

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE YEAR ENDED

MAY 31, 2017



VILLAGE OF ROCKVILLE CENTRE
NEW YORK

PREPARED BY
THE OFFICE OF THE COMPTROLLER

VILLAGE OF ROCKVILLE CENTRE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED MAY 31, 2017
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INTRODUCTORY
SECTION

**VILLAGE OF ROCKVILLE CENTRE,
NASSAU COUNTY, NEW YORK
AT MAY 31, 2017**

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

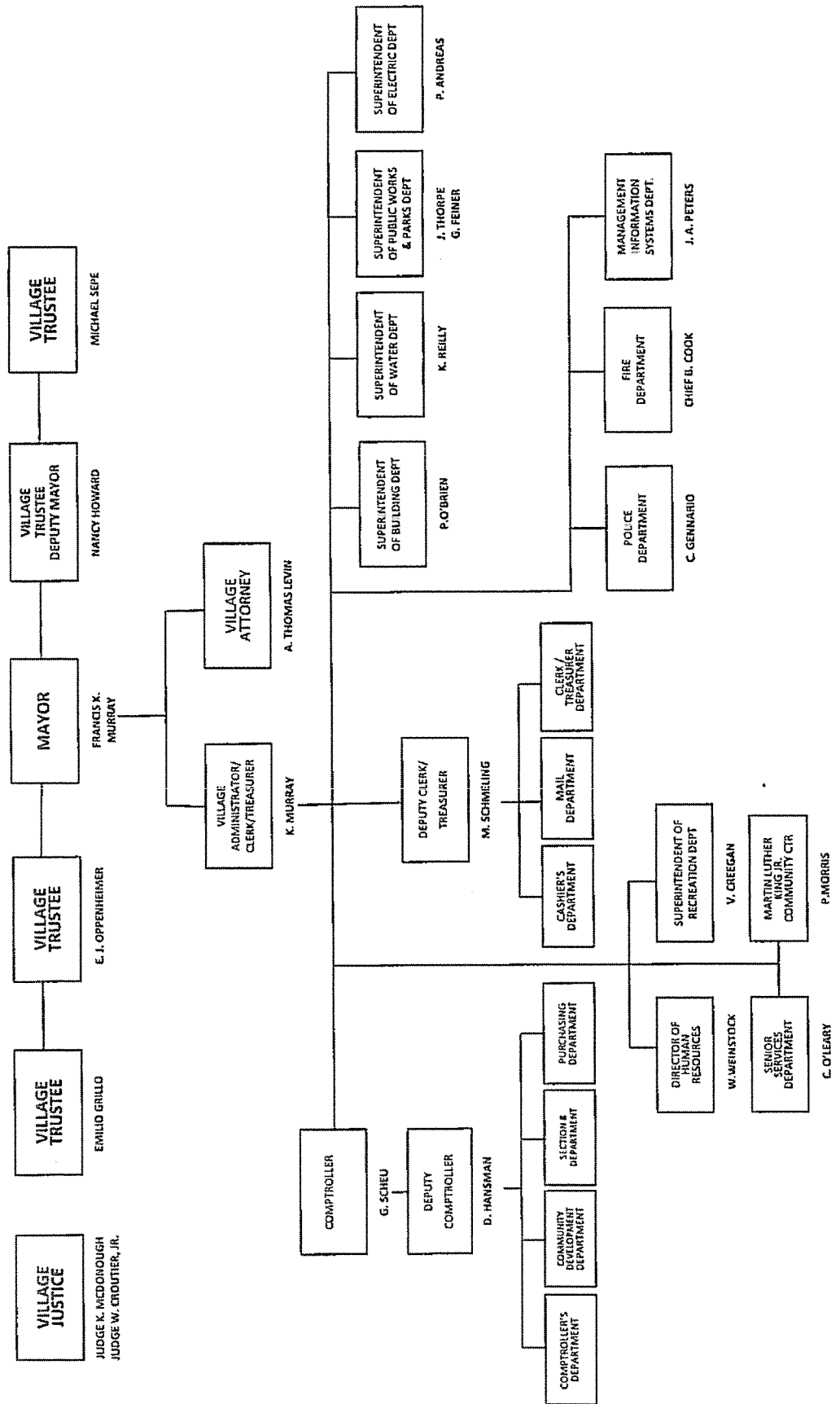
Village Administrator-Clerk/Treasurer

Kathleen M. Murray

Comptroller and Budget Officer

George E. Scheu

VILLAGE OF ROCKVILLE CENTRE ORGANIZATIONAL CHART



May 31, 2017

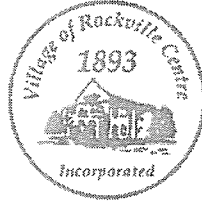
VILLAGE OF ROCKVILLE CENTRE

ONE COLLEGE PLACE

P.O. BOX 950

ROCKVILLE CENTRE, N.Y. 11571-0950

FRANCIS X. MURRAY, Mayor



KATHLEEN MURRAY

Village Administrator

kmurray@rvcny.us

p(516) 678-9212 f(516) 678-9225

November 17, 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 Incorporated Village of Rockville Centre, New York ("Village") as of and for the year ended May 31, 2017. The Village is pleased to announce that for the fourteenth 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, 2017 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, 2017, 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 Management's 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.

The Village of 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 contain state of the art computer equipment. The Fire Department, with approximately 335 volunteers, has up-to-date fire fighting equipment. The Recreation Department is a special part of 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 social worker gives 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. The Guild for the Arts presents programs featuring renowned musical artists and theatre. 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.

The Incorporated Village of 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. The Incorporated Village of 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

In April 2017, Standard and Poor's Rating Services affirmed their credit rating for the Village of AAA, their highest rating category. In their credit rating report, they praised the Village for its very strong budgetary flexibility, financial management and liquidity. In April 2017, Moody's Investors Service reviewed and assigned a very strong credit rating of Aa2 to the Village. They continue to praise the Village for its strong financial management.

Full valuation of taxable real estate was approximately \$4.2 billion during fiscal 2017, having declined 2.2% 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 2018, the Village will be negotiating new collective bargaining agreements with the CSEA Supervisors Unit and the CSEA Clerical Unit, whose contracts lapsed on May 31, 2017 and May 31, 2016, respectively.

Construction will begin on an approximate \$3.5 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.

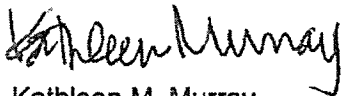
Significant street resurfacing improvement projects will continue as the Village anticipates borrowing additional capital to help fund this endeavor.

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, 2016. This was the twenty-first 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, 2016

Executive Director/CEO

**FINANCIAL
SECTION**

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, 2017, 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, 2017, 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.

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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.

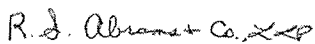
Other Information

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 October 31, 2017 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
Islandia, NY
October 31, 2017

Incorporated Village of Rockville Centre, New York
Management's Discussion and Analysis (MD&A)
May 31, 2017

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, 2017. 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 2017

- The general fund completed fiscal year 2017 with a fund balance totaling \$8,325,106. Of this amount, unassigned fund balance totaled \$4,471,169 while another \$2,340,778 was assigned and \$1,513,159 was restricted for unused sick and terminal leave payments, primarily for retiring police officers.
- The water fund had an increase in net position of \$1,342,617 and the electric fund had an increase in net position of \$1,986,926.
- The Village's total outstanding bonds payable at May 31, 2017 was \$60,730,000. Of this total, \$30,735,000 and \$29,995,000 were attributable to the Village's governmental and business-type activities, respectively.
- The capital projects fund balance was \$4,659,881 consisting of restricted fund balance totaling \$5,086,245 and unassigned deficit balance of \$426,364.

Total net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) for fiscal year 2017 was \$47,299,401. Of this amount \$105,593 represents the governmental net position and \$47,193,808 represents the business-type net position. The governmental activities net position decreased by \$1,062,320 for the fiscal year ended May 31, 2017. This was primarily due to the recognition of the increase in the OPEB liability at May 31, 2017 and to the recognition of the increase in the Village's proportionate share of the net pension liability. The Village's proportionate share of the net pension liability was \$3,068,777 of which \$2,518,631 is recorded as a liability in the governmental activities on the government wide financial statements. For the fiscal year ending May 31, 2017, the Village's net OPEB obligations were \$40,634,281 of which \$35,282,212 is recorded as a liability in governmental activities on the government-wide financial statements. For the business-type net position, the water fund and electric fund net position totals were \$19,976,239 and \$27,217,569, respectively.

Incorporated Village of Rockville Centre, New York
Management's Discussion and Analysis (MD&A)
May 31, 2017

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.

Incorporated Village of Rockville Centre, New York
Management's Discussion and Analysis (MD&A)
May 31, 2017

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

Incorporated Village of Rockville Centre, New York
Management's Discussion and Analysis (MD&A)
May 31, 2017

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 \$47,299,401 for fiscal year ended May 31, 2017.

Incorporated Village of Rockville Centre, New York
Management's Discussion and Analysis (MD&A)
May 31, 2017

The following table reflects the condensed Statement of Net Position:

	May 31, 2017			May 31, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 20,742,003	\$ 23,195,449	\$ 43,937,452	\$ 21,678,627	\$ 22,168,770	\$ 43,847,397
Capital Assets, Net	67,185,347	68,552,136	135,737,483	63,406,436	63,781,527	127,187,963
Total Assets	87,927,350	91,747,585	179,674,935	85,085,063	85,950,297	171,035,360
Deferred Outflows of Resources	7,160,441	1,263,528	8,423,969	13,710,559	2,445,322	16,155,881
Current Liabilities	3,652,433	5,824,403	9,476,836	4,043,256	6,214,280	10,257,536
Non-current Liabilities	89,919,336	39,778,256	129,697,592	91,810,722	38,042,112	129,852,834
Total Liabilities	93,571,769	45,602,659	139,174,428	95,853,978	44,256,392	140,110,370
Deferred Inflows of Resources	1,410,429	214,646	1,625,075	1,773,731	274,962	2,048,693
Net Position:						
Net Investment in Capital						
Assets	40,699,380	37,925,381	78,624,761	38,026,955	35,468,898	73,495,853
Restricted	2,558,742		2,558,742	3,140,928		3,140,928
Unrestricted (Deficit)	(43,152,529)	9,268,427	(33,884,102)	(39,999,970)	8,395,367	(31,604,603)
Total Net Position (Deficit)	\$ 105,593	\$ 47,193,808	\$ 47,299,401	\$ 1,167,913	\$ 43,864,265	\$ 45,032,178

The largest component of the Village's net position reflects its net investment in capital assets amounting to \$78,624,761. 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.

Incorporated Village of Rockville Centre, New York
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May 31, 2017

Restricted net position of \$2,558,742 represents resources that are subject to external restrictions on how they may be used. The restrictions are for the following purposes:

	<u>May 31,</u>	
	<u>2017</u>	<u>2016</u>
Capital projects	\$ 333,407	\$ 777,890
Employee benefit		
accrued liability	1,513,159	1,803,922
Debt service	467,133	267,190
Section 8 housing	64,772	84,106
Special purpose -		
culture and recreation		
and public safety	<u>180,271</u>	<u>207,820</u>
Total	<u>\$ 2,558,742</u>	<u>\$ 3,140,928</u>

Unrestricted net position (deficit) totaled (\$33,884,102). This amount is comprised of governmental activities net position (deficit) totaling (\$43,152,529) and business-type activities net position totaling \$9,268,427. The deficit in governmental activities net position is primarily due to (1) compensated absences of approximately \$12 million, and (2) other post-employment benefit obligations recorded in accordance with GASB Statement No. 45 of approximately \$35 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 \$8 million.

Incorporated Village of Rockville Centre, New York
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The following table reflects the changes in net position from operating results:

	May 31, 2017			May 31, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues:						
Charges for services:	\$ 11,803,398	\$ 33,052,978	\$ 44,856,376	\$ 12,590,566	\$ 29,129,053	\$ 41,719,619
Operating grants and contributions	3,811,766		3,811,766	3,219,290		3,219,290
Capital grants and contributions	406,896		406,896	759,929		759,929
General Revenues:						
Real property taxes	28,589,814		28,589,814	27,959,151		27,959,151
Other payments in lieu of taxes	560,602		560,602	525,092		525,092
Interest and penalties on taxes	125,776		125,776	108,935		108,935
Utilities	150,588		150,588	165,587		165,587
Non property taxes	66,749		66,749	66,749		66,749
Unrestricted use of money and property	88,537	142,617	231,154	89,087	127,030	216,117
State and federal aid	923,937		923,937	852,978		852,978
Miscellaneous	882,325		882,325	891,108		891,108
Total Revenues	47,410,388	33,195,595	80,605,983	47,228,472	29,256,083	76,484,555
Program Expenses:						
General government and admin.	7,640,852		7,640,852	6,961,316		6,961,316
Public safety	23,306,108		23,306,108	13,652,883		13,652,883
Health	50,585		50,585	96,976		96,976
Transportation	4,376,202		4,376,202	467,657		467,657
Economic opportunity and development	2,668,507		2,668,507	2,895,128		2,895,128
Culture and recreation	5,129,041		5,129,041	5,181,331		5,181,331
Home and community services	4,573,844		4,573,844	5,467,932		5,467,932
Interest	727,569		727,569	760,214		760,214
Water		4,954,780	4,954,780		4,629,859	4,629,859
Electric		24,911,272	24,911,272		22,826,168	22,826,168
Total expenses	48,472,708	29,866,052	78,338,760	35,483,437	27,456,027	62,939,464
Change in Net Position	(1,062,320)	3,329,543	2,267,223	11,745,035	1,800,056	13,545,091
Net Position - beginning of year	1,167,913	43,864,265	45,032,178	(10,577,122)	42,064,209	31,487,087
Net Position - end of year	\$ 105,593	\$ 47,193,808	\$ 47,299,401	\$ 1,167,913	\$ 43,864,265	\$ 45,032,178

Governmental activities. As discussed previously, governmental activities resulted in a \$1,062,320 reduction in the Village's net position during the current fiscal year. The \$1,062,320 decrease in net position is mainly the result of the recognition of OPEB and net pension liability at the government wide level. Governmental activities reflected a net position of \$105,593, as opposed to a net position of \$1,167,913 for 2016, based on total revenues of \$47,410,388 and total expenses of \$48,472,708.

Incorporated Village of Rockville Centre, New York
Management's Discussion and Analysis (MD&A)
May 31, 2017

Property taxes (\$28.6 million) and charges for services (\$11.8 million) represented the largest revenue sources. Property taxes grew 2.3% due to a real estate tax rate increase of 2.35%. Collection of the current tax levy remains very strong at nearly 100%. Operating grants for general governmental activities increased by \$592,476 primarily due to increased FEMA and HUD reimbursements during the current fiscal year.

Public Safety expenses totaled \$23.3 million and represented 48% of total expenses. Culture and Recreation expenses totaled \$5.1 million and reflected the Village's continuing commitment to its parks and recreation programs. Transportation expenditures totaled \$4.4 million, an increase of \$3.9 million from the prior year. Additional post-employment benefits obligations of \$4.8 million and the change in net pension liability—proportionate share and related deferred inflows and deferred outflows recorded in accordance with GASB Statement No. 68 of approximately \$1.4 million were the primary reasons for the decrease in net position.

Business-type activities. Business-type activities reflected a net position totaling \$47,193,808 of which the water and electric funds totals were \$19,976,239 and \$27,217,569, respectively. Electric fund metered sales totaled \$26,422,956, an increase from \$23,267,136 in fiscal year 2016. This increase was primarily due to the increase in consumption. Metered sales in the water fund increased from \$4,872,694 in fiscal year 2016 to \$5,613,203 in fiscal year 2017 due to a rate increase. Purchased power and production for the electric fund increased from \$10,598,755 and \$1,712,544, respectively in fiscal year 2016 to \$11,371,782 and \$1,922,845, respectively in fiscal year 2017, due to the increase in customer utilization. Employee benefits for the electric fund increased by approximately \$195,000 from fiscal year 2016.

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 \$13,699,000, a decrease of \$638,295 from the prior year. Of the total combined fund balance, \$4,471,169 constitutes unassigned fund balance in the general fund, \$2,340,778 constitutes assigned fund balance in the general fund, \$426,364 constitutes unassigned deficit balance in the capital projects fund, \$1,837 is assigned for the community development fund, and \$7,311,580 constitutes aggregate restricted fund balance in all governmental funds.

Incorporated Village of Rockville Centre, New York
Management's Discussion and Analysis (MD&A)
May 31, 2017

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 \$8,325,106 compared to \$8,151,190 at May 31, 2016. None of the May 31, 2017 fund balance was appropriated towards the next fiscal year budget. Of the general fund balance \$3,853,937 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 certiorari settlements and \$315,822 to liquidate contracts and purchase orders.

The general fund revenues and other financing sources aggregate amount was \$43,797,906 in fiscal 2017, an increase of \$246,045 from fiscal year 2016. Real property taxes totaled \$28,589,814, an increase of \$630,663 or 2.26% from fiscal year 2016 and represented the single largest revenue source at 65.28% of total general fund revenues. Parks and recreation charges totaled \$1,849,157, a decrease of \$16,449 from fiscal year 2016. Building and alteration permits decreased by \$542,810, from \$1,548,237 in fiscal year 2016 to \$1,005,427 in fiscal year 2017, primarily due to permits for construction projects at Molloy College and for Avalon Bay that were issued in fiscal year 2016. Parking meter revenues increased from \$1,344,531 in fiscal year 2016 to \$1,387,024 in fiscal 2017 due to an increase in usage. Interfund revenues generated from charges to the Water and Electric funds decreased by \$105,430, to a total of \$4,117,975, primarily as a result of decreases to reimbursements for wages and benefit expenditures.

Once again, public safety represented the largest expenditure category totaling \$12,863,966, a \$634,232 increase from fiscal year 2016. Employee benefits increased from \$10,254,976 in fiscal year 2016 to \$10,943,806 in fiscal year 2017. Health insurance related expenditures increased from \$4,806,868 in fiscal year 2016 to \$5,180,660 in fiscal year 2017. General government support expenditures aggregated \$6,042,318, an increase of \$1,042,739 from fiscal year 2016. Lastly, transfers for debt service decreased by \$63,647 from \$4,074,743 during fiscal year 2016 to \$4,011,096 during fiscal 2017.

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 \$4,659,881, a decrease of \$965,342 from fiscal year 2016. Expenditures totaled \$5,787,169 in fiscal year 2017, a \$3,886,555 decrease from fiscal year 2016. Capital projects during fiscal 2017 included road improvements, the renovation of Village buildings and athletic fields and computer hardware/software.

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 2017, the combined fund balance of the non-major Governmental Funds totaled \$714,013 as compared to \$560,882 at May 31, 2016. The special purpose fund portion of the fund balance totaled \$180,271 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 \$64,772.

Incorporated Village of Rockville Centre, New York
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May 31, 2017

The debt service fund had a total fund balance at May 31, 2017 of \$467,133 all of which was restricted for future debt service purposes. At May 31, 2016, the debt service fund had a total fund balance of \$267,190. Debt service expenditures for fiscal year 2017 totaled \$4,111,096, a decrease of \$38,647 from fiscal year 2016.

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 \$47,193,808 at the end of fiscal year 2017 compared to \$43,864,265 at May 31, 2016. 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 \$929,580 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 \$239,290, primarily due to unanticipated state and federal aid.

Incorporated Village of Rockville Centre, New York
Management's Discussion and Analysis (MD&A)
May 31, 2017

Capital Asset and Debt Administration

Capital Assets. The Village's capital assets for its governmental and business-type activities as of May 31, 2017 amount to \$135,737,483 (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, 2017			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	23,138	56,064	79,202	22,479	53,294	75,773
Infrastructure	22,087		22,087	20,163		20,163
Construction-in-Progress	17,385	12,112	29,497	16,188	10,111	26,299
Total	<u>\$67,186</u>	<u>\$68,552</u>	<u>\$135,738</u>	<u>\$63,406</u>	<u>\$63,781</u>	<u>\$127,187</u>

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 \$60,730,000 compared to \$57,455,000 at May 31, 2016. The Village's total long-term debt increased by \$3,275,000 from the prior fiscal year. All of this debt is backed by the full faith and credit of the Village. During fiscal year 2017 the Village issued \$9,400,000 of new general obligation bonds.

Outstanding Debt
General Obligation Bonds
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	<u>\$30,735</u>	<u>\$29,575</u>	<u>\$29,995</u>	<u>\$27,880</u>	<u>\$60,730</u>	<u>\$57,455</u>

Incorporated Village of Rockville Centre, New York
Management's Discussion and Analysis (MD&A)
May 31, 2017

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 AAA 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, 2017, the Village had a constitutional debt limit in excess of \$287 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 2018 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 2018 budget contained a 1.72% real estate tax rate increase. During the last twenty years, annual real estate tax increases have averaged approximately 4.53%. During this same time frame, annual real estate tax collections have averaged 99.90%.

The following revenue sources are expected to experience budget growth in 2018: Street parking fees from \$1,310,000 to \$1,408,000 and unclassified revenue from \$872,498 to \$1,347,043. Unclassified revenue is expected to increase as a result of a one-time payment in fiscal year 2018.

Park and recreation fees are anticipated to decline in 2017 from \$1,925,000 to \$1,900,000.

The fiscal 2018 budget assumes a 2.6% increase in expenditures. Employee benefits including health insurance and retirement systems expenditures are anticipated to increase by approximately \$542,119 for 2018.

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

**Incorporated Village of Rockville Centre, New York
Management's Discussion and Analysis (MD&A)
May 31, 2017**

Adopted General fund Budget for Retirement Systems

2007	2008	2009	2010	2011	2012
\$ 1,720,000	\$ 1,670,000	\$ 1,595,000	\$ 1,582,000	\$ 2,213,000	\$ 2,692,000

2013	2014	2015	2016	2017	2018
\$ 3,566,512	\$ 4,117,926	\$ 4,080,000	\$ 3,950,000	\$ 3,795,000	\$ 3,890,400

The total debt service budget for fiscal year 2018 is \$3,964,619 compared to \$4,011,096 during fiscal year 2017.

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

2007	2008	2009	2010	2011	2012
\$ 3,210,000	\$ 3,250,000	\$ 3,475,000	\$ 3,616,000	\$ 3,852,000	\$ 4,322,770

2013	2014	2015	2016	2017	2018
\$ 4,537,000	\$ 4,690,674	\$ 4,653,000	\$ 4,862,000	\$ 5,142,000	\$ 5,567,600

The health insurance budget has increased 73% between fiscal year 2007 and fiscal year 2018. The fiscal year 2018 budget for health insurance is \$5,567,600, an increase of \$425,600 from fiscal year 2017. 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 George Scheu, 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, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents - unrestricted	\$ 12,100,172	\$ 14,448,951	\$ 26,549,123
Cash and cash equivalents - restricted	7,392,949		7,392,949
Taxes receivable, net of allowance for uncollectible amounts	294		294
Other receivables:			
Accounts, net	162,738	5,834,383	5,997,121
State and federal aid	492,348		492,348
Due from other governments	379,764		379,764
Internal balances	(33,856)	33,856	-
Prepaid expenses	247,594		247,594
Inventories		2,878,259	2,878,259
Capital assets (net of accumulated depreciation):			
Land	4,576,378	375,885	4,952,263
Construction-in-progress	17,384,793	12,112,373	29,497,166
Buildings and equipment	23,137,071	56,063,878	79,200,949
Infrastructure	22,087,105		22,087,105
TOTAL ASSETS	87,927,350	91,747,585	179,674,935
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	6,941,706	1,055,488	7,997,194
Deferred charge on refunding	218,735	208,040	426,775
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,160,441	1,263,528	8,423,969
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	95,087,791	93,011,113	188,098,904
LIABILITIES			
Payables			
Accounts payable	1,314,631	3,663,549	4,978,180
Accrued liabilities	1,461,788	290,561	1,752,349
Accrued interest payable	239,353	259,808	499,161
Due to other governments	738		738
Due to retirement systems	622,258	123,693	745,951
Customer deposits		1,434,935	1,434,935
Unearned revenues			
Collections in advance	13,665	51,857	65,522
Noncurrent liabilities			
Due within one year			
Bonds payable, inclusive of premiums	3,393,993	2,887,581	6,281,574
Claims payable	1,462,716		1,462,716
Compensated absences	1,427,990	55,010	1,483,000
Due in more than one year			
Bonds payable, inclusive of premiums	28,153,547	27,947,214	56,100,761
Claims payable	1,927,037		1,927,037
Compensated absences	10,221,933	2,145,394	12,367,327
Net pension liability - proportionate share	8,049,908	1,390,988	9,440,896
Net other post-employment benefits obligations	35,282,212	5,352,069	40,634,281
TOTAL LIABILITIES	93,571,769	45,602,659	139,174,428
DEFERRED INFLOWS OF RESOURCES			
Pensions	1,410,429	214,646	1,625,075
NET POSITION			
Net investment in capital assets	40,699,380	37,925,381	78,624,761
Restricted for:			
Capital projects	333,407		333,407
Employee benefit accrued liability	1,513,159		1,513,159
Debt service	467,133		467,133
Section 8 Housing	64,772		64,772
Special purpose	180,271		180,271
Unrestricted (deficit)	(43,152,529)	9,268,427	(33,884,102)
TOTAL NET POSITION (DEFICIT)	\$ 105,593	\$ 47,193,808	\$ 47,299,401

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

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED MAY 31, 2017

	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants	Capital Grants	Primary Government		
					Governmental Activities	Business-Type Activities	Total
FUNCTIONS / PROGRAMS							
Governmental Activities							
General government and administration	\$ 7,640,852	\$ 4,701,568	\$ 668,045	\$ -	\$ (2,271,239)	\$ -	\$ (2,271,239)
Public safety	23,306,108	3,887,003	17,793		(19,401,312)		(19,401,312)
Health	50,585	65,142			14,557		14,557
Transportation	4,376,202			406,896	(3,969,306)		(3,969,306)
Economic opportunity and development	2,668,507	29,018	2,744,312		104,823		104,823
Culture and recreation	5,129,041	1,883,119	39,636		(3,206,286)		(3,206,286)
Home and community services	4,573,844	1,237,548	341,980		(2,994,316)		(2,994,316)
Interest	727,569				(727,569)		(727,569)
Total Governmental Activities	48,472,708	11,803,398	3,811,766	406,896	(32,450,648)	-	(32,450,648)
Business-Type Activities							
Water fund	4,954,780	6,193,438				1,238,658	1,238,658
Electric fund	24,911,272	26,859,540				1,948,268	1,948,268
Total Business-Type Activities	29,866,052	33,052,978	-	-	-	3,186,926	3,186,926
Total Primary Government	\$ 78,338,760	\$ 44,856,376	\$ 3,811,766	\$ 406,896	(32,450,648)	3,186,926	(29,263,722)
GENERAL REVENUES							
Real property taxes, levied for general purpose					28,589,814		28,589,814
Other payments in lieu of taxes					560,602		560,602
Interest and penalties on taxes					125,776		125,776
Utilities					150,588		150,588
Non-property taxes					66,749		66,749
Use of money and property					88,537	142,617	231,154
State aid (unrestricted)					923,937		923,937
Miscellaneous					882,325		882,325
TOTAL GENERAL REVENUES					31,388,328	142,617	31,530,945
CHANGE IN NET POSITION					(1,062,320)	3,329,543	2,267,223
TOTAL NET POSITION - BEGINNING OF YEAR					1,167,913	43,864,265	45,032,178
TOTAL NET POSITION - END OF YEAR					\$ 105,593	\$ 47,193,808	\$ 47,299,401

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

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
BALANCE SHEET - GOVERNMENTAL FUNDS
MAY 31, 2017

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents - unrestricted	\$ 8,643,066	\$ 84,542	\$ 17,186	\$ 8,744,794
Cash and cash equivalents - restricted	1,513,159	5,086,245	793,545	7,392,949
Taxes receivable, net of allowance for uncollectible amounts	294			294
Other receivables:				
Accounts, net	29,553			29,553
State and federal aid	251,630	240,718		492,348
Due from other governments	152,749	38,729	188,286	379,764
Due from other funds	195,228	17	213,870	409,115
TOTAL ASSETS	<u>\$ 10,785,679</u>	<u>\$ 5,450,251</u>	<u>\$ 1,212,887</u>	<u>\$ 17,448,817</u>
LIABILITIES AND FUND BALANCES				
Payables				
Accounts payable	\$ 357,102	\$ 576,500	\$ 93,050	\$ 1,026,652
Accrued liabilities	1,409,111		292,847	1,701,958
Due to other governments	738			738
Due to retirement systems	622,258			622,258
Due to other funds	57,699	213,870	112,977	384,546
Unearned revenues				
Collections in advance	13,665			13,665
TOTAL LIABILITIES	<u>2,460,573</u>	<u>790,370</u>	<u>498,874</u>	<u>3,749,817</u>
FUND BALANCES				
Restricted	1,513,159	333,407	712,176	2,558,742
Restricted (unspent proceeds)		4,752,838		4,752,838
Assigned (community development)			1,837	1,837
Assigned (tax certiorari)	2,024,956			2,024,956
Assigned (unappropriated)	315,822			315,822
Unassigned	4,471,169	(426,364)		4,044,805
TOTAL FUND BALANCES	<u>8,325,106</u>	<u>4,659,881</u>	<u>714,013</u>	<u>13,699,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,785,679</u>	<u>\$ 5,450,251</u>	<u>\$ 1,212,887</u>	<u>\$ 17,448,817</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
MAY 31, 2017**

Total Governmental Fund Balances \$ 13,699,000

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. (1,410,429)

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: 6,941,706

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	\$ 102,371,600	
Accumulated depreciation	<u>(35,186,253)</u>	67,185,347

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, excluding current portion of claims payable, reported on the Statement of Net Position. 3,389,753

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. 218,735

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. (239,353)

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. (812,540)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Compensated absences	\$ (11,649,923)	
Claims payable	(3,389,753)	
Bonds payable	(30,735,000)	
Net pension liability - proportionate share	(8,049,908)	
Net other post-employment benefits obligation	<u>(35,042,042)</u>	<u>(88,866,626)</u>

Total Net Position \$ 105,593

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Real property taxes	\$ 28,589,814	\$ -	\$ -	\$ 28,589,814
Other tax items	903,715			903,715
Departmental income	4,775,528		29,018	4,804,546
Use of money & property	132,140		14,439	146,579
Licenses & permits	1,506,398			1,506,398
Fines & forfeitures	1,251,297			1,251,297
Sale of property & compensation for loss	308,133			308,133
Intergovernmental charges	4,117,975			4,117,975
State aid	981,366	406,896		1,388,262
Federal aid	359,912		3,086,292	3,446,204
Miscellaneous	861,128		86,338	947,466
TOTAL REVENUES	<u>43,787,406</u>	<u>406,896</u>	<u>3,216,087</u>	<u>47,410,389</u>
EXPENDITURES				
Current:				
General government	6,042,318			6,042,318
Public safety	12,863,966			12,863,966
Health	67,336			67,336
Transportation	2,599,948			2,599,948
Economic opportunity and development	83,534		2,793,147	2,876,681
Culture and recreation	3,608,365		113,887	3,722,252
Home and community services	3,403,621		341,980	3,745,601
Employee benefits	10,943,806			10,943,806
Debt service:				
Principal			3,340,000	3,340,000
Interest			771,096	771,096
Capital outlay		5,787,169		5,787,169
TOTAL EXPENDITURES	<u>39,612,894</u>	<u>5,787,169</u>	<u>7,360,110</u>	<u>52,760,173</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,174,512</u>	<u>(5,380,273)</u>	<u>(4,144,023)</u>	<u>(5,349,784)</u>
OTHER FINANCING SOURCES AND (USES)				
Premium on obligations			211,489	211,489
Issuance of serial bonds		4,500,000		4,500,000
Transfers in	10,500		4,085,665	4,096,165
Transfers (out)	(4,011,096)	(85,069)		(4,096,165)
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(4,000,596)</u>	<u>4,414,931</u>	<u>4,297,154</u>	<u>4,711,489</u>
NET CHANGE IN FUND BALANCES	<u>173,916</u>	<u>(965,342)</u>	<u>153,131</u>	<u>(638,295)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>8,151,190</u>	<u>5,625,223</u>	<u>560,882</u>	<u>14,337,295</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,325,106</u>	<u>\$ 4,659,881</u>	<u>\$ 714,013</u>	<u>\$ 13,699,000</u>

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

**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, 2017**

Net Change in Fund Balances			\$ (638,295)
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, 2016 to May 31, 2017 changed by:			3,405,511
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, 2016 to May 31, 2017 changed by:			(4,842,540)
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	\$ 5,787,168		
Capital asset additions	1,086,802		
Loss on disposal	(14,205)		
Depreciation expense	<u>(3,080,854)</u>		3,778,911
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.			3,340,000
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.			(4,500,000)
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, 2017 was:			101,068
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.			(211,489)
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, 2016 to May 31, 2017 changed by:			15,370
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	\$ (475,823)		
Police and Firemen's retirement system	<u>(962,122)</u>		<u>(1,437,945)</u>
Change in Net Position of Governmental Activities			<u>\$ (1,062,320)</u>

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

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
MAY 31, 2017

	Business-Type Activities- Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 5,585,799	\$ 8,863,152	\$ 14,448,951	\$ 3,355,378
Receivables				
Accounts, net	2,435,373	3,399,010	5,834,383	133,185
Due from other funds	7,740	75,902	83,642	
Prepaid expenses				247,594
Inventories	236,495	2,641,764	2,878,259	
Total Current Assets	<u>8,265,407</u>	<u>14,979,828</u>	<u>23,245,235</u>	<u>3,736,157</u>
Non-Current Assets				
Land	327,271	48,614	375,885	
Construction-in-progress	7,956,842	4,155,531	12,112,373	
Buildings and equipment	36,766,670	63,328,996	100,095,666	
	45,050,783	67,533,141	112,583,924	
Less - Accumulated depreciation	(10,563,818)	(33,467,970)	(44,031,788)	
Total Non-Current Assets	<u>34,486,965</u>	<u>34,065,171</u>	<u>68,552,136</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	178,084	877,404	1,055,488	
Deferred charge on refunding	51,986	156,054	208,040	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>230,070</u>	<u>1,033,458</u>	<u>1,263,528</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>42,982,442</u>	<u>50,078,457</u>	<u>93,060,899</u>	<u>3,736,157</u>
LIABILITIES				
Payables				
Accounts payable	1,047,967	2,615,582	3,663,549	287,979
Accrued liabilities	36,472	254,089	290,561	
Accrued interest	147,790	112,018	259,808	
Due to other funds	22,881	26,905	49,786	58,425
Customer deposits	31,342	1,403,593	1,434,935	
Due to retirement system	18,911	104,782	123,693	
Bonds payable, inclusive of premiums	1,597,992	1,289,589	2,887,581	
Claims payable				1,462,716
Compensated absences	8,487	46,523	55,010	
Unearned revenue				
Collections in advance	51,857		51,857	
Total Current Liabilities	<u>2,963,699</u>	<u>5,853,081</u>	<u>8,816,780</u>	<u>1,809,120</u>
Non-Current Liabilities				
Bonds payable, inclusive of premiums	18,642,924	9,304,290	27,947,214	
Claims payable				1,927,037
Compensated absences	330,995	1,814,399	2,145,394	
Net pension liability - proportionate share	237,614	1,153,374	1,390,988	
Net other post-employment benefits obligations	794,304	4,557,765	5,352,069	
Total Non-Current Liabilities	<u>20,005,837</u>	<u>16,829,828</u>	<u>36,835,665</u>	<u>1,927,037</u>
TOTAL LIABILITIES	<u>22,969,536</u>	<u>22,682,909</u>	<u>45,652,445</u>	<u>3,736,157</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions	36,667	177,979	214,646	
NET POSITION				
Net investment in capital assets	14,298,035	23,627,346	37,925,381	
Unrestricted	5,678,204	3,590,223	9,268,427	
TOTAL NET POSITION	<u>\$ 19,976,239</u>	<u>\$ 27,217,569</u>	<u>\$ 47,193,808</u>	<u>\$ -</u>

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

**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, 2017**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
OPERATING REVENUES				
Charges for services				
Metered sales	\$ 5,613,203	\$ 26,422,956	\$ 32,036,159	\$ -
Penalty income	134,656		134,656	
Risk management				2,075,882
Miscellaneous	44,969	436,584	481,553	
Total operating revenues	<u>5,792,828</u>	<u>26,859,540</u>	<u>32,652,368</u>	<u>2,075,882</u>
OPERATING EXPENSES				
Purchased power	160,425	11,371,782	11,532,207	
Depreciation	819,594	1,541,299	2,360,893	
Maintenance	417,533	68,735	486,268	
Interfund charges	581,159	2,911,594	3,492,753	
Production		1,922,845	1,922,845	
Transmission and distribution	782,607	1,826,788	2,609,395	
Street lighting		353,539	353,539	
General and administrative	1,148,507	1,428,047	2,576,554	510,737
Employee benefits	536,108	2,943,532	3,479,640	977,372
Insurance	75,000	258,333	333,333	206,868
Customer deposit interest		1,459	1,459	
Judgments and claims				393,747
Total operating expenses	<u>4,520,933</u>	<u>24,627,953</u>	<u>29,148,886</u>	<u>2,088,724</u>
Operating income (loss)	<u>1,271,895</u>	<u>2,231,587</u>	<u>3,503,482</u>	<u>(12,842)</u>
NON-OPERATING REVENUES (EXPENSES)				
Rental income	400,610		400,610	
Interest income	103,959	38,658	142,617	12,842
Interest expense	(433,847)	(283,319)	(717,166)	
Total non-operating revenues (expenses)	<u>70,722</u>	<u>(244,661)</u>	<u>(173,939)</u>	<u>12,842</u>
CHANGE IN NET POSITION	1,342,617	1,986,926	3,329,543	-
TOTAL NET POSITION - BEGINNING OF YEAR	<u>18,633,622</u>	<u>25,230,643</u>	<u>43,864,265</u>	<u>-</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 19,976,239</u>	<u>\$ 27,217,569</u>	<u>\$ 47,193,808</u>	<u>\$ -</u>

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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

	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	\$ 5,466,839	\$ 26,094,674	\$ 31,561,513	\$ 2,075,883
Cash received from insurance recoveries				(21,866)
Internal activity-payments to other funds for expense reimbursements	2,533	(49,960)	(47,427)	
Payments for expenses:				
Cash payments to other suppliers of goods or services	(2,878,982)	(16,877,230)	(19,756,214)	
Cash payments to employees for services and related expenses	(981,069)	(5,436,161)	(6,417,230)	(977,372)
Cash payments to insurance carriers and claimants				(1,145,700)
Cash payments to customers on deposit - interest		(1,459)	(1,459)	
Internal activity-payments to other funds for expense reimbursements	181	(7,153)	(6,972)	58,425
Net Cash Provided by Operating Activities	<u>1,609,502</u>	<u>3,722,711</u>	<u>5,332,213</u>	<u>(10,630)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(4,899,303)	(2,232,199)	(7,131,502)	
Proceeds from capital debt	3,732,364	1,236,114	4,968,478	
Principal paid on capital debt	(1,398,451)	(1,224,258)	(2,622,709)	
Interest paid on capital debt	(451,414)	(311,690)	(763,104)	
Net Cash Used by Capital and Related Financing Activities	<u>(3,016,804)</u>	<u>(2,532,033)</u>	<u>(5,548,837)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and rental income	504,569	38,658	543,227	12,841
Net Cash Provided by Investing Activities	<u>504,569</u>	<u>38,658</u>	<u>543,227</u>	<u>12,841</u>
Net Increase in Cash and Cash Equivalents	(902,733)	1,229,336	326,603	2,211
Cash and Cash Equivalents at Beginning of Year	<u>6,488,532</u>	<u>7,633,816</u>	<u>14,122,348</u>	<u>3,353,167</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,585,799</u>	<u>\$ 8,863,152</u>	<u>\$ 14,448,951</u>	<u>\$ 3,355,378</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 1,271,895	\$ 2,231,587	\$ 3,503,482	\$ (12,842)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	819,594	1,541,299	2,360,893	
Decrease (increase) in:				
Accounts receivable	(328,609)	(709,241)	(1,037,850)	(21,866)
Due from other funds	2,533	(49,960)	(47,427)	
Prepaid expenses				3,982
Inventory	41,546	350,627	392,173	
Increase (decrease) in:				
Accounts payable	(415,488)	(56,301)	(471,789)	124,716
Accrued liabilities	16,801	132,956	149,757	
Claims payable				(163,045)
Due to other funds	181	(7,153)	(6,972)	58,425
Customer deposits	(4,570)	(55,625)	(60,195)	
Collections in advance	7,190	-	7,190	
Due to employees' retirement system	121	(666)	(545)	
Compensated absences	33,297	(407,535)	(374,238)	
Pension amounts	32,988	161,372	194,360	
Net other post-employment benefits obligations	132,023	591,351	723,374	
Net Cash Provided by Operating Activities	<u>\$ 1,609,502</u>	<u>\$ 3,722,711</u>	<u>\$ 5,332,213</u>	<u>\$ (10,630)</u>

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

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
MAY 31, 2017

	<u>Agency Fund</u>	<u>Pension Trust Fund</u>
ASSETS		
Cash	\$ 821,596	\$ -
Investments-mutual funds, at fair value		4,159,929
Due from governmental funds		
Accounts receivable	5,278	
TOTAL ASSETS	<u>\$ 826,874</u>	<u>\$ 4,159,929</u>
LIABILITIES		
Accounts payable	\$ 30,223	\$ -
Deposits	598,628	
Other liabilities	198,023	
TOTAL LIABILITIES	<u>\$ 826,874</u>	<u>\$ -</u>
NET POSITION		
Held in trust for pension benefits		<u>\$ 4,159,929</u>

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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

	Pension Trust Fund
ADDITIONS	
Pension contributions	\$ 148,400
Interest and net change in fair value of investments	444,324
TOTAL ADDITIONS	<u>592,724</u>
DEDUCTIONS	
Pension benefits	<u>130,827</u>
TOTAL DEDUCTIONS	<u>130,827</u>
CHANGE IN NET POSITION	461,897
NET POSITION - BEGINNING OF YEAR	<u>3,698,032</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,159,929</u></u>

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

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 is a summary of an entity that is accounted for as a blended 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 and is substantively the same as 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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

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.

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 blended component unit 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, 2017.

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 Funds:

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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

provide services to the public. The operations of the electric utility and water utility funds are recorded as enterprise funds.

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

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 “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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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) 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 cost. 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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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 capital assets, donated works of art and similar items, as well as capital assets received in a concession arrangement are reported at acquisition value rather than fair value. 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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

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

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. The item is related to pensions reported in the Government-Wide Statement of Net Position. This represents the effect of the net difference 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 and PFRS).

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

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.

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. The Village does not have any short-term debt at May 31, 2017.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

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, compensated absences, net pension liabilities, and net other post-employment benefits obligations 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.

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

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:

<u>Restricted for:</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Capital projects	\$ -	\$ 333,407	\$ -	\$ 333,407
Unspent bond proceeds		4,752,838		4,752,838
Employee benefit accrued liability	1,513,159			1,513,159
Debt service			467,133	467,133
Section 8 housing			64,772	64,772
Special purpose-culture and recreation and public safety			180,271	180,271
Total	<u>\$ 1,513,159</u>	<u>\$ 5,086,245</u>	<u>\$ 712,176</u>	<u>\$ 7,311,580</u>

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 Village's 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:

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

	General	Non-Major Governmental	
<u>Assigned for:</u>	<u>Fund</u>	<u>Funds</u>	<u>Total</u>
Tax certiorari	\$ 2,024,956	\$ -	\$ 2,024,956
General support	214,495		214,495
Public safety	68,800		68,800
Transportation	21,919		21,919
Culture & recreation	7,840		7,840
Community development	2,768	1,837	4,605
Total	<u>\$ 2,340,778</u>	<u>\$ 1,837</u>	<u>\$ 2,342,615</u>

Encumbrances

Encumbrances have been assigned based upon the Village's intent to be used for a specific purpose such as general support, public safety 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 \$4,471,169 in the general fund and deficit of \$426,364 in the capital fund that represent projects that have been overspent or are waiting on funding.

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

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, 2017:

Statement No. 77, *Tax Abatement Disclosures*, which requires increased disclosures surrounding tax abatements, and Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. 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.

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.

This statement is what the Village feels may have an impact on these financial statements and it is not an all-inclusive list of GASB statements issued. The Village will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

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.

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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.
- 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 2016-2017 was \$82,331,468 which exceeded the actual levy by \$57,653,716.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

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.

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, 2017 includes \$7,392,949 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.

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

NOTE 8 – CAPITAL ASSETS:

The breakdown by major asset groups at May 31, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated					
Land	\$ 4,576,378	\$ -	\$ -	\$ -	\$ 4,576,378
Construction-in-progress	16,188,330	5,787,168	(4,590,705)		17,384,793
Total capital assets, not being depreciated	20,764,708	5,787,168	(4,590,705)	\$ -	21,961,171
Capital assets, being depreciated					
Building and equipment	36,310,577	241,669	1,577,778	(820,136)	37,309,888
Infrastructure	39,465,002	845,133	3,012,927	(222,521)	43,100,541
Total capital assets, being depreciated	75,775,579	1,086,802	4,590,705	(1,042,657)	80,410,429
Less accumulated depreciation for					
Buildings and equipment	13,831,724	1,161,229		(820,136)	14,172,817
Infrastructure	19,302,127	1,919,625		(208,316)	21,013,436
Total accumulated depreciation	33,133,851	3,080,854	-	(1,028,452)	35,186,253
Total capital assets being depreciated, net	42,641,728	(1,994,052)	4,590,705	(14,205)	45,224,176
Governmental activities capital assets, net	\$63,406,436	\$ 3,793,116	\$ -	\$ (14,205)	\$ 67,185,347
Business-Type Activities:					
Capital assets, not being depreciated					
Land	\$ 375,885	\$ -	\$ -	\$ -	\$ 375,885
Construction-in-progress	10,111,421	8,130,224	(5,091,608)	(1,037,664)	12,112,373
Total capital assets, not being depreciated	10,487,306	8,130,224	(5,091,608)	(1,037,664)	12,488,258
Capital assets, being depreciated					
Building and equipment	96,745,687	-	5,091,608	(1,741,630)	100,095,665
Total capital assets, being depreciated	96,745,687	-	5,091,608	(1,741,630)	100,095,665
Less accumulated depreciation for					
Buildings and equipment	43,451,466	2,321,951		(1,741,630)	44,031,787
Total accumulated depreciation	43,451,466	2,321,951	-	(1,741,630)	44,031,787
Total capital assets being depreciated, net	53,294,221	(2,321,951)	5,091,608	-	56,063,878
Business-type activities capital assets, net	\$63,781,527	\$ 5,808,273	\$ -	\$ (1,037,664)	\$ 68,552,136

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

NOTE 8 – CAPITAL ASSETS (CONTINUED):

Depreciation expense was charged to governmental functions as follows:

General support	\$ 183,188
Public safety	465,153
Transportation	2,051,864
Culture & recreation	343,373
Home & community services	<u>37,276</u>
Total	<u><u>\$ 3,080,854</u></u>

Loss on disposal was charged to transportation for \$14,205 for the fiscal year end May 31, 2017.

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, 2017 consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Loss on defeasance	<u>\$ 218,735</u>	<u>\$ 208,040</u>
Total deferred charge on refunding	<u><u>\$ 218,735</u></u>	<u><u>\$ 208,040</u></u>

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

NOTE 11 – LONG-TERM LIABILITIES:

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

	Beginning Balance	Issued	Reclassified/ Redeemed	Ending Balance	Due Within One Year
Primary Government					
Governmental activities:					
General obligation debt:					
Bonds payable	\$ 29,575,000	\$ 4,500,000	\$ 3,340,000	\$ 30,735,000	\$ 3,280,000
Premium	702,119	211,489	101,068	812,540	113,993
Total bonds payable	30,277,119	4,711,489	3,441,068	31,547,540	3,393,993
Other liabilities:					
Compensated absences	15,055,434	137,470	3,542,981	11,649,923	1,427,990
Claims payable	3,552,799	1,208,073	1,371,119	3,389,753	1,462,716
Net pension - proportionate share	12,725,868		4,675,960	8,049,908	
Net other post employment benefits obligations	30,199,502	7,000,320	1,917,610	35,282,212	
Total other liabilities	61,533,603	8,345,863	11,507,670	58,371,796	2,890,706
Total Governmental activities	91,810,722	13,057,352	14,948,738	89,919,336	6,284,699
Business-Type Activities					
General obligation debt:					
Bonds payable	27,880,000	4,900,000	2,785,000	29,995,000	2,805,000
Premium	677,504	230,768	68,477	839,795	82,581
Total bonds payable	28,557,504	5,130,768	2,853,477	30,834,795	2,887,581
Other liabilities:					
Compensated absences	2,574,642	558,096	932,334	2,200,404	55,010
Net pension - proportionate share	2,281,271		890,283	1,390,988	
Net other post employment benefit obligations	4,628,695	1,034,286	310,912	5,352,069	
Total other liabilities	9,484,608	1,592,382	2,133,529	8,943,461	55,010
Total Business-Type activities	38,042,112	6,723,150	4,987,006	39,778,256	2,942,591
Total Primary Government	\$ 129,852,834	\$ 19,780,502	\$ 19,935,744	\$ 129,697,592	\$ 9,227,290

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 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.

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

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, 2017.

Existing serial and statutory bond obligations at May 31, 2017 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	2008	\$ 825,000	October 2023	4.25-4.50%	\$ 315,000
Public Improvements	2009	4,295,000	December 2024	2.00-3.75%	1,840,000
Public Improvements	2010	3,715,000	February 2026	2.00-3.875%	1,900,000
Refunding Bonds	2012	650,000	June 2019	2.00-3.00%	270,000
Refunding Bonds	2012	360,000	June 2017	2.00-3.00%	70,000
Refunding Bonds	2012	495,000	June 2018	2.00-3.00%	190,000
Refunding Bonds	2012	885,000	June 2019	2.00-3.00%	420,000
Refunding Bonds	2012	855,000	June 2020	2.00-3.00%	565,000
Refunding Bonds	2012	1,205,000	June 2021	2.00-3.00%	1,000,000
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%	1,695,000
Serial Bond Retirement					
System Contribution	2013	220,000	October 2018	3.00%	90,000
Public Improvements	2013	7,715,000	October 2028	2.00-3.00%	6,095,000
Public Improvements	2015	8,760,000	February 2030	2.00-3.00%	7,440,000
Public Improvements	2016	2,810,000	February 2031	2.00-3.00%	2,565,000
Public Improvements	2017	4,500,000	June 2032	3.00%	4,500,000
		<u>\$ 41,550,000</u>			<u>\$ 30,735,000</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

NOTE 11 – LONG-TERM LIABILITIES (CONTINUED):

Existing serial and statutory bond obligations at May 31, 2017 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%	\$ 200,000
General Improvements	2008	2,000,000	October 2023	4.25-4.50%	910,000
General Improvements	2009	1,200,000	December 2024	2.00-3.75%	640,000
General Improvements	2011	2,000,000	February 2026	2.00-3.875%	1,250,000
General Improvements	2012	4,500,000	August 2027	1.50-3.00%	3,300,000
Refunding Bonds	2012	1,370,000	June 2021	2.00-4.00%	960,000
General Improvements	2013	400,000	October 2028	2.00-3.00%	340,000
Public Improvements	2015	2,700,000	February 2030	2.00-3.00%	2,340,000
Public Improvements	2016	6,600,000	February 2031	2.00-3.00%	6,185,000
Public Improvements	2017	3,700,000	June 2032	3.00%	3,700,000
Electric Fund					
General Improvements	1992	10,900,000	August 2017	5.90-6.00 %	425,000
General Improvements	2007	2,000,000	June 2016	3.75-4.00%	
General Improvements	2009	1,000,000	December 2024	2.00-3.75%	545,000
General Improvements	2011	1,400,000	February 2026	2.00-3.875%	900,000
General Improvements	2012	1,250,000	August 2027	1.50-3.00%	930,000
Refunding Bonds	2012	3,505,000	June 2027	2.00-4.00%	2,870,000
Public Improvements	2015	3,000,000	February 2030	2.00-3.00%	2,600,000
Public Improvements	2016	750,000	February 2031	2.00-3.00%	700,000
Public Improvements	2017	1,200,000	June 2032	3.00%	1,200,000
		<u>\$ 52,175,000</u>			<u>\$ 29,995,000</u>

On May 1, 2017, the Village issued \$9,400,000 in serial bonds, of which \$4,500,000 was recorded in the capital projects fund, for general public improvements, \$1,200,000 was recorded in the electric fund for various equipment and \$3,700,000 was recorded in the water fund for public improvements. The bond is payable over 15 years with an interest rate of 3.0%. The premium on the 2017 bond of \$442,257 is being amortized using the straight-line method over 15 years, the time to maturity for each of the bonds.

The premiums on the 2016 and 2015 bonds of \$105,371 and \$149,994, 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.

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

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
2018	\$ 3,280,000	\$ 819,619	\$ 2,805,000	\$ 823,671	\$ 6,085,000	\$ 1,643,290
2019	3,460,000	729,813	2,660,000	743,508	6,120,000	1,473,321
2020	3,275,000	635,213	2,600,000	669,008	5,875,000	1,304,221
2021	2,850,000	548,138	2,640,000	595,908	5,490,000	1,144,046
2022	2,565,000	472,001	2,595,000	523,220	5,160,000	995,221
2023-2027	10,055,000	1,476,278	11,050,000	1,616,754	21,105,000	3,093,032
2028-20321	5,250,000	340,050	5,645,000	399,726	10,895,000	739,776
	<u>\$ 30,735,000</u>	<u>\$ 5,021,112</u>	<u>\$ 29,995,000</u>	<u>\$ 5,371,795</u>	<u>\$ 60,730,000</u>	<u>\$ 10,392,907</u>

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

	Governmental Activities	Business-Type Activities	Primary Government
Interest paid	\$ 771,096	\$ 763,104	\$ 1,534,200
Less interest accrued in the prior year	(254,723)	(274,103)	(528,826)
Plus interest accrued in the current year	239,353	259,808	499,161
Plus amortization of deferred charge	72,911	36,834	109,745
Less amortization of premium	(101,068)	(68,477)	(169,545)
Total expense	<u>\$ 727,569</u>	<u>\$ 717,166</u>	<u>\$ 1,444,735</u>

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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:

	<u>ERS</u>	<u>PFRS</u>
2017	\$2,010,172	\$ 2,104,640
2016	\$2,172,165	\$ 1,694,871
2015	\$2,489,116	\$ 2,886,280

The PFRS contribution was charged to the general fund.

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

NOTE 12 – PENSION PLANS (CONTINUED):

The current ERS contribution was charged as follows:

Fund	Amount
General	\$ 1,342,952
Water	98,153
Electric	569,067
	<u>\$ 2,010,172</u>

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, 2017, 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, 2017 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	<u>Community Development</u> ERS
Measurement date	March 31, 2017	March 31, 2017	March 31, 2017
Net pension liability	\$ (4,392,132)	\$ (5,027,902)	\$ (20,862)
Village's portion of the Plan's total net pension liability	0.0467436%	0.2425830%	0.0002220%
Change in proportion since prior measurement date	0.0018643%	(0.0196170%)	(0.0000316%)

For the year ended May 31, 2017, the Village recognized pension expense of \$2,677,121 for ERS and \$3,066,762 for PFRS. At May 31, 2017 the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

NOTE 12 – PENSION PLANS (CONTINUED):

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 110,586	\$ 659,574	\$ 670,138	\$ 868,710
Changes of assumptions	1,507,640	2,477,036		
Net difference between projected and actual earnings on pension plan investments	881,454	750,910		
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	472,024	392,019	13,285	72,942
Village's contributions subsequent to the measurement date	<u>375,333</u>	<u>370,618</u>	<u>683,423</u>	<u>941,652</u>
	<u>\$ 3,347,037</u>	<u>\$ 4,650,157</u>	<u>\$ 683,423</u>	<u>\$ 941,652</u>

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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>PFRS</u>
Plan Year ended:		
2018	\$ 984,548	\$ 1,106,290
2019	984,548	1,106,290
2020	854,241	1,050,245
2021	(535,056)	(39,073)
2022		114,135
	<u>\$ 2,288,281</u>	<u>\$ 3,337,887</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

NOTE 12 – PENSION PLANS (CONTINUED):

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:

Measurement date	March 31, 2017
Actuarial valuation date	April 1, 2016
Interest rate	7.00%
Salary scale	3.80%
Cost of living adjustments	1.3% annually
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience

The annuitant mortality rates are based on system experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2016 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 in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selections of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns net of investment expense and inflation) for each major asset class, as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

NOTE 12 – PENSION PLANS (CONTINUED):

Valuation date	April 1, 2016	
<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36%	4.55%
International equity	14%	6.35%
Private equity	10%	7.75%
Real Estate	10%	5.80%
Absolute return strategies	2%	4.00%
Opportunistic portfolio	3%	5.89%
Real assets	3%	5.54%
Bond and mortgages	17%	1.31%
Cash	1%	(0.25%)
Inflation-indexed bonds	4%	1.50%
	<u>100%</u>	

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:

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

NOTE 12 – PENSION PLANS (CONTINUED):

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
<u>ERS</u>			
Village's proportionate share of the net pension asset (liability)	<u>\$ (14,027,600)</u>	<u>\$ (4,392,132)</u>	<u>\$ 3,754,638</u>
<u>Community Development ERS</u>			
Village's proportionate share of the net pension asset (liability)	<u>\$ (66,628)</u>	<u>\$ (20,862)</u>	<u>\$ 17,834</u>
<u>PFRS</u>			
Village's proportionate share of the net pension asset (liability)	<u>\$ (14,253,809)</u>	<u>\$ (5,027,902)</u>	<u>\$ 2,710,377</u>

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)	
	<u>ERS</u>	<u>PFRS</u>
Valuation date	April 1, 2016	April 1, 2016
Employers' total pension liability	\$ (177,400,586)	\$ (31,670,483)
Plan fiduciary net position	168,004,363	29,597,830
Employers' net pension liability	<u>\$ (9,396,223)</u>	<u>\$ (2,072,653)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	94.70%	93.46%

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, 2017 represent the projected employer contribution for the period of April 1, 2016 through May 31, 2017 based on paid wages multiplied by the employer's contribution rate, by tier. Accrued ERS and PFRS retirement contributions as of May 31, 2017 amounted to \$375,333 and \$370,618, respectively.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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, 2017 totaled \$1,024,735.

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.

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

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.

C) Program Financial Condition:

i) Assets and Liabilities

Assets Available for Benefits

	<u>% of total</u>	
Mutual Funds	100.00%	\$ 4,159,929
Less: Liabilities		<u>-</u>
Total Net Assets Available for Benefits		<u>\$ 4,159,929</u>
Unfunded Liability for Prior Service		<u><u>\$ -</u></u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

ii) Receipts and Disbursements

Plan net assets, beginning of year		\$ 3,698,032
Changes during the year:		
Additions		
Plan contributions	\$ 148,400	
Interest and net change in fair value of investments	414,169	562,569
Subtractions		
Plan benefit withdrawals	(100,672)	(100,672)
Plan net assets, end of year		<u>\$ 4,159,929</u>

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 195,228	\$ 57,699	\$ 10,500	\$ 4,011,096
Capital projects fund	17	213,870		85,069
Non-major governmental	213,870	112,977	4,085,665	
Total government activities	409,115	384,546	4,096,165	4,096,165
Water fund	7,740	22,881		
Electric fund	75,902	26,905		
Internal service fund		58,425		
Totals	<u>\$ 492,757</u>	<u>\$ 492,757</u>	<u>\$ 4,096,165</u>	<u>\$ 4,096,165</u>

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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 2017, the Village contributed \$2,228,522 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:

Annual required contribution	\$ 8,578,131
Interest on net OPEB obligation	1,393,129
Adjustment to annual required contribution	(1,936,654)
Annual OPEB cost (expense)	<u>8,034,606</u>
Contributions made	<u>(2,228,522)</u>
Increase in net OPEB obligation	5,806,084
Net OPEB obligation-beginning of year	<u>34,828,197</u>
Net OPEB obligation-end of year	<u><u>\$ 40,634,281</u></u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2017 and the two preceding years were as follows:

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Annual OPEB Cost</u>	<u>OPEB Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
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
May 31, 2017	\$ 8,578,131	\$ 8,034,606	\$ 2,228,522	28%	\$ 40,634,281

D) Funded Status and Funding Progress:

As of June 1, 2016, the most recent actuarial valuation date, the Plan was 0% funded. The actuarial accrued liability for benefits was \$88,996,043 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$88,996,043. The covered payroll (annual payroll of active employees covered by the plan) was \$24,442,172, and the ratio of the UAAL to the covered payroll was 364%.

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.

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, 2016 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, 2017, was 30 years.

✈ **INCORPORATED VILLAGE OF ROCKVILLE CENTRE**
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

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 two years, the Village settled cases totaling approximately \$100,000 in 2016 and \$175,000 in 2015.

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:

	2017	2016
Unpaid claims at beginning of year	\$ 3,552,799	\$ 3,630,541
Incurred claims and claim adjustment expenses	1,208,073	1,406,994
Claims payments	(1,371,119)	(1,484,736)
Unpaid claims at year end	<u>\$ 3,389,753</u>	<u>\$ 3,552,799</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017**

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, as well as a defendant in numerous pending tax certiorari cases. 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 in the amount of \$831,882. Litigation where loss to the Village is reasonably possible has not been accrued; however, Village management and counsel estimate such loss to total \$721,700 for tax certiorari cases. Any future refunds resulting from adverse settlements not accrued for will be funded in the year payments are made.

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, 2017 were \$315,822. Significant encumbrances of \$214,495 were assigned for general support and \$68,800 for fire safety equipment.
- ii) **Capital Projects Fund** – Total encumbrances of the capital projects fund as of May 31, 2017 were \$2,492,397. Significant encumbrances of \$2,369,953 were restricted to various roadwork; \$122,444 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 \$95,441. The minimum remaining lease payments are as follows:

INCORPORATED VILLAGE OF ROCKVILLE CENTRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2017

NOTE 18 – COMMITMENTS AND CONTINGENCIES (CONTINUED):

Fiscal Year Ending May 31,	Amount
2018	\$ 148,259
2019	94,870
2020	85,104
2021	76,367
2022	60,221
	<u>\$ 464,821</u>

NOTE 19 – TAX ABATEMENTS:

The Town of Hempstead Industrial Development Agency, established by Title 1 of Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 905, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the Town. The Village's property tax revenue was reduced by \$563,048 for these programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$79,119.

The Nassau County Industrial Development Agency, established by Title 1 of Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 922, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the County. The Village's property tax revenue was reduced by \$421,592 for these programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$118,137 for these programs during the fiscal year.

The Village, County of Nassau and Rockville Center Housing, pursuant to Article V of the Private Housing Finance Law of the State of New York, entered into property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the Village. The Village's property tax revenue was reduced by \$283,543 for these programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$75,164 for this program during the fiscal year.

The Village received PILOT payments from the County related to the Long Island Power Authority. These PILOT payments are not considered tax abatements as the purpose of this agreement was not to abate taxes.

NOTE 20 – SUBSEQUENT EVENTS:

The Village has evaluated subsequent events through October 31, 2017, 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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Current Year</u>	<u>(Over) Under Final Budget</u>
REVENUES				
Real property taxes	\$ 28,688,848	\$ 28,688,848	\$ 28,589,814	\$ 99,034
Other tax items	923,341	923,341	903,715	19,626
Departmental income	4,858,600	4,859,080	4,775,528	83,552
Use of money & property	108,000	108,000	132,140	(24,140)
Licenses & permits	1,480,000	1,480,000	1,506,398	(26,398)
Fines & forfeitures	1,400,000	1,400,000	1,251,297	148,703
Sale of property & compensation for loss	102,000	120,809	308,133	(187,324)
Intergovernmental charges	4,045,676	4,056,176	4,128,475	(72,299)
State aid	911,671	911,671	981,366	(69,695)
Federal aid	100,000	283,566	359,912	(76,346)
Miscellaneous	951,498	977,433	861,128	116,305
TOTAL REVENUES	<u>43,569,634</u>	<u>43,808,924</u>	<u>\$ 43,797,906</u>	<u>\$ 11,018</u>
Appropriated reserves		<u>690,290</u>		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	<u>\$ 43,569,634</u>	<u>\$ 44,499,214</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

(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, 2017

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
<u>GENERAL GOVERNMENT SUPPORT</u>					
Board trustees	\$ 106,070	\$ 103,119	\$ 103,119	\$ -	\$ -
Village justice	233,868	225,882	224,275		1,607
Mayor	76,125	76,293	76,293		-
Comptroller	945,095	1,119,320	1,118,917		403
Clerk treasurer	1,199,800	1,161,853	1,157,290	4,560	3
Professional services	600,000	797,095	392,135	205,547	199,413
Purchasing	155,795	139,531	139,528		3
Personnel	23,369	20,508	14,176		6,332
Elections	500	45	45		-
Central garage	781,098	825,675	813,626	1,681	10,368
Data processing	423,520	428,117	425,008	2,707	402
Special items					
Municipal associations dues	10,000	10,000	8,980		1,020
Judgments and claims	1,400,000	1,003,279	1,003,279		-
Metropolitan commuter transportation mobility tax	69,000	69,000	65,647		3,353
Insurance contribution	500,000	500,000	500,000		-
<u>PUBLIC SAFETY</u>					
Police civilian	968,948	931,171	931,169		2
Police	9,769,418	10,079,584	10,052,683	14,480	12,421
Street parking	129,574	161,940	161,939		1
Fire department	816,000	807,956	753,009	53,661	1,286
Fire prevention	16,565	8,038	6,537		1,501
Fire safety	-	214,455	214,454		1
Safety inspection	685,236	739,401	735,832	480	3,089
Auxiliary police	20,700	10,463	8,343	179	1,941
<u>HEALTH</u>					
Registrar of Vital Statistics	68,489	67,882	67,336		546
<u>TRANSPORTATION</u>					
Street administration	777,264	707,461	697,594	7,441	2,426
Street maintenance	971,007	1,180,040	1,153,166	14,478	12,396
Snow removal	299,500	230,770	230,763		7
Street lighting	540,000	540,000	518,425		21,575
Sidewalks	51,000	10,249	-		10,249
<u>ECONOMIC OPPORTUNITY AND DEVELOPMENT</u>					
Publicity	92,000	92,000	83,534		8,466
<u>CULTURE and RECREATION</u>					
Parks	638,659	742,290	729,817	2,640	9,833
Play & Recreation	1,628,414	1,981,581	1,961,406	4,158	16,017
MLK Center	286,006	296,990	293,221	637	3,132
Senior Center	577,957	599,291	591,565	405	7,321
Celebrations	33,000	33,000	32,356		644
<u>HOME and COMMUNITY SERVICE</u>					
Zoning Board	39,454	37,431	35,454		1,977
Planning Board	32,705	31,437	14,488		16,949
Sanitary Sewers	356,579	436,341	434,774	328	1,239
Refuse Collection	2,785,348	2,725,194	2,721,181	1,855	2,158
Board of Arch Review	5,000	5,000	5,000		-
Storm Sewers	141,175	186,060	184,744	585	731
Emergency Tenant Protection	7,500	7,980	7,980		-
<u>EMPLOYEE BENEFITS</u>					
Employee benefits	11,296,800	11,144,396	10,943,806		200,590
TOTAL EXPENDITURES	39,558,538	40,488,118	39,612,894	315,822	559,402
<u>OTHER FINANCING (SOURCES) USES</u>					
Other financing uses - transfers to other funds	4,011,096	4,011,096	4,011,096		-
TOTAL OTHER FINANCING (SOURCES) USES	4,011,096	4,011,096	4,011,096	-	-
TOTAL EXPENDITURES AND OTHER (SOURCES) USES	\$ 43,569,634	\$ 44,499,214	43,623,990	\$ 315,822	\$ 559,402
EXCESS OF REVENUES (EXPENDITURES)			173,916		
FUND BALANCES - BEGINNING OF YEAR			8,151,190		
FUND BALANCES - END OF YEAR			<u>\$ 8,325,106</u>		

Note to Required Supplementary Information

Budget Basis of accounting

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

See Paragraph on Other 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, 2017

Valuation Date	Actuarial		Unfunded Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of
	Value of Assets	Accrued Liability				Covered Payroll
June 1, 2012	\$ -	\$ 75,601,277	\$ 75,601,277	0%	\$ 22,892,008	330%
June 1, 2014	\$ -	\$ 71,111,830	\$ 71,111,830	0%	\$ 24,185,039	294%
June 1, 2016	\$ -	\$ 88,996,043	\$ 88,996,043	0%	\$ 24,442,172	364%

See Paragraph on Other 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			
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability	0.0467436%	0.0448793%	0.0455493%
Community Development's proportion of the net pension liability	0.0002220%	0.0002536%	0.0003449%
Village's proportionate share of the net pension liability	\$ 4,392,132	\$ 7,203,254	\$ 1,538,768
Community Development's proportionate share of the net pension liability	\$ 20,862	\$ 40,702	\$ 11,651
Village's covered payroll	\$ 13,153,344	\$ 13,716,005	\$12,661,664
Village's proportionate share of the net pension liability as a percentage of its covered -employee payroll	33.39%	52.52%	12.15%
Plan fiduciary net position as a percentage of the total pension liability	94.70%	90.68%	97.95%
NYSPPR Pension Plan			
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability	0.242583%	0.262200%	0.2646718%
Village's proportionate share of the net pension liability	\$ 5,027,902	\$ 7,763,183	\$ 679,116
Village's covered payroll	\$ 8,275,129	\$ 8,712,398	\$ 8,746,302
Village's proportionate share of the net pension liability as a percentage of its covered -employee payroll	60.76%	89.11%	7.76%
Plan fiduciary net position as a percentage of the total pension liability	93.46%	90.24%	99.00%

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

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

NYSERS Pension Plan				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,010,172	\$ 2,172,165	\$ 2,489,116	\$ 2,795,580
Contributions in relation to the contractually required contribution	<u>2,010,172</u>	<u>2,172,165</u>	<u>2,489,116</u>	<u>2,795,580</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered employee payroll	13,595,933	\$ 13,310,785	\$ 13,262,296	\$ 12,828,119
Contributions as a percentage of covered employee payroll	14.79%	16.32%	18.77%	21.79%

NYSPPRS Pension Plan				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,104,640	\$ 1,694,871	\$ 2,886,280	\$ 2,321,824
Contributions in relation to the contractually required contribution	<u>2,104,640</u>	<u>1,694,871</u>	<u>2,886,280</u>	<u>2,321,824</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered employee payroll	8,502,395	\$ 8,456,953	\$ 8,968,011	\$ 9,024,858
Contributions as a percentage of covered employee payroll	24.75%	20.04%	32.18%	25.73%

See Paragraph on Other 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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 8,643,066	\$ 8,312,498
Cash and cash equivalents - restricted	1,513,159	1,803,922
Taxes receivable, net of allowance for uncollectible amounts	294	7,634
Other receivables:		
Accounts, net	29,553	110,856
State and federal aid	251,630	99,000
Due from other governments	152,749	85,953
Due from other funds	195,228	103,545
TOTAL ASSETS	<u><u>\$ 10,785,679</u></u>	<u><u>\$ 10,523,408</u></u>
LIABILITIES AND FUND BALANCES		
Payables		
Accounts payable	\$ 357,102	\$ 437,056
Accrued liabilities	1,409,111	1,094,923
Due to other governments	738	2,001
Due to retirement system	622,258	641,903
Due to other funds	57,699	51,181
Unearned revenues		
Collections in advance	13,665	145,154
TOTAL LIABILITIES	<u>2,460,573</u>	<u>2,372,218</u>
FUND BALANCES		
Restricted (employee benefit accrued liability)	1,513,159	1,803,922
Assigned (tax certiorari)	2,024,956	2,024,956
Assigned (unappropriated)	315,822	567,995
Unassigned	4,471,169	3,754,317
TOTAL FUND BALANCES	<u>8,325,106</u>	<u>8,151,190</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 10,785,679</u></u>	<u><u>\$ 10,523,408</u></u>

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, 2017 AND 2016

	2017				2016					
	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	\$ 28,688,848	\$ 28,688,848	\$ 28,589,814	\$ -	\$ 99,034	\$ 28,124,350	\$ 28,124,350	\$ 27,959,151	\$ -	\$ 165,199
Other tax items	923,341	923,341	903,715		19,626	861,837	861,837	866,363		(4,526)
Departmental income	4,858,600	4,859,080	4,775,528		83,552	4,903,600	4,963,600	4,707,082		256,518
Use of money & property	108,000	108,000	132,140		(24,140)	99,000	109,000	113,660		(4,660)
Licenses & permits	1,480,000	1,480,000	1,506,398		(26,398)	1,510,000	2,074,000	2,051,526		22,474
Fines & forfeitures	1,400,000	1,400,000	1,251,297		148,703	1,380,000	1,380,000	1,396,097		(16,097)
Sale of property & compensation for loss	102,000	120,809	308,133		(187,324)	92,000	145,000	141,724		3,276
Intergovernmental charges	4,045,676	4,045,676	4,117,975		(72,299)	4,378,855	4,378,855	4,223,405		155,450
State and county aid	911,671	911,671	981,366		(69,695)	876,671	1,045,171	986,423		58,748
Federal aid	100,000	283,566	359,912		(76,346)	100,000	360,000	221,924		138,076
Miscellaneous	951,498	977,433	861,128		116,305	867,552	867,552	884,506		(16,954)
TOTAL REVENUES	43,569,634	43,798,424	43,787,406	-	11,018	43,193,865	44,309,365	43,551,861	-	757,504
EXPENDITURES										
General government support	6,524,240	6,479,717	6,042,318	214,495	222,904	6,840,189	6,434,154	4,999,579	246,857	1,187,718
Public safety	12,406,441	12,953,008	12,863,966	68,800	20,242	11,900,833	12,662,373	12,229,734	232,933	199,706
Health	68,489	67,882	67,336		546	55,558	91,932	91,160		772
Transportation	2,638,771	2,668,520	2,599,948	21,919	46,653	2,594,003	2,794,136	2,620,012	12,501	161,623
Economic opportunity and development	92,000	92,000	83,534		8,466	92,000	92,000	90,269	600	1,131
Culture and recreation	3,164,036	3,653,152	3,608,365	7,840	36,947	3,107,986	3,541,890	3,308,183	49,657	184,050
Home and community services	3,367,761	3,429,443	3,403,621	2,768	23,054	3,370,053	3,880,966	3,734,357	25,447	121,162
Employee benefits	11,296,800	11,144,396	10,943,806		200,590	11,158,500	10,474,054	10,254,976		219,078
TOTAL EXPENDITURES	39,558,538	40,488,118	39,612,894	315,822	559,402	39,119,122	39,971,505	37,328,270	567,995	2,075,240
OTHER FINANCING SOURCES (USES)										
Operating transfers in	10,500	10,500	10,500		-	(4,074,743)	(4,624,743)	(4,624,743)		-
Operating transfers out	(4,011,096)	(4,011,096)	(4,011,096)		-	(4,074,743)	(4,624,743)	(4,624,743)		-
TOTAL OTHER FINANCING SOURCES (USES)	(4,011,096)	(4,000,596)	(4,000,596)		-	(4,074,743)	(4,624,743)	(4,624,743)		-
TOTAL EXPENDITURES AND OTHER SOURCES (USES)	\$ 43,569,634	\$ 44,488,714	43,613,490	\$ 315,822	\$ 559,402	\$ 43,193,865	\$ 44,596,248	41,953,013	\$ 567,995	\$ 2,075,240
NET CHANGE IN FUND BALANCES			173,916					1,598,848		
FUND BALANCES- BEGINNING OF YEAR			8,151,190					6,552,342		
FUND BALANCES- END OF YEAR			\$ 8,325,106					\$ 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.

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents - unrestricted	\$ 84,542	\$ 137,928
Cash and cash equivalents - restricted	5,086,245	5,248,882
Receivables:		
Accounts		132
State and federal aid	240,718	934,791
Due from other governments	38,729	334,268
Due from other funds	17	
TOTAL ASSETS	<u>\$ 5,450,251</u>	<u>\$ 6,656,001</u>
 LIABILITIES AND FUND BALANCES		
Payables		
Accounts payable	\$ 576,500	\$ 997,509
Due to other funds	213,870	33,269
TOTAL LIABILITIES	<u>790,370</u>	<u>1,030,778</u>
 FUND BALANCES		
Restricted	5,086,245	5,248,882
Assigned		376,341
Unassigned	(426,364)	
TOTAL FUND BALANCES	<u>4,659,881</u>	<u>5,625,223</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,450,251</u>	<u>\$ 6,656,001</u>

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
State aid	\$ 406,896	\$ 297,280
County and local aid		462,650
TOTAL REVENUES	<u>406,896</u>	<u>759,930</u>
EXPENDITURES		
Capital outlay	<u>5,787,169</u>	<u>9,673,725</u>
TOTAL EXPENDITURES	<u>5,787,169</u>	<u>9,673,725</u>
EXCESS (DEFICIENCY)		
OF REVENUES OVER EXPENDITURES	<u>(5,380,273)</u>	<u>(8,913,795)</u>
OTHER FINANCING SOURCES (USES)		
Issuance of serial bonds	4,500,000	2,810,000
Operating transfers in		550,000
Operating transfers (out)	<u>(85,069)</u>	
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,414,931</u>	<u>3,360,000</u>
NET CHANGE IN FUND BALANCES	(965,342)	(5,553,795)
FUND BALANCES - BEGINNING OF YEAR	<u>5,625,223</u>	<u>11,179,018</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 4,659,881</u></u>	<u><u>\$ 5,625,223</u></u>

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, 2017

	Special Revenue Funds				Debt	Total
	Community	Section 8	Special	Total	Service	Non-Major
	Development	Housing	Purpose			Funds
ASSETS						
Cash and cash equivalents - unrestricted	\$ 17,186	\$ -	\$ -	\$ 17,186	\$ -	\$ 17,186
Cash and cash equivalents - restricted		359,314	180,968	540,282	253,263	793,545
Receivables:						
Due from other governments	186,533		1,753	188,286		188,286
Due from other funds					213,870	213,870
TOTAL ASSETS	<u>\$ 203,719</u>	<u>\$ 359,314</u>	<u>\$ 182,721</u>	<u>\$ 745,754</u>	<u>\$ 467,133</u>	<u>\$ 1,212,887</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 90,600	\$ -	\$ 2,450	\$ 93,050	\$ -	\$ 93,050
Accrued liabilities		292,847		292,847		292,847
Due to other funds	111,282	1,695		112,977		112,977
TOTAL LIABILITIES	<u>201,882</u>	<u>294,542</u>	<u>2,450</u>	<u>498,874</u>	<u>-</u>	<u>498,874</u>
FUND BALANCES						
Restricted		64,772	180,271	245,043	467,133	712,176
Assigned	1,837			1,837		1,837
TOTAL FUND BALANCES	<u>1,837</u>	<u>64,772</u>	<u>180,271</u>	<u>246,880</u>	<u>467,133</u>	<u>714,013</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 203,719</u>	<u>\$ 359,314</u>	<u>\$ 182,721</u>	<u>\$ 745,754</u>	<u>\$ 467,133</u>	<u>\$ 1,212,887</u>

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, 2017

	Special Revenue Funds				Total	Non Major
	Community	Section 8	Special		Debt	Funds
	Development	Housing	Purpose	Total	Service	
REVENUES						
Departmental income	\$ -	\$ 29,018	\$ -	\$ 29,018	\$ -	\$ 29,018
Use of money and property	71	483		554	13,885	14,439
Federal aid	341,980	2,744,312		3,086,292		3,086,292
Miscellaneous			86,338	86,338		86,338
TOTAL REVENUES	342,051	2,773,813	86,338	3,202,202	13,885	3,216,087
EXPENDITURES						
Economic opportunity and development		2,793,147		2,793,147		2,793,147
Culture and recreation			113,887	113,887		113,887
Home and community services	341,980			341,980		341,980
Debt service						
Principal					3,340,000	3,340,000
Interest					771,096	771,096
TOTAL EXPENDITURES	341,980	2,793,147	113,887	3,249,014	4,111,096	7,360,110
EXCESS (DEFICIENCY)						
OF REVENUES OVER EXPENDITURES	71	(19,334)	(27,549)	(46,812)	(4,097,211)	(4,144,023)
OTHER FINANCING SOURCES						
Premium on obligations					211,489	211,489
Operating transfers in					4,085,665	4,085,665
TOTAL OTHER FINANCING SOURCES	-	-	-	-	4,297,154	4,297,154
NET CHANGE IN FUND BALANCES	71	(19,334)	(27,549)	(46,812)	199,943	153,131
FUND BALANCES - BEGINNING OF YEAR	1,766	84,106	207,820	293,692	267,190	560,882
FUND BALANCES - END OF YEAR	\$ 1,837	\$ 64,772	\$ 180,271	\$ 246,880	\$ 467,133	\$ 714,013

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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents - unrestricted	\$ 17,186	\$ 48,800
Receivables:		
Due from other governments	<u>186,533</u>	<u>774</u>
TOTAL ASSETS	<u><u>\$ 203,719</u></u>	<u><u>\$ 49,574</u></u>
 LIABILITIES AND FUND BALANCES		
Accounts payable	\$ 90,600	\$ 1,039
Due to other funds	<u>111,282</u>	<u>46,769</u>
TOTAL LIABILITIES	<u>201,882</u>	<u>47,808</u>
 FUND BALANCES		
Assigned	<u>1,837</u>	<u>1,766</u>
TOTAL FUND BALANCES	<u>1,837</u>	<u>1,766</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 203,719</u></u>	<u><u>\$ 49,574</u></u>

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
COMMUNITY DEVELOPMENT FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
Use of money and property	\$ 71	\$ 70
Federal aid	341,980	79,773
TOTAL REVENUES	<u>342,051</u>	<u>79,843</u>
EXPENDITURES		
Home and community service	<u>341,980</u>	<u>79,341</u>
NET CHANGE IN FUND BALANCES	71	502
FUND BALANCES - BEGINNING OF YEAR	<u>1,766</u>	<u>1,264</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,837</u></u>	<u><u>\$ 1,766</u></u>

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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents - restricted	\$ 359,314	\$ 365,157
TOTAL ASSETS	<u>\$ 359,314</u>	<u>\$ 365,157</u>
LIABILITIES AND FUND BALANCES		
Accrued liabilities	\$ 292,847	\$ 279,356
Due to other funds	<u>1,695</u>	<u>1,695</u>
TOTAL LIABILITIES	<u>294,542</u>	<u>281,051</u>
FUND BALANCES		
Restricted	<u>64,772</u>	<u>84,106</u>
TOTAL FUND BALANCES	<u>64,772</u>	<u>84,106</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 359,314</u>	<u>\$ 365,157</u>

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
Departmental income	\$ 29,018	\$ 86,868
Use of money and property	483	392
Federal aid	2,744,312	2,642,425
TOTAL REVENUES	<u>2,773,813</u>	<u>2,729,685</u>
EXPENDITURES		
Economic opportunity and development	<u>2,793,147</u>	<u>2,776,683</u>
NET CHANGE IN FUND BALANCES	(19,334)	(46,998)
FUND BALANCES - BEGINNING OF YEAR	<u>84,106</u>	<u>131,104</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 64,772</u></u>	<u><u>\$ 84,106</u></u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE BALANCE SHEET
SPECIAL PURPOSE FUND
MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents - restricted	\$ 180,968	\$ 217,506
Due from other governments	<u>1,753</u>	<u></u>
TOTAL ASSETS	<u><u>\$ 182,721</u></u>	<u><u>\$ 217,506</u></u>
 LIABILITIES AND FUND BALANCE		
Accounts payable	<u>\$ 2,450</u>	<u>\$ 9,686</u>
TOTAL LIABILITIES	<u>2,450</u>	<u>9,686</u>
 FUND BALANCES		
Restricted	<u>180,271</u>	<u>207,820</u>
TOTAL FUND BALANCES	<u>180,271</u>	<u>207,820</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 182,721</u></u>	<u><u>\$ 217,506</u></u>

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
SPECIAL PURPOSE FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
REVENUES		
Miscellaneous	<u>\$ 86,338</u>	<u>\$ 74,916</u>
EXPENDITURES		
Culture and recreation	<u>113,887</u>	<u>58,285</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,549)	16,631
FUND BALANCES - BEGINNING OF YEAR	<u>207,820</u>	<u>191,189</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 180,271</u></u>	<u><u>\$ 207,820</u></u>

**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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents - restricted	\$ 253,263	\$ 233,921
Receivables:		
Due from other funds	<u>213,870</u>	<u>33,269</u>
TOTAL ASSETS	<u>\$ 467,133</u>	<u>\$ 267,190</u>
 FUND BALANCES		
Restricted	<u>\$ 467,133</u>	<u>\$ 267,190</u>
TOTAL FUND BALANCES	<u>\$ 467,133</u>	<u>\$ 267,190</u>

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, 2017 AND 2016

	2017			2016		
	Original Budget	Final Budget	Final Budget Variance with Budgetary Actual	Original Budget	Final Budget	Final Budget Variance with Budgetary Actual
REVENUES						
Use of money & property	\$ -	\$ -	\$ 13,885	\$ -	\$ -	\$ 32,235
TOTAL REVENUES	-	-	13,885	-	-	32,235
EXPENDITURES						
Debt service						
Principal	3,240,000	3,240,000	3,340,000	3,335,000	3,335,000	3,360,000
Interest	771,096	771,096	771,096	739,743	739,743	789,743
TOTAL EXPENDITURES	4,011,096	4,011,096	4,111,096	4,074,743	4,074,743	4,149,743
OTHER FINANCING SOURCES (USES)						
Premium on obligations			211,489	(211,489)		29,143
Operating transfers in	4,011,096	4,011,096	4,085,665	4,074,743	4,074,743	4,074,743
TOTAL OTHER FINANCING SOURCES (USES)	4,011,096	4,011,096	4,297,154	4,074,743	4,074,743	4,103,886
TOTAL EXPENDITURES AND OTHER SOURCES (USES)	\$ -	\$ -	(186,058)	\$ -	\$ -	45,857
NET CHANGE IN FUND BALANCES			199,943			(13,622)
FUND BALANCES- BEGINNING OF YEAR			267,190			280,812
FUND BALANCES- END OF YEAR			\$ 467,133			\$ 267,190

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.

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 5,585,799	\$ 6,488,532
Receivables		
Accounts, net	2,435,373	2,106,764
Due from other funds	7,740	10,273
Inventories	236,495	278,041
Total Current Assets	<u>8,265,407</u>	<u>8,883,610</u>
Non-Current Assets		
Land	327,271	327,271
Construction-in-progress	7,956,842	5,292,489
Buildings and equipment	36,766,670	35,089,780
	45,050,783	40,709,540
Less - Accumulated depreciation	(10,563,818)	(10,302,284)
Total Non-Current Assets	<u>34,486,965</u>	<u>30,407,256</u>
TOTAL ASSETS	<u>42,752,372</u>	<u>39,290,866</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	178,084	373,457
Deferred charge on refunding	51,986	69,314
TOTAL DEFERRED OUTFLOWS	<u>230,070</u>	<u>442,771</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>42,982,442</u>	<u>39,733,637</u>
LIABILITIES		
Current Liabilities		
Accounts payable	1,047,967	1,463,455
Accrued liabilities	36,472	19,671
Accrued interest	147,790	150,321
Due to other funds	22,881	22,700
Customer deposits	31,342	35,912
Collections in advance	51,857	44,667
Due to employees' retirement system	18,911	18,790
Bonds payable, inclusive of premiums	1,597,992	1,571,397
Compensated absences	8,487	7,655
Total Current Liabilities	<u>2,963,699</u>	<u>3,334,568</u>
Non-Current Liabilities		
Bonds payable, inclusive of premiums	18,642,924	16,367,970
Compensated absences	330,995	298,530
Net pension liability - proportionate share	237,614	389,696
Net other post-employment benefit obligations	794,304	662,281
Total Non-Current Liabilities	<u>20,005,837</u>	<u>17,718,477</u>
TOTAL LIABILITIES	<u>22,969,536</u>	<u>21,053,045</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	36,667	46,970
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>23,006,203</u>	<u>21,100,015</u>
NET POSITION		
Net investment in capital assets	14,298,035	12,537,203
Unrestricted	5,678,204	6,096,419
TOTAL NET POSITION	<u>\$ 19,976,239</u>	<u>\$ 18,633,622</u>

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for services		
Metered sales	\$ 5,613,203	\$ 4,872,694
Penalty income	134,656	116,094
Miscellaneous	44,969	38,241
Total operating revenues	<u>5,792,828</u>	<u>5,027,029</u>
OPERATING EXPENSES		
Purchased power	160,425	174,161
Depreciation	819,594	790,124
Maintenance	417,533	324,179
Interfund charges	581,159	601,016
Transmission and distribution	782,607	752,905
General and administrative	1,148,507	1,165,228
Employee benefits	536,108	412,672
Insurance	75,000	41,666
Total operating expenses	<u>4,520,933</u>	<u>4,261,951</u>
Operating income (loss)	<u>1,271,895</u>	<u>765,078</u>
NON-OPERATING REVENUES (EXPENSES)		
Rental income	400,610	522,339
Interest income	103,959	69,152
Interest expense	(433,847)	(367,908)
Total non-operating revenues (expenses)	<u>70,722</u>	<u>223,583</u>
CHANGE IN NET POSITION	1,342,617	988,661
TOTAL NET POSITION - BEGINNING OF YEAR	<u>18,633,622</u>	<u>17,644,961</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 19,976,239</u></u>	<u><u>\$ 18,633,622</u></u>

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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF CASH FLOWS
ENTERPRISE FUND - WATER FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue collected:		
Cash received from charges for services	\$ 5,466,839	\$ 4,775,883
Internal activity-payments from other funds for expense reimbursements	2,533	6,455
Payments for expenses:		
Cash payments to other suppliers of goods or services	(2,878,982)	(2,045,413)
Cash payments to employees for services and related expenses	(981,069)	(1,086,457)
Internal activity-payments to other funds for expense reimbursements	181	(1,962)
Net Cash Provided by Operating Activities	<u>1,609,502</u>	<u>1,648,506</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(4,899,303)	(4,711,225)
Proceeds from capital debt	3,732,364	6,628,356
Principal paid on capital debt	(1,398,451)	(1,194,907)
Interest paid on capital debt	(451,414)	(339,087)
Net Cash Used by Capital and Related Financing Activities	<u>(3,016,804)</u>	<u>383,137</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and rental income	504,569	591,491
Net Cash Provided by Investing Activities	<u>504,569</u>	<u>591,491</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (902,733)	 2,623,134
 Cash and Cash Equivalents at Beginning of Year	 6,488,532	 3,865,398
 Cash and Cash Equivalents at End of Year	 <u>\$ 5,585,799</u>	 <u>\$ 6,488,532</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 1,271,895	\$ 765,078
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	819,594	790,124
Decrease (increase) in:		
Accounts receivable	(328,609)	(262,257)
Due from other funds	2,533	6,455
Inventory	41,546	11,666
Increase (decrease) in:		
Accounts payable	(415,488)	290,256
Accrued liabilities	16,801	5,874
Due to other funds	181	(1,962)
Customer deposits	(4,570)	10,880
Collections in advance	7,190	231
Due to employees' retirement system	121	(3,365)
Compensated absences	33,297	(81,275)
Pension amounts	32,988	29,279
Other post-employment benefit obligations payable	132,023	87,522
Net Cash Provided by Operating Activities	<u>\$ 1,609,502</u>	<u>\$ 1,648,506</u>

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 8,863,152	\$ 7,633,816
Receivables		
Accounts, net	3,399,010	2,689,769
Due from other funds	75,902	25,942
Inventories	2,641,764	2,992,391
Total Current Assets	<u>14,979,828</u>	<u>13,341,918</u>
Non-Current Assets		
Land	48,614	48,614
Construction-in-progress	4,155,531	4,818,932
Buildings and equipment	63,328,996	61,655,907
	<u>67,533,141</u>	<u>66,523,453</u>
Less - Accumulated depreciation	(33,467,970)	(33,149,182)
Total Non-Current Assets	<u>34,065,171</u>	<u>33,374,271</u>
TOTAL ASSETS	<u>49,044,999</u>	<u>46,716,189</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	877,404	1,826,990
Deferred charge on refunding	156,054	175,561
TOTAL DEFERRED OUTFLOWS	<u>1,033,458</u>	<u>2,002,551</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>50,078,457</u>	<u>48,718,740</u>
LIABILITIES		
Current Liabilities		
Accounts payable	2,615,582	2,671,883
Accrued liabilities	254,089	121,133
Accrued interest	112,018	123,782
Due to other funds	26,905	34,058
Customer deposits	1,403,593	1,459,218
Due to employees' retirement system	104,782	105,448
Bonds payable, inclusive of premiums	1,289,589	1,280,799
Compensated absences	46,523	56,711
Total Current Liabilities	<u>5,853,081</u>	<u>5,853,032</u>
Non-Current Liabilities		
Bonds payable, inclusive of premiums	9,304,290	9,337,338
Compensated absences	1,814,399	2,211,746
Net pension liability - proportionate share	1,153,374	1,891,575
Other post-employment benefit obligations payable	4,557,765	3,966,414
Total Non-Current Liabilities	<u>16,829,828</u>	<u>17,407,073</u>
TOTAL LIABILITIES	<u>22,682,909</u>	<u>23,260,105</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	177,979	227,992
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>22,860,888</u>	<u>23,488,097</u>
NET POSITION		
Net investment in capital assets	23,627,346	22,931,695
Unrestricted	3,590,223	2,298,948
TOTAL NET POSITION	<u>\$ 27,217,569</u>	<u>\$ 25,230,643</u>

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for services		
Metered sales	\$ 26,422,956	\$ 23,267,136
Miscellaneous	436,584	312,549
Total operating revenues	<u>26,859,540</u>	<u>23,579,685</u>
OPERATING EXPENSES		
Purchased power	11,371,782	10,598,755
Depreciation	1,541,299	1,499,750
Maintenance	68,735	80,432
Interfund charges	2,911,594	2,949,736
Production	1,922,845	1,712,544
Transmission and distribution	1,826,788	1,182,947
Street lighting	353,539	275,702
General and administrative	1,428,047	1,172,021
Employee benefits	2,943,532	2,748,250
Insurance	258,333	291,667
Customer deposit interest	1,459	1,423
Total operating expenses	<u>24,627,953</u>	<u>22,513,227</u>
Operating income	<u>2,231,587</u>	<u>1,066,458</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	38,658	57,878
Interest expense	(283,319)	(312,941)
Total non-operating revenues (expenses)	<u>(244,661)</u>	<u>(255,063)</u>
CHANGE IN NET POSITION	1,986,926	811,395
TOTAL NET POSITION - BEGINNING OF YEAR,	<u>25,230,643</u>	<u>24,419,248</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 27,217,569</u></u>	<u><u>\$ 25,230,643</u></u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF CASH FLOWS
ENTERPRISE FUND - ELECTRIC FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue collected:		
Cash received from charges for services	\$ 26,094,674	\$ 24,154,819
Internal activity-payments from other funds for expense reimbursements	(49,960)	(1,400)
Payments for expenses:		
Cash payments to other suppliers of goods or services	(16,877,230)	(16,903,938)
Cash payments to employees for services and related expenses	(5,436,161)	(5,347,379)
Cash payments to customers on deposit interest	(1,459)	(1,423)
Internal activity-payments to other funds for expense reimbursements	(7,153)	6,871
Net Cash Provided by Operating Activities	<u>3,722,711</u>	<u>1,907,550</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,232,199)	(2,308,825)
Proceeds from capital debt	1,236,114	785,452
Principal paid on capital debt	(1,224,258)	(1,227,675)
Interest paid on capital debt	(311,690)	(346,449)
Net Cash Used by Capital and Related Financing Activities	<u>(2,532,033)</u>	<u>(3,097,497)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and rental income	38,658	57,878
Net Cash Provided by Investing Activities	<u>38,658</u>	<u>57,878</u>
Net Increase in Cash and Cash Equivalents	1,229,336	(1,132,069)
Cash and Cash Equivalents at Beginning of Year	<u>7,633,816</u>	<u>8,765,885</u>
Cash and Cash Equivalents at End of Year	<u>\$ 8,863,152</u>	<u>\$ 7,633,816</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 2,231,587	\$ 1,066,458
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,541,299	1,499,750
Decrease (Increase) in:		
Accounts receivable	(709,241)	636,336
State and federal aid receivable	-	-
Due from other funds	(49,960)	(1,400)
Inventory	350,627	(441,791)
Increase (Decrease) in:		
Accounts payable	(56,301)	(1,131,005)
Accrued liabilities	132,956	32,357
Due to other funds	(7,153)	6,871
Customer deposits	(55,625)	7,994
Collections in advance	-	(69,196)
Due to employees' retirement system	(666)	(38,946)
Compensated absences	(407,535)	(325,234)
Pension amounts	161,372	164,736
Other post-employment benefit obligations payable	591,351	500,620
Net Cash Provided by Operating Activities	<u>\$ 3,722,711</u>	<u>\$ 1,907,550</u>

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents - unrestricted	\$ 3,355,378	\$ 3,353,167
Accounts receivable, net	133,185	111,319
Prepaid expenses	247,594	251,576
TOTAL ASSETS	<u>3,736,157</u>	<u>3,716,062</u>
LIABILITIES		
Current Liabilities		
Accounts payable	287,979	163,263
Due to other funds	58,425	-
Claims payable	1,462,716	1,589,429
Total Current Liabilities	<u>1,809,120</u>	<u>1,752,692</u>
Non-Current Liabilities		
Claims payable	1,927,037	1,963,370
Total Non-Current Liabilities	<u>1,927,037</u>	<u>1,963,370</u>
TOTAL LIABILITIES	<u>3,736,157</u>	<u>3,716,062</u>
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for services		
Risk management	\$ 2,075,882	\$ 2,080,334
Total operating revenues	<u>2,075,882</u>	<u>2,080,334</u>
OPERATING EXPENSES		
General and administrative	510,737	492,951
Employee benefits	977,372	901,499
Insurance	206,868	190,122
Judgments and claims	393,747	505,495
Total operating expenses	<u>2,088,724</u>	<u>2,090,067</u>
Operating income (loss)	<u>(12,842)</u>	<u>(9,733)</u>
NON-OPERATING INCOME		
Interest income	12,842	9,733
Total non-operating income	<u>12,842</u>	<u>9,733</u>
CHANGE IN NET POSITION	-	-
TOTAL NET POSITION - BEGINNING OF YEAR	<u>-</u>	<u>-</u>
TOTAL NET POSITION- END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue collected:		
Cash received from charges for services	\$ 2,075,883	\$ 2,080,334
Cash received from insurance recoveries	(21,866)	25,931
Payments for expenses:		
Cash payments to insurance carriers and claimants	(1,145,700)	(1,239,771)
Cash payments to employees for services and related expenses	(977,372)	(901,499)
Internal activity-payments (to) from other funds for expense reimbursements	58,425	-
Net Cash Used in Operating Activities	<u>(10,630)</u>	<u>(35,005)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and rental income	12,841	9,733
Net Cash Provided by Investing Activities	<u>12,841</u>	<u>9,733</u>
Net Increase in Cash and Cash Equivalents	2,211	(25,272)
Cash and Cash Equivalents at Beginning of Year	<u>3,353,167</u>	<u>3,378,439</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 3,355,378</u></u>	<u><u>\$ 3,353,167</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (12,842)	\$ (9,733)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable	(21,866)	25,931
Prepaid expenses	3,982	1,883
Increase (Decrease) in:		
Accounts payable	124,716	24,656
Due to other funds	58,425	-
Claims payable	(163,045)	(77,742)
Net Cash Used in Operating Activities	<u><u>\$ (10,630)</u></u>	<u><u>\$ (35,005)</u></u>

**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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 821,596	\$ 482,877
Due from governmental funds		16,643
Accounts receivable	5,278	4,477
TOTAL ASSETS	<u>\$ 826,874</u>	<u>\$ 503,997</u>
LIABILITIES		
Accounts payable	\$ 30,223	\$ 22,258
Deposits	598,628	46,289
Other liabilities	198,023	435,450
TOTAL LIABILITIES	<u>\$ 826,874</u>	<u>\$ 503,997</u>

THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED MAY 31, 2017

	Balance June 1, 2016	Increases	Decreases	Balance May 31, 2017
ASSETS				
Cash	\$ 482,877	\$ 8,819,608	\$ 8,480,889	\$ 821,596
Accounts receivable	4,477	5,278	4,477	5,278
Due from other funds	16,643		16,643	-
TOTAL ASSETS	<u>\$ 503,997</u>	<u>\$ 8,824,886</u>	<u>\$ 8,502,009</u>	<u>\$ 826,874</u>
LIABILITIES				
Accounts payable and due to governmental funds	\$ 22,258	\$ 30,223	\$ 22,258	\$ 30,223
Deposits and liabilities	481,739	8,768,265	8,453,353	796,651
TOTAL LIABILITIES	<u>\$ 503,997</u>	<u>\$ 8,798,488</u>	<u>\$ 8,475,611</u>	<u>\$ 826,874</u>

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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Investments, mutual funds, at fair value	\$ 4,159,929	\$ 3,698,032
TOTAL ASSETS	<u>\$ 4,159,929</u>	<u>\$ 3,698,032</u>
 TOTAL LIABILITIES	 <u>-</u>	 <u>-</u>
 NET POSITION		
Held in trust for pension benefits	<u>\$ 4,159,929</u>	<u>\$ 3,698,032</u>

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

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE
COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE FISCAL YEARS ENDED MAY 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ADDITIONS		
Pension contributions	\$ 148,400	\$ 144,900
Interest and net change in fair value of investments	<u>444,324</u>	<u> </u>
TOTAL ADDITIONS	<u>592,724</u>	<u>144,900</u>
DEDUCTIONS		
Net reduction in fair value of investments		86,534
Pension benefits	<u>130,827</u>	<u>25,900</u>
TOTAL DEDUCTIONS	<u>130,827</u>	<u>112,434</u>
CHANGE IN NET POSITION	461,897	32,466
NET POSITION - BEGINNING OF YEAR	<u>3,698,032</u>	<u>3,665,566</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,159,929</u></u>	<u><u>\$ 3,698,032</u></u>

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

	2008	2009	2010	2011
Governmental Activities:				
Net Investment in Capital Assets	\$ 14,242,455	\$ 14,400,331	\$ 15,674,718	\$ 16,481,875
Restricted	1,572,930	1,047,130	834,391	1,148,224
Unrestricted	<u>(12,070,548)</u>	<u>(16,142,349)</u>	<u>(17,735,372)</u>	<u>(20,551,554)</u>
Total Governmental Activities				
Net Position	<u>\$ 3,744,837</u>	<u>\$ (694,888)</u>	<u>\$ (1,226,263)</u>	<u>\$ (2,921,455)</u>
Business - Type Activities:				
Net Investment in Capital Assets	\$ 30,429,351	\$ 30,313,062	\$ 31,347,392	\$ 29,196,964
Unrestricted	<u>8,030,494</u>	<u>8,348,216</u>	<u>6,502,072</u>	<u>9,576,994</u>
Total Business - Type Activities				
Net Position	<u>\$ 38,459,845</u>	<u>\$ 38,661,278</u>	<u>\$ 37,849,464</u>	<u>\$ 38,773,958</u>
Primary Government:				
Net Investment in Capital Assets	\$ 44,671,806	\$ 44,713,393	\$ 47,022,110	\$ 45,678,839
Restricted	1,572,930	1,047,130	834,391	1,148,224
Unrestricted	<u>(4,040,054)</u>	<u>(7,794,133)</u>	<u>(11,233,300)</u>	<u>(10,974,560)</u>
Total Primary Government				
Net Position	<u>\$ 42,204,682</u>	<u>\$ 37,966,390</u>	<u>\$ 36,623,201</u>	<u>\$ 35,852,503</u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 17,285,645	\$ 19,807,710	\$ 20,330,836	\$ 22,233,324	\$ 38,026,955	\$ 40,699,380
2,935,619	6,396,110	1,633,122	2,880,887	3,140,928	2,558,742
<u>(24,888,529)</u>	<u>(34,326,281)</u>	<u>(32,775,856)</u>	<u>(36,245,164)</u>	<u>(39,999,970)</u>	<u>(43,152,529)</u>
<u>\$ (4,667,265)</u>	<u>\$ (8,122,461)</u>	<u>\$ (10,811,898)</u>	<u>\$ (11,130,953)</u>	<u>\$ 1,167,913</u>	<u>\$ 105,593</u>
\$ 33,080,493	\$ 30,840,007	\$ 34,143,448	\$ 35,702,976	\$ 35,468,898	\$ 37,925,381
5,042,632	9,213,586	7,070,550	6,523,004	8,395,367	9,268,427
<u>\$ 38,123,125</u>	<u>\$ 40,053,593</u>	<u>\$ 41,213,998</u>	<u>\$ 42,225,980</u>	<u>\$ 43,864,265</u>	<u>\$ 47,193,808</u>
\$ 50,366,138	\$ 50,647,717	\$ 54,474,284	\$ 57,936,300	\$ 73,495,853	\$ 78,624,761
2,935,619	6,396,110	1,633,122	2,880,887	3,140,928	2,558,742
<u>(19,845,897)</u>	<u>(25,112,695)</u>	<u>(25,705,306)</u>	<u>(29,722,160)</u>	<u>(31,604,603)</u>	<u>(33,884,102)</u>
<u>\$ 33,455,860</u>	<u>\$ 31,931,132</u>	<u>\$ 30,402,100</u>	<u>\$ 31,095,027</u>	<u>\$ 45,032,178</u>	<u>\$ 47,299,401</u>

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2008	2009	2010	2011
Expenses				
Governmental Activities:				
General government support	\$ 6,584,854	\$ 8,201,471	\$ 8,314,641	\$ 8,469,161
Public safety	13,003,151	15,426,692	16,243,134	16,610,286
Health	99,943	101,518	108,102	120,511
Transportation	3,823,541	4,733,194	4,276,234	4,753,629
Economic opportunity and development	2,781,369	3,155,903	3,279,755	3,113,874
Culture and recreation	3,712,100	4,366,688	4,215,099	4,487,166
Home and community services	805,896	1,174,858	4,753,334	5,268,994
Interest	781,711	724,785	704,635	707,013
Total Governmental Activities Expenses	31,592,565	37,885,109	41,894,934	43,530,634
Business-type Activities -				
Water Fund	4,052,408	4,052,818	4,217,932	4,355,918
Electric Fund	23,824,975	24,752,407	20,474,953	23,341,173
Total Business-type Activities Expenses	27,877,383	28,795,225	24,692,885	27,697,091
Total Primary Government Expenses	\$ 59,469,948	\$ 66,680,334	\$ 66,587,819	\$ 71,227,725
Program Revenues				
Governmental Activities:				
Charges for Services				
General government support	771,605	734,960	5,621,278	5,325,857
Public safety	3,154,058	3,219,049	3,059,124	3,631,549
Health	—	—	—	—
Transportation	—	—	—	—
Economic opportunity and development	51,487	27,592	48,319	102,095
Culture and recreation	1,571,669	1,701,582	1,729,606	1,868,402
Home and community services	1,082,212	1,056,733	2,435,550	991,358
Operating Grants and Contributions	3,596,159	3,608,338	3,842,428	3,980,358
Capital Grants and Contributions	629,732	435,586	812,417	234,603
Total Governmental Activities Program Revenues	10,856,922	10,783,840	17,548,722	16,134,222
Business-type Activities -				
Charges for Services -				
Water Fund	4,283,067	4,470,886	4,876,652	5,497,100
Electric Fund	24,410,566	24,093,246	18,599,062	22,932,822
Total Business-type of Activities Charges for Services	28,693,633	28,564,132	23,475,714	28,429,922
Total Primary Government Program Revenues	\$ 39,550,555	\$ 39,347,972	\$ 41,024,436	\$ 44,564,144
Net Expense/Revenue:				
Governmental Activities	(20,735,643)	(27,101,269)	(24,346,212)	(27,396,412)
Business-type Activities	816,250	(231,093)	(1,217,171)	732,831
Total Primary Government Net Expense	\$ (19,919,393)	\$ (27,332,362)	\$ (25,563,383)	\$ (26,663,581)

	2012	2013	2014	2015	2016	2017
\$	8,539,937	\$ 8,654,213	\$ 8,213,879	\$ 8,316,220	\$ 6,961,316	\$ 7,640,852
	19,936,129	20,986,818	20,949,004	21,259,003	13,652,883	23,306,108
	131,384	137,754	143,514	56,349	96,976	50,585
	4,343,416	5,132,651	5,497,651	5,286,167	467,657	4,376,202
	3,207,824	3,070,759	3,022,159	2,803,056	2,895,128	2,668,507
	4,631,510	5,267,127	5,199,941	4,888,405	5,181,331	5,129,041
	5,130,168	5,349,326	5,229,599	4,940,809	5,467,932	4,573,844
	693,479	549,733	661,191	686,693	760,214	727,569
	46,613,847	49,148,381	48,916,938	48,236,702	35,483,437	48,472,708
	4,405,219	4,596,175	5,129,614	4,827,391	4,629,859	4,954,780
	23,737,808	25,717,510	26,347,523	24,312,369	22,826,168	24,911,272
	28,143,027	30,313,685	31,477,137	29,139,760	27,456,027	29,866,052
\$	<u>74,756,874</u>	<u>\$ 79,462,066</u>	<u>\$ 80,394,075</u>	<u>\$ 77,376,462</u>	<u>\$ 62,939,464</u>	<u>\$ 78,338,760</u>
	5,652,857	5,782,301	5,799,955	5,308,143	4,803,521	4,701,568
	3,662,888	3,806,803	3,722,235	3,792,973	3,956,288	3,887,003
	—	—	—	69,230	68,315	65,142
	132,799	99,441	89,298	112,485	86,868	29,018
	1,845,790	1,884,258	1,988,695	1,928,304	1,902,448	1,883,119
	1,105,308	1,148,909	1,370,807	1,575,273	1,773,126	1,237,548
	3,433,207	3,636,438	3,300,654	3,669,389	3,219,290	3,811,766
	2,866,480	1,494,411	1,143,138	1,434,560	759,929	406,896
	18,699,329	17,852,561	17,414,782	17,890,357	16,569,785	16,022,060
	5,253,542	5,407,306	5,308,088	5,099,967	5,549,368	6,193,438
	22,356,874	26,117,999	27,243,924	24,950,749	23,579,685	26,859,540
	27,610,416	31,525,305	32,552,012	30,050,716	29,129,053	33,052,978
\$	<u>46,309,745</u>	<u>\$ 49,377,866</u>	<u>\$ 49,966,794</u>	<u>\$ 47,941,073</u>	<u>\$ 45,698,838</u>	<u>\$ 49,075,038</u>
	(27,914,518)	(31,295,820)	(31,502,156)	(30,346,345)	(18,913,652)	(32,450,648)
	(532,611)	1,211,620	1,074,875	910,956	1,673,026	3,186,926
\$	<u>(28,447,129)</u>	<u>\$ (30,084,200)</u>	<u>\$ (30,427,281)</u>	<u>\$ (29,435,389)</u>	<u>\$ (17,240,626)</u>	<u>\$ (29,263,722)</u>

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	2008	2009	2010	2011
General Revenues				
Governmental Activities:				
Taxes				
Real Property Taxes	\$ 19,043,540	\$ 20,805,457	\$ 21,747,928	\$ 23,093,713
Other Tax Items	438,878	463,657	—	—
Non-property Taxes	68,320	—	584,191	538,026
Unrestricted Use of Money and Property	271,532	92,916	79,105	119,808
Unrestricted State and Federal Aid	1,406,881	978,686	944,179	813,340
Miscellaneous	309,564	320,828	459,434	1,136,333
Total Governmental Activities	\$ 21,538,715	\$ 22,661,544	\$ 23,814,837	\$ 25,701,220
Business-type Activities:				
Unrestricted Use of Money and Property	496,642	432,526	405,357	191,663
Rental Income	—	—	—	—
Total Business Type Activities	496,642	432,526	405,357	191,663
Total Primary Government General Revenues	\$ 22,035,357	\$ 23,094,070	\$ 24,220,194	\$ 25,892,883
Change in Net Position				
Governmental Activities	803,072	(4,439,725)	(531,375)	(1,695,192)
Business-type Activities	1,312,892	201,433	(811,814)	924,494
Prior Period Adjustment	—	—	—	—
Total Primary Government	\$ 2,115,964	\$ (4,238,292)	\$ (1,343,189)	\$ (770,698)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	23,847,540	\$ 25,318,497	\$ 26,129,571	\$ 27,312,754	\$ 27,959,151	\$ 28,589,814
	<u>604,914</u>	<u>685,808</u>	<u>811,969</u>	<u>906,877</u>	<u>866,363</u>	<u>903,715</u>
	92,407	89,834	99,526	82,143	89,087	88,537
	732,897	789,228	812,711	761,799	852,978	923,937
	<u>890,950</u>	<u>957,257</u>	<u>884,690</u>	<u>963,717</u>	<u>891,108</u>	<u>882,325</u>
\$	26,168,708	\$ 27,840,624	\$ 28,738,467	\$ 30,027,290	\$ 30,658,687	\$ 31,388,328
	<u>47,321</u>	<u>48,616</u>	<u>85,530</u>	<u>101,026</u>	<u>127,030</u>	<u>142,617</u>
	<u>47,321</u>	<u>48,616</u>	<u>85,530</u>	<u>101,026</u>	<u>127,030</u>	<u>142,617</u>
\$	<u>26,216,029</u>	\$ <u>27,889,240</u>	\$ <u>28,823,997</u>	\$ <u>30,128,316</u>	\$ <u>30,785,717</u>	\$ <u>31,530,945</u>
	(1,745,810)	(3,455,196)	(2,763,689)	(319,055)	11,745,035	(1,062,320)
	(485,290)	1,260,236	1,160,405	1,011,982	1,800,056	3,329,543
	(165,543)	670,232	74,252	<u>—</u>	<u>—</u>	<u>—</u>
\$	<u>(2,396,643)</u>	\$ <u>(1,524,728)</u>	\$ <u>(1,529,032)</u>	\$ <u>692,927</u>	\$ <u>13,545,091</u>	\$ <u>2,267,223</u>

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2008	2009	2010	2011
General Fund				
Reserved	\$ 596,372	\$ 636,105	\$ 711,674	\$ 1,136,187
Unreserved	1,088,902	1,131,515	1,415,924	1,553,686
Assigned	—	—	—	—
Unassigned	—	—	—	—
Restricted	—	—	—	—
Total General Fund	<u>\$ 1,685,274</u>	<u>\$ 1,767,620</u>	<u>\$ 2,127,598</u>	<u>\$ 2,689,873</u>
All Other Governmental Funds				
Reserved	\$ 206,211	\$ 177,427	\$ 2,015,689	\$ 2,531,161
Unreserved, Reported In:				
Special Revenue Funds	497,764	218,739	485,507	776,384
Capital Projects Fund	2,666,590	2,559,896	3,611,437	4,063,179
Debt Service Fund	25,000	—	—	—
Assigned	—	—	—	—
Unassigned Reported In:	—	—	—	—
Capital Projects Fund	—	—	—	—
Restricted Reported In:				
Special Revenue Funds	—	—	—	—
Capital Projects Fund	—	—	—	—
Debt Service Fund	—	—	—	—
Total All Other Governmental Funds	<u>\$ 3,395,565</u>	<u>\$ 2,956,062</u>	<u>\$ 6,112,633</u>	<u>\$ 7,370,724</u>
Total Governmental Funds	<u>\$ 5,080,839</u>	<u>\$ 4,723,682</u>	<u>\$ 8,240,231</u>	<u>\$ 10,060,597</u>

Note: Fund Balances during 2008 through 2011 were recorded as reserved and unreserved

	2012	2013	2014	2015	2016	2017
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —
	—	—	—	—	—	—
	584,063	1,328,742	1,578,834	1,713,394	2,592,951	2,340,778
	1,696,419	2,002,984	2,836,338	3,041,776	3,754,317	4,471,169
	904,512	1,124,875	733,023	1,797,172	1,803,922	1,513,159
\$	<u>3,184,994</u>	<u>\$ 4,456,601</u>	<u>\$ 5,148,195</u>	<u>\$ 6,552,342</u>	<u>\$ 8,151,190</u>	<u>\$ 8,325,106</u>
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	985,233	757,145	540,299	1,029,662	378,107	1,837
	—	—	—	—	—	—
	—	—	—	—	—	(426,364)
	638,554	583,631	419,920	322,293	291,926	245,043
	4,089,951	4,481,923	8,731,479	10,150,620	5,248,882	5,086,245
	121,553	205,681	181,309	280,812	267,190	467,133
\$	<u>5,835,291</u>	<u>\$ 6,028,380</u>	<u>\$ 9,873,007</u>	<u>\$ 11,783,387</u>	<u>\$ 6,186,105</u>	<u>\$ 5,373,894</u>
\$	<u>9,020,285</u>	<u>\$ 10,484,981</u>	<u>\$ 15,021,202</u>	<u>\$ 18,335,729</u>	<u>\$ 14,337,295</u>	<u>\$ 13,699,000</u>

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

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

	2012	2013	2014	2015	2016	2017
\$	23,847,540	\$ 25,318,497	\$ 26,129,571	\$ 27,312,754	\$ 27,959,151	\$ 28,589,814
	604,914	685,808	811,969	906,877	866,363	903,715
	-	-	-	-	-	-
	4,318,266	4,557,897	4,739,471	4,796,768	4,793,950	4,804,546
	138,278	185,462	145,876	127,443	146,357	146,579
	1,290,007	1,310,731	1,557,488	1,736,837	2,051,526	1,506,398
	1,569,642	1,483,819	1,299,847	1,308,490	1,396,097	1,251,297
	107,023	84,858	77,282	104,280	141,724	308,133
	5,170,758	5,324,065	5,327,832	4,829,783	4,223,405	4,117,975
	2,252,653	1,201,134	1,367,590	1,902,842	1,283,702	1,388,262
	3,218,760	3,416,372	3,114,372	3,393,726	2,944,122	3,446,204
	2,350,196	2,174,339	1,581,949	1,497,847	1,422,072	947,466
	<u>44,868,037</u>	<u>45,742,982</u>	<u>46,153,247</u>	<u>47,917,647</u>	<u>47,228,469</u>	<u>47,410,389</u>
	5,868,186	5,654,447	5,344,680	6,079,330	4,999,579	6,042,318
	11,550,625	11,836,117	12,503,350	12,435,766	12,229,734	12,863,966
	51,366	51,526	53,009	53,176	91,160	67,336
	1,907,273	2,293,896	2,636,430	2,708,131	2,620,012	2,599,948
	3,184,890	3,045,501	2,985,922	2,776,168	2,866,952	2,876,681
	2,912,334	3,331,478	3,383,754	3,203,339	3,366,468	3,722,252
	3,621,599	3,662,676	3,658,882	3,438,064	3,813,698	3,745,601
	9,368,991	10,192,435	11,101,839	10,712,215	10,254,976	10,943,806
	2,587,000	2,336,000	2,459,500	2,895,000	3,360,000	3,340,000
	712,355	516,601	605,980	769,019	789,743	771,096
	-	-	-	-	-	-
	<u>4,143,730</u>	<u>3,837,609</u>	<u>3,464,519</u>	<u>8,383,778</u>	<u>9,673,724</u>	<u>5,787,169</u>
	<u>45,908,349</u>	<u>46,758,286</u>	<u>48,197,865</u>	<u>53,453,986</u>	<u>54,066,046</u>	<u>52,760,173</u>
	<u>(1,040,312)</u>	<u>(1,015,304)</u>	<u>(2,044,618)</u>	<u>(5,536,339)</u>	<u>(6,837,577)</u>	<u>(5,349,784)</u>
	-	7,157,310	-	-	-	-
	-	-	33,808	90,866	29,143	211,489
	-	(7,157,310)	-	-	-	-
	-	2,480,000	7,935,000	8,760,000	2,810,000	4,500,000
	3,199,935	2,894,798	3,000,907	3,738,732	4,624,743	4,096,165
	<u>(3,199,935)</u>	<u>(2,894,798)</u>	<u>(3,000,907)</u>	<u>(3,738,732)</u>	<u>(4,624,743)</u>	<u>(4,096,165)</u>
	-	2,480,000	7,968,808	8,850,866	2,839,143	4,711,489
	-	-	-	-	-	-
\$	<u>(1,040,312)</u>	<u>\$ 1,464,696</u>	<u>\$ 5,924,190</u>	<u>\$ 3,314,527</u>	<u>\$ (3,998,434)</u>	<u>\$ (638,295)</u>
	7.9%	6.6%	6.9%	8.1%	9.3%	8.8%

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
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
2017	46,514,815	12,178,677	740,624	59,434,116

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
1.38	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
1.41	4,215,185,532	482.7000	482.7000

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)
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
2017	482.7000	1,351.5500	149.1900	11,015.7900

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, 2017 AND 2008

2017				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Taxable Assessed Valuation
1	National Grid	Utility	\$ 801,831	1.35 %
2	Rockville Centre Associates	Professional Building	268,314	0.45
3	100 Merrick Rd. LLC	Office Building	250,344	0.42
4	Public Storage Inc	Storage Facility	176,852	0.30
5	HCRI NY-NJ Properties	Professional Building	160,000	0.27
6	MJER 2000	Hotel	156,830	0.26
7	Eldan	Office Building	155,953	0.26
8	Sunoco Properties	Shopping Center	154,284	0.26
9	Rockville Centre Medical	Professional Building	152,000	0.26
10	Nirvana Manor LLC	Motel	150,766	0.25
	Total		\$ 2,427,174	4.08 %
2008				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Taxable Assessed Valuation
1	Keyspan	Public Service	\$ 633,893	0.97 %
2	Halandia Associates	Apartments	480,460	0.74
3	Darby Group Co., Inc.	Manufacturing	401,560	0.62
4	100 Merrick Rd. LLC.	Office Building	394,078	0.60
5	RC Land - Maplepoint	Apartments	368,155	0.56
6	Rockville Centre Associates	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	Sunoco Properties	Shopping Center	225,262	0.35
10	Verizon	Telephone Utility	207,830	0.32
	Total		\$ 3,673,783	5.63 %

Source: Village of Rockville Centre 2008 and 2017 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
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
2017	28,883,762	28,843,021	99.86	—	28,843,021	99.86

(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	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	Total Primary Government General Obligation Bonds
	General Obligation Bonds	General Obligation Bonds	
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
2017	30,735,000	29,995,000	60,730,000

(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 <u>Income (1)</u>	Per <u>Capita (1)</u>
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
4.73%	2,527.99

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Primary Government		Total Primary Government General Obligation Bonds (Net)
	General Obligation Bonds	Less Debt Service Funds Available	
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
2017	60,730,000	467,132	60,262,868

(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

<u>Percentage of Actual Taxable Value of Property (2)</u>	<u>Per Capita (1)</u>
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
1.50%	2,437.97
1.43%	2,508.55

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
MAY 31, 2017

<u>Government Unit</u>	<u>Net Indebtedness</u>	<u>Percentage Applicable to Rockville Centre</u>	<u>Amount Applicable to Rockville Centre</u>
County of Nassau	\$ 3,996,210,894	2.09 %	\$ 83,520,808
Town of Hempstead	338,011,349	4.68	15,818,931
Rockville Centre UFSD	44,186,435	89.6	39,591,046
East Rockaway UFSD	9,315,000	0.5	46,575
Baldwin UFSD	13,257,120	0.7	92,800
Hempstead UFSD	29,895,000	0.3	89,685
Oceanside UFSD	28,704,902	1.7	487,983
Malverne UFSD	13,559,902	1.3	<u>176,279</u>
Net Overlapping Debt (1)			139,824,107
Net Direct Debt (2) & (3)			<u>31,547,540</u>
Net Direct and Overlapping Debt			<u>\$ 171,371,647</u>

(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 Office of the State Comptroller Open Book NY Website

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LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2008	2009	2010	2011
Debt Limit	\$ 276,706,232	\$ 304,886,730	\$ 323,898,616	\$ 337,691,646
Total Net Debt Applicable to Limit	16,889,974	16,428,543	15,293,319	17,050,998
Legal Debt Margin	<u>\$ 259,816,258</u>	<u>\$ 288,458,187</u>	<u>\$ 308,605,297</u>	<u>\$ 320,640,648</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.10%	5.39%	4.72%	5.05%

Legal Debt Margin Calculation for Fiscal Year 2017

Year	Budget Year	Assessed Valuation	State Special Equalization Ratio	Full Valuation
2016	2017	\$ 59,434,116	1.41 %	\$ 4,215,185,532
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
Total Five Year Full Valuation				<u>\$ 20,487,772,849</u>
Five Year Average Full Valuation of Taxable Real Property				<u>4,097,554,570</u>
Debt Limit - 7% of Five Year Average Full Valuation				<u>286,828,820</u>
Outstanding Village Debt - Serial Bonds				57,455,000
Less - Appropriations in 2017 Budget Business Type Debt ¹				<u>3,240,000</u> <u>27,880,000</u>
Net Indebtedness Subject to Debt Limit				<u>31,120,000</u>
Net Debt Contracting Margin				<u>\$ 255,708,820</u>

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

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 338,696,849	\$ 332,579,725	\$ 318,989,917	\$ 302,031,253	\$ 288,160,139	\$ 284,807,841
<u>18,879,500</u>	<u>16,679,500</u>	<u>16,527,000</u>	<u>21,433,000</u>	<u>26,790,000</u>	<u>31,120,000</u>
<u>\$ 319,817,349</u>	<u>\$ 315,900,225</u>	<u>\$ 302,462,917</u>	<u>\$ 280,598,253</u>	<u>\$ 261,370,139</u>	<u>\$ 253,687,841</u>
5.57%	5.02%	5.18%	7.10%	9.30%	10.93%

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)
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
2017	24,023	1,283,236,591	53,417	3.50	3.90	3.80

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

<u>EMPLOYER</u>	2017	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Mercy Hospital	982	8.42 %
RVC Union Free School District	825	7.08
Better Home Healthcare	625	5.36
Molloy College	535	4.58
Orlin & Cohen	380	3.26
Inc. Village of Rockville Centre	225	1.93
Diocese of Rockville Centre	124	1.06
Karp Volvo	106	0.91
Rockville Centre Nursing Home	117	1.00
U.S Post Office	47	0.40
TOTAL	<u>3,966</u>	<u>34.00 %</u>

<u>EMPLOYER</u>	2008	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Mercy Hospital	1,066	8.45 %
RVC Union Free School District	593	4.70
Molloy College	395	3.13
Orlin & Cohen	277	2.20
Inc. Village of Rockville Centre	226	1.79
Metropolitan Suburban Bus	191	1.51
Diocese of Rockville Centre	170	1.35
Rockville Centre Nursing Home	105	0.83
U.S Post Office	79	0.63
Karp Volvo/SAAB and Buick	78	0.62
TOTAL	<u>3,180</u>	<u>25.21 %</u>

Sources: Each major employer and The Bureau of Labor Statistics

Note: Based upon employment of 12,613 in 2008 and 11,656 in 2017

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

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

Function:	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government	38	34	36	36
Public Safety	68	67	68	69
Transportation	18	17	15	15
Health	1	1	1	1
Culture and Recreation	20	20	21	21
Home and Community Services	<u>23</u>	<u>23</u>	<u>22</u>	<u>21</u>
Total	<u><u>168</u></u>	<u><u>162</u></u>	<u><u>163</u></u>	<u><u>163</u></u>

Source: Comptroller's Office

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
35	34	34	35	34	40
69	69	67	71	71	70
17	17	18	17	17	17
1	1	1	1	1	1
21	22	21	21	22	23
<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>
<u>164</u>	<u>164</u>	<u>162</u>	<u>166</u>	<u>166</u>	<u>172</u>

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2008	2009	2010
General Government Support:			
Village Assessor :			
Exemptions:			
Veterans	927	920	885
Senior	116	110	101
Disabled	6	7	5
Ministerial	1	1	1
Firefighter	98	101	113
Village Attorney :			
Notice of Claims filed	14	17	18
Village Comptroller:			
1099's Issued	167	177	172
Purchase Orders issued	1036	1269	1,495
Claims paid	4605	4446	4,891
Village Court:			
Tickets Resulting in Fines:			
Parking	39,236	35,682	30,442
Traffic	2,764	2,330	1,964
Appearance	97	95	74
Housing	222	282	404
Village Clerk:			
Birth Certificates	2,806	2,235	2,355
Death Certificates	5,497	4,549	4,382
Parking Permits Resident	3,853	3,395	3,255
Parking Permits Employees	1,408	1,850	1,491
Dog Licenses issued	208	194	188
Public Safety:			
Police Department:			
Physical arrests	306	302	219
Traffic Tickets	4,839	4,318	2,750
Parking Tickets	53,033	47,265	40,189
Burglaries	41	48	82
Alarms	2,207	1,916	1,999
Building Department:			
Building Permits issued	349	273	264
Certificate of Occupancy issued	21	74	69
Certificate of Completion issued	250	703	668
Planning/ Zoning Board:			
Planning Board cases	7	2	3
Zoning Board cases	44	7	16

2011	2012	2013	2014	2015	2016	2017
866	797	759	743	731	715	683
90	80	68	75	69	62	63
5	1	1	-	-	1	1
1	2	2	2	2	1	3
111	108	104	109	103	110	115
31	36	28	46	35	36	47
224	218	248	221	234	239	N/A
1,671	1,774	2,153	2,099	2,150	2,085	2,236
5,030	5,037	4,734	4,803	4,645	4,802	4,968
32,254	30,739	34,495	22,968	23,654	24,748	20,878
1,813	1,744	2,485	1,505	1,775	2,445	2,764
149	217	140	97	98	99	120
430	380	489	400	463	333	222
2,207	2,175	1,992	2,061	2,038	1,997	2,324
4,104	4,685	5,258	4,361	4,858	4,399	4,411
3,249	3,168	3,120	3,086	3,134	3,009	3,040
1,889	1,661	1,360	1,234	1,258	1,395	1,445
102	N/A	N/A	N/A	N/A	N/A	N/A
270	300	247	320	366	369	317
2,840	2,528	2,662	2,866	4,473	5,835	4,590
43,097	38,238	34,495	22,968	23,654	24,748	26,486
60	40	39	16	13	16	11
2,142	2,067	1,894	1,918	1,922	1,673	1,510
373	288	553	908	953	907	715
68	121	97	129	133	117	91
249	667	497	906	803	782	728
5	6	11	3	8	5	5
27	42	13	38	61	44	54

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

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

	2008	2009	2010
Department of Public Works:			
Total miles of roads resurfaced	2.87	—	.45
Culture and Recreation:			
Recreation:			
Adult programs	20	20	20
Children programs	32	58	58
Pre-school classes	49	61	61
Open gyms	2	3	3
Special events	25	31	31
Home and Community Services:			
Fire Department:			
Medical Emergencies	1,076	1,675	1,595
Auto Accidents	106	183	194
Investigations	167	276	657
Senior Programs:			
Membership Sandel Senior Center	598	568	350
Refuse:			
Tons of Solid Waste	16,765	15,183	N/A
Tons of Bulky Waste	1,102	1,066	N/A
Total Tons of Solid and Bulky Waste	17,867	16,249	15,767
Sewer Department:			
Catch Basins Cleaned	85	85	89
Diffusion Wells Cleaned	4	4	1

Note: Refuse statistics are in tons.

Note: "N/A" indicates data not available.

Sources: Various Village departments

2011	2012	2013	2014	2015	2016	2017
1.36	1.66	.60	.62	1.60	2.48	2.27
20	20	20	20	20	18	17
58	58	58	58	63	55	60
61	61	61	61	64	60	57
3	3	3	3	3	2	3
31	31	31	31	31	29	17
1,747	1,679	1,714	1,674	1,899	2,164	2,074
174	204	149	150	144	166	180
322	319	215	187	219	255	239
385	386	332	231	283	285	268
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
15,261	15,575	15,468	14,602	14,477	14,624	14,731
86	83	87	89	87	84	83
4	7	3	1	3	6	7

VILLAGE OF ROCKVILLE CENTRE, NEW YORK

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2008	2009	2010
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	3,478	3,473	3476
Municipal parking fields	31	31	31
Off-street parking spaces	3,386	3,443	3443
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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
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	3500	3501	3513	3516	3512	3543
31	31	31	31	31	31	31
3443	3441	3440	3440	3440	3439	3438
3	3	3	3	3	3	3
12	12	12	12	12	12	22
229	229	229	229	229	229	229
3	3	3	3	3	3	3
8	8	9	10	10	10	9
5	5	5	5	5	5	5
10	10	10	10	10	5	4
9	9	9	9	9	13	8

COMPLIANCE SECTION

**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, 2017, 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 October 31, 2017.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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*.

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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

R.S. Abrams & Co., LLP
Islandia, NY
October 31, 2017