816	$ 14,122,348	$ 3,353,167
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	$ 765,078	$ 1,066,458	$ 1,831,536	$ (9,733)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	790,124	1,499,750	2,289,874	
Decrease (increase) in:				
Accounts receivable	(262,257)	636,336	374,079	25,931
Due from other funds	6,455	(1,400)	5,055	
Prepaid expenses				1,883
Inventory	11,666	(441,791)	(430,125)	
Increase (decrease) in:				
Accounts payable	290,256	(1,131,005)	(840,749)	24,656
Accrued liabilities	5,874	32,357	38,231	
Claims payable				(77,742)
Due to other funds	(1,962)	6,871	4,909	
Customer deposits	10,880	7,994	18,874	
Deferred revenue	231	(69,196)	(68,965)	
Due to employees' retirement system	(3,365)	(38,946)	(42,311)	
Compensated absences	(81,275)	(325,234)	(406,509)	
Pension amounts	29,279	164,736	194,015	
Net other post-employment benefits obligations	87,522	500,620	588,142	
Net Cash Provided by Operating Activities	$ 1,648,506	$ 1,907,550	$ 3,556,056	$ (35,005)

See Accompanying Notes to the Financial Statements

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
MAY 31, 2016

	Agency Fund	Pension Trust Fund
ASSETS		
Cash	$ 482,877	
Investments-mutual funds, at fair value		$ 3,698,032
Due from governmental funds	16,643	
Accounts receivable	4,477	
TOTAL ASSETS	$ 503,997	$ 3,698,032
LIABILITIES		
Accounts payable	$ 22,258	
Deposits	46,289	
Other liabilities	435,450	
TOTAL LIABILITIES	$ 503,997	$ -
NET POSITION		
Held in trust for pension benefits		$ 3,698,032

See Accompanying Notes to the Financial Statements

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED MAY 31, 2016

	Pension Trust Fund
ADDITIONS	
Pension contributions	$ 144,900
TOTAL ADDITIONS	144,900
DEDUCTIONS	
Net reduction in fair value of investments	86,534
Pension benefits	25,900
TOTAL DEDUCTIONS	112,434
CHANGE IN NET POSITION	32,466
NET POSITION - BEGINNING OF YEAR	3,665,566
NET POSITION - END OF YEAR	$ 3,698,032

See Accompanying Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A) General statement:

The Village of Rockville Centre (the "Village") was incorporated pursuant to an act of the New York State Legislature in July 1893. The Village operates under a Board of Trustees form of government in accordance with New York State Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general administrative support.

The financial statements of the Village have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the Village are described below:

B) Financial reporting entity:

The financial reporting entity is based on criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity* and as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity; Omnibus- An Amendment of GASB Statements No. 14 and No. 34.* The financial reporting entity consists of: (a) the primary government, which is the Incorporated Village of Rockville Centre, (b) organizations for which the primary government is financially accountable, and (c) 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 decision to include a potential component unit in the Village is based on several criteria, including legal standing, fiscal dependency and financial accountability.

Based on the application criteria, the following summary of an entity that is accounted for as a discretely presented component unit in the Village's basic financial statements. The Village of Rockville Centre Community Development Agency (the "Agency") is a separate public benefit corporation created by state legislation to promote the safety, health and welfare of the Village's inhabitants and to promote the sound growth and development of the Village. The Agency's management is designated by the Village Board. The Village Board is financially accountable for the Agency. The Village acts as a pass-through entity for funding received from the Federal U.S. Department of Housing and Urban Development (HUD) through contracts with the County of Nassau (the "County"). Due to the nature and significance of the relationship between the Village and Agency, exclusion of this component unit would cause the financial statements to be misleading. Based on the application of these criteria, there are no other entities which would be included in the Village's reporting entity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C) Basis of presentation:

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, liabilities, fund balances/net assets, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

i) Government-Wide Financial Statements

The Government-Wide Financial Statements (The Statement of Net Position and the Statement of Activities) present information on all of the non-fiduciary activities of the primary government. The effect of interfund activity, within the governmental activities column, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financial accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues.

ii) Fund Financial Statements

Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide Financial Statements. The Village has presented all major funds that met those qualifications.

The Village reports the following major governmental funds.

Governmental Funds:

General Fund – General fund is the main operating fund of the Village. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Capital Projects Fund – Capital projects fund is used to account for funds received and expended for the construction, renovation, expansion and major improvement of various Village facilities, thoroughfares, arterial streets and drainage improvements, improvements and construction of parks and recreational facilities and acquisition of land and other large nonrecurring projects.

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

Special Revenue Funds –Special revenue funds are established to account for the proceeds of specified revenue sources that are legally restricted to expenditures for certain defined purposes. The special revenue funds of the Village are as follows:

Community Development Fund –This fund is used to account for projects financed primarily by entitlements from the U.S. Department of Housing and Urban Development.

Section 8 Housing Fund –This fund is used to account for resources received from the U.S. Department of Housing and Urban Development for housing assistance payment purposes. The fiscal year-end of the Section 8 Housing Fund is June 30, 2016.

Special Purpose Fund –This fund is used to account for various cultural and recreation activities. Financing is provided by fees.

Debt Service Fund – This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

iii) Proprietary Fund:

Proprietary Fund Financial Statements include a Statement of Fund Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

The Village reports the following proprietary funds.

Enterprise Fund – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. The operations of the electric utility and water utility funds are recorded as enterprise funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Internal Service Fund – Internal service funds of the Village (which provide services primarily to other funds of the Village) are presented, in summary form, as part of the Proprietary Fund Financial Statements. Since the principal users of the internal services are the Village's governmental activities, financial activities of the internal service funds are presented in the governmental activities column when presented at the government-wide level. The costs of these services are allocated to the appropriate function/program (general government, public safety, education, public works, health and human services, and culture and recreation) in the Statement of Activities. The Village has established its risk management activities for general liability, workers' compensation and unemployment benefits in an internal service fund.

iv) **Fiduciary Funds:**

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary funds are used to account for assets held by the Village in a trustee or custodial capacity. These activities are not included in the Government-Wide Financial Statement, because their resources do not belong to the Village, and are not available to be used. The Village has represented the following fiduciary funds:

Agency Fund – This fund is strictly custodial in nature and does not involve the measurement of results of operations. Assets are held by the Village as an agent for payroll liabilities, bid deposits, and tickets related to the justice court.

Pension Trust Fund – This fund is used to account for investments for the Fire Service Length of Service Award Program (Defined contribution pension plan) and is strictly custodial in nature and does not involve the measurement of results of operations.

D) **Measurement focus and basis of accounting:**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurement made, regardless of the measurement focus applied. The Section 8 Housing Fund is recorded on the accrual basis of accounting.

The Government-Wide Financial Statements, Fiduciary Fund Financial Statements and Proprietary 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 property taxes, grants and donations. Under the accrual basis revenues are recognized when earned, including unbilled services which are accrued.

The Fund Financial Statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting (with the exception of the Section 8 Housing Fund). Under the modified accrual method of accounting revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

"available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for recognition of all other governmental fund revenues (with the exception of the Section 8 Housing Fund).

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income and intergovernmental revenues. Fines collected and held by the state at year-end on behalf of the government are also recognized as revenues. All other governmental fund revenues are recognized when received. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, net of pension liability, and net other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the enterprise funds and the internal service fund are charges to customers for services. Operating expenses for the enterprise funds and the internal service fund include the costs of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses. Private sector standards of accounting and financial reporting issued on or before November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that they do not conflict or contradict guidance of the GASB. Governments also have the option of following subsequent private sector guidance for their business type activities and enterprise funds. The Village has elected to not follow subsequent private sector guidance.

E) Restricted resources:

When an expense is incurred for purposes for which both restricted and unrestricted net position 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.

F) Use of estimates:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

G) Cash and cash equivalents:

For purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Statement of Cash Flows presented used the direct method. Certain cash balances are restricted by various legal and contractual obligations such as legal reserves, grants and debt agreements.

H) Real property taxes receivable:

Real property tax rates are set by the Board prior to May 1st, signed by the Mayor no later than May 31st and become an enforceable lien on real property as of June 1st. Property taxes are due in two installments during June and December without penalty.

I) Other receivables:

Other receivables include amounts due from other governments and individuals for services provided by the Village. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are reported when accounts are deemed to be uncollectible.

J) Prepaid expenses/expenditures:

Prepaid expenses/expenditures consist of insurance costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods.

K) Inventory:

The inventories reflected in the Proprietary Funds are stated at the lower of average cost or market. Purchases of inventoriable items at other locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

L) 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 the transfer of expenditure and revenues to provide financing or other services.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Refer to Note 15 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

M) Capital assets:

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the Government-Wide Financial Statements and in the Fund Financial Statements for the proprietary funds. All capital assets are valued at historical cost or estimated historical cost if the actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant or equipment.

Assets capitalized, not including infrastructure assets, have an original cost of $5,000 or more and over one year of useful life. Infrastructure assets capitalized have an original cost of $5,000 or more. In the case of the initial capitalization of general infrastructure assets (i.e. those reported by governmental activities), the Village chose to include all such items regardless of their acquisition date or amount. The Village was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e. estimating the current replace cost of the infrastructure to be capitalized and used an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year).

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and equipment	8-50 years
Infrastructure	20-50 years

N) Deferred outflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has two items that qualify for reporting in this category. The first is a deferred charge on refunding in the Government-Wide Financial Statements which represents the unamortized portion of the deferred charge on refunding. These costs are being amortized over the term of the respective bond issue. The second item is related to pensions reported in the Government-Wide Statement of Net Position. This represents the difference between expected and actual experience (ERS and PFRS), changes of assumptions (ERS and PFRS), the net

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

difference between projected and actual investment earnings on pension plan investments (ERS and PFRS), changes in proportion and differences between employer contributions and proportionate share of contributions (ERS and PFRS), and the Village's contributions to the pension systems (ERS and PFRS) subsequent to the measurement date.

O) Deferred inflows of resources:

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has one item that qualifies for reporting in this category. This item is related to pensions reported in the Government-Wide Statement of Net Position. This represents the differences between expected and actual experience (ERS and PFRS) and the changes in proportion and differences between the Village's contributions and proportionate share of contributions (ERS).

P) Collections in advance:

Collections in advance arise when the Village receives resources before it has legal claim to them. In the general fund, monies received in advance were primarily for service assistance payments for the next fiscal year. In the proprietary funds, monies are received before services are delivered. In subsequent periods, when the recognition criteria are met, or when the Village has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded.

Q) Vested employee benefits:

i) Compensated absences:

Compensated absences consist of unpaid accumulated annual sick leave, vacation and terminal leave:

Sick leave eligibility and accumulation is specified in negotiated labor contracts. Upon retirement or death, police officers may contractually receive a payment for a portion of their unused accumulated sick leave.

The Village employees are granted vacation in varying amounts, based primarily on length of service and contracts. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the Government-Wide and the Proprietary Financial Statements. The compensated absences liability is calculated based on the pay rates as mandated in employee contracts in effect at year end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

R) Other benefits:

Village employees participate in the New York State Employees' Retirement System and the New York State and Local Police and Fire Retirement System. In addition to providing pension benefits, the Village provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Pursuant to contractual provisions Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure. In the Government-Wide and Business-Type Financial Statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 45.

S) 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 dated.

T) Accrued liabilities and long-term obligations:

Payables, accrued liabilities and long-term obligations are reported in the Government-Wide Financial Statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the Funds Financial Statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the Fund Financial Statements when due. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are recognized as an expenditure/outflow of resources when incurred.

In the fund statements, only that portion of long-term obligations expected to be financed from expendable available financial resources is reported as a fund liability. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

On the Government Wide Financial Statements, premiums related to the issuance of long-debt are amortized on a straight-line basis over the life of the issue and are presented as part of the general obligation bonds payable in the non-current liabilities.

Long-term obligations represent the Village's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

U) Equity classifications:

i) Government-Wide Financial Statements:

In the Government-Wide Financial 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 acquisition, construction or improvement of those assets including any deferred outflows or inflows of resources related to the outstanding debt, and excluding any unspent debt proceeds.

Restricted net position – reports net position when constraints placed on the assets 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 net position – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the Village.

ii) Fund Financial Statements:

In the Fund Financial Statements, there are three classifications of fund balance presented:

(1) **Restricted** fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Village has classified the following as restricted:

Restricted for:	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Employee benefit accrued liability	$ 1,803,922			$ 1,803,922
Capital projects		$ 777,890		777,890
Unspent proceeds		4,470,992		4,470,992
Section 8 housing			$ 84,106	84,106
Special purpose-culture and recreation and public safety			207,820	207,820
Debt service			267,190	267,190
Total	$ 1,803,922	$ 5,248,882	$ 559,116	$ 7,611,920

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The restricted fund balance in the special purpose fund (special purpose) may only be used for recreational and police programs.

(2) **Assigned** fund balance – As per the Villages fund balance policy, this includes amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the Village management through Board policies. The purchasing agent, comptroller and the Board of Trustees have the responsibility to assign fund balance per their fund balance policy. This classification also includes the remaining positive fund balance for all governmental funds except for the general fund. The Village has classified the following as assigned:

Assigned for:	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Tax certiorari	$ 2,024,956			$ 2,024,956
General support	246,857			246,857
Public safety	232,933			232,933
Transportation	12,501			12,501
Economic opportunity & development	600			600
Culture & recreation	49,657			49,657
Outside legal	25,447			25,447
Community development			$ 1,766	1,766
Capital projects		$ 376,341		376,341
Total	$ 2,592,951	$ 376,341	$ 1,766	$ 2,971,058

Encumbrances

Encumbrances have been assigned based upon the Village's intent to be used for a specific purpose such as general support, instruction and capital projects. See Note 3 for further detail regarding accountability and Note 18 for further detail regarding significant encumbrances.

The Village has adopted a fund balance policy which authorizes the Board or their designated official to assign amounts for a specific purpose. Additionally, the Board of Trustees shall delegate the authority to assign fund balance, for encumbrance purposes, to the purchasing agent who has the delegated authority to sign purchase orders.

(3) **Unassigned** fund balance –Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance Unassigned fund balance includes $3,754,315 in the general fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves), the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from unrestricted fund balance. Expenditures incurred in unrestricted fund balances shall be applied first to the assigned fund balance to the extent there is an assignment and then to the unassigned balance.

V) New accounting standards:

The Village has adopted and implemented the following current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of May 31, 2016:

Statement No. 68, *Accounting and Financial reporting for pensions – An Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date.*

W) Future changes in accounting standards:

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* effective for the year ending May 31, 2019. This statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended,* and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* establishes new accounting and financial reporting requirements for OPEB plans.

GASB has issued Statement No. 77, *Tax Abatement Disclosures*, effective for the year ending May 31, 2017. This statement defines tax abatements and provides for increased disclosures including authority, eligibility criteria, dollar amount of taxes abated, and other information.

GASB has issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68,* and *No. 73*, which is effective for the year ended May 31, 2018. This statement addresses issues in the previously issued pension statements regarding payroll related measures in the required supplementary information, the selection of assumptions and deviations from other guidance, and the treatment of employee (plan member) contributions made by employers.

These are the statements that the Village feels may have an impact on these financial statements and are not an all inclusive list of GASB statements issued. The Village will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

X) Change in accounting principles:

For the fiscal year ended May 31, 2016, the Village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The implementation of the Statements requires the Village to report as an asset and/ or liability, its portion of the collective net pension asset and liability in the New York State and Local Employees' Retirement System and the New York State Local Police and Fire Retirement System. The implementation of the statements also requires the Village to report a deferred outflow and/or inflow for the effect of the net change in the Village's proportion of the collective net pension asset and /or liability and difference during the measurement period between the Village's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also included in deferred outflows is the Village's contribution to the pension systems subsequent to the measurement date. See Note 12 for the financial statement impact of implementation of the Statements.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS:

Due to the differences in the measurement focus and basis of accounting used in the Fund Financial Statements and the Government-Wide Financial Statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A) Total fund balances of governmental funds vs. net position of governmental activities:

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

B) Statement of revenues, expenditures and changes in fund balances vs. statement of activities:

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of the five broad categories. The amounts shown below represent:

i) 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 modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (CONTINUED):

ii) **Capital related differences:**

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

iii) **Long-term debt transaction differences:**

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the Fund Financial Statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

iv) **Employee benefit allocations:**

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balances based on the requirements of New York State. These costs have been allocated based on total salary for each function in the Statement of Activities.

v) **Pension differences:**

Pension differences occur as a result of changes in the Village's proportion of the collective net pension asset/liability and related deferred inflows and outflows reported in the Statement of Activities that do not provide for or require the use of current financial resources and are therefore are not reported as revenues or expenditures in the governmental funds.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) **Budgetary data:**

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

i) On or before March 20th, the budget officer submits to the Village Clerk a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and means of financing.

ii) The Village Clerk then submits the tentative budget to the Village Board of Trustees, on or before March 31st.

iii) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.

iv) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED):

v) Formal budgetary integration is employed during the year as a management control device for the general and debt service funds.

vi) Budgets for the general and debt service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The capital projects fund is budgeted on a project basis. Annual budgets are not adopted for the Community Development, Section 8 Housing, Special Purpose or Proprietary funds.

vii) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modifications to appropriations resulting from increases in revenue estimates or supplemental appropriations also require a majority vote by the Board.

viii) Appropriations in the general and debt service funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-appropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

B) Property tax limitation:

The Village is authorized by the State Constitution to levy taxes the lower of 2% or the rate of inflation, of the five year average full valuation of taxable real estate located within the Village and any amounts appropriated for debt service. In accordance with this definition, the maximum amount of the levy for 2015-2016 was $86,294,644 which exceeded the actual levy by $62,245,037.

C) 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 reservations of fund balance 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.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash

The Village's investment policies are governed by New York State statutes. In addition, the Village is required to have its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED):

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. While the Village does not have a specific policy for custodial credit risk, New York State statutes govern the Village's investment policies, as discussed previously in these Notes.

None of the Village's aggregate bank balances, not covered by depository insurance, were exposed to custodial credit risk as described above at year end.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of May 31, 2016 includes $7,869,388 in the governmental funds.

B) Investments

Investments in the Pension Trust Fund are stated at fair market value. These investments are not subject to risk categorization. See note 14 for additional information.

NOTE 5 – RECEIVABLES:

Receivable balances have been disaggregated by type and presented separately in the financial statements. Receivables with allowances for uncollectible accounts as of May 31, 2016 are presented below.

	General Fund		Water Fund	Electric Fund	Section 8
	Taxes Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable
Gross receivables	$ 29,480	$ 264,155	$ 2,109,287	$ 2,899,791	$ 4,656
Less: allowance for uncollectibles	(21,846)	(153,299)	(2,523)	(210,022)	(4,656)
Net receivables	$ 7,634	$ 110,856	$ 2,106,764	$ 2,689,769	$ -

NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at May 31, 2016 consisted of the following:

General Fund	
Due from SAFR	$ 99,000
Capital Fund	
Due from NYS	934,791
Total - Governmental funds	$ 1,033,791

Village management has deemed these amounts to be fully collectible.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments at May 31, 2016 consisted of the following:

General Fund		
Due from Nassau County - mortgage tax	$	85,953
Community Development Fund		
Due from Nassau County		774
Capital Fund		
Due from Nassau County - grant		334,268
Total	$	420,995

Village management has deemed these amounts to be fully collectible.

NOTE 8 – CAPITAL ASSETS:

The breakdown by major asset groups at May 31, 2016 was as follows:

	Beginning Balance	Additions	Transfers	Disposals	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated					
Land	$ 4,576,378				$ 4,576,378
Construction-in-progress	11,180,669	$ 9,673,725	$ (4,666,064)		16,188,330
Total capital assets, not being depreciated	15,757,047	9,673,725	(4,666,064)	$ -	20,764,708
Capital assets, being depreciated					
Building and equipment	32,415,563	402,205	4,666,064	(1,173,255)	36,310,577
Infrastructure	27,177,148	13,163,254		(875,400)	39,465,002
Total capital assets, being depreciated	59,592,711	13,565,459	4,666,064	(2,048,655)	75,775,579
Less accumulated depreciation for					
Buildings and equipment	13,536,153	1,097,047		(801,476)	13,831,724
Infrastructure	18,898,273	1,319,668		(915,814)	19,302,127
Total accumulated depreciation	32,434,426	2,416,715	-	(1,717,290)	33,133,851
Total capital assets being depreciated, net	27,158,285	11,148,744	4,666,064	(331,365)	42,641,728
Governmental activities capital assets, net	$ 42,915,332	$ 20,822,469	$ -	$ (331,365)	$ 63,406,436
Business-Type Activities:					
Capital assets, not being depreciated					
Land	$ 375,885				$ 375,885
Construction-in-progress	9,094,536	$ 7,261,593	$ (5,975,714)	$ (268,994)	10,111,421
Total capital assets, not being depreciated	9,470,421	7,261,593	(5,975,714)	(268,994)	10,487,306
Capital assets, being depreciated					
Building and equipment	92,266,852	-	5,975,714	(1,496,879)	96,745,687
Total capital assets, being depreciated	92,266,852	-	5,975,714	(1,496,879)	96,745,687
Less accumulated depreciation for					
Buildings and equipment	42,685,922	2,289,874		(1,524,330)	43,451,466
Total accumulated depreciation	42,685,922	2,289,874	-	(1,524,330)	43,451,466
Total capital assets being depreciated, net	49,580,930	(2,289,874)	5,975,714	27,451	53,294,221
Business-type activities capital assets, net	$ 59,051,351	$ 4,971,719	$ -	$ (241,543)	$ 63,781,527

NOTE 8 – CAPITAL ASSETS (CONTINUED):

Depreciation expense and loss on disposal were charged to governmental functions as follows:

General support	$ 173,039
Public safety	563,591
Transportation	1,508,193
Culture & recreation	252,494
Home & community services	250,763
Total	$ 2,748,080

NOTE 9 – DEFERRED OUTFLOWS OF RESOURCES:

The deferred charge on refunding, as recorded in the Government-Wide Financial Statements as a deferred outflow of resources, as of May 31, 2016 consisted of the following:

	Governmental Activities	Business-Type Activities
Loss on defeasance	$ 291,646	$ 244,875
Total deferred charge on refunding	$ 291,646	$ 244,875

The loss on defeasance pertaining to the 2012 refunding as recorded in the Government-Wide Financial Statements is being amortized using the straight-line method over 8 years, the time to maturity of the defeased bonds, at the time of refunding, as a component of interest expense.

NOTE 10 - SHORT-TERM DEBT:

The Village did not issue short-term debt during the year.

NOTE 11 – LONG-TERM LIABILITIES:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Primary Government					
Governmental activities:					
General obligation debt:					
Bonds payable	$ 30,125,000	$ 2,810,000	$ 3,360,000	$ 29,575,000	$ 3,340,000
Premium	771,575	29,143	98,599	702,119	99,893
Total bonds payable	30,896,575	2,839,143	3,458,599	30,277,119	3,439,893
Other liabilities:					
Compensated absences	15,538,461	576,316	1,059,343	15,055,434	1,427,990
Claims payable	3,630,541	1,406,994	1,484,736	3,552,799	1,589,429
Net pension - proportionate share	1,730,556 *	14,620,019	3,624,707	12,725,868	
Net other post employment benefits obligations	26,052,971	5,945,663	1,799,132	30,199,502	
Total other liabilities	45,221,973	22,548,992	7,967,918	61,533,603	3,017,419
Total Governmental activities	76,118,548	25,388,135	11,426,517	91,810,722	6,457,312
Business-Type Activities					
General obligation debt:					
Bonds payable	22,965,000	7,350,000	2,435,000	27,880,000	2,785,000
Premium	665,086	76,227	63,809	677,504	67,196
Total bonds payable	23,630,086	7,426,227	2,498,809	28,557,504	2,852,196
Other liabilities:					
Compensated absences	2,981,152		406,510	2,574,642	64,366
Net pension - proportionate share	487,328 *	2,485,490	691,547	2,281,271	-
Net other post employment benefit obligations	4,040,553	895,469	307,327	4,628,695	-
Total other liabilities	7,021,705	3,380,959	1,405,384	9,484,608	64,366
Total Business-Type activities	30,651,791	10,807,186	3,904,193	38,042,112	2,916,562
Total Primary Government	$ 106,770,339	$ 36,195,321	$ 15,330,710	$ 129,852,834	$ 9,373,874

*As restated, see Note 12.

Governmental fund liabilities for bonds are liquidated by the debt service fund, which is funded primarily by the general fund. The general fund has typically been used to liquidate long-term liabilities for the governmental activities for claims, compensated absences, net pension liability and net other post employment benefit obligations. The water and electric funds are typically been used to liquidate long-term liabilities for business-type activities for bonds payable, compensated absences, and net other post employment benefit obligations based upon their respective obligations.

NOTE 11 – LONG-TERM LIABILITIES (CONTINUED):

General Obligation Bonds

General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the Village. General obligation bonds require the Village to compute, at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The Village is in compliance with this requirement.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the Village to rebate excess arbitrage earnings from bond proceeds to the federal government. There were no excess arbitrage earnings for the year ended May 31, 2016.

Existing serial and statutory bond obligations at May 31, 2016 were comprised of the following for governmental activities, exclusive of premiums:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Outstanding at Year End
Public Improvements	2007	4,720,000	September 2027	3.75-4.00%	$ 325,000
Public Improvements	2008	825,000	October 2023	4.25-4.50%	360,000
Public Improvements	2009	4,295,000	December 2024	2.00-3.75%	2,120,000
Public Improvements	2010	3,715,000	February 2026	2.00-3.875%	2,125,000
Refunding Bonds	2012	100,000	October 2016	2.00-3.00%	25,000
Refunding Bonds	2012	650,000	June 2019	2.00-3.00%	365,000
Refunding Bonds	2012	360,000	June 2017	2.00-3.00%	140,000
Refunding Bonds	2012	495,000	June 2018	2.00-3.00%	285,000
Refunding Bonds	2012	885,000	June 2019	2.00-3.00%	560,000
Refunding Bonds	2012	855,000	June 2020	2.00-3.00%	710,000
Refunding Bonds	2012	1,205,000	June 2021	2.00-3.00%	1,205,000
Refunding Bonds	2012	1,780,000	June 2022	2.00-4.00%	1,780,000
Public Improvements	2012	2,480,000	August 2027	1.50-3.00%	1,895,000
Serial Bond Retirement System Contribution	2013	220,000	October 2018	3.00%	135,000
Public Improvements	2013	7,715,000	October 2028	2.00-3.00%	6,635,000
Public Improvements	2015	8,760,000	February 2030	2.00-3.00%	8,100,000
Public Improvements	2016	2,810,000	February 2031	2.00-3.00%	2,810,000
		$ 41,870,000			$ 29,575,000

NOTE 11 – LONG-TERM LIABILITIES (CONTINUED):

Existing serial and statutory bond obligations at May 31, 2016 were comprised of the following for business-type activities, exclusive of premiums:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Outstanding at Year End
Water Fund					
General Improvements	1993	$ 2,700,000	September 2018	4.85-5.00%	$ 300,000
General Improvements	2008	2,000,000	October 2023	4.25-4.50%	1,040,000
General Improvements	2009	1,200,000	December 2024	2.00-3.75%	720,000
General Improvements	2011	2,000,000	February 2026	2.00-3.875%	1,375,000
General Improvements	2012	4,500,000	August 2027	1.50-3.00%	3,595,000
Refunding Bonds	2012	1,370,000	June 2021	2.00-4.00%	1,155,000
General Improvements	2013	400,000	October 2028	2.00-3.00%	360,000
Public Improvements	2015	2,700,000	February 2030	2.00-3.00%	2,520,000
Public Improvements	2016	6,600,000	February 2031	2.00-3.00%	6,600,000
Electric Fund					
General Improvements	1992	10,900,000	August 2017	5.90-6.00 %	850,000
General Improvements	2007	2,000,000	June 2016	3.75-4.00%	100,000
General Improvements	2009	1,000,000	December 2024	2.00-3.75%	610,000
General Improvements	2011	1,400,000	February 2026	2.00-3.875%	1,000,000
General Improvements	2012	1,250,000	August 2027	1.50-3.00%	1,010,000
Refunding Bonds	2012	3,505,000	June 2027	2.00-4.00%	3,095,000
Public Improvements	2015	3,000,000	February 2030	2.00-3.00%	2,800,000
Public Improvements	2016	750,000	February 2031	2.00-3.00%	750,000
		$ 47,275,000			$ 27,880,000

On January 19, 2016, the Village issued $10,160,000 in serial bonds, of which $2,810,000 was recorded in the capital projects fund, for general public improvements, $750,000 was recorded in the electric fund for various equipment and $6,600,000 was recorded in the water fund for public improvements. The bond is payable over 15 years with an interest rate ranging from 2.0% to 3.0%.

The premiums on the 2016 and 2015 bonds of $105,371 and $90,866, respectively, are being amortized using the straight-line method over 15 years, the time to maturity for each of the bonds.

The premium on bond refunding pertaining to the 2012 refunding and the 2012 serial bond, as recorded in the Government-Wide Financial Statements, are being amortized using the straight-line method over 11 years and 15 years, respectively, the time to maturity of the 2012 refunded bond and the 2012 serial bond.

NOTE 11 – LONG-TERM LIABILITIES (CONTINUED):

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

Fiscal Year Ending May 31,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 3,340,000	$ 771,096	$ 2,785,000	$ 763,139	$ 6,125,000	$ 1,534,235
2018	3,280,000	684,619	2,805,000	676,670	6,085,000	1,361,289
2019	3,195,000	594,813	2,375,000	596,508	5,570,000	1,191,321
2020	3,005,000	508,163	2,300,000	530,558	5,305,000	1,038,721
2021	2,570,000	429,188	2,335,000	466,457	4,905,000	895,645
2022-2026	9,415,000	1,294,328	10,235,000	1,433,103	19,650,000	2,727,431
2027-2031	4,770,000	297,700	5,045,000	348,495	9,815,000	646,195
	$ 29,575,000	$ 4,579,907	$ 27,880,000	$ 4,814,930	$ 57,455,000	$ 9,394,837

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

	Governmental Activities	Business-Type Activities	Primary Government
Interest paid	$ 789,743	$ 686,959	$ 1,476,702
Less interest accrued in the prior year	(258,564)	(251,817)	(510,381)
Plus interest accrued in the current year	254,723	274,103	528,826
Plus amortization of deferred charge	72,911	36,835	109,746
Less amortization of premium	(98,599)	(63,808)	(162,407)
Total expense	$ 760,214	$ 682,272	$ 1,442,486

NOTE 12– PENSION PLANS:

A) Plan description and benefits provided:

i) Employees' Retirement System and Police and Fire Retirement System

The Village participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), which are collectively referred to as the New York State and Local Retirement System (the System). These are cost-sharing multiple –employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all new assets and record changes in plan net position allocated to the System.

NOTE 12 – PENSION PLANS (CONTINUED):

The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan (GLIP) which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany NY 12244.

B) Funding policies:

The System is noncontributory, except as follows:

a. Employees who joined the system after July 27, 1976
   i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
   i. Employees contribute 3% of their salary throughout active membership.
c. Employees who joined the system on or after April 1, 2012
   i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

The Comptroller certifies the rates expressed as proportions of members' payroll annually which are used in computing the contributions required to be made by employers to the pension accumulation fund.

The Village is required to contribute at an actuarially determined rate. The Village contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were as follows:

	ERS	PFRS
2016	$2,172,165	$ 1,694,871
2015	$2,489,116	$ 2,886,280
2014	$2,795,580	$ 2,321,824

The PFRS contribution was charged to the general fund.

NOTE 12 – PENSION PLANS (CONTINUED):

The current ERS contribution was charged as follows:

Fund	Amount
General	$ 1,480,729
Water	118,060
Electric	573,376
	$ 2,172,165

As detailed above, the general fund, water fund, and electric fund have typically been used to liquidate the net pension obligation.

C) Pension assets, liabilities, pension expense, and deferred outflows and inflows of resources related to pensions:

At May 31, 2016, the Village reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2016 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and PFRS Systems in reports provided to the Village.

	ERS	PFRS	Community Development ERS
Measurement date	March 31, 2016	March 31, 2016	March 31, 2016
Net pension liability	$ (7,203,254)	$ (7,763,183)	$ (40,702)
Village's portion of the Plan's total net pension liability	0.0448793%	0.2622000%	0.0002536%

For the year ended May 31, 2016, the Village recognized pension expense of $2,680,391 for ERS and $2,972,865 for PFRS. At May 31, 2016 the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 12 – PENSION PLANS (CONTINUED):

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	PFRS	ERS	PFRS
Differences between expected and actual experience	$ 36,606	$ 69,629	$ 858,651	$ 1,173,700
Changes of assumptions	1,931,745	3,346,683		
Net difference between projected and actual earnings on pension plan investments	4,297,512	4,350,636		
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	337,675	476,817	16,342	
Village's contributions subsequent to the measurement date	436,214	335,843		
	$ 7,039,752	$ 8,579,608	$ 874,993	$ 1,173,700

The Village allocated pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions and the contributions between Governmental and Business-type activities based on reported salaries for each activity.

Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended May 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	PFRS
Plan Year ended:		
2017	$ 1,463,917	$ 1,671,963
2018	$ 1,463,917	$ 1,671,963
2019	$ 1,463,917	$ 1,671,963
2020	$ 1,336,794	$ 1,611,386
2021		$ 442,790

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 for both ERS and PFRS:

NOTE 12 – PENSION PLANS (CONTINUED):

Measurement date	March 31, 2016
Acturial valuation date	April 1, 2015
Interest rate	7.00%
Salary scale	3.80%
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience
Inflation rate	2.50%

The annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

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

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each of the target asset allocation percentages and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	March 31, 2016
Asset type	
Domestic equity	7.30%
International equity	8.55%
Private equity	11.00%
Real estate	8.25%
Absolute return strategies	6.75%
Opportunistic portfolio	8.60%
Real assets	8.65%
Bonds and mortgages	4.00%
Cash	2.25%
Inflation-indexed bonds	4.00%

NOTE 12 – PENSION PLANS (CONTINUED):

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' 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 asset/(liability) calculated using the discount rate of 7.0%, as well as what the Village's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.0%) or 1-percentagepoint higher (8.0%) than the current rate:

ERS	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Village's proportionate share of the net pension asset (liability)	($16,242,814)	($7,203,254)	$434,788
Community Development ERS			
Village's proportionate share of the net pension asset (liability)	($91,780)	($40,702)	($2,457)
PFRS			
Village's proportionate share of the net pension asset (liability)	($17,339,885)	($7,763,183)	$264,169

NOTE 12 – PENSION PLANS (CONTINUED):

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective valuation dates were as follows:

	(Dollars in Thousands)	
	ERS	PFRS
Valuation date	April 1, 2015	April 1, 2015
Employers' total pension liability	$ (172,303,544)	$ (30,347,727)
Plan fiduciary net position	156,253,265	27,386,940
Employers' net pension liability	$ (16,050,279)	$ (2,960,787)
Ratio of plan fiduciary net position to the employers' total pension liability	90.68%	90.24%

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, 2016 represent the projected employer contribution for the period of April 1, 2016 through May 31, 2016 based on paid wages multiplied by the employer's contribution rate, by tier. Accrued ERS and PFRS retirement contributions as of May 31, 2016 amounted to $436,214 and $335,843, respectively.

Restatement of Net Position (Deficit)

For the fiscal year ended May 31, 2016, the Village implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27.* The implementation of Statement No. 68 resulted in the reporting of an asset, deferred outflow of resources, and liability related to the Village's participation in the New York State Employees' retirement systems. The Village's net position (deficit) has been restated as follows:

NOTE 12 – PENSION PLANS (CONTINUED):

	Governmental	Business-Type Water	Business-Type Electric	Total Business-Type
Net position (deficit) beginning of year, as previously stated	$ (11,130,953)	$ 17,678,891	$24,547,089	$42,225,980
GASB Statement No. 68 implementation:				
Beginning System liability - Employees' Retirement System	(1,063,091)	(83,248)	(404,080)	(487,328)
Beginning System liability - Police and Fire Retirement System	(679,116)			
Beginning deferred outflow of resources for:				
Contributions subsequent to the measurement date:				
Employees' Retirement System	341,427	22,155	144,394	166,549
Police and Fire Retirement System	745,115			
Other deferred outflows as of measurement date:				
Employees' Retirement System	354,773	27,163	131,845	159,008
Police and Fire Retirement System	854,723			
Net position beginning of year, as restated	$ (10,577,122)	$ 17,644,961	$24,419,248	$42,064,209

NOTE 13 – OTHER RETIREMENT PLANS:

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 to the Plan. The amount deferred by eligible employees for the year ended May 31, 2016 totaled $1,037,315.

NOTE 14 – PENSION TRUST – FIRE SERVICE AWARDS PROGRAM:

The Village established a defined contribution length of service award program (the "LOSAP") for the active volunteer firefighters of the Village of Rockville Centre Volunteer Fire Department. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the program.

NOTE 14 – PENSION TRUST – FIRE SERVICE AWARDS PROGRAM (CONTINUED):

A) Program Description:

i) Participation, vesting and service credit

Active volunteer firefighters who have reached the age of 18 and who have completed 1 year of firefighting service , and upon earning 50 or more points in a calendar year after 1993 are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with 5 years of firefighting service. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive up to 5 years of credit for firefighting performed prior to 1994.

ii) Benefits

A participant's benefit under the program is the amount resulting from the contributions made by the sponsor on behalf of the participant, plus interest and/or other earnings resulting from the investment of the contributions, less necessary administrative costs, forfeitures and losses resulting from the investment of contributions. Contributions in the amount of $700 are made on behalf of each participant who is credited with a year of firefighting service. Except in the case of permanent total disability or death, benefits are payable when a participant reaches entitlement age. Participants remain eligible to accumulate points after entitlement age has been reached. The participants age 65 and over receive payment directly from the Village for their service.

B) Fiduciary Investment and Control:

Service credit is determined by the Board of Trustees of the sponsor, based on information certified to the Board of Trustees by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the Board of Trustees. The Board of Trustees of the sponsor performs the administration of the program. Disbursements for the payment of benefits or administrative expenses must be approved by the Board of Trustees.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program.

Authority to invest program assets is vested in Mutual of America. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule. Each program participant discusses future investments on their behalf with Mutual of America on an individual basis.

NOTE 14 – PENSION TRUST – FIRE SERVICE AWARDS PROGRAM (CONTINUED):

C) Program Financial Condition:

i) Assets and Liabilities

Assets Available for Benefits

	% of total	
Mutual Funds	100.00%	$ 3,698,032
Less: Liabilites		-
Total Net Assets Available for Benefits		$ 3,698,032
Unfunded Liability for Prior Service		$ -

ii) Receipts and Disbursements

Plan net assets, beginning of year		$ 3,665,566
Changes during the year:		
Additions		
Plan contributions	144,900	144,900
Subtractions		
Interest and net change in fair value of investments	(86,534)	
Plan benefit withdrawals	(25,900)	(112,434)
Plan net assets, end of year		$ 3,698,032

NOTE 15 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS, PROPRIETARY FUND AND FIDUCIARY FUND:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	$ 103,545	$ 51,181		$ 4,624,743
Capital projects fund		33,269	$ 550,000	
Non-major governmental	33,269	48,464	4,074,743	
Total government activities	136,814	132,914	4,624,743	4,624,743
Water fund	10,273	22,700		
Electric fund	25,942	34,058		
Internal service fund				
Fiduciary agency fund	16,643	-		
Totals	$ 189,672	$ 189,672	$ 4,624,743	$ 4,624,743

NOTE 15 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS, PROPRIETARY FUND AND FIDUCIARY FUND (CONTINUED):

The Village typically transfers monies from the general fund to the debt service fund, to finance principal and interest payments as they become due. The Village typically transfers monies from the general fund to the capital projects fund to finance capital projects. Unexpended funds from the capital projects fund are transferred to the debt service fund as bonded projects are completed.

The Village typically loans resources to the other funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

NOTE 16 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS:

A) Plan Description:

The Village provides post employment (health insurance, life insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Village's contractual agreements. New York State Health Insurance Program Empire Plan, (the "Plan") is a single-employer defined benefit healthcare plan administered by New York State. The Plan provides medical insurance benefits to eligible retirees and their spouses. Article 37 of the Statutes of New York State assigns the authority to establish and amend benefit provisions to the Village. The Plan does not issue a stand alone, publicly available report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

B) Funding Policy:

The contribution requirements of Plan members and the Village are established and may be amended by the Village. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2016, the Village contributed $2,106,459 for current premiums and an additional $0 to prefund benefits. Plan members contribute 0% to 65% as per respective collective bargaining agreements.

C) Annual OPEB Cost and Net OPEB Obligation:

The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Village's net OPEB obligation to the Plan:

NOTE 16 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED):

Annual required contribution	$ 7,310,769
Interest on net OPEB obligation	1,203,741
Adjustment to annual required contribution	(1,673,378)
Annual OPEB cost (expense)	6,841,132
Contributions made	(2,106,459)
Increase in net OPEB obligation	4,734,673
Net OPEB obligation-beginning of year	30,093,524
Net OPEB obligation-end of year	$ 34,828,197

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2016 and the two preceding years were as follows:

Fiscal Year Ending	Annual Required Contribution	Annual OPEB Cost	OPEB Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
May 31, 2014	$ 7,409,583	$ 7,089,905	$ 1,893,307	27%	$ 25,681,067
May 31, 2015	$ 6,831,246	$ 6,430,469	$ 2,018,012	31%	$ 30,093,524
May 31, 2016	$ 7,310,769	$ 6,841,132	$ 2,106,459	31%	$ 34,828,197

D) Funded Status and Funding Progress:

As of June 1, 2014, the most recent actuarial valuation date, the Plan was 0% funded. The actuarial accrued liability for benefits was $71,111,830 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $71,111,830. The covered payroll (annual payroll of active employees covered by the plan) was $24,185,039, and the ratio of the UAAL to the covered payroll was 294%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements provides multiyear trend information that shows whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 16 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED):

E) Actuarial Methods and Assumptions:

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the historical pattern of sharing benefit costs between the Village and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% discount rate and an annual healthcare cost trend rate of 9.5% initially, reduced by decrements to an ultimate rate of 5% after 12 years. This rate includes a 5% inflation assumption. The UAAL is being amortized using the level dollar amortization method on an open basis. The remaining amortization at May 31, 2016, was 30 years.

NOTE 17 – RISK MANAGEMENT:

A) General:

The Village is self-insured for general, auto and police professional liability. The Village has retained a $300,000 liability per occurrence except for certain exceptions including auto which is retained at $250,000 and in order to reduce its exposure to catastrophic losses on insured events, has purchased "stop loss" insurance. Certain governmental funds and the enterprise fund are charged a premium by the Internal Service Fund.

The Village is self-insured for workers' compensation benefits. The workers' compensation claims are covered up to statutory limits. There is a $500,000 self-insured retention per claim and $750,000 for police and fire. Insurance coverage has been secured for losses in excess of the retention. Certain governmental funds and the Enterprise Fund are charged premiums by the Internal Service Fund.

The Village is self-insured for claims arising from unemployment cases and liabilities are not material.

The Village is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks in excess of self-insured amounts. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage from the prior year. Settled claims from these risks have exceeded commercial insurance coverage in the past three years. During the prior three years, the Village settled cases totaling $40,000, $95,000, $25,500, $18,500 and $175,000 and another case for $32,500.

NOTE 17 – RISK MANAGEMENT (CONTINUED):

B) Claims:

The Internal Service Fund reflects workers' compensation benefit liabilities, general liability claims and unemployment benefit liabilities which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled. Liabilities include an amount for reported claims which were incurred on or before year-end but not paid. Liabilities do include an amount for claims which were incurred on or before year-end but not reported (IBNR). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience. An analysis of the activity of unpaid claim liabilities is as follows:

	2016	2015
Unpaid claims at beginning of year	$ 3,630,541	$ 3,686,108
Incurred claims and claim adjustment expenses	1,406,994	1,060,347
Claims payments	(1,484,736)	(1,115,914)
Unpaid claims at year end	$ 3,552,799	$ 3,630,541

NOTE 18 – 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, will be immaterial.

B) Litigation:

The Village is involved in lawsuits arising from the normal conduct of its affairs. Some of these lawsuits seek damages which may be in excess of the Village's insurance coverage. To the extent the outcome of such litigation has been determined to result in probable loss to the Village such loss has been accrued in the accompanying financial statements. Litigation where loss to the Village is reasonably possible has not been accrued; however, Village management and counsel estimate such loss to total $325,000.

The Village is also a defendant in numerous pending tax certiorari proceedings, the results of which cannot be determined at this time. Any future refunds resulting from adverse settlements will be funded in the year payments are made.

NOTE 18 – COMMITMENTS AND CONTINGENCIES (CONTINUED):

C) Encumbrances:

Significant encumbrances included in governmental fund balances have been classified as restricted or assigned fund balance and are as follows:

i) **General Fund** - Total encumbrances of the general fund as of May 31, 2016 were $567,993. Significant encumbrances of $174,347 were assigned for architecture/engineering work, $54,415 for fire safety equipment and $77,341 for vehicle purchases.

ii) **Capital Projects Fund** – Total encumbrances of the capital projects fund as of May 31, 2016 were $2,311,352. Significant encumbrances of $2,126,016 were restricted to various roadwork projects; $185,336 was assigned and/or restricted to other miscellaneous projects.

D) Leases:

Operating Leases

The Village leases various equipment and vehicles under non-cancelable leases. Rental expense for the fiscal year was $88,292. The minimum remaining lease payments are as follows:

Fiscal Year Ending May 31,	Amount
2017	$ 95,441
2018	87,806
2019	27,395
2020	23,321
2021	9,552
	$ 243,515

NOTE 19 – SUBSEQUENT EVENTS:

The Village has evaluated subsequent events through December 5, 2016, 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.

Required Supplementary Information

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED MAY 31, 2016

	Original Budget	Final Budget	Current Year	(Over) Under Final Budget
REVENUES				
Real property taxes	$ 28,124,350	$ 28,124,350	$ 27,959,151	$ 165,199
Other tax items	861,837	861,837	866,363	(4,526)
Departmental income	4,903,600	4,963,600	4,707,082	256,518
Use of money & property	99,000	109,000	113,660	(4,660)
Licenses & permits	1,510,000	2,074,000	2,051,526	22,474
Fines & forfeitures	1,380,000	1,380,000	1,396,097	(16,097)
Sale of property & compensation for loss	92,000	145,000	141,724	3,276
Intergovernmental charges	4,378,855	4,378,855	4,223,405	155,450
State aid	876,671	1,045,171	986,423	58,748
Federal aid	100,000	360,000	221,924	138,076
Miscellaneous	867,552	867,552	884,506	(16,954)
TOTAL REVENUES	43,193,865	44,309,365	$ 43,551,861	$ 757,504
Appropriated reserves	-	286,883		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	$ 43,193,865	$ 44,596,248		

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.

(Continued)

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL YEAR ENDED MAY 31, 2016

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
GENERAL GOVERNMENT SUPPORT					
Board trustees	$ 110,311	$ 110,311	$ 106,842		$ 3,469
Village justice	250,313	250,313	238,675		11,638
Mayor	24,125	24,305	23,937		368
Comptroller	937,622	938,338	930,845	$ 958	6,535
Clerk treasurer	1,478,357	1,058,753	935,256	7,707	115,790
Professional services	600,000	775,169	375,029	214,788	185,352
Purchasing	152,216	82,216	77,398		4,818
Personnel	22,447	22,447	11,238	3,588	7,621
Elections	10,000	10,000	7,561		2,439
Central garage	764,170	749,170	712,658	8,558	27,954
Data processing	411,628	434,132	394,427	11,258	28,447
Special items					
Municipal associations dues	10,000	10,000	8,980		1,020
Judgments and claims	1,500,000	1,400,000	610,705		789,295
Metropolitan commuter transportation mobility tax	69,000	69,000	66,028		2,972
Insurance contribution	500,000	500,000	500,000		-
PUBLIC SAFETY					
Police civilian	1,030,000	1,015,000	1,002,289		12,711
Police	9,255,853	9,682,225	9,452,143	90,198	139,884
Street parking	123,500	163,500	145,414	9,960	8,126
Fire department	773,350	798,868	734,470	56,787	7,611
Fire prevention	16,565	16,565	4,362	1,383	10,820
Fire safety	-	283,191	205,128	72,305	5,758
Safety inspection	680,865	681,277	672,950	1,027	7,300
Auxiliary police	20,700	21,747	12,978	1,273	7,496
HEALTH					
Registrar of Vital Statistics	55,558	91,932	91,160		772
TRANSPORTATION					
Street administration	763,540	869,959	802,479	3,102	64,378
Street maintenance	929,963	1,100,763	1,081,647	6,149	12,967
Snow removal	299,500	222,414	222,375		39
Street lighting	550,000	550,000	511,761		38,239
Sidewalks	51,000	51,000	1,750	3,250	46,000
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Publicity	92,000	92,000	90,269	600	1,131
CULTURE and RECREATION					
Parks	600,837	731,836	715,932	10,652	5,252
Play & Recreation	1,632,304	1,849,146	1,674,263	34,601	140,282
MLK Center	280,169	314,331	300,826	1,583	11,922
Senior Center	561,676	613,577	588,685	2,821	22,071
Celebrations	33,000	33,000	28,477		4,523
HOME and COMMUNITY SERVICE					
Zoning Board	39,024	76,474	71,857	1,250	3,367
Planning Board	32,224	48,574	42,265	198	6,111
Sanitary Sewers	355,948	572,576	550,560	20,700	1,316
Refuse Collection	2,789,182	2,953,082	2,854,097	779	98,206
Board of Arch Review	5,000	5,000	5,000		-
Storm Sewers	141,175	216,760	206,558	2,520	7,682
Emergency Tenant Protection	7,500	8,500	4,020		4,480
EMPLOYEE BENEFITS		-			
Employee benefits	11,158,500	10,474,054	10,254,976		219,078
TOTAL EXPENDITURES	39,119,122	39,971,505	37,328,270	567,995	2,075,240
OTHER FINANCING (SOURCES) USES					
Other financing uses - transfers to other funds	4,074,743	4,624,743	4,624,743	-	-
TOTAL OTHER FINANCING (SOURCES) USES	4,074,743	4,624,743	4,624,743	-	-
TOTAL EXPENDITURES AND OTHER (SOURCES) USES	$ 43,193,865	$ 44,596,248	41,953,013	$ 567,995	$ 2,075,240
EXCESS OF REVENUES (EXPENDITURES)			1,598,848		
FUND BALANCES - BEGINNING OF YEAR			6,552,342		
FUND BALANCES - END OF YEAR			$ 8,151,190		

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.

See Paragraph on Required Supplementary Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFITS (OPEB)
MAY 31, 2016

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
June 1, 2010	$ 0	$ 65,832,565	$ 65,832,565	0%	$ 19,793,146	333%
June 1, 2012	$ 0	$ 75,601,277	$ 75,601,277	0%	$ 22,892,008	330%
June 1, 2014	$ 0	$ 71,111,830	$ 71,111,830	0%	$ 24,185,039	294%

See Paragraph on Required Supplementary Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEARS ENDED MAY 31, *

NYSERS Pension Plan

	2016	2015
Village's proportion of the net pension liability	0.0448793%	0.0455493%
Community Development's proportion of the net pension liability	0.0002536%	0.0003449%
Village's proportionate share of the net pension liability	$ 7,203,254	$ 1,538,768
Community Development's proportionate share of the net pension liability	$ 40,702	$ 11,651
Village's covered payroll	$ 13,716,005	$12,661,664
Village's proportionate share of the net pension liability as a percentage of its covered -employee payroll	52.52%	12.15%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	97.95%

NYSPFR Pension Plan

	2016	2015
Village's proportion of the net pension liability	0.262200%	0.246718%
Village's proportionate share of the net pension liability	$ 7,763,183	$ 679,116
Village's covered payroll	$ 8,712,398	$ 8,746,302
Village's proportionate share of the net pension liability as a percentage of its covered -employee payroll	89.11%	7.76%
Plan fiduciary net position as a percentage of the total pension liability	90.24%	99.00%

* The amounts presented for each fiscal year were determined as of the measurement dates of the plans.

See Paragraph on Required Supplementary Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF VILLAGE'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED MAY 31,

NYSERS Pension Plan

	2016	2015	2014
Contractually required contribution	$ 2,172,165	$ 2,489,116	$ 2,795,580
Contributions in relation to the contractually required contribution	2,172,165	2,489,116	2,795,580
Contribution deficiency (excess)	$ -	$ -	$ -
Village's covered employee payroll	$ 13,310,785	$ 13,262,296	$ 12,828,119
Contributions as a percentage of covered employee payroll	16.32%	18.77%	21.79%

NYSPFRS Pension Plan

	2016	2015	2014
Contractually required contribution	$ 1,694,871	$ 2,886,280	$ 2,321,824
Contributions in relation to the contractually required contribution	1,694,871	2,886,280	2,321,824
Contribution deficiency (excess)	$ -	$ -	$ -
Village's covered employee payroll	$ 8,456,953	$ 8,968,011	$ 9,024,858
Contributions as a percentage of covered employee payroll	20.04%	32.18%	25.73%

Paragraph on Required Supplementary Information Included in Independent Auditor's Report

GENERAL FUND

The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE BALANCE SHEET
GENERAL FUND
MAY 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents	$ 8,312,498	$ 7,801,608
Cash and cash equivalents - restricted	1,803,922	1,797,172
Taxes receivable, net of allowance for uncollectible amounts	7,634	37,864
Other receivables:		
Accounts, net	110,856	5,161
State and federal aid	99,000	104,935
Due from other governments	85,953	67,157
Due from other funds	103,545	223,645
TOTAL ASSETS	$ 10,523,408	$ 10,037,542
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Payables		
Accounts payable	$ 437,056	$ 547,411
Accrued liabilities	1,094,923	1,542,162
Due to other governments	2,001	1,803
Due to retirement system	641,903	1,080,389
Due to other funds	51,181	29,095
Unearned revenues		
Collections in advance	145,154	161,552
TOTAL LIABILITIES	2,372,218	3,362,412
DEFERRED INFLOWS OF RESOURCES		
Taxes received in advance	-	122,788
FUND BALANCES		
Restricted (employee benefit accrued liability)	1,803,922	1,797,172
Assigned (tax certiorari)	2,024,956	1,399,956
Assigned (unappropriated)	567,995	313,438
Unassigned	3,754,317	3,041,776
TOTAL FUND BALANCES	8,151,190	6,552,342
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 10,523,408	$ 10,037,542

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
GENERAL FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016					2015				
	Original Budget	Final Budget	Current Year	Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances	Original Budget	Final Budget	Current Year	Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
REVENUES										
Real property taxes	$ 28,124,350	$ 28,124,350	$ 27,959,151		$ 165,199	$ 27,380,140	$ 27,380,140	$ 27,312,754		$ 67,386
Other tax items	861,837	861,837	866,363		(4,526)	850,449	890,449	906,877		(16,428)
Departmental income	4,903,600	4,963,600	4,707,082		256,518	4,634,000	4,819,000	4,675,783		143,217
Use of money & property	99,000	109,000	113,660		(4,660)	113,000	113,000	92,705		20,295
Licenses & permits	1,510,000	2,074,000	2,051,526		22,474	1,392,000	1,747,000	1,736,837		10,163
Fines & forfeitures	1,380,000	1,380,000	1,396,097		(16,097)	1,450,000	1,450,000	1,308,490		141,510
Sale of property & compensation for loss	92,000	145,000	141,724		3,276	91,000	108,000	104,280		3,720
Intergovernmental charges	4,378,855	4,378,855	4,223,405		155,450	4,820,765	4,851,765	4,829,783		21,982
State and county aid	876,671	1,045,171	986,423		58,748	922,209	1,033,209	933,182		100,027
Federal aid	100,000	360,000	221,924		138,076	100,000	911,100	828,494		82,606
Miscellaneous	867,552	867,552	884,506		(16,954)	917,255	919,955	913,448		6,507
TOTAL REVENUES	43,193,865	44,309,365	43,551,861		757,504	42,670,818	44,223,618	43,642,633		580,985
EXPENDITURES										
General government support	6,840,189	6,434,154	4,999,579	$ 246,857	1,187,718	6,681,071	7,263,271	6,079,330	$ 50,627	1,133,314
Public safety	11,900,833	12,662,373	12,229,734	232,933	199,706	12,177,548	13,214,353	12,435,766	170,467	608,120
Health	55,558	91,932	91,160		772	54,669	54,669	53,176		1,493
Transportation	2,594,003	2,794,136	2,620,012	12,501	161,623	2,501,971	2,798,296	2,708,131	419	89,746
Economic opportunity and development	92,000	92,000	90,269	600	1,131	100,000	100,000	92,532		7,468
Culture and recreation	3,107,986	3,541,890	3,308,183	49,657	184,050	3,101,806	3,309,245	3,139,571	51,041	118,633
Home and community services	3,370,053	3,880,966	3,734,357	25,447	121,162	3,291,998	3,362,430	3,281,524	40,884	40,022
Employee benefits	11,158,500	10,474,054	10,254,976		219,078	11,093,500	10,712,216	10,712,215		1
Debt Service										
Interest	-	-	-		-	1,825	1,825	1,811		14
TOTAL EXPENDITURES	39,119,122	39,971,505	37,328,270	567,995	2,075,240	39,004,388	40,816,305	38,504,056	313,438	1,998,811
OTHER FINANCING SOURCES (USES)										
Issuance of serial bonds			-		-	-				-
Operating transfers in					-	-	327,117			327,117
Operating transfers out	(4,074,743)	(4,624,743)	(4,624,743)		-	(3,666,430)	(3,734,430)	(3,734,430)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,074,743)	(4,624,743)	(4,624,743)		-	(3,666,430)	(3,407,313)	(3,734,430)	-	327,117
TOTAL EXPENDITURES AND OTHER SOURCES (USES)	$ 43,193,865	$ 44,596,248	41,953,013	$ 567,995	$ 2,075,240	$ 42,670,818	$ 44,223,618	42,238,486	$ 313,438	$ 1,671,694
NET CHANGE IN FUND BALANCES			1,598,848					1,404,147		
FUND BALANCES- BEGINNING OF YEAR			6,552,342					5,148,195		
FUND BALANCES- END OF YEAR			$ 8,151,190					$ 6,552,342		

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.

See Paragraph on Other Information Included in Independent Auditor's Report

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE BALANCE SHEET
CAPITAL PROJECTS FUND
MAY 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents - unrestricted	$ 137,928	$ 831,667
Cash and cash equivalents - restricted	5,248,882	10,150,620
Receivables:		
Accounts	132	655
State and federal aid	934,791	989,804
Due from other governments	334,268	334,268
TOTAL ASSETS	$ 6,656,001	$ 12,307,014
LIABILITIES AND FUND BALANCES		
Payables		
Accounts payable	$ 997,509	$ 1,116,903
Due to other funds	33,269	11,093
TOTAL LIABILITIES	1,030,778	1,127,996
FUND BALANCES		
Restricted	5,248,882	10,150,620
Assigned	376,341	1,028,398
TOTAL FUND BALANCES	5,625,223	11,179,018
TOTAL LIABILITIES AND FUND BALANCES	$ 6,656,001	$ 12,307,014

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015
REVENUES		
State aid	$ 297,279	$ 969,660
County and local aid	462,650	464,900
TOTAL REVENUES	759,929	1,434,560
EXPENDITURES		
Capital outlay	9,673,724	8,383,778
TOTAL EXPENDITURES	9,673,724	8,383,778
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,913,795)	(6,949,218)
OTHER FINANCING SOURCES (USES)		
Issuance of serial bonds	2,810,000	8,760,000
Operating transfers in	550,000	102,000
Operating transfers (out)	-	(4,302)
TOTAL OTHER FINANCING SOURCES (USES)	3,360,000	8,857,698
NET CHANGE IN FUND BALANCES	(5,553,795)	1,908,480
FUND BALANCES - BEGINNING OF YEAR	11,179,018	9,270,538
FUND BALANCES - END OF YEAR	$ 5,625,223	$ 11,179,018

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THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED MAY 31, 2016

Project Title	Project Number	Authorization	Expenditures to Date			Unexpended Balance	Methods of Financing			Total	Fund Balance May 31, 2016
			Prior Years	Current Year	Total		Proceeds of Obligations	State and Federal Aid	Local Sources		
Museum Renovations	2005-16	$ 15,000	$ 14,321	$ 679	$ 15,000	$ -			$ 15,000	$ 15,000	$ -
Museum Renovations	2005-16A	90,000	45,350	44,650	90,000	-			34,900	34,900	(55,100)
	2005-16B	20,000		18,600	18,600	1,400				-	(18,600)
Parking Field Renovations	2007-2	350,000	262,009	58,425	320,434	29,566	$ 350,000			350,000	29,566
Pump House Renovations	2007-5	140,000	16,480	33,651	50,131	89,869	140,000			140,000	89,869
Architect/Engineering	2008-7	300,000	85,958	156	86,114	213,886	300,000			300,000	213,886
Auxiliary Police Facility	2009-2	100,000	101,819	(1,819)	100,000	-	100,000			100,000	-
Auxiliary Police	2009-2B	250,000	247,160	(3,154)	244,006	5,994			250,000	250,000	5,994
Park Upgrade	2010-3	225,000	77,707		77,707	147,293	225,000			225,000	147,293
Centennial Park	2010-3A	160,000	76,388		76,388	83,612			160,000	160,000	83,612
Centennial Park	2010-3B	325,000	57	105,850	105,907	219,093			325,000	325,000	219,093
Centennial Park	2010-3C	500,000	55,850	444,150	500,000	-		$ 40,200	15,650	55,850	(444,150)
Computer Hardware Acquisition	2011-4	250,000	232,965	17,035	250,000	-	250,000			250,000	-
Vehicles for Department of Public Works	2011-7	170,000	145,426	24,574	170,000	-	170,000			170,000	-
Replace Fuel Tanks and Vehicles	2011-9	500,000	459,793	11,264	471,057	28,943	500,000			500,000	28,943
Maple Avenue	2011-10B	800,000	651,517		651,517	148,483		800,000		800,000	148,483
	2011-10D	200,000		200,000	200,000	-				-	(200,000)
Molloy Fields-Klein Field Renovation	2012-2A	1,600,000	931,814		931,814	668,186			931,783	931,783	(31)
Molloy	2012-2D	50,000	-	50,000	50,000	-			50,000	50,000	-
DPW Sewer Jet Vac	2012-6	225,000	220,698		220,698	4,302	220,698			220,698	-
Police Department Telephone System	2012-8	60,000	50,831		50,831	9,169	60,000			60,000	9,169
Athletic Fields	2012-9	750,000	761,529	(11,529)	750,000	-	750,000			750,000	-
	2012-9C	10,000	30,000		30,000	(20,000)			10,000	10,000	(20,000)
Molloy	2012-9D	500,000		413,165	413,165	86,835			500,000	500,000	86,835
	2012-9E	100,000		93,575	93,575	6,425				-	(93,575)
MIS Network Switch	2012-10	20,000	8,386	8,249	16,635	3,365	20,000			20,000	3,365
MIS Computer Server	2012-11	130,000	85,789		85,789	44,211	130,000			130,000	44,211
Avalon Bay-Smith Pond Improvements	2012-13	100,000	2,218	97,782	100,000	-			100,000	100,000	-
	2012-14	100,000	87,628		87,628	12,372			100,000	100,000	12,372
	2014-2	4,133,502	3,496,585	468,357	3,964,942	168,560	4,133,502			4,133,502	168,560
	2014-3	100,000	11,227	105,229	116,456	(16,456)	132,356			132,356	15,900
	2014-6	245,000	225,934	19,066	245,000	-	245,000			245,000	-
	2014-7	200,000		200	200	199,800	200,000			200,000	199,800
	2014-8	70,000	66,404	(56,442)	9,962	60,038	70,000			70,000	60,038
	2014-9	80,000	73,076		73,076	6,924	80,000			80,000	6,924
	2014-10	200,000	75,286	32,578	107,864	92,136	200,000			200,000	92,136
	2014-11	100,000	41,329	3,245	44,574	55,426	100,000			100,000	55,426
	2014-13	1,000,000		924,434	924,434	75,566	967,644			967,644	43,210
	2015-1	5,000,000	1,322,267	2,402,801	3,725,068	1,274,932	4,994,621			4,994,621	1,269,553
	2015-2	1,000,000	393,000	217,165	610,165	389,835	1,000,000			1,000,000	389,835
	2015-3	250,000		-		250,000	250,000			250,000	250,000
	2015-4	350,000		65,603	65,603	284,397	350,000			350,000	284,397
	2015-5	60,000	58,536		58,536	1,464	60,000			60,000	1,464
Subtotal		20,828,502	10,415,337	5,787,539	16,202,876	4,625,626	15,998,821	840,200	2,492,333	19,331,354	3,128,478

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED MAY 31, 2016

Project Title	Project Number	Authorization	Expenditures to Date			Unexpended Balance	Methods of Financing			Total	Fund Balance May 31, 2016
			Prior Years	Current Year	Total		Proceeds of Obligations	State and Federal Aid	Local Sources		
Total brought forward		$ 20,828,502	$ 10,415,337	$ 5,787,539	$ 16,202,876	$ 4,625,626	$ 15,998,821	$ 840,200	$ 2,492,333	$ 19,331,354	$ 3,128,478
	2015-6	500,000	174,506	218,308	392,814	107,186	505,379			505,379	112,565
	2015-6A	212,650		212,650	212,650	-			212,650	212,650	-
	2015-7	1,600,000		1,600,000	1,600,000	-	1,600,000			1,600,000	-
	2016-1	2,200,000		1,855,118	1,855,118	344,882	2,200,000			2,200,000	344,882
	2016-2	200,000			-	200,000	200,000			200,000	200,000
	2016-3	285,000			-	285,000	285,000			285,000	285,000
	2016-4	125,000			-	125,000	125,000			125,000	125,000
	2016-5	250,000			-	250,000			250,000	250,000	250,000
	2016-6	390,000			-	390,000				-	-
	2016-7	100,000		109	109	99,891				-	(109)
	2016-8	550,000			-	550,000			550,000	550,000	550,000
Various Road Improvements	85	298,870	298,870		298,870	-		928,277		928,277	629,407
TOTAL		$ 27,540,022	$ 10,888,713	$ 9,673,724	$ 20,562,437	$ 6,977,585	$ 20,914,200	$ 1,768,477	$ 3,504,983	$ 26,187,660	$ 5,625,223

See Paragraph on Other Information Included in Independent Auditor's Report

SPECIAL REVENUE FUNDS

The Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than proprietary, expendable trusts, pension trusts or capital projects) that are legally restricted to expenditures for certain defined purposes. The special revenue funds of the Village are as follows:

Community Development and Section 8 Funds - The Community Development and Section 8 Funds are used to account for projects and subsidies financed by entitlements from the United States Department of Housing and Urban Development.

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

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS
MAY 31, 2016

	Special Revenue Funds					
	Community Development	Section 8 Housing	Special Purpose	Total	Debt Service	Total Non-Major Funds
ASSETS						
Cash and cash equivalents - unrestricted	$ 48,800			$ 48,800		$ 48,800
Cash and cash equivalents - restricted		$ 365,157	$ 217,506	582,663	$ 233,921	816,584
Receivables:						
Due from other governments	774			774		774
Due from other funds				-	33,269	33,269
TOTAL ASSETS	$ 49,574	$ 365,157	$ 217,506	$ 632,237	$ 267,190	$ 899,427
LIABILITIES AND FUND BALANCES						
Accounts payable	$ 1,039		$ 9,686	$ 10,725		$ 10,725
Accrued liabilities		$ 279,356		279,356		279,356
Due to other funds	46,769	1,695		48,464		48,464
TOTAL LIABILITIES	47,808	281,051	9,686	338,545	-	338,545
FUND BALANCES						
Restricted		84,106	207,820	291,926	267,190	559,116
Assigned	1,766			1,766		1,766
TOTAL FUND BALANCES	1,766	84,106	207,820	293,692	267,190	560,882
TOTAL LIABILITIES AND FUND BALANCES	$ 49,574	$ 365,157	$ 217,506	$ 632,237	$ 267,190	$ 899,427

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED MAY 31, 2016

	Special Revenue Funds					Total
	Community Development	Section 8 Housing	Special Purpose	Total	Debt Service	Non Major Funds
REVENUES						
Departmental income		$ 86,868		$ 86,868		$ 86,868
Use of money and property	$ 70	392		462	$ 32,235	32,697
Federal aid	79,773	2,642,425		2,722,198		2,722,198
Miscellaneous			$ 74,916	74,916		74,916
TOTAL REVENUES	79,843	2,729,685	74,916	2,884,444	32,235	2,916,679
EXPENDITURES						
Economic opportunity and development		2,776,683		2,776,683		2,776,683
Culture and recreation			58,285	58,285		58,285
Home and community services	79,341			79,341		79,341
Debt service						
Principal					3,360,000	3,360,000
Interest					789,743	789,743
TOTAL EXPENDITURES	79,341	2,776,683	58,285	2,914,309	4,149,743	7,064,052
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	502	(46,998)	16,631	(29,865)	(4,117,508)	(4,147,373)
OTHER FINANCING SOURCES (USES)						
Premium on obligations					29,143	29,143
Operating transfers in					4,074,743	4,074,743
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	4,103,886	4,103,886
NET CHANGE IN FUND BALANCES	502	(46,998)	16,631	(29,865)	(13,622)	(43,487)
FUND BALANCES - BEGINNING OF YEAR	1,264	131,104	191,189	323,557	280,812	604,369
FUND BALANCES - END OF YEAR	$ 1,766	$ 84,106	$ 207,820	$ 293,692	$ 267,190	$ 560,882

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE BALANCE SHEET
COMMUNITY DEVELOPMENT FUND
MAY 31, 2016 AND 2015

	2016	2015 *
ASSETS		
Cash and cash equivalents - unrestricted	$ 48,800	$ 36,611
Receivables:		
Due from other governments	774	26,579
TOTAL ASSETS	$ 49,574	$ 63,190
LIABILITIES AND FUND BALANCES		
Accounts payable	$ 1,039	$ 4,121
Due to other funds	46,769	57,805
TOTAL LIABILITIES	47,808	61,926
FUND BALANCES		
Assigned	1,766	1,264
TOTAL FUND BALANCES	1,766	1,264
TOTAL LIABILITIES AND FUND BALANCES	$ 49,574	$ 63,190

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMMUNITY DEVELOPMENT FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015
REVENUES		
Departmental income	$ -	$ 8,500
Use of money and property	70	143
Federal aid	79,773	147,921
TOTAL REVENUES	79,843	156,564
EXPENDITURES		
Home and community service	79,341	156,540
NET CHANGE IN FUND BALANCES	502	24
FUND BALANCES - BEGINNING OF YEAR	1,264	1,240
FUND BALANCES - END OF YEAR	$ 1,766	$ 1,264

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE BALANCE SHEET
SECTION 8 HOUSING FUND
MAY 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents - restricted	$ 365,157	$ 356,226
Receivables:		
Accounts, net	-	19,146
TOTAL ASSETS	$ 365,157	$ 375,372
LIABILITIES AND FUND BALANCES		
Accrued liabilities	$ 279,356	$ 242,573
Due to other funds	1,695	1,695
TOTAL LIABILITIES	281,051	244,268
FUND BALANCES		
Restricted	84,106	131,104
TOTAL FUND BALANCES	84,106	131,104
TOTAL LIABILITIES AND FUND BALANCES	$ 365,157	$ 375,372

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SECTION 8 HOUSING FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015
REVENUES		
Departmental income	$ 86,868	$ 112,485
Use of money and property	392	482
Federal aid	2,642,425	2,417,311
TOTAL REVENUES	2,729,685	2,530,278
EXPENDITURES		
Economic opportunity and development	2,776,683	2,683,636
NET CHANGE IN FUND BALANCES	(46,998)	(153,358)
FUND BALANCES - BEGINNING OF YEAR	131,104	284,462
FUND BALANCES - END OF YEAR	$ 84,106	$ 131,104

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE BALANCE SHEET
SPECIAL PURPOSE FUND
MAY 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents - restricted	$ 217,506	$ 191,189
TOTAL ASSETS	$ 217,506	$ 191,189
LIABILITIES AND FUND BALANCE		
Accounts payable	$ 9,686	$ -
TOTAL LIABILITIES	9,686	-
FUND BALANCES		
Restricted	207,820	191,189
TOTAL FUND BALANCES	207,820	191,189
TOTAL LIABILITIES AND FUND BALANCES	$ 217,506	$ 191,189

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL PURPOSE FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015
REVENUES		
Miscellaneous	$ 74,916	$ 119,499
EXPENDITURES		
Culture and recreation	58,285	63,768
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,631	55,731
FUND BALANCES - BEGINNING OF YEAR	191,189	135,458
FUND BALANCES - END OF YEAR	$ 207,820	$ 191,189

DEBT SERVICE FUND

The Debt Service Fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on general long-term debt.

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE BALANCE SHEET
DEBT SERVICE FUND
MAY 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents - restricted	$ 233,921	$ 269,719
Receivables:		
Due from other funds	33,269	11,093
TOTAL ASSETS	$ 267,190	$ 280,812
FUND BALANCES		
Restricted	$ 267,190	$ 280,812
TOTAL FUND BALANCES	$ 267,190	$ 280,812

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016				2015			
	Original Budget	Final Budget	Current Year	Final Budget Variance with Budgetary Actual	Original Budget	Final Budget	Current Year	Final Budget Variance with Budgetary Actual
REVENUES								
Use of money & property			$ 32,235	$ (32,235)			$ 34,113	$ (34,113)
TOTAL REVENUES	$ -	$ -	32,235	(32,235)	$ -	$ -	34,113	(34,113)
EXPENDITURES								
Debt service								
Principal	3,335,000	3,335,000	3,360,000	(25,000)	2,929,000	2,929,000	2,895,000	34,000
Interest	739,743	739,743	789,743	(50,000)	739,255	739,255	767,208	(27,953)
TOTAL EXPENDITURES	4,074,743	4,074,743	4,149,743	(75,000)	3,668,255	3,668,255	3,662,208	6,047
OTHER FINANCING SOURCES (USES)								
Premium on obligations			29,143	(29,143)			90,866	(90,866)
Operating transfers in	4,074,743	4,074,743	4,074,743	-	3,668,255	3,668,255	3,636,732	31,523
TOTAL OTHER FINANCING SOURCES (USES)	4,074,743	4,074,743	4,103,886	(29,143)	3,668,255	3,668,255	3,727,598	(59,343)
TOTAL EXPENDITURES AND OTHER SOURCES (USES)	$ -	$ -	45,857	$ (45,857)	$ -	$ -	(65,390)	$ 65,390
NET CHANGE IN FUND BALANCES			(13,622)				99,503	
FUND BALANCES- BEGINNING OF YEAR			280,812				181,309	
FUND BALANCES- END OF YEAR			$ 267,190				$ 280,812	

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.

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. The operations of the Electric Utility and Water Fund are recorded as enterprise funds.

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF FUND NET POSITION
ENTERPRISE FUND - WATER FUND
MAY 31, 2016 AND 2015

	2016	Restated 2015
ASSETS		
Current Assets		
Cash and cash equivalents	$ 6,488,532	$ 3,865,398
Receivables		
Accounts, net	2,106,764	1,844,507
Due from other funds	10,273	16,728
Inventories	278,041	289,707
Total Current Assets	8,883,610	6,016,340
Non-Current Assets		
Land	327,271	327,271
Construction-in-progress	5,292,489	4,482,303
Buildings and equipment	35,089,780	32,384,715
	40,709,540	37,194,289
Less - Accumulated depreciation	(10,302,284)	(10,708,134)
Total Non-Current Assets	30,407,256	26,486,155
TOTAL ASSETS	39,290,866	32,502,495
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	373,457	49,317
Deferred charge on refunding	69,314	86,643
TOTAL DEFERRED OUTFLOWS	442,771	135,960
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 39,733,637	$ 32,638,455
LIABILITIES		
Current Liabilities		
Accounts payable	1,463,455	1,173,199
Accrued liabilities	19,671	13,797
Accrued interest	150,321	110,472
Due to other funds	22,700	24,662
Customer deposits	35,912	25,032
Collections in advance	44,667	44,436
Due to employees' retirement system	18,790	22,155
Bonds payable, inclusive of premiums	1,571,397	1,461,834
Compensated absences	7,655	9,687
Total Current Liabilities	3,334,568	2,885,274
Non-Current Liabilities		
Bonds payable, inclusive of premiums	16,367,970	11,072,440
Compensated absences	298,530	377,774
Net pension liability - proportionate share	389,696	83,247
Net other post-employment benefit obligations	662,281	574,759
Total Non-Current Liabilities	17,718,477	12,108,220
TOTAL LIABILITIES	21,053,045	14,993,494
DEFERRED INFLOWS OF RESOURCES		
Pensions	46,970	-
NET POSITION		
Net investment in capital assets	12,537,203	14,038,524
Unrestricted	6,096,419	3,606,437
TOTAL NET POSITION	$ 18,633,622	$ 17,644,961

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND - WATER FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015*
OPERATING REVENUES		
Charges for services		
Metered sales	$ 4,872,694	$ 4,440,216
Penalty income	116,094	121,727
Miscellaneous	38,241	18,083
Total operating revenues	5,027,029	4,580,026
OPERATING EXPENSES		
Purchased power	174,161	201,601
Depreciation	790,124	698,299
Maintenance	324,179	374,158
Interfund charges	601,016	751,627
Transmission and distribution	752,905	771,242
General and administrative	1,165,228	1,172,542
Employee benefits	412,672	470,284
Insurance	41,666	75,000
Total operating expenses	4,261,951	4,514,753
Operating income (loss)	765,078	65,273
NON-OPERATING REVENUES (EXPENSES)		
Rental income	522,339	519,941
Interest income	69,152	56,651
Interest expense	(367,908)	(312,638)
Total non-operating revenues (expenses)	223,583	263,954
CHANGE IN NET POSITION	988,661	329,227
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED FOR 2016 (SEE NOTE 12)	17,644,961	17,349,664
TOTAL NET POSITION - END OF YEAR	$ 18,633,622	$ 17,678,891

* 2015 information was not restated because all the information necessary was not readily available. The cumulative effect of applying the change of accounting principle is shown as an adjustment to the beginning net position. See Note 12 for more information.

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF CASH FLOWS
ENTERPRISE FUND - WATER FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015*
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue collected:		
Cash received from charges for services	$ 4,775,883	$ 4,682,499
Internal activity-payments from other funds for expense reimbursements	6,455	(14,461)
Payments for expenses:		
Cash payments to other suppliers of goods or services	(2,045,413)	(1,741,001)
Cash payments to employees for services and related expenses	(1,086,457)	(1,037,940)
Internal activity-payments to other funds for expense reimbursements	(1,962)	(20,766)
Net Cash Provided by Operating Activities	1,648,506	1,868,331
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(4,711,225)	(4,049,200)
Proceeds from capital debt	6,628,356	2,724,872
Principal paid on capital debt	(1,194,907)	(1,216,073)
Interest paid on capital debt	(339,087)	(320,358)
Net Cash Used by Capital and Related Financing Activities	383,137	(2,860,759)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and rental income	591,491	576,592
Net Cash Provided by Investing Activities	591,491	576,592
Net Increase (Decrease) in Cash and Cash Equivalents	2,623,134	(415,836)
Cash and Cash Equivalents at Beginning of Year	3,865,398	4,281,234
Cash and Cash Equivalents at End of Year	$ 6,488,532	$ 3,865,398
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	$ 765,078	$ 65,273
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	790,124	698,299
Decrease (increase) in:		
Accounts receivable	(262,257)	99,625
Due from other funds	6,455	(14,461)
Inventory	11,666	18,773
Increase (decrease) in:		
Accounts payable	290,256	961,466
Accrued liabilities	5,874	(56)
Due to other funds	(1,962)	(20,766)
Customer deposits	10,880	3,130
Collections in advance	231	(282)
Due to employees' retirement system	(3,365)	(3,354)
Compensated absences	(81,275)	(9,823)
Pension amounts	29,279	
Other post-employment benefit obligations payable	87,522	70,507
Net Cash Provided by Operating Activities	$ 1,648,506	$ 1,868,331

* 2015 information was not restated because all the information necessary was not readily available. The cumulative effect of applying the change of accounting principle is shown as an adjustment to the beginning net position. See Note 12 for more information.

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF FUND NET POSITION
ENTERPRISE FUND - ELECTRIC FUND
MAY 31, 2016 AND 2015

	2016	Restated 2015
ASSETS		
Current Assets		
Cash and cash equivalents	$ 7,633,816	$ 8,765,885
Receivables		
Accounts, net	2,689,769	3,326,105
Due from other funds	25,942	24,542
Inventories	2,992,391	2,550,600
Total Current Assets	13,341,918	14,667,132
Non-Current Assets		
Land	48,614	48,614
Construction-in-progress	4,818,932	4,612,233
Buildings and equipment	61,655,907	59,882,137
	66,523,453	64,542,984
Less - Accumulated depreciation	(33,149,182)	(31,977,788)
Total Non-Current Assets	33,374,271	32,565,196
TOTAL ASSETS	46,716,189	47,232,328
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	1,826,990	276,239
Deferred charge on refunding	175,561	195,068
TOTAL DEFERRED OUTFLOWS	2,002,551	471,307
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 48,718,740	$ 47,703,635
LIABILITIES		
Current Liabilities		
Accounts payable	2,671,883	3,802,888
Accrued liabilities	121,133	88,776
Accrued interest	123,782	141,345
Due to other funds	34,058	27,187
Customer deposits	1,459,218	1,451,224
Collections in advance	-	69,196
Due to employees' retirement system	105,448	144,394
Bonds payable, inclusive of premiums	1,280,799	1,235,280
Compensated absences	56,711	64,842
Total Current Liabilities	5,853,032	7,025,132
Non-Current Liabilities		
Bonds payable, inclusive of premiums	9,337,338	9,860,532
Compensated absences	2,211,746	2,528,849
Net pension liability - proportionate share	1,891,575	404,080
Other post-employment benefit obligations payable	3,966,414	3,465,794
Total Non-Current Liabilities	17,407,073	16,259,255
TOTAL LIABILITIES	23,260,105	23,284,387
DEFERRED INFLOWS OF RESOURCES		
Pensions	227,992	
NET POSITION		
Net investment in capital assets	22,931,695	21,664,452
Unrestricted	2,298,948	2,754,796
TOTAL NET POSITION	$ 25,230,643	$ 24,419,248

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND - ELECTRIC FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015*
OPERATING REVENUES		
Charges for services		
Metered sales	$ 23,267,136	$ 24,798,043
Miscellaneous	312,549	152,706
Total operating revenues	23,579,685	24,950,749
OPERATING EXPENSES		
Purchased power	10,598,755	11,476,806
Depreciation	1,499,750	1,496,099
Maintenance	80,432	14,229
Interfund charges	2,949,736	3,313,174
Production	1,712,544	2,114,815
Transmission and distribution	1,182,947	1,122,874
Street lighting	275,702	260,440
General and administrative	1,172,021	1,176,395
Employee benefits	2,748,250	2,761,516
Insurance	291,667	258,333
Customer deposit interest	1,423	9,841
Total operating expenses	22,513,227	24,004,522
Operating income	1,066,458	946,227
NON-OPERATING REVENUES (EXPENSES)		
Interest income	57,878	44,375
Interest expense	(312,941)	(307,847)
Total non-operating revenues (expenses)	(255,063)	(263,472)
CHANGE IN NET POSITION	811,395	682,755
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED FOR 2016 (SEE NOTE 12)	24,419,248	23,864,334
TOTAL NET POSITION - END OF YEAR	$ 25,230,643	$ 24,547,089

* 2015 information was not restated because all the information necessary was not readily available. The cumulative effect of applying the change of accounting principle is shown as an adjustment to the beginning net position. See Note 12 for more information.

See Paragraph on Other Information Included in Independent Auditor's Report

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF CASH FLOWS
ENTERPRISE FUND - ELECTRIC FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015*
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue collected:		
Cash received from charges for services	$ 24,154,819	$ 25,696,580
Internal activity-payments from other funds for expense reimbursements	(1,400)	$ 16,769
Payments for expenses:		
Cash payments to other suppliers of goods or services	(16,903,938)	(15,227,739)
Cash payments to employees for services and related expenses	(5,347,379)	(5,199,658)
Cash payments to customers on deposit interest	(1,423)	(9,841)
Internal activity-payments to other funds for expense reimbursements	6,871	(1,423)
Net Cash Provided by Operating Activities	1,907,550	5,274,688
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,308,825)	(3,243,227)
Proceeds from capital debt	785,452	2,970,687
Principal paid on capital debt	(1,227,675)	(982,261)
Interest paid on capital debt	(346,449)	(252,356)
Net Cash Used by Capital and Related Financing Activities	(3,097,497)	(1,507,157)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and rental income	57,878	44,375
Net Cash Provided by Investing Activities	57,878	44,375
Net Increase in Cash and Cash Equivalents	(1,132,069)	3,811,906
Cash and Cash Equivalents at Beginning of Year	8,765,885	4,953,979
Cash and Cash Equivalents at End of Year	$ 7,633,816	$ 8,765,885
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 1,066,458	$ 946,227
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,499,750	1,496,099
Decrease (Increase) in:		
Accounts receivable	636,336	684,113
State and federal aid receivable	-	46,230
Due from other funds	(1,400)	16,769
Inventory	(441,791)	200,895
Increase (Decrease) in:		
Accounts payable	(1,131,005)	1,553,772
Accrued liabilities	32,357	8,490
Due to other funds	6,871	(1,423)
Customer deposits	7,994	(53,708)
Collections in advance	(69,196)	69,196
Due to employees' retirement system	(38,946)	(9,348)
Compensated absences	(325,234)	(155,037)
Pension amounts	164,736	
Other post-employment benefit obligations payable	500,620	472,413
Net Cash Provided by Operating Activities	$ 1,907,550	$ 5,274,688

* 2015 information was not restated because all the information necessary was not readily available. The cumulative effect of applying the change of accounting principle is shown as an adjustment to the beginning net position. See Note 12 for more information.

See Paragraph on Other Information Included in Independent Auditor's Report

INTERNAL SERVICE FUNDS

Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Village has established its risk management activities for general liability, workers' compensation and unemployment benefits in an internal service fund.

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUND - RISK RETENTION FUND
MAY 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents - unrestricted	$ 3,353,167	$ 3,378,439
Accounts receivable, net	111,319	137,250
Prepaid expenses	251,576	253,459
TOTAL ASSETS	$ 3,716,062	$ 3,769,148
LIABILITIES		
Current Liabilities		
Accounts payable	$ 163,263	$ 138,607
Claims payable	1,589,429	1,631,375
Total Current Liabilities	1,752,692	1,769,982
Non-Current Liabilities		
Claims payable	1,963,370	1,999,166
Total Non-Current Liabilities	1,963,370	1,999,166
TOTAL LIABILITIES	$ 3,716,062	$ 3,769,148

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND - RISK RETENTION FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015
OPERATING REVENUES		
Charges for services		
Risk management	$ 2,080,334	$ 2,108,119
Total operating revenues	2,080,334	2,108,119
OPERATING EXPENSES		
General and administrative	492,951	441,624
Employee benefits	901,499	866,692
Insurance	190,122	198,858
Judgments and claims	505,495	610,034
Total operating expenses	2,090,067	2,117,208
Operating income (loss)	(9,733)	(9,089)
NON-OPERATING INCOME		
Interest income	9,733	9,089
Total non-operating income	9,733	9,089
CHANGE IN NET POSITION	-	-
TOTAL NET POSITION - BEGINNING OF YEAR	-	-
TOTAL NET POSITION- END OF YEAR	$ -	$ -

See Paragraph on Other Information Included in Independent Auditor's Report

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND - RISK RETENTION FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue collected:		
Cash received from charges for services	$ 2,080,334	$ 2,108,119
Cash received from insurance recoveries	25,931	(36,690)
Payments for expenses:		
Cash payments to insurance carriers and claimants	(1,239,771)	(1,334,415)
Cash payments to employees for services and related expenses	(901,499)	(866,692)
Net Cash Provided by Operating Activities	(35,005)	(129,678)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and rental income	9,733	9,089
Net Cash Provided by Investing Activities	9,733	9,089
Net Increase in Cash and Cash Equivalents	(25,272)	(120,589)
Cash and Cash Equivalents at Beginning of Year	3,378,439	3,499,028
Cash and Cash Equivalents at End of Year	$ 3,353,167	$ 3,378,439
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	$ (9,733)	$ (9,089)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable	25,931	(36,690)
Prepaid expenses	1,883	(95,928)
Increase (Decrease) in:		
Accounts payable	24,656	67,596
Claims payable	(77,742)	(55,567)
Net Cash Provided by Operating Activities	$ (35,005)	$ (129,678)

See Paragraph on Other Information Included in Independent Auditor's Report

FIDUCIARY FUND

The Fiduciary Funds are used to account for assets held by the Village in a trustee or custodial capacity.

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
MAY 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash	$ 482,877	$ 591,047
Due from governmental funds	16,643	
Accounts receivable	4,477	23,187
TOTAL ASSETS	$ 503,997	$ 614,234
LIABILITIES		
Accounts payable	$ 22,258	$ 17,790
Due to governmental funds		124,470
Deposits	46,289	71,222
Other liabilities	435,450	400,752
TOTAL LIABILITIES	$ 503,997	$ 614,234

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED MAY 31, 2016

	Balance June 1, 2015	Increases	Decreases	Balance May 31, 2016
ASSETS				
Cash	$ 591,047	$ 17,940,147	$ 18,048,317	$ 482,877
Accounts receivable	23,187	4,477	23,187	4,477
Due from other funds		16,643		16,643
TOTAL ASSETS	$ 614,234	$ 17,961,267	$ 18,071,504	$ 503,997
LIABILITIES				
Accounts payable and due to governmental funds	$ 142,260	$ 22,258	$ 142,260	$ 22,258
Deposits and liabilities	471,974	8,777,601	8,767,836	481,739
TOTAL LIABILITIES	$ 614,234	$ 8,799,859	$ 8,910,096	$ 503,997

See Paragraph on Other Information Included in Independent Auditor's Report

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
MAY 31, 2016 AND 2015

	2016	2015
ASSETS		
Investments, mutual funds, at fair value	$ 3,698,032	$ 3,665,566
TOTAL ASSETS	$ 3,698,032	$ 3,665,566
TOTAL LIABILITIES	-	-
NET POSITION		
Held in trust for pension benefits	$ 3,698,032	$ 3,665,566

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2016 AND 2015

	2016	2015
ADDITIONS		
Pension contributions	$ 144,900	$ 235,900
Interest and net change in fair value of investments	-	286,075
TOTAL ADDITIONS	144,900	521,975
DEDUCTIONS		
Net reduction in fair value of investments	86,534	-
Pension benefits	25,900	49,241
TOTAL DEDUCTIONS	112,434	49,241
CHANGE IN NET POSITION	32,466	472,734
NET POSITION - BEGINNING OF YEAR	3,665,566	3,192,832
NET POSITION - END OF YEAR	$ 3,698,032	$ 3,665,566

See Paragraph on Other Information Included in Independent Auditor's Report

STATISTICAL SECTION
(UNAUDITED)

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time. These schedules include:

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

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VILLAGE OF ROCKVILLE CENTRE, NEW YORK

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2007	2008	2009	2010
Governmental Activities:				
Net Investment in Capital Assets	$ 13,061,584	$ 14,242,455	$ 14,400,331	$ 15,674,718
Restricted	1,338,727	1,572,930	1,047,130	834,391
Unrestricted	(11,458,546)	(12,070,548)	(16,142,349)	(17,735,372)
Total Governmental Activities Net Position	$ 2,941,765	$ 3,744,837	$ (694,888)	$ (1,226,263)
Business - Type Activities:				
Net Investment in Capital Assets	$ 28,150,791	$ 30,429,351	$ 30,313,062	$ 31,347,392
Unrestricted	8,996,162	8,030,494	8,348,216	6,502,072
Total Business - Type Activities Net Position	$ 37,146,953	$ 38,459,845	$ 38,661,278	$ 37,849,464
Primary Government:				
Net Investment in Capital Assets	$ 41,212,375	$ 44,671,806	$ 44,713,393	$ 47,022,110
Restricted	1,338,727	1,572,930	1,047,130	834,391
Unrestricted	(2,462,384)	(4,040,054)	(7,794,133)	(11,233,300)
Total Primary Government Net Position	$ 40,088,718	$ 42,204,682	$ 37,966,390	$ 36,623,201

2011	2012	2013	2014	2015	2016
$ 16,481,875	$ 17,285,645	$ 19,807,710	$ 20,330,836	$ 22,233,324	$ 38,026,955
1,148,224	2,935,619	6,396,110	1,633,122	2,880,887	3,140,928
(20,551,554)	(24,888,529)	(34,326,281)	(32,775,856)	(36,245,164)	(39,999,970)
$ (2,921,455)	$ (4,667,265)	$ (8,122,461)	$ (10,811,898)	$ (11,130,953)	$ 1,167,913
$ 29,196,964	$ 33,080,493	$ 30,840,007	$ 34,143,448	$ 35,702,976	$ 35,468,898
9,576,994	5,042,632	9,213,586	7,070,550	6,523,004	8,395,367
$ 38,773,958	$ 38,123,125	$ 40,053,593	$ 41,213,998	$ 42,225,980	$ 43,864,265
$ 45,678,839	$ 50,366,138	$ 50,647,717	$ 54,474,284	$ 57,936,300	$ 73,495,853
1,148,224	2,935,619	6,396,110	1,633,122	2,880,887	3,140,928
(10,974,560)	(19,845,897)	(25,112,695)	(25,705,306)	(29,722,160)	(31,604,603)
$ 35,852,503	$ 33,455,860	$ 31,931,132	$ 30,402,100	$ 31,095,027	$ 45,032,178

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2007	2008	2009	2010
Expenses				
Governmental Activities:				
General government support	$ 7,963,945	$ $6,584,854	$ 8,201,471	$ 8,314,641
Public safety	12,217,770	13,003,151	15,426,692	16,243,134
Health	91,837	99,943	101,518	108,102
Transportation	4,055,973	3,823,541	4,733,194	4,276,234
Economic opportunity and development	2,549,911	2,781,369	3,155,903	3,279,755
Culture and recreation	3,870,521	3,712,100	4,366,688	4,215,099
Home and community services	1,262,239	805,896	1,174,858	4,753,334
Interest	720,974	781,711	724,785	704,635
Total Governmental Activities Expenses	32,733,170	31,592,565	37,885,109	41,894,934
Business-type Activities -				
Water Fund	3,977,764	4,052,408	4,052,818	4,217,932
Electric Fund	22,430,800	23,824,975	24,752,407	20,474,953
Total Business-type Activities Expenses	26,408,564	27,877,383	28,795,225	24,692,885
Total Primary Government Expenses	$ 59,141,734	$ 59,469,948	$ 66,680,334	$ 66,587,819
Program Revenues				
Governmental Activities:				
Charges for Services				
General government support	701,886	771,605	734,960	5,621,278
Public safety	3,143,732	3,154,058	3,219,049	3,059,124
Health	—	—	—	—
Transportation	—	—	—	—
Economic opportunity and development	15,142	51,487	27,592	48,319
Culture and recreation	1,596,022	1,571,669	1,701,582	1,729,606
Home and community services	1,270,664	1,082,212	1,056,733	2,435,550
Operating Grants and Contributions	3,507,548	3,596,159	3,608,338	3,842,428
Capital Grants and Contributions	440,308	629,732	435,586	812,417
Total Governmental Activities Program Revenues	10,675,302	10,856,922	10,783,840	17,548,722
Business-type Activities -				
Charges for Services -				
Water Fund	3,895,700	4,283,067	4,470,886	4,876,652
Electric Fund	23,127,102	24,410,566	24,093,246	18,599,062
Total Business-type of Activities Charges for Services	27,022,802	28,693,633	28,564,132	23,475,714
Total Primary Government Program Revenues	$ 37,698,104	$ 39,550,555	$ 39,347,972	$ 41,024,436
Net Expense/Revenue:				
Governmental Activities	(22,057,868)	(20,735,643)	(27,101,269)	(24,346,212)
Business-type Activities	614,238	816,250	(231,093)	(1,217,171)
Total Primary Government Net Expense	$ (21,443,630)	$ (19,919,393)	$ (27,332,362)	$ (25,563,383)

2011	2012	2013	2014	2015	2016
$ 8,469,161	$ 8,539,937	$ 8,654,213	$ 8,213,879	$ 8,316,220	$ 6,961,316
16,610,286	19,936,129	20,986,818	20,949,004	21,259,003	13,652,883
120,511	131,384	137,754	143,514	56,349	96,976
4,753,629	4,343,416	5,132,651	5,497,651	5,286,167	467,657
3,113,874	3,207,824	3,070,759	3,022,159	2,803,056	2,895,128
4,487,166	4,631,510	5,267,127	5,199,941	4,888,405	5,181,331
5,268,994	5,130,168	5,349,326	5,229,599	4,940,809	5,467,932
707,013	693,479	549,733	661,191	686,693	760,214
43,530,634	46,613,847	49,148,381	48,916,938	48,236,702	35,483,437
4,355,918	4,405,219	4,596,175	5,129,614	4,827,391	4,629,859
23,341,173	23,737,808	25,717,510	26,347,523	24,312,369	22,826,168
27,697,091	28,143,027	30,313,685	31,477,137	29,139,760	27,456,027
$ 71,227,725	$ 74,756,874	$ 79,462,066	$ 80,394,075	$ 77,376,462	$ 62,939,464
5,325,857	5,652,857	5,782,301	5,799,955	5,308,143	4,803,521
3,631,549	3,662,888	3,806,803	3,722,235	3,792,973	3,956,288
—	—	—	—	69,230	68,315
—	—	—	—	—	—
102,095	132,799	99,441	89,298	112,485	86,868
1,868,402	1,845,790	1,884,258	1,988,695	1,928,304	1,902,448
991,358	1,105,308	1,148,909	1,370,807	1,575,273	1,773,126
3,980,358	3,433,207	3,636,438	3,300,654	3,669,389	3,219,290
234,603	2,866,480	1,494,411	1,143,138	1,434,560	759,929
16,134,222	18,699,329	17,852,561	17,414,782	17,890,357	16,569,785
5,497,100	5,253,542	5,407,306	5,308,088	5,099,967	5,549,368
22,932,822	22,356,874	26,117,999	27,243,924	24,950,749	23,579,685
28,429,922	27,610,416	31,525,305	32,552,012	30,050,716	29,129,053
$ 44,564,144	$ 46,309,745	$ 49,377,866	$ 49,966,794	$ 47,941,073	$ 45,698,838
(27,396,412)	(27,914,518)	(31,295,820)	(31,502,156)	(30,346,345)	(18,913,652)
732,831	(532,611)	1,211,620	1,074,875	910,956	1,673,026
$ (26,663,581)	$ (28,447,129)	$ (30,084,200)	$ (30,427,281)	$ (29,435,389)	$ (17,240,626)

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	2007	2008	2009	2010
General Revenues				
Governmental Activities:				
Taxes				
Real Property Taxes	$ 18,233,871	$ 19,043,540	$ 20,805,457	$ 21,747,928
Other Tax Items	373,996	438,878	463,657	—
Non-property Taxes	68,320	68,320	—	584,191
Unrestricted Use of Money and Property	315,715	271,532	92,916	79,105
Unrestricted State and Federal Aid	1,718,605	1,406,881	978,686	944,179
Miscellaneous	879,882	309,564	320,828	459,434
Total Governmental Activities	$ 21,590,389	$ 21,538,715	$ 22,661,544	$ 23,814,837
Business-type Activities:				
Unrestricted Use of Money and Property	627,450	496,642	432,526	405,357
Rental Income	—	—	—	—
Total Business Type Activities	627,450	496,642	432,526	405,357
Total Primary Government General Revenues	$ 22,217,839	$ 22,035,357	$ 23,094,070	$ 24,220,194
Change in Net Position				
Governmental Activities	(467,479)	803,072	(4,439,725)	(531,375)
Business-type Activities	1,241,688	1,312,892	201,433	(811,814)
Prior Period Adjustment	—	—	—	—
Total Primary Government	$ 774,209	$ 2,115,964	$ (4,238,292)	$ (1,343,189)

2011	2012	2013	2014	2015	2016
$ 23,093,713	$ 23,847,540	$ 25,318,497	$ 26,129,571	$ 27,312,754	$ 27,959,151
—	—	—	—	—	—
538,026	604,914	685,808	811,969	906,877	866,363
119,808	92,407	89,834	99,526	82,143	89,087
813,340	732,897	789,228	812,711	761,799	852,978
1,136,333	890,950	957,257	884,690	963,717	891,108
$ 25,701,220	$ 26,168,708	$ 27,840,624	$ 28,738,467	$ 30,027,290	$ 30,658,687
191,663	47,321	48,616	85,530	101,026	127,030
—	—	—	—	—	—
191,663	47,321	48,616	85,530	101,026	127,030
$ 25,892,883	$ 26,216,029	$ 27,889,240	$ 28,823,997	$ 30,128,316	$ 30,785,717
(1,695,192)	(1,745,810)	(3,455,196)	(2,763,689)	(319,055)	11,745,035
924,494	(485,290)	1,260,236	1,160,405	1,011,982	1,800,056
—	(165,543)	670,232	74,252	—	—
$ (770,698)	$ (2,396,643)	$ (1,524,728)	$ (1,529,032)	$ 692,927	$ 13,545,091

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2007	2008	2009	2010
General Fund				
Reserved	$ 910,398	$ 596,372	$ 636,105	$ 711,674
Unreserved	2,017,941	1,088,902	1,131,515	1,415,924
Assigned	—	—	—	—
Unassigned	—	—	—	—
Restricted	—	—	—	—
Total General Fund	$ 2,928,339	$ 1,685,274	$ 1,767,620	$ 2,127,598
All Other Governmental Funds				
Reserved	$ 337,458	$ 206,211	$ 177,427	$ 2,015,689
Unreserved, Reported In:				
Special Revenue Funds	232,291	497,764	218,739	485,507
Capital Projects Fund	876,351	2,666,590	2,559,896	3,611,437
Debt Service Fund	50,403	25,000	—	—
Assigned	—	—	—	—
Restricted Reported In:				
Special Revenue Funds	—	—	—	—
Capital Projects Fund	—	—	—	—
Debt Service Fund	—	—	—	—
Total All Other Governmental Funds	$ 1,496,503	$ 3,395,565	$ 2,956,062	$ 6,112,633
Total Governmental Funds	$ 4,424,842	$ 5,080,839	$ 4,723,682	$ $ 8,240,231

Note: Fund Balances during 2006 through 2011 were recorded as reserved and unreserved

2011	2012	2013	2014	2015	2016
$ 1,136,187	$ —	$ —	$ —	$ —	$ —
1,553,686	—	—	—	—	—
—	584,063	1,328,742	1,578,834	1,713,394	2,592,951
—	1,696,419	2,002,984	2,836,338	3,041,776	3,754,317
—	904,512	1,124,875	733,023	1,797,172	1,803,922
$ 2,689,873	$ 3,184,994	$ 4,456,601	$ 5,148,195	$ 6,552,342	$ 8,151,190
$ 2,531,161	$ —	$ —	$ —	$ —	$ —
776,384	—	—	—	—	—
4,063,179	—	—	—	—	—
—	—	—	—	—	—
—	985,233	757,145	540,299	1,029,662	378,107
—	638,554	583,631	419,920	322,293	291,926
—	4,089,951	4,481,923	8,731,479	10,150,620	5,248,882
—	121,553	205,681	181,309	280,812	267,190
$ 7,370,724	$ 5,835,291	$ 6,028,380	$ 9,873,007	$ 11,783,387	$ 6,186,105
$ 10,060,597	$ 9,020,285	$ 10,484,981	$ 15,021,202	$ 18,335,729	$ 14,337,295

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011
Revenues					
Real property taxes	$ 18,233,871	$ 19,043,540	$ 20,805,457	$ 21,747,928	$ 23,093,713
Other tax items	373,996	438,878	463,657	584,191	538,026
Non-property taxes	68,320	68,320	-	-	-
Departmental income	4,093,251	4,271,160	4,487,246	4,488,947	4,276,902
Use of money and property	475,846	447,309	180,724	173,479	182,174
Licenses and permits	1,050,501	867,043	799,061	2,349,592	970,761
Fines and forfeitures	1,543,494	1,453,778	1,420,259	1,253,500	1,562,159
Sale of property and compensation for loss	182,092	136,216	90,072	164,645	172,362
Intergovernmental charges	3,848,915	4,112,448	4,519,876	4,805,538	5,048,939
State aid	2,215,655	2,128,477	1,561,083	1,558,659	1,181,483
Federal aid	2,976,889	3,220,040	3,303,865	3,670,285	3,672,590
Miscellaneous	671,996	320,876	333,960	606,795	1,136,333
Total Revenues	35,734,826	36,508,085	37,965,260	41,363,559	41,835,442
Expenditures					
Current:					
General government support	5,824,961	5,763,173	5,736,956	6,558,335	6,299,867
Public safety	9,268,067	9,520,951	9,654,708	11,363,108	10,702,894
Health	44,506	46,924	47,559	50,742	50,753
Transportation	2,171,955	2,179,317	2,309,386	2,172,396	2,458,711
Economic opportunity and development	2,549,911	2,781,369	3,131,708	3,254,368	3,092,970
Culture and recreation	2,998,696	3,270,111	3,009,600	3,056,151	2,985,124
Home and community services	4,201,873	4,021,904	4,379,635	3,554,164	3,893,474
Employee benefits	6,281,027	6,515,284	6,911,321	7,173,551	7,979,192
Debt Service:					
Principal	1,706,800	1,844,000	2,153,100	2,170,000	2,504,000
Interest	657,235	739,026	859,823	665,688	697,976
Refunding bond issuance costs	-	-	35,566	-	-
Capital Outlay	3,201,012	3,887,759	953,621	2,123,507	3,065,115
Total Expenditures	38,906,043	40,569,818	39,182,983	42,142,010	43,730,076
Excess (Deficiency) of Revenues Over Expenditures	(3,171,217)	(4,061,733)	(1,217,723)	(778,451)	(1,894,634)
Other Financing Sources (Uses)					
Refunding bonds issued	-	-	2,256,000	-	-
Issuance premium	-	-	68,660	-	-
Payment to refunded bond escrow agent	-	-	(2,289,094)	-	-
Bonds issued	3,240,000	4,720,000	825,000	4,295,000	3,715,000
Transfers in	2,318,862	2,334,035	3,255,340	2,855,388	3,204,502
Transfers out	(2,318,862)	(2,334,035)	(3,255,340)	(2,855,388)	(3,204,502)
Total Other Financing Sources	3,240,000	4,720,000	860,566	4,295,000	3,715,000
Change in Accounting Principle	-	-	-	-	-
Net Change in Fund Balances	$ 68,783	$ 658,267	$ (357,157)	$ 3,516,549	$ 1,820,366
Debt Service as a Percentage of Non-Capital Expenditures	6.7%	7.2%	8.1%	7.1%	8.0%

	2012	2013	2014	2015	2016
$	23,847,540	$ 25,318,497	$ 26,129,571	$ 27,312,754	$ 27,959,151
	604,914	685,808	811,969	906,877	866,363
	-	-	-	-	-
	4,318,266	4,557,897	4,739,471	4,796,768	4,793,950
	138,278	185,462	145,876	127,443	146,357
	1,290,007	1,310,731	1,557,488	1,736,837	2,051,526
	1,569,642	1,483,819	1,299,847	1,308,490	1,396,097
	107,023	84,858	77,282	104,280	141,724
	5,170,758	5,324,065	5,327,832	4,829,783	4,223,405
	2,252,653	1,201,134	1,367,590	1,902,842	1,283,702
	3,218,760	3,416,372	3,114,372	3,393,726	2,944,122
	2,350,196	2,174,339	1,581,949	1,497,847	1,422,072
	44,868,037	45,742,982	46,153,247	47,917,647	47,228,469
	5,868,186	5,654,447	5,344,680	6,079,330	4,999,579
	11,550,625	11,836,117	12,503,350	12,435,766	12,229,734
	51,366	51,526	53,009	53,176	91,160
	1,907,273	2,293,896	2,636,430	2,708,131	2,620,012
	3,184,890	3,045,501	2,985,922	2,776,168	2,866,952
	2,912,334	3,331,478	3,383,754	3,203,339	3,366,468
	3,621,599	3,662,676	3,658,882	3,438,064	3,813,698
	9,368,991	10,192,435	11,101,839	10,712,215	10,254,976
	2,587,000	2,336,000	2,459,500	2,895,000	3,360,000
	712,355	516,601	605,980	769,019	789,743
	-	-	-	-	-
	4,143,730	3,837,609	3,464,519	8,383,778	9,673,724
	45,908,349	46,758,286	48,197,865	53,453,986	54,066,046
	(1,040,312)	(1,015,304)	(2,044,618)	(5,536,339)	(6,837,577)
	-	7,157,310	-	-	-
	-	-	33,808	90,866	29,143
	-	(7,157,310)	-	-	
	-	2,480,000	7,935,000	8,760,000	2,810,000
	3,199,935	2,894,798	3,000,907	3,738,732	4,624,743
	(3,199,935)	(2,894,798)	(3,000,907)	(3,738,732)	(4,624,743)
	-	2,480,000	7,968,808	8,850,866	2,839,143
	-	-	-	-	-
$	(1,040,312)	$ 1,464,696	$ 5,924,190	$ 3,314,527	$ (3,998,434)
	7.9%	6.6%	6.9%	8.1%	9.3%

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax. These schedules include:

Assessed Value and Estimated Actual Value of Taxable Property

Direct and Overlapping Property Tax Rates, Per $1,000 of Assessed Valuation

Principal Taxpayers

Property Tax Levies and Collections

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VILLAGE OF ROCKVILLE CENTRE, NEW YORK

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial, Large Multi-Family & Vacant Land	Special Franchise	Total Taxable Assessed Value
2007	$ 46,888,237	$ 17,988,924	$ 819,272	$ 65,696,433
2008	46,382,066	17,998,290	828,320	65,208,676
2009	46,602,548	16,407,531	785,726	63,795,805
2010	46,636,165	15,996,175	775,545	63,407,885
2011	46,385,821	15,120,687	744,655	62,251,163
2012	46,218,874	14,210,370	776,729	61,205,973
2013	46,184,170	13,496,877	784,391	60,465,438
2014	46,172,433	13,042,224	763,692	59,978,349
2015	46,233,130	12,682,680	787,941	59,703,751
2016	46,390,065	12,460,862	785,100	59,636,027

Note: Estimated actual taxable value is calculated by dividing taxable assessed value by the state special equilization rate. Tax rates are per $1,000 of assessed value.

State Special Equalization Rate (2)	Estimated Actual Taxable Value	Direct Tax Rate	
		Village Rate	Total
1.55 %	$ 4,238,479,548	$ 282.8000	$ 282.8000
1.38	4,725,266,377	299.5000	299.5000
1.27	5,023,291,732	329.2000	329.2000
1.24	5,113,539,113	348.6000	348.6000
1.24	5,020,255,081	376.3000	376.3000
1.42	4,310,279,789	394.7000	394.7000
1.41	4,288,328,936	421.4000	421.4000
1.48	4,052,591,149	439.1000	439.1000
1.53	3,902,205,948	458.6000	458.6000
1.48	4,029,461,284	471.6000	471.6000

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

DIRECT AND OVERLAPPING PROPERTY TAX RATES,
PER $1,000 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS

Fiscal Year	Total Direct Rate (1)	Overlapping Rates		
		Nassau County(2)	Town of Hempstead(2)	School & Library District(2)
2007	$ 282.8000	$ 847.3000	$ 52.3900	$ 5,369.8400
2008	299.5000	819.0300	49.5900	5,356.3600
2009	329.2000	826.1800	49.5900	5,424.3800
2010	348.6000	840.1700	49.5900	5,625.6400
2011	376.3000	963.7200	58.5400	6,839.0700
2012	394.7000	1,006.4800	61.6500	7,571.3100
2013	421.4000	1,127.1100	91.4100	8,377.7300
2014	439.1000	1,236.7100	128.1200	9,119.7400
2015	458.6000	1,275.3100	169.3500	9,636.5000
2016	471.6000	1,335.5430	273.5200	10,419.8700

Note : Property tax rates are per $1,000 of assessed value.
(1) The Village utilizes a single tax rate
(2) Class one rates
Source: Comptroller's Office

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

PRINCIPAL TAXPAYERS
MAY 31, 2016 AND 2007

2016

Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Taxable Assessed Valuation
1	National Grid	Utility	$ 843,890	1.42 %
2	Public Storage Inc	Manufacturing	336,019	0.56
3	100 Merrick Rd. LLC	Office Building	250,314	0.42
4	Rockville Centre Associates	Professional Building	240,092	0.40
5	Centro Heritage	Shopping Center	160,887	0.27
6	HCRI NY-NJ Properties	Professional Building	160,000	0.27
7	MJER 2000	Hotel	156,830	0.26
8	Eldan	Office Building	155,953	0.26
9	Sunoce Properties	Shopping Center	154,284	0.26
10	Rockville Centre Medical	Professional Building	152,000	0.25
	Total		$ 2,610,269	4.37 %

2007

Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Taxable Assessed Valuation
1	Keyspan	Public Service	$ 633,893	0.96 %
2	Halandia Associates	Apartments	480,460	0.73
3	Darby Group Co., Inc.	Manufacturing	401,560	0.61
4	100 Merrick Rd. LLC.	Office Building	394,078	0.60
5	RC Land - Maplepoint	Apartments	368,155	0.56
6	Rockville Centre Assoc.	Professional Building	360,100	0.55
7	Nirvana Manor LLC	Motel	328,666	0.50
8	Public Storage	Storage Facility	273,779	0.42
9	Sunoce Properties	Shopping Center	225,262	0.34
10	Verizon	Telephone Utility	207,830	0.32
	Total		$ 3,673,783	5.59 %

Source: Village of Rockville Centre 2007 and 2016 Assessment Roll.

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	$ 18,761,630	$ 18,761,630 (2)	100.00 %	—	$ 18,761,630	100.00 %
2008	19,761,301	19,761,196	99.99	—	19,761,196	99.99
2009	21,178,851	21,178,670	99.99	—	21,178,670	99.99
2010	22,231,806	22,231,123	99.99	—	22,231,123	99.99
2011	23,601,467	23,600,863	99.99	—	23,600,863	99.99
2012	24,350,190	24,338,106	99.95	—	24,338,106	99.95
2013	25,722,823	25,721,926	99.99	—	25,721,926	99.99
2014	26,530,768	26,529,866	99.99	—	26,529,866	99.99
2015	27,604,544	27,602,933	99.99	—	27,602,933	99.99
2016	28,288,699	28,287,794	99.99	—	28,287,794	99.99

(1) Real Estate Taxes include water rents, sewer rents, cancellation of veterans and senior exemptions, sidewalk and curb, and emergency tenant protection.
(2) Not adjusted for tax certiorari refunds

Source: Comptroller's Office

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future. These schedules include:

Ratios of Outstanding Debt by Type

Ratios of General Bonded Debt Outstanding

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

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VILLAGE OF ROCKVILLE CENTRE, NEW YORK

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities: General Obligation Bonds	Business-Type Activities: General Obligation Bonds	Total Primary Government General Obligation Bonds
2007	$ 16,547,000	$ 16,458,000	$ 33,005,000
2008	19,423,000	16,927,000	36,350,000
2009	18,130,500	17,309,500	35,440,000
2010	20,255,500	17,819,500	38,075,000
2011	21,466,500	19,508,500	40,975,000
2012	18,879,500	17,645,500	36,525,000
2013	19,615,815	22,026,833	41,642,648
2014	25,034,254	20,128,420	45,162,674
2015	30,896,575	23,630,086	54,526,661
2016	30,277,119	28,557,504	58,834,623

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements

Percentage of Personal Income (1)	Per Capita (1)
3.30%	$ 1,343.41
3.63%	1,479.57
3.54%	1,442.53
3.80%	1,549.78
4.09%	1,667.82
2.85%	1,520.42
3.25%	1,733.45
3.52%	1,879.98
4.25%	2,269.77
4.58%	2,449.10

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

	Primary Government		
Fiscal Year	General Obligation Bonds	Less Debt Service Funds Available	Total Primary Government General Obligation Bonds (Net)
2007	$ 33,005,000	$ 221,161	$ 32,783,839
2008	36,350,000	106,682	36,243,318
2009	35,440,000	56,388	35,383,612
2010	38,075,000	133,159	37,941,841
2011	40,975,000	188,294	40,786,706
2012	36,525,000	121,553	36,403,447
2013	41,642,648	205,681	41,436,967
2014	45,162,674	181,309	44,981,365
2015	54,526,661	280,812	54,245,849
2016	58,834,623	267,190	58,567,433

(1) - Population data can be found in the schedule of demographic and economic statistics

(2) - Actual taxable value of property can be found in the schedule assessed value and estimated actual value of taxable property

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements

Percentage of Actual Taxable Value of Property (2)	Per Capita (1)
0.77%	$ 1,334.41
0.77%	1,475.22
0.70%	1,440.23
0.74%	1,544.36
0.81%	1,660.16
0.84%	1,515.36
0.97%	1,724.89
1.11%	1,872.43
1.39%	2,258.08
1.45%	2,437.97

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
MAY 31, 2016

Government Unit	Net Indebtedness	Percentage Applicable to Rockville Centre	Amount Applicable to Rockville Centre
County of Nassau	$ 4,375,113,419	2.09 %	$ 91,439,870
Town of Hempstead	301,443,999	4.68	14,107,579
Rockville Centre UFSD	14,811,826	89.6	13,271,396
East Rockaway UFSD	20,951,000	0.5	104,755
Baldwin UFSD	23,015,497	0.7	161,108
Hempstead UFSD	35,820,000	0.3	107,460
Oceanside UFSD	23,246,208	1.7	395,186
Malverne UFSD	15,591,180	1.3	202,685
Net Overlapping Debt (1)			119,645,048
Net Direct Debt (2) & (3)			30,277,119
Net Direct and Overlapping Debt			$ 149,922,167

(1) Calculated utilizing a ratio of assessed property in the Village subject to taxation by Governmental Unit to the total assessed value of property of the Governmental Unit
(2) Excludes the amount available for debt service in other funds
(3) Represents governmental activities debt only

Source: NYS Comptroller's Special Report on Municipal Affairs Ending in 2013

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VILLAGE OF ROCKVILLE CENTRE, NEW YORK

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2007	2,008	2009	2010
Debt Limit	$ 247,432,832	$ 276,706,232	$ 304,886,730	$ 323,898,616
Total Net Debt Applicable to Limit	14,228,160	16,889,974	16,428,543	15,293,319
Legal Debt Margin	$ 233,204,672	$ 259,816,258	$ 288,458,187	$ 308,605,297
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.75%	6.10%	5.39%	4.72%

Legal Debt Margin Calculation for Fiscal Year 2016

Year	Budget Year	Assessed Valuation	State Special Equalization Ratio	Full Valuation
2015	2016	59,636,027	1.48 %	$ 4,029,461,284
2014	2015	$ 59,703,751	1.53	3,902,205,948
2013	2014	59,978,349	1.48	4,052,591,149
2012	2013	60,465,438	1.41	4,288,328,936
2011	2012	61,205,973	1.42	4,310,279,789

Total Five Year Full Valuation	$ 20,582,867,106
Five Year Average Full Valuation of Taxable Real Property	4,116,573,421
Debt Limit - 7% of Five Year Average Full Valuation	288,160,139
Outstanding Village Debt - Serial Bonds	53,090,000
Less - Appropriations in 2016 Budget	3,335,000
Business Type Debt[1]	22,965,000
Net Indebtedness Subject to Debt Limit	26,790,000
Net Debt Contracting Margin	$ 261,370,139

[1]The Village of Rockville Centre does not file to gain exclusion of business type debt from the legal debt limit

2011	2012	2013	2014	2015	2016
$ 337,691,646	$ 338,696,849	$ 332,579,725	$ 318,989,917	$ 302,031,253	$ 288,160,139
17,050,998	18,879,500	16,679,500	16,527,000	21,433,000	26,790,000
$ 320,640,648	$ 319,817,349	$ 315,900,225	$ 302,462,917	$ 280,598,253	$ 261,370,139
5.05%	5.57%	5.02%	5.18%	7.10%	9.30%

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place. These schedules include:

Demographic Statistics

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended May 31,	Population (1)	Personal Income	Per Capita Income (1)	Village Unemployment Rate (2)	Town Unemployment Rate (2)	County Unemployment Rate (2)
2007	24,568	$ 1,000,875,752	$ 40,739	3.00 %	3.50 %	3.40 %
2008	24,568	1,000,875,752	40,739	4.10	4.70	4.50
2009	24,568	1,000,875,752	40,739	6.20	7.10	6.80
2010	24,568	1,000,875,752	40,739	6.30	7.10	6.90
2011	24,568	1,000,875,752	40,739	5.60	6.70	6.50
2012	24,023	1,283,236,591	53,417	6.20	7.30	7.00
2013	24,023	1,283,236,591	53,417	6.10	6.10	5.80
2014	24,023	1,283,236,591	53,417	4.30	4.80	4.60
2015	24,023	1,283,236,591	53,417	4.30	4.60	4.40
2016	24,023	1,283,236,591	53,417	3.50	3.70	3.50

Sources:
2000 U.S. Census (2004-2011) and 2010 U.S. Census (2012-2014)
(2) New York State Department of Labor

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs. These schedules include:

Principal Employers

Full-Time Equivalent Village Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2016	
EMPLOYER	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
Mercy Hospital	950	8.10 %
RVC Union Free School District	825	7.03
Better Home Healthcare	635	5.41
Molloy College	574	4.89
Orlin & Cohen	375	3.20
Inc. Village of Rockville Centre	220	1.88
Nassau Inter-County Express	154	1.31
Diocese of Rockville Centre	120	1.02
Karp Volvo	116	0.99
Rockville Centre Nursing Home	110	0.94
U.S Post Office	49	0.42
TOTAL	4,128	35.19 %

	2007	
EMPLOYER	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
Mercy Hospital	1,628	12.79 %
RVC Union Free School District	872	6.85
Molloy College	670	5.27
Inc. Village of Rockville Centre	375	2.95
Nassau Inter-County Express	197	1.55
Orlin & Cohen	179	1.41
Rockville Centre Nursing Home	161	1.27
Diocese of Rockville Centre	160	1.26
Karp Volvo/SAAB and Buick	90	0.71
U.S Post Office	81	0.64
Able Ford/Infinity	81	0.64
TOTAL	4,494	35.34 %

Sources: Each major employer and The Bureau of Labor Statistics

Note: Based upon employment of 12,725 in 2007 and 11,731 in 2016

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function:	2007	2008	2009
General Government	35	38	34
Public Safety	65	68	67
Transportation	18	18	17
Health	1	1	1
Culture and Recreation	23	20	20
Home and Community Services	24	23	23
Total	166	168	162

Source: Comptroller's Office

2010	2011	2012	2013	2014	2015	2016
36	36	35	34	34	35	34
68	69	69	69	67	71	71
15	15	17	17	18	17	17
1	1	1	1	1	1	1
21	21	21	22	21	21	22
22	21	21	21	21	21	21
163	163	164	164	162	166	166

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2007	2008	2009
General Government Support:			
Village Assessor :			
Exemptions:			
Veterans	955	927	920
Senior	122	116	110
Disabled	6	6	7
Ministerial	2	1	1
Firefighter	91	98	101
Village Attorney :			
Notice of Claims filed	18	14	17
Village Comptroller:			
1099's Issued	163	167	177
Purchase Orders issued	1,849	1036	1269
Claims paid	4,436	4605	4446
Village Court:			
Tickets Resulting in Fines:			
Parking	40,512	39,236	35,682
Traffic	2,950	2,764	2,330
Appearance	123	97	95
Housing	145	222	282
Village Clerk:			
Birth Certificates	2,759	2,806	2,235
Death Certificates	5,999	5,497	4,549
Parking Permits Resident	3,819	3,853	3,395
Parking Permits Employees	1,756	1,408	1,850
Dog Licenses issued	229	208	194
Public Safety:			
Police Department:			
Physical arrests	N/A	306	302
Traffic Tickets	5,401	4,839	4,318
Parking Tickets	53,759	53,033	47,265
Burglaries	N/A	41	48
Alarms	N/A	2,207	1,916
Building Department:			
Building Permits issued	360	349	273
Certificate of Occupancy issued	202	21	74
Certificate of Completion issued	158	250	703
Planning/ Zoning Board:			
Planning Board cases	2	7	2
Zoning Board cases	37	44	7

2010	2011	2012	2013	2014	2015	2016
885	866	797	759	743	731	715
101	90	80	68	75	69	62
5	5	1	1	-	-	1
1	1	2	2	2	2	1
113	111	108	104	109	103	110
18	31	36	28	46	35	36
172	224	218	248	221	234	N/A
1,495	1,671	1,774	2,153	2,099	2,150	2,085
4,891	5,030	5,037	4,734	4,803	4,645	4,802
30,442	32,254	30,739	34,495	22,968	23,654	24,748
1,964	1,813	1,744	2,485	1,505	1,775	2,445
74	149	217	140	97	98	99
404	430	380	489	400	463	333
2,355	2,207	2,175	1,992	2,061	2,038	1,997
4,382	4,104	4,685	5,258	4,361	4,858	4,399
3,255	3,249	3,168	3,120	3,086	3,134	3,009
1,491	1,889	1,661	1,360	1,234	1,258	1,395
188	102	N/A	N/A	N/A	N/A	N/A
219	270	300	247	320	366	369
2,750	2,840	2,528	2,662	2,866	4,473	5,835
40,189	43,097	38,238	34,495	22,968	23,654	24,748
82	60	40	39	16	13	16
1,999	2,142	2,067	1,894	1,918	1,922	1,673
264	373	288	553	908	953	907
69	68	121	97	129	133	117
668	249	667	497	906	803	782
3	5	6	11	3	8	5
16	27	42	13	38	61	44

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

OPERATING INDICATORS BY FUNCTION/PROGRAM (Continued)
LAST TEN FISCAL YEARS

	2007	2008	2009
Department of Public Works:			
Total miles of roads resurfaced	2.39	2.87	—
Culture and Recreation:			
Recreation:			
Adult programs	19	20	20
Children programs	30	32	58
Pre-school classes	31	49	61
Open gyms	2	2	3
Special events	23	25	31
Home and Community Services:			
Fire Department:			
Medical Emergencies	N/A	1,076	1,675
Auto Accidents	N/A	106	183
Investigations	N/A	167	276
Senior Programs:			
Membership Sandel Senior Center	624	598	568
Refuse:			
Tons of Solid Waste	17,360	16,765	15,183
Tons of Bulky Waste	1,446	1,102	1,066
Total Tons of Solid and Bulky Waste	18,806	17,867	16,249
Sewer Department:			
Catch Basins Cleaned	90	85	85
Diffusion Wells Cleaned	5	4	4

Note: Refuse statistics are in tons.
Note: "N/A" indicates data not available.
Sources: Various Village departments

2010	2011	2012	2013	2014	2015	2016
.45	1.36	1.66	.60	.62	1.60	2.48
20	20	20	20	20	20	18
58	58	58	58	58	63	55
61	61	61	61	61	64	60
3	3	3	3	3	3	2
31	31	31	31	31	31	29
1,595	1,747	1,679	1,714	1,674	1,899	2,164
194	174	204	149	150	144	166
657	322	319	215	187	219	255
350	385	386	332	231	283	285
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
15,767	15,261	15,575	15,468	14,602	14,477	14,624
89	86	83	87	89	87	84
1	4	7	3	1	3	6

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2007	2008	2009
General Government Support:			
Number of general government buildings	5	5	5
Public Safety:			
Number of police stations	1	1	1
Number of fire stations	5	5	5
Patrol Sectors	5	5	5
Transportation:			
Number of street lights	3,475	3,478	3,473
Municipal parking fields	31	31	31
Off-street parking spaces	3,421	3,386	3,443
Culture and Recreation:			
Number of community centers	3	3	3
Number of parks	12	12	12
Acres of parks	229	229	229
Playgrounds	3	3	3
Baseball/softball diamonds	8	8	8
Outdoor tennis courts	5	5	5
Soccer fields	10	10	10
Basketball courts	9	9	9

Sources: Various Village departments

2010	2011	2012	2013	2014	2015	2016
5	5	5	5	5	5	5
1	1	1	1	1	1	1
5	5	5	5	5	5	5
5	5	5	5	5	5	5
3476	3476	3500	3501	3513	3516	3512
31	31	31	31	31	31	31
3443	3443	3441	3440	3440	3440	3439
3	3	3	3	3	3	3
12	12	12	12	12	12	12
229	229	229	229	229	229	229
3	3	3	3	3	3	3
8	8	8	9	10	10	10
5	5	5	5	5	5	5
10	10	10	10	10	10	5
9	9	9	9	9	9	13

COMPLIANCE SECTION

R.S. ABRAMS & CO., LLP
Accountants & Consultants for Over 75 years

Robert S. Abrams
(1926–2014)

Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA

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

To the Board of Trustees
The Incorporated Village of Rockville Centre

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, fiduciary funds and the aggregate remaining fund information of the Village of Rockville Centre, as of and for the fiscal year ended May 31, 2016, and the related notes to the financial statements, which collectively comprise the Village of Rockville Centre's basic financial statements, and have issued our report thereon dated December 5, 2016.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Rockville Centre's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

R.S. Abrams & Co., LLP
Islandia, NY
December 5, 2016