

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED  
MAY 31, 2019**

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**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***



**R.S. ABRAMS & CO., LLP**

*Accountants & Consultants for Over 75 years*

Robert S. Abrams  
(1926–2014)

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

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## 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, 2019, 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 the 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

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### ***Emphasis of Matter - Change in Accounting Principle***

As described in Note 1 to the financial statements, in 2019, the Incorporated Village of Rockville Centre adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in Village's total OPEB liability, 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 64 through 68, 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 relate 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 November 25, 2019 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 solely 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 the effectiveness of the Incorporated Village of Rockville Centre's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Incorporated Village of Rockville Centre's internal control over financial reporting and compliance.

*R. S. Abrams & Co., LLP*

R.S. Abrams & Co., LLP

Islandia, NY

November 25, 2019

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2019**

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**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, 2019. 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 2019**

- The general fund completed fiscal year 2019 with a fund balance totaling \$10,442,072. Of this amount, the unassigned fund balance totaled \$7,188,368 while another \$2,063,814 was assigned, \$1,143,485 was restricted for unused sick, vacation, and terminal leave payments, primarily for retiring police officers, and nonspendable totaled \$46,405 for prepaid expenses.
- The water fund had an increase in net position of \$7,937,611 and the electric fund had a decrease in net position of \$147,778.
- The Village's total outstanding bonds payable at May 31, 2019 was \$63,075,000. Of this total, \$29,745,000 and \$33,330,000 were attributable to the Village's governmental and business-type activities, respectively.
- The fund balance in the capital projects fund was \$3,017,131 consisting of restricted fund balance totaling \$3,400,440 and an unassigned deficit balance of \$383,309.
- On March 13, 2019, the Village sold water tank leases to IWG-TLA Telecom, LLC, for sales proceeds of \$4,442,833. These sales proceeds are recorded in the water fund on the Statement of Revenues, Expenses and Changes in Fund Net Position.
- This year the Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in the restatement of opening net position (deficit) to reflect the total OPEB liability, rather than the net OPEB liability. The total OPEB liability at May 31, 2019 was \$140,458,994. Currently, there is no provision in the law to permit the Village to fund OPEB by any other means than the "pay as you go" method. Refer to Note 16 for more information.

Total net deficit (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) for fiscal year 2019 was \$25,676,226. Of this amount \$73,092,186 represents a deficit in the governmental net position and \$47,415,960 represents the business-type net position. The governmental activities net position increased by \$4,953,319 for the fiscal year ended May 31, 2019. This was primarily due to an increase in capital assets and a decrease in

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2019**

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compensated absences, offset by an increase in pensions and total other post-employment benefit obligations at May 31, 2019. The Village's proportionate share of the net pension liability was \$6,801,124 of which \$5,763,200 is recorded as a liability in the governmental activities on the government wide financial statements. For the fiscal year ending May 31, 2019, the Village's total OPEB obligations were \$140,458,994 of which \$123,894,294 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 \$28,749,344 and \$18,666,166, respectively.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

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

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

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2019**

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

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

**Fund Financial Statements**

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

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

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

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

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

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**Management's Discussion and Analysis (MD&A)**  
**May 31, 2019**

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

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

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

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

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

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

### **Notes to Financial Statements**

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

### **Other Information**

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

**Incorporated Village of Rockville Centre, New York  
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May 31, 2019**

**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, liabilities and deferred inflows of resources exceeded assets and deferred outflows resources by \$25,676,226 for fiscal year ended May 31, 2019.

The following table reflects the condensed Statement of Net Position:

	May 31, 2019			Restated May 31, 2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 23,834,747	\$ 30,963,860	\$ 54,798,607	\$ 18,549,764	\$ 19,605,536	\$ 38,155,300
Capital Assets, Net	79,229,989	77,631,771	156,861,760	70,038,427	73,239,048	143,277,475
Total Assets	<u>103,064,736</u>	<u>108,595,631</u>	<u>211,660,367</u>	<u>88,588,191</u>	<u>92,844,584</u>	<u>181,432,775</u>
Deferred Outflows of Resources	<u>5,696,548</u>	<u>1,008,016</u>	<u>6,704,564</u>	<u>8,344,263</u>	<u>1,686,555</u>	<u>10,030,818</u>
Current Liabilities	7,282,696	7,485,913	14,768,609	3,616,765	6,679,654	10,296,419
Non-current Liabilities	172,491,134	54,315,718	226,806,852	163,673,619	46,609,221	210,282,840
Total Liabilities	<u>179,773,830</u>	<u>61,801,631</u>	<u>241,575,461</u>	<u>167,290,384</u>	<u>53,288,875</u>	<u>220,579,259</u>
Deferred Inflows of Resources	<u>2,079,640</u>	<u>386,056</u>	<u>2,465,696</u>	<u>7,687,775</u>	<u>1,616,137</u>	<u>9,303,912</u>
Net Position:						
Net Investment in Capital						
Assets	50,373,788	43,761,506	94,135,294	43,590,259	45,463,039	89,053,298
Restricted	1,712,051		1,712,051	2,618,743		2,618,743
Unrestricted (Deficit)	<u>(125,178,025)</u>	<u>3,654,454</u>	<u>(121,523,571)</u>	<u>(124,254,507)</u>	<u>(5,836,912)</u>	<u>(130,091,419)</u>
Total Net Position (Deficit)	<u>\$ (73,092,186)</u>	<u>\$ 47,415,960</u>	<u>\$ (25,676,226)</u>	<u>\$ (78,045,505)</u>	<u>\$ 39,626,127</u>	<u>\$ (38,419,378)</u>

The restated amount is the cumulative effect of applying the change of accounting principle is shown as an adjustment to beginning net position. See Note 16J for more information.

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2019**

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The largest component of the Village's net position reflects its net investment in capital assets amounting to \$94,135,924. The Village uses these capital assets to provide services to its citizens and, consequently, these assets are not available for future spending. Although the Village's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be utilized to liquidate these liabilities.

Restricted net position of \$1,712,051 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>2019</u>	<u>2018</u>
Capital projects	\$ -	\$ 942,682
Employee benefit accrued liability	1,143,485	1,124,830
Debt service	433,638	363,874
Section 8 housing	-	(164,196) *
Special purpose - culture and recreation and public safety	<u>134,928</u>	<u>142,853</u>
<b>Total</b>	<b><u>\$ 1,712,051</u></b>	<b><u>\$ 2,410,043</u></b>

\* As restated, the cumulative effect of applying the change of accounting principle is shown as an adjustment to beginning net position and fund balance. See Note 16 for more information.

Unrestricted net deficit totaled \$121,523,571. This amount is comprised of governmental activities net deficit totaling \$125,178,025 and business-type activities net position totaling \$3,654,454. The deficit in governmental activities net position is primarily due to (1) compensated absences of approximately \$10 million, and (2) total other post-employment benefit obligations offset by related deferred outflows recorded in accordance with GASB Statement No. 75 of approximately \$122 million (3) an increase in the Village's net pension liability – proportionate share and a decrease in deferred outflows, offset by a decrease in deferred inflows related to pensions, and bonds payable, inclusive of premiums.

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

	May 31, 2019			May 31, 2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Program Revenues:</b>						
Charges for services:	\$ 11,427,610	\$ 31,938,226	\$ 43,365,836	\$ 11,716,049	\$ 32,595,126	\$ 44,311,175
Operating grants and contributions	3,100,782	2,867,550	5,968,332	3,184,457		3,184,457
Capital grants and contributions	614,100		614,100	1,333,276		1,333,276
<b>General Revenues:</b>						
Real property taxes	29,819,715		29,819,715	29,121,923		29,121,923
Other payments in lieu of taxes	707,531		707,531	706,726		706,726
Interest and penalties on taxes	119,256		119,256	113,259		113,259
Utilities	181,629		181,629	162,028		162,028
Non property taxes	66,749		66,749			-
Unrestricted use of money and property	345,477	298,223	643,700	515,063	205,704	720,767
State and federal aid	1,006,699		1,006,699	941,398		941,398
Miscellaneous	999,355		999,355	1,569,029		1,569,029
<b>Total Revenues</b>	<b>48,388,903</b>	<b>35,103,999</b>	<b>83,492,902</b>	<b>49,363,208</b>	<b>32,800,830</b>	<b>82,164,038</b>
Special item (see note 19)		4,442,833	4,442,833			
<b>Total Revenues and Special Items</b>	<b>\$ 48,388,903</b>	<b>\$ 39,546,832</b>	<b>\$ 87,935,735</b>	<b>\$ 49,363,208</b>	<b>\$ 32,800,830</b>	<b>\$ 82,164,038</b>
<b>Program Expenses:</b>						
General government and admin.	7,148,211		7,148,211	8,919,948		8,919,948
Public safety	22,483,768		22,483,768	22,910,156		22,910,156
Health	63,383		63,383	82,370		82,370
Transportation	(283,145)		(283,145)	5,144,436		5,144,436
Economic opportunity and development	2,973,817		2,973,817	2,932,681		2,932,681
Culture and recreation	4,540,236		4,540,236	5,194,348		5,194,348
Home and community services	5,719,709		5,719,709	5,121,615		5,121,615
Interest	789,605		789,605	745,267		745,267
Water		5,341,379	5,341,379		4,945,390	4,945,390
Electric		26,415,620	26,415,620		25,883,683	25,883,683
<b>Total expenses</b>	<b>43,435,584</b>	<b>31,756,999</b>	<b>75,192,583</b>	<b>51,050,821</b>	<b>30,829,073</b>	<b>81,879,894</b>
<b>Change in Net Position</b>	<b>4,953,319</b>	<b>7,789,833</b>	<b>12,743,152</b>	<b>(1,687,613)</b>	<b>1,971,757</b>	<b>284,144</b>
Net Position (Deficit) - beginning of year as restated (see note 16J)	(78,045,505)	39,626,127	(38,419,378)	105,593	47,193,808	47,299,401
<b>Net Position (Deficit) - end of year</b>	<b>\$ (73,092,186)</b>	<b>\$ 47,415,960</b>	<b>\$ (25,676,226)</b>	<b>\$ (1,582,020)</b>	<b>\$ 49,165,565</b>	<b>\$ 47,583,545</b>

\* 2018 Information was not restated because all the information necessary was not readily available. The cumulative effect of applying the change of accounting principle is shown as an adjustment to beginning net position. See Note 16J for more information.

**Governmental activities.** As discussed previously, governmental activities resulted in a \$4,953,319 increase in the Village's net position during the current fiscal year. Governmental activities reflected a net deficit of \$73,092,186 as opposed to a net deficit of \$1,582,020 for 2018, based on total revenues of \$48,388,903 and total expenses of \$43,435,584.

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2019**

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Property taxes (\$29.8 million) and charges for services (\$11.4 million) represented the largest revenue sources. Property taxes grew 2.40% due to a real estate tax rate increase of 1.88%. Collection of the current tax levy remains very strong at nearly 100%. Operating grants and contributions for general governmental activities decreased by \$83,675 during the current fiscal year. Capital grants and contributions for general governmental activities decreased by \$719,176 primarily due to a contribution of \$724,000 received in the prior fiscal year.

Public safety expenses totaled \$22.5 million and represented 51.76% of total expenses. Culture and recreation expenses totaled \$4.5 million and reflected the Village's continuing commitment to its parks and recreation programs. Additional total other post-employment benefits obligations and related deferred outflows of \$122.5 million recorded in accordance with GASB Statement No. 75 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 \$3.6 million were the primary reasons for the decrease in net position.

**Business-type activities.** Business-type activities reflected a net position totaling \$47,415,960 of which the water and electric funds totals were \$28,749,344 and \$18,666,616, respectively. Electric fund metered sales totaled \$26,035,837, an increase from \$25,376,857 in fiscal year 2018. This increase was primarily due to an increase in consumption. Metered sales in the water fund decreased from \$5,430,927 in fiscal year 2018 to \$5,229,468 in fiscal year 2019 due to decreased usage in correlation with a cooler summer temperature than the previous year. Purchased power and production for the electric fund increased from \$11,657,876 and \$2,469,775, respectively in fiscal year 2018 to \$12,220,190 and \$2,685,647, respectively in fiscal year 2019, due to an increase in corresponding sales.

### **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 \$13,859,755, an increase of \$2,310,493 from the prior year. Of the total combined fund balance, \$7,188,368 constitutes unassigned fund balance in the general fund, \$2,063,814 constitutes assigned fund balance in the general fund, \$232,435 constitutes unassigned deficit balance in the section 8 housing fund, \$383,309 constitutes unassigned deficit balance in the capital projects fund, \$64,421 is assigned for the community development fund,

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\$46,405 is nonspendable fund balance in the general fund, and \$5,112,491 constitutes aggregate restricted fund balance in all governmental funds.

The general fund is the chief operating fund of the Village. At the end of the current fiscal year, the total fund balance of the general fund was \$10,442,072 compared to \$10,280,734 at May 31, 2018. None of the May 31, 2019 fund balance was appropriated towards the next fiscal year budget. Of the general fund balance \$3,253,704 is either assigned, restricted or nonspendable 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 \$38,858 to liquidate contracts and purchase orders.

The general fund revenues and other financing sources aggregate amount was \$44,744,469 in fiscal 2019, a decrease of \$223,116 from fiscal year 2018. Real property taxes totaled \$29,819,715, an increase of \$697,792 or 2.40% from fiscal year 2018 and represented the single largest revenue source at 66.64% of total general fund revenues. Parks and recreation charges totaled \$1,796,871, a decrease of \$128,085 from fiscal year 2018. Building and alteration permits increased by \$143,379, from \$1,182,337 in fiscal year 2018 to \$1,325,716 in fiscal year 2019, primarily due to an increase in commercial property permits. Parking meter revenues decreased from \$1,343,021 in fiscal year 2018 to \$1,314,266 in fiscal 2019 due to a decrease in usage. Interfund revenues generated from charges to the water and electric funds decreased by \$277,967, to a total of \$3,945,867, primarily as a result of decreases to reimbursements for wages and benefit expenditures.

Once again, public safety represented the largest expenditure category totaling \$12,019,652, a \$412,430 decrease from fiscal year 2018. Employee benefits increased from \$11,313,091 in fiscal year 2018 to \$11,561,989 in fiscal year 2019. Health insurance related expenditures increased from \$5,758,327 in fiscal year 2018 to \$6,145,180 in fiscal year 2019. General government support expenditures aggregated \$5,243,003, a decrease of \$997,665 from fiscal year 2018 largely due to a decrease in tax certiorari payments. Lastly, transfers for debt service increased by \$1,714,891 from \$3,964,619 during fiscal year 2018 to \$5,679,510 during fiscal 2019 due to additional principal and interest due from May 2017 debt issuance.

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 \$3,017,131, an increase of \$2,093,208 from fiscal year 2018. Expenditures totaled \$5,610,589 in fiscal year 2019, a \$548,787 increase from fiscal year 2018. Capital projects during fiscal 2019 included road improvements, the renovation of Village buildings, parks and recreation and public safety.

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 2019, the combined fund balance of the non-major governmental funds totaled \$400,552. The special purpose fund portion of the fund balance totaled \$134,928 and consisted of a reserve for trusts to be utilized for recreational and

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police purposes. The community development fund had an assigned fund balance of \$64,421. The section 8 housing fund had an unassigned fund deficit balance of \$232,435.

The debt service fund had a total fund balance at May 31, 2019 of \$433,638 all of which was restricted for future debt service purposes. At May 31, 2018, the debt service fund had a total fund balance of \$363,874. Debt service expenditures for fiscal year 2019 totaled \$4,189,813, an increase of \$90,194 from fiscal year 2018.

**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 \$47,415,960 at the end of fiscal year 2019 compared to \$39,626,127 at May 31, 2018. 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 \$185,610 increase in appropriations from the original budget. The increase is largely attributable to the larger than anticipated expenditures in general government support, public safety offset by a decrease in home and community and employee benefits.

### **Capital Asset and Debt Administration**

**Capital Assets.** The Village's capital assets for its governmental and business-type activities as of May 31, 2019 amount to \$156,861,760 (net of accumulated depreciation). These capital assets include land, buildings and equipment, infrastructure, and construction-in-progress.

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Capital Assets (Net of Depreciation) (in thousands)						
	May 31, 2019			May 31, 2018		
	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	23,119	67,838	90,957	22,938	63,029	85,967
Infrastructure	24,899		24,899	20,955		20,955
Construction- in-Progress	26,636	9,418	36,054	21,570	9,834	31,404
<b>Total</b>	<b>\$ 79,230</b>	<b>\$ 77,632</b>	<b>\$ 156,862</b>	<b>\$ 70,039</b>	<b>\$ 73,239</b>	<b>\$ 143,278</b>

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 \$63,075,000 compared to \$54,645,000 at May 31, 2018. The Village's total long-term debt increased by \$8,430,000 from the prior fiscal year. All of this debt is backed by the full faith and credit of the Village. During fiscal year 2019 the Village did not issue any new general obligation bonds.

**Outstanding Debt  
General Obligation Bonds  
(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 29,745	\$ 27,455	\$ 33,330	\$ 27,190	\$ 63,075	\$ 54,645

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

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2019**

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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, 2019, the Village had a constitutional debt limit in excess of \$292 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 2020 Budget**

The Village continues to enjoy both strong economic and fiscal health. The U.S. Census Bureau reported 2018 estimated median household and per capita incomes at \$105,444 and \$58,026, which are 68% and 62% above the 2018 estimated New York State averages respectively. An estimated 5.5% of the population is living below the poverty level, 60% below the estimated New York State average.

The fiscal 2020 budget contained a 2.56% real estate tax rate increase. This is the seventh consecutive year the board of trustees had kept the adopted budget under the state's tax cap. Historically, annual real estate tax collections have averaged 99.90%.

The following revenue sources are expected to experience budget growth in 2020: Payments in lieu of taxes from \$678,219 to \$710,000, parks and recreation from \$2,000,000 to \$2,100,000, on buildings and alterations from \$1,100,000 to \$1,200,000, and insurance recoveries from \$90,000 to \$160,000.

Parking meter fees is anticipated to decline in 2020 from \$1,423,000 to \$1,323,000, as well as a decline in forfeitures from \$1,200,000 to \$1,150,000.

The fiscal 2020 budget assumes expenditures will be relatively consistent assuming a 3.36% increase in total expenditures. Employee benefits including health insurance and retirement systems expenditures are anticipated to increase by approximately \$481,641 for 2020.

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

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May 31, 2019**

**Adopted General fund Budget for Retirement Systems**

2009	2010	2011	2012	2013	2014
\$ 1,595,000	\$ 1,582,000	\$ 2,213,000	\$ 2,692,000	\$ 3,566,512	\$ 4,117,926

2015	2016	2017	2018	2019	2020
\$ 4,080,000	\$ 3,950,000	\$ 3,795,000	\$ 3,890,400	\$ 3,458,208	\$ 3,713,827

The total debt service budget for fiscal year 2020 is \$4,317,476 compared to \$4,189,813 during fiscal year 2019.

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**

2009	2010	2011	2012	2013	2014
\$ 3,250,000	\$ 3,616,000	\$ 3,852,000	\$ 4,322,770	\$ 4,537,000	\$ 4,690,674

2015	2016	2017	2018	2019	2020
\$ 4,653,000	\$ 4,862,000	\$ 5,142,000	\$ 5,567,600	\$ 6,300,000	\$ 6,400,000

The health insurance budget has increased 97% between fiscal year 2009 and fiscal year 2020. The fiscal year 2020 budget for health insurance is \$6,400,000, an increase of \$100,000 from fiscal year 2019. 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 Dennis Morgan, 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](http://www.rvcny.us).

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**  
**STATEMENT OF NET POSITION**  
**MAY 31, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents - unrestricted	\$ 17,560,944	\$ 19,611,349	\$ 37,172,293
Cash and cash equivalents - restricted	5,388,178		5,388,178
Other receivables:			
Accounts, net	182,076	8,490,654	8,672,730
State and federal aid	155,399		155,399
Due from other governments	216,398		216,398
Internal balances	3,235	(3,235)	-
Prepaid expenses	328,517		328,517
Inventories		2,865,092	2,865,092
Capital assets (net of accumulated depreciation):			
Land	4,576,378	375,885	4,952,263
Construction-in-progress	26,636,303	9,417,815	36,054,118
Buildings and equipment	23,118,549	67,838,071	90,956,620
Infrastructure	24,898,759		24,898,759
<b>TOTAL ASSETS</b>	<b>103,064,736</b>	<b>108,595,631</b>	<b>211,660,367</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	4,199,628	683,258	4,882,886
Other post-employment benefits obligation	1,424,007	190,390	1,614,397
Deferred charge on refunding	72,913	134,368	207,281
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,696,548</b>	<b>1,008,016</b>	<b>6,704,564</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>108,761,284</b>	<b>109,603,647</b>	<b>218,364,931</b>
<b>LIABILITIES</b>			
Payables			
Accounts payable	427,741	2,888,011	3,315,752
Accrued liabilities	3,975,469	2,617,990	6,593,459
Accrued interest payable	306,957	369,852	676,809
Due to other governments	11,678		11,678
Customer deposits		1,458,385	1,458,385
Due to retirement systems	543,953	92,027	635,980
Unearned revenues			
Collections in advance	818	59,648	60,466
Notes payable			
Bond anticipation	2,016,080		2,016,080
Noncurrent liabilities			
Due within one year			
Bonds payable, inclusive of premiums	3,432,463	2,749,110	6,181,573
Claims payable	1,216,829		1,216,829
Compensated absences	250,362	67,712	318,073
Due in more than one year			
Bonds payable, inclusive of premiums	26,897,091	31,255,523	58,152,614
Claims payable	1,272,782		1,272,782
Compensated absences	9,764,113	2,640,749	12,404,863
Net pension liability - proportionate share	5,763,200	1,037,924	6,801,124
Total other post-employment benefits obligations	123,894,294	16,564,700	140,458,994
<b>TOTAL LIABILITIES</b>	<b>179,773,830</b>	<b>61,801,631</b>	<b>241,575,461</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	2,079,640	386,056	2,465,696
<b>NET POSITION</b>			
Net investment in capital assets	50,373,788	43,761,506	94,135,294
Restricted for:			
Employee benefit accrued liability	1,143,485		1,143,485
Debt service	433,638		433,638
Special purpose	134,928		134,928
Unrestricted (deficit)	(125,178,025)	3,654,454	(121,523,571)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (73,092,186)</b>	<b>\$ 47,415,960</b>	<b>\$ (25,676,226)</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

	Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
				Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS / PROGRAMS</b>						
<b>Governmental Activities</b>						
General government and administration	\$ 7,148,211	\$ 4,519,031	\$ 153,515	\$ -	\$ (2,475,665)	\$ -
Public safety	22,483,768	3,461,408	5,723		(19,016,637)	(19,016,637)
Health	63,383	77,653			14,270	14,270
Transportation	(283,145)			409,754	692,899	692,899
Economic opportunity and development	2,973,817	17,936	2,800,705		(155,176)	(155,176)
Culture and recreation	4,540,236	1,831,916	28,695	204,346	(2,475,279)	(2,475,279)
Home and community services	5,719,709	1,519,666	112,144		(4,087,899)	(4,087,899)
Interest	789,605				(789,605)	(789,605)
<b>Total Governmental Activities</b>	<b>43,435,584</b>	<b>11,427,610</b>	<b>3,100,782</b>	<b>614,100</b>	<b>(28,293,092)</b>	<b>-</b>
<b>Business-Type Activities</b>						
Water fund	5,341,379	5,814,246	2,867,550			3,340,417
Electric fund	26,415,620	26,123,980				(291,640)
<b>Total Business-Type Activities</b>	<b>31,756,999</b>	<b>31,938,226</b>	<b>2,867,550</b>	<b>-</b>	<b>-</b>	<b>3,048,777</b>
<b>Total Primary Government</b>	<b>\$ 75,192,583</b>	<b>\$ 43,365,836</b>	<b>\$ 5,968,332</b>	<b>\$ 614,100</b>	<b>(28,293,092)</b>	<b>3,048,777</b>
<b>GENERAL REVENUES</b>						
Real property taxes, levied for general purpose					29,819,715	29,819,715
Other payments in lieu of taxes					707,531	707,531
Interest and penalties on taxes					119,256	119,256
Utilities					181,629	181,629
Non-property taxes					66,749	66,749
Use of money and property					345,477	298,223
State aid (unrestricted)					1,006,699	1,006,699
Miscellaneous					999,355	999,355
<b>TOTAL GENERAL REVENUES</b>					<b>33,246,411</b>	<b>298,223</b>
<b>SPECIAL ITEM (SEE NOTE 19)</b>						
Sale of cellular leases						4,442,833
<b>CHANGE IN NET POSITION</b>					<b>4,953,319</b>	<b>7,789,833</b>
<b>TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR AS RESTATED (SEE NOTE 16J)</b>						
					<b>(78,045,505)</b>	<b>39,626,127</b>
<b>TOTAL NET POSITION (DEFICIT) - END OF YEAR</b>						
					<b>\$ (73,092,186)</b>	<b>\$ 47,415,960</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
BALANCE SHEET - GOVERNMENTAL FUNDS  
MAY 31, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents - unrestricted	\$ 13,448,779	\$ 1,695,030	\$ 28,631	\$ 15,172,440
Cash and cash equivalents - restricted	1,143,485	3,400,440	844,253	5,388,178
Other receivables:				
Accounts, net	182,076			182,076
State and federal aid	96,918	58,481		155,399
Due from other governments	152,544		63,854	216,398
Due from other funds	32,388	1,000,000	62,923	1,095,311
Prepaid expenses	46,405			46,405
<b>TOTAL ASSETS</b>	<u>15,102,595</u>	<u>6,153,951</u>	<u>999,661</u>	<u>22,256,207</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other post-employment benefits obligation			5,926	5,926
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 15,102,595</u>	<u>\$ 6,153,951</u>	<u>\$ 1,005,587</u>	<u>\$ 22,262,133</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Payables</b>				
Accounts payable	\$ 1,224	\$ 199,926	\$ 8,926	\$ 210,076
Accrued liabilities	3,066,862	853,066	571,109	4,491,037
Due to other governments	11,678			11,678
Due to retirement systems	543,953			543,953
Due to other funds	1,035,988	67,748	25,000	1,128,736
<b>Notes payable</b>				
Bond anticipation		2,016,080		2,016,080
<b>Unearned revenues</b>				
Collections in advance	818			818
<b>TOTAL LIABILITIES</b>	<u>4,660,523</u>	<u>3,136,820</u>	<u>605,035</u>	<u>8,402,378</u>
<b>FUND BALANCES</b>				
Nonspendable	46,405			46,405
Restricted	1,143,485		568,566	1,712,051
Restricted (unspent proceeds)		3,400,440		3,400,440
Assigned (community development)			64,421	64,421
Assigned (tax certiorari)	2,024,956			2,024,956
Assigned (unappropriated)	38,858			38,858
Unassigned	7,188,368	(383,309)	(232,435)	6,572,624
<b>TOTAL FUND BALANCES</b>	<u>10,442,072</u>	<u>3,017,131</u>	<u>400,552</u>	<u>13,859,755</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 15,102,595</u>	<u>\$ 6,153,951</u>	<u>\$ 1,005,587</u>	<u>\$ 22,262,133</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
MAY 31, 2019**

Total Governmental Fund Balances \$ 13,859,755

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. (2,079,640)

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 that will be recognized as expenditures in future periods amounted to:

Deferred outflows related to pensions	\$ 4,199,628	
Deferred outflows related to total OPEB liability	<u>1,418,081</u>	5,617,709

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	\$ 119,264,484	
Accumulated depreciation	<u>(40,034,495)</u>	79,229,989

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. 2,489,611

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. 72,913

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. (306,957)

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. (584,554)

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

Compensated absences	\$ (10,014,475)	
Claims payable	(2,489,611)	
Bonds payable	(29,745,000)	
Net pension liability - proportionate share	(5,763,200)	
Total other post-employment benefits obligation	<u>(123,378,726)</u>	<u>(171,391,012)</u>

Total Net Position \$ (73,092,186)

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED MAY 31, 2019**

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Real property taxes	\$ 29,819,715	\$ -	\$ -	\$ 29,819,715
Other tax items	1,075,166			1,075,166
Departmental income	4,583,432		17,936	4,601,368
Use of money & property	322,114	62,547	9,685	394,346
Licenses & permits	1,833,490			1,833,490
Fines & forfeitures	920,362			920,362
Sale of property & compensation for loss	100,455			100,455
Intergovernmental charges	3,945,867			3,945,867
State and county aid	1,041,116	409,754		1,450,870
Federal aid	53,059		2,912,849	2,965,908
Miscellaneous	1,049,693	204,347	27,317	1,281,357
<b>TOTAL REVENUES</b>	<b>44,744,469</b>	<b>676,648</b>	<b>2,967,787</b>	<b>48,388,904</b>
<b>EXPENDITURES</b>				
Current:				
General government support	5,243,003			5,243,003
Public safety	12,019,652			12,019,652
Health	67,474			67,474
Transportation	2,651,356			2,651,356
Economic opportunity and development	85,189		2,880,931	2,966,120
Culture and recreation	3,290,638		35,242	3,325,880
Home and community services	3,984,320		200,517	4,184,837
Employee benefits	11,561,989		7,697	11,569,686
Debt service:				
Principal			3,460,000	3,460,000
Interest			729,813	729,813
Capital outlay		5,610,589		5,610,589
<b>TOTAL EXPENDITURES</b>	<b>38,903,621</b>	<b>5,610,589</b>	<b>7,314,200</b>	<b>51,828,410</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>5,840,848</b>	<b>(4,933,941)</b>	<b>(4,346,413)</b>	<b>(3,439,506)</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Issuance of serial bonds		5,750,000		5,750,000
Interfund revenues				
Transfers in		1,339,697	4,402,360	5,742,057
Transfers (out)	(5,679,510)	(62,547)		(5,742,057)
<b>TOTAL OTHER FINANCING SOURCES AND (USES)</b>	<b>(5,679,510)</b>	<b>7,027,150</b>	<b>4,402,360</b>	<b>5,750,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>161,338</b>	<b>2,093,209</b>	<b>55,947</b>	<b>2,310,494</b>
<b>FUND BALANCES - BEGINNING OF YEAR AS RESTATE (SEE NOTE 16.J)</b>	<b>10,280,734</b>	<b>923,922</b>	<b>344,605</b>	<b>11,549,261</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 10,442,072</b>	<b>\$ 3,017,131</b>	<b>\$ 400,552</b>	<b>\$ 13,859,755</b>

**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, 2019**

Net Change in Fund Balances		\$ 2,310,494
Amounts reported for governmental activities in the Statement of Activities are different because:		
<b>Long-Term Revenue and Expense Differences</b>		
In the Statement of Activities, compensated absences (vacation, sick, and terminal leave) 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, 2018 to May 31, 2019 changed by:		
	2,027,673	
Changes in the proportionate share of net pension liability, and total other post-employment benefits obligation 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.		
Other post-employment benefits obligation	\$ (5,376,080)	
Employees' retirement system	(232,313)	
Police and Firemen's retirement system	<u>(618,224)</u>	(6,226,617)
<b>Capital Related Differences</b>		
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	\$ 5,610,589	
Capital asset additions	6,963,228	
Loss on disposal	(71,275)	
Depreciation expense	<u>(3,310,980)</u>	9,191,562
<b>Long-Term Debt Differences</b>		
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.		
		3,460,000
Issuance of bonds is an other financing 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.		
		(5,750,000)
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, 2019 was:		
		113,993
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)
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, 2018 to May 31, 2019 changed by:		
		<u>(100,874)</u>
Change in Net Position of Governmental Activities		<u>\$ 4,953,320</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**MAY 31, 2019**

	Business-Type Activities- Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 7,900,911	\$ 11,710,438	\$ 19,611,349	\$ 2,388,504
Receivables				
Accounts, net	5,084,798	3,405,856	8,490,654	
Due from other funds		8,065	8,065	36,660
Prepaid expenses				282,112
Inventories	209,434	2,655,658	2,865,092	
<b>Total Current Assets</b>	<u>13,195,143</u>	<u>17,780,017</u>	<u>30,975,160</u>	<u>2,707,276</u>
<b>Non-Current Assets</b>				
Land	327,271	48,614	375,885	
Construction-in-progress	6,801,507	2,616,308	9,417,815	
Buildings and equipment	46,173,777	68,549,250	114,723,027	
	<u>53,302,555</u>	<u>71,214,172</u>	<u>124,516,727</u>	
Less - Accumulated depreciation	(12,081,426)	(34,803,530)	(46,884,956)	
<b>Total Non-Current Assets</b>	<u>41,221,129</u>	<u>36,410,642</u>	<u>77,631,771</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>54,416,272</u>	<u>54,190,659</u>	<u>108,606,931</u>	<u>2,707,276</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	110,123	573,135	683,258	
Other post-employment benefits obligations	25,832	164,558	190,390	
Deferred charge on refunding	17,328	117,040	134,368	
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>153,283</u>	<u>854,733</u>	<u>1,008,016</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>54,569,555</u>	<u>55,045,392</u>	<u>109,614,947</u>	<u>2,707,276</u>
<b>LIABILITIES</b>				
<b>Payables</b>				
Accounts payable	4,530	2,883,481	2,888,011	217,665
Accrued liabilities	554,009	2,063,981	2,617,990	
Accrued interest	220,109	149,743	369,852	
Due to other funds	11,300		11,300	
Customer deposits	33,067	1,425,318	1,458,385	
Due to retirement system	14,724	77,303	92,027	
Bonds payable, inclusive of premiums	1,783,061	966,049	2,749,110	
Claims payable				1,216,829
Compensated absences	7,766	59,946	67,712	
<b>Unearned revenue</b>				
Collections in advance	59,648		59,648	
<b>Total Current Liabilities</b>	<u>2,688,214</u>	<u>7,625,821</u>	<u>10,314,035</u>	<u>1,434,494</u>
<b>Non-Current Liabilities</b>				
Bonds payable, inclusive of premiums	20,351,871	10,903,652	31,255,523	
Claims payable				1,272,782
Compensated absences	302,874	2,337,875	2,640,749	
Net pension liability - proportionate share	167,476	870,448	1,037,924	
Total other post-employment benefits obligations	2,247,483	14,317,217	16,564,700	
<b>Total Non-Current Liabilities</b>	<u>23,069,704</u>	<u>28,429,192</u>	<u>51,498,896</u>	<u>1,272,782</u>
<b>TOTAL LIABILITIES</b>	<u>25,757,918</u>	<u>36,055,013</u>	<u>61,812,931</u>	<u>2,707,276</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	62,293	323,763	386,056	
<b>NET POSITION</b>				
Net investment in capital assets	19,103,525	24,657,981	43,761,506	
Unrestricted	9,645,819	(5,991,365)	3,654,454	
<b>TOTAL NET POSITION</b>	<u>\$ 28,749,344</u>	<u>\$ 18,666,616</u>	<u>\$ 47,415,960</u>	<u>\$ -</u>

**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, 2019**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
<b>OPERATING REVENUES</b>				
Charges for services				
Metered sales	\$ 5,229,468	\$ 26,035,837	\$ 31,265,305	\$ -
Penalty income	138,234	34,987	173,221	
Risk management				2,053,570
Miscellaneous	33,870	53,156	87,026	
Grant revenue	2,867,550		2,867,550	
<b>Total operating revenues</b>	<u>8,269,122</u>	<u>26,123,980</u>	<u>34,393,102</u>	<u>2,053,570</u>
<b>OPERATING EXPENSES</b>				
Purchased power	137,269	12,220,190	12,357,459	
Depreciation	929,883	1,556,460	2,486,343	
Maintenance	252,463	138,362	390,825	
Interfund charges	578,271	2,796,827	3,375,098	
Production		2,685,647	2,685,647	
Transmission and distribution	776,785	1,405,250	2,182,035	
Street lighting		202,929	202,929	
General and administrative	1,634,707	1,424,572	3,059,279	720,295
Employee benefits	406,493	3,424,931	3,831,424	1,077,158
Insurance	84,502	258,334	342,836	198,810
Customer deposit interest		2,914	2,914	
Judgments and claims				92,297
<b>Total operating expenses</b>	<u>4,800,373</u>	<u>26,116,416</u>	<u>30,916,789</u>	<u>2,088,560</u>
<b>Operating income (loss)</b>	<u>3,468,749</u>	<u>7,564</u>	<u>3,476,313</u>	<u>(34,990)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Rental income	412,674		412,674	
Interest income	154,361	143,862	298,223	34,990
Interest expense	(541,006)	(299,204)	(840,210)	
<b>Total non-operating revenues (expenses)</b>	<u>26,029</u>	<u>(155,342)</u>	<u>(129,313)</u>	<u>34,990</u>
<b>SPECIAL ITEM (SEE NOTE 19)</b>				
Sale of cellular leases	4,442,833		4,442,833	
<b>CHANGE IN NET POSITION</b>	7,937,611	(147,778)	7,789,833	-
<b>TOTAL NET POSITION - BEGINNING OF YEAR AS RESTATED (SEE NOTE 16J)</b>				
	<u>20,811,733</u>	<u>18,814,394</u>	<u>39,626,127</u>	<u>-</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 28,749,344</u>	<u>\$ 18,666,616</u>	<u>\$ 47,415,960</u>	<u>\$ -</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Revenue collected:				
Cash received from charges for services	\$ 6,367,456	\$ 26,097,657	\$ 32,465,113	\$ 2,053,570
Internal activity-payments to other funds for expense reimbursements	3,438	8,359	11,797	
Payments for expenses:				
Cash payments to other suppliers of goods or services	(3,892,439)	(18,387,910)	(22,280,350)	
Cash payments to insurance carriers and claimants				(1,668,581)
Cash payments to employees for services and related expenses	(576,298)	(3,819,853)	(4,396,151)	(1,077,158)
Cash payments to customers on deposit - interest		(2,914)	(2,914)	
Internal activity-payments to other funds for expense reimbursements	(10,494)	(25,432)	(35,926)	(55,300)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>1,891,663</u>	<u>3,869,907</u>	<u>5,761,570</u>	<u>(747,469)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(4,548,235)	(2,330,831)	(6,879,066)	
Proceeds from capital debt	5,300,000	3,500,000	8,800,000	
Principal paid on capital debt	(1,765,000)	(895,000)	(2,660,000)	
Interest paid on capital debt	(480,635)	(265,603)	(746,238)	
<b>Net Cash (Used in) Provided by Capital and Related Financing Activities</b>	<u>(1,493,870)</u>	<u>8,566</u>	<u>(1,485,304)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and rental income	567,035	143,862	710,897	34,990
Lease income	4,442,833		4,442,833	
<b>Net Cash Provided by Investing Activities</b>	<u>5,009,868</u>	<u>143,862</u>	<u>5,153,730</u>	<u>34,990</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	5,407,661	4,022,335	9,429,996	(712,479)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>2,493,250</u>	<u>7,688,103</u>	<u>10,181,353</u>	<u>3,100,983</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 7,900,911</u>	<u>\$ 11,710,438</u>	<u>\$ 19,611,349</u>	<u>\$ 2,388,504</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 3,468,749	\$ 7,564	\$ 3,476,313	\$ (34,990)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	929,883	1,556,460	2,486,343	
Decrease (increase) in:				
Accounts receivable	(1,899,021)	19,585	(1,879,436)	
Due from other funds	3,438	8,359	11,797	(36,660)
Prepaid expenses				(20,764)
Inventory	10,499	(35,262)	(24,763)	
Increase (decrease) in:				
Accounts payable	(1,169,294)	(429,338)	(1,598,632)	(23,182)
Accrued liabilities	510,792	1,828,732	2,339,524	
Due to other funds	(10,494)	(25,432)	(35,926)	(18,640)
Claims payable				(613,233)
Customer deposits	1,425	(45,908)	(44,483)	
Collections in advance	(4,070)		(4,070)	
Due to employees' retirement system	(3,625)	(22,172)	(25,797)	
Compensated absences	(77,364)	282,166	204,802	
Pension amounts	32,812	101,298	134,110	
Other post-employment benefits obligations	97,933	623,855	721,788	
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 1,891,663</u>	<u>\$ 3,869,907</u>	<u>\$ 5,761,570</u>	<u>\$ (747,469)</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
MAY 31, 2019**

	<b>Agency Fund</b>	<b>Pension Trust Fund</b>
<b>ASSETS</b>		
Cash	\$ 472,715	\$ -
Investments-mutual funds, at fair value		4,593,777
Accounts receivable	4,711	
<b>TOTAL ASSETS</b>	<b>\$ 477,426</b>	<b>\$ 4,593,777</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 11,466	\$ -
Deposits	233,215	
Other liabilities	232,745	
<b>TOTAL LIABILITIES</b>	<b>\$ 477,426</b>	<b>\$ -</b>
 <b>NET POSITION</b>		
Net position restricted for pensions		<b>\$ 4,593,777</b>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

	<u>Pension Trust Fund</u>
<b>ADDITIONS</b>	
Pension contributions	\$ 221,200
Interest and net change in fair value of investments	(12,340)
<b>TOTAL ADDITIONS</b>	<u>208,860</u>
 <b>DEDUCTIONS</b>	
Pension benefits	109,299
<b>TOTAL DEDUCTIONS</b>	<u>109,299</u>
 <b>CHANGE IN NET POSITION</b>	 99,561
 <b>NET POSITION - BEGINNING OF YEAR</b>	 <u>4,494,216</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 4,593,777</u></u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

**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, 2019**

**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 activity's 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, 2019**

**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, 2019.

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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

**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.

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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 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, liabilities and deferred items, and disclosure of contingent assets, liabilities and deferred items 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. Estimates and assumptions are made in a variety of areas, including potential contingent liabilities, useful lives of capital assets, net pension liabilities, and other post-employment benefits.

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**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 is presented using 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 1<sup>st</sup>, signed by the Mayor no later than May 31<sup>st</sup> and become an enforceable lien on real property as of June 1<sup>st</sup>. 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.

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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	5-50 years
Infrastructure	20-50 years

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**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 three 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 other two amounts are related to pensions and the other post-employment benefits liability reported in the Government-Wide Statement of Net Position, and are detailed further in Notes 12 and 16.

**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), the net difference between projected and actual earnings on pension plan investments (ERS and PFRS), and the changes in proportion and differences between the Village's contributions and proportionate share of contributions (ERS and PFRS). See Note 12 for further details.

**P) Collections in advance:**

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

**Q) Vested employee benefits:**

**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.

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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 post-employment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75.

**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 issued a BAN totaling \$2,000,000 in the fiscal year ended May 31, 2019 that will be redeemed on November 21, 2019. See Note 10 for further detail.

**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 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 inclusive of applicable bond premiums. 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.

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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 (deficit) – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the Village.

**ii) Fund Financial Statements:**

In the Fund Financial Statements, there are four 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:

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<u>Restricted for:</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Unspent bond proceeds	\$ -	\$ 3,400,440	\$ -	\$ 3,400,440
Employee benefit accrued liability	1,143,485			1,143,485
Debt service			433,638	433,638
Special purpose-culture and recreation and public safety			134,928	134,928
Total	<u>\$ 1,143,485</u>	<u>\$ 3,400,440</u>	<u>\$ 568,566</u>	<u>\$ 5,112,491</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:

<u>Assigned for:</u>	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Tax certiorari	\$ 2,024,956	\$ -	\$ 2,024,956
Public safety	38,858		38,858
Community development		64,421	64,421
Total	<u>\$ 2,063,814</u>	<u>\$ 64,421</u>	<u>\$ 2,128,235</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, transportation, and culture and recreation. 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.

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- (3) **Nonspendable fund balance** –Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. At May 31, 2019, the Village has \$46,405 in nonspendable fund balance for prepaid expenses in the general fund.
- (4) **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 \$7,188,368 in the general fund, a deficit of \$232,435 in the section 8 housing fund, and a deficit of \$383,309 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.

**V) New accounting standards:**

The Village has adopted and implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the fiscal 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.

**W) Future changes in accounting standards:**

GASB has issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for fiscal year ended May 31, 2020, which provides guidance for the reporting of certain legally enforceable liabilities associated with the retirement of a tangible capital asset.

GASB has issued Statement No. 84, *Fiduciary Activities*, effective for the fiscal year ended May 31, 2020. It provides guidance for identifying fiduciary activities, primarily based on whether the government is controlling the assets, and the beneficiaries with whom the fiduciary relationship exists, and on how different fiduciary activities should be reported.

GASB has issued Statement No. 87, *Leases*, effective for fiscal year ended May 31, 2021. This Statement establishes a single model for lease accounting based on the idea that leases are financings of the right-to-use an underlying asset. As such, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources.

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

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

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

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

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

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of the three 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 differences:**

Long-term debt 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.

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**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 20<sup>th</sup>, the budget officer submits to the Village Clerk a tentative operating budget for the fiscal year commencing the following June 1<sup>st</sup>. 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 31<sup>st</sup>.
- iii) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15<sup>th</sup>.
- iv) After the public hearing and on or before May 1<sup>st</sup>, 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 2018-2019 was \$82,142,634 which exceeded the actual levy by \$56,512,732.

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**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 assign applicable appropriations. Outstanding encumbrances as of year-end 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.

All of the Village's aggregate bank balances were covered by depository insurance or collateralized with securities held by pledging financial institutions in the Village's name at year end. None 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, 2019 includes \$5,388,178 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  
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**NOTE 5 – RECEIVABLES:**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Receivables with allowances for uncollectible accounts as of May 31, 2019 are presented below.

	<u>General Fund</u>		<u>Water Fund</u>	<u>Electric Fund</u>	<u>Section 8</u>
	<u>Taxes</u>	<u>Accounts</u>	<u>Accounts</u>	<u>Accounts</u>	<u>Accounts</u>
	<u>Receivable</u>	<u>Receivable</u>	<u>Receivable</u>	<u>Receivable</u>	<u>Receivable</u>
Gross receivables	\$ 23,330	\$ 334,450	\$ 5,087,322	\$ 3,411,480	\$ 20,531
Less: allowance for uncollectibles	<u>(23,330)</u>	<u>(152,374)</u>	<u>(2,524)</u>	<u>(5,624)</u>	<u>(20,531)</u>
Net receivables	<u>\$ -</u>	<u>\$ 182,076</u>	<u>\$ 5,084,798</u>	<u>\$ 3,405,856</u>	<u>\$ -</u>

**NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:**

State and federal aid receivables at May 31, 2019 consisted of the following:

General Fund	
Due from State -justice court fund	\$ 96,918
Capital Fund	
Due from NYSDOT	<u>58,481</u>
Total - Governmental funds	<u>\$ 155,399</u>

Village management has deemed these amounts to be fully collectible.

**NOTE 7 – DUE FROM OTHER GOVERNMENTS:**

Due from other governments at May 31, 2019 consisted of the following:

General Fund	
Due from Nassau County - mortgage tax	\$ 152,544
Community Development Fund	
Due from Nassau Consortium	<u>63,854</u>
Total - Governmental funds	<u>\$ 216,398</u>

Village management has deemed these amounts to be fully collectible.

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**NOTE 8 – CAPITAL ASSETS:**

The breakdown by major asset groups at May 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated					
Land	\$ 4,576,378	\$ -	\$ -	\$ -	\$ 4,576,378
Construction-in-progress	21,569,824	5,610,589	(544,110)		26,636,303
Total capital assets, not being depreciated	<u>26,146,202</u>	<u>5,610,589</u>	<u>(544,110)</u>	<u>\$ -</u>	<u>31,212,681</u>
Capital assets, being depreciated					
Building and equipment	37,648,012	843,463	544,110	(470,250)	38,565,335
Infrastructure	44,002,684	6,119,765		(635,981)	49,486,468
Total capital assets, being depreciated	<u>81,650,696</u>	<u>6,963,228</u>	<u>544,110</u>	<u>(1,106,231)</u>	<u>88,051,803</u>
Less accumulated depreciation for					
Buildings and equipment	14,710,444	1,196,592		(460,250)	15,446,786
Infrastructure	23,048,027	2,114,388		(574,706)	24,587,709
Total accumulated depreciation	<u>37,758,471</u>	<u>3,310,980</u>	<u>-</u>	<u>(1,034,956)</u>	<u>40,034,495</u>
Total capital assets being depreciated, net	<u>43,892,225</u>	<u>3,652,248</u>	<u>544,110</u>	<u>(71,275)</u>	<u>48,017,308</u>
Governmental activities capital assets, net	<u>\$ 70,038,427</u>	<u>\$ 9,262,837</u>	<u>\$ -</u>	<u>\$ (71,275)</u>	<u>\$ 79,229,989</u>
<b>Business-Type Activities:</b>					
Capital assets, not being depreciated					
Land	\$ 375,885	\$ -	\$ -	\$ -	\$ 375,885
Construction-in-progress	9,833,747	8,851,328	(7,283,302)	(1,983,958)	9,417,815
Total capital assets, not being depreciated	<u>10,209,632</u>	<u>8,851,328</u>	<u>(7,283,302)</u>	<u>(1,983,958)</u>	<u>9,793,700</u>
Capital assets, being depreciated					
Building and equipment	108,262,160	-	7,283,302	(822,435)	114,723,027
Total capital assets, being depreciated	<u>108,262,160</u>	<u>-</u>	<u>7,283,302</u>	<u>(822,435)</u>	<u>114,723,027</u>
Less accumulated depreciation for					
Buildings and equipment	45,232,744	2,486,343		(834,131)	46,884,956
Total accumulated depreciation	<u>45,232,744</u>	<u>2,486,343</u>	<u>-</u>	<u>(834,131)</u>	<u>46,884,956</u>
Total capital assets being depreciated, net	<u>63,029,416</u>	<u>(2,486,343)</u>	<u>7,283,302</u>	<u>11,696</u>	<u>67,838,071</u>
Business-type activities capital assets, net	<u>\$ 73,239,048</u>	<u>\$ 6,364,985</u>	<u>\$ -</u>	<u>\$ (1,972,262)</u>	<u>\$ 77,631,771</u>

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

General support	\$ 208,317
Public safety	416,860
Transportation	2,326,461
Culture and recreation	362,276
Home and community services	<u>68,341</u>
Total	<u>\$ 3,382,255</u>

**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, 2019 consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Loss on defeasance	<u>\$ 72,913</u>	<u>\$ 134,368</u>
Total deferred charge on refunding	<u>\$ 72,913</u>	<u>\$ 134,368</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:**

Transactions in short-term debt for the year are summarized below:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
BAN	11/21/19	3.00%	<u>\$ -</u>	<u>\$ 2,000,000</u>		<u>\$ 2,000,000</u>
Total			<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>

The BAN was issued for interim financing of the new public safety building capital project. The Village received a premium of \$16,080.

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

Interest paid - general fund	\$ -
Plus interest accrued in the current year	<u>26,250</u>
Total short-term debt interest expense	<u>\$ 26,250</u>

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**NOTE 11 – LONG-TERM LIABILITIES:**

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Reclassified/ Redeemed</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Primary Government</b>					
<b>Governmental activities:</b>					
<b>General obligation debt:</b>					
Bonds payable	\$ 27,455,000	\$ 5,750,000	\$ 3,460,000	\$ 29,745,000	\$ 3,318,471
Premiums	698,547		113,993	584,554	113,992
<b>Total bonds payable</b>	<u>28,153,547</u>	<u>5,750,000</u>	<u>3,573,993</u>	<u>30,329,554</u>	<u>3,432,463</u>
<b>Other liabilities:</b>					
Claims payable	3,102,844	556,221	1,169,454	2,489,611	1,216,829
Compensated absences	12,042,148		2,027,673	10,014,475	250,362
Net pension liability- proportionate share	3,303,338	5,630,178	3,170,316	5,763,200	
Total other post-employment benefits obligations	117,071,742 *	9,156,206	2,333,654	123,894,294	
<b>Total other liabilities</b>	<u>135,520,072</u>	<u>15,342,605</u>	<u>8,701,097</u>	<u>142,161,580</u>	<u>1,467,191</u>
<b>Total Governmental activities</b>	<u>163,673,619</u>	<u>21,092,605</u>	<u>12,275,090</u>	<u>172,491,134</u>	<u>4,899,654</u>
<b>Business-Type Activities</b>					
<b>General obligation debt:</b>					
Bonds payable	27,190,000	8,800,000	2,660,000	33,330,000	2,666,529
Premiums	757,213		82,580	674,633	82,581
<b>Total bonds payable</b>	<u>27,947,213</u>	<u>8,800,000</u>	<u>2,742,580</u>	<u>34,004,633</u>	<u>2,749,110</u>
<b>Other liabilities:</b>					
Compensated absences	2,503,659	250,391	45,589	2,708,461	67,712
Net pension liability- proportionate share	505,826	1,153,366	621,268	1,037,924	
Total other post-employment benefit obligations	15,652,523 *	1,253,446	341,269	16,564,700	
<b>Total other liabilities</b>	<u>18,662,008</u>	<u>2,657,203</u>	<u>1,008,126</u>	<u>20,311,085</u>	<u>67,712</u>
<b>Total Business-Type activities</b>	<u>46,609,221</u>	<u>11,457,203</u>	<u>3,750,706</u>	<u>54,315,718</u>	<u>2,816,822</u>
<b>Total Primary Government</b>	<u>\$ 210,282,840</u>	<u>\$ 32,549,808</u>	<u>\$ 16,025,796</u>	<u>\$ 226,806,852</u>	<u>\$ 7,716,476</u>

\* Beginning balance as restated.

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 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 other post-employment benefit obligations based upon their respective obligations.

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**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, 2019.

Existing serial and statutory bond obligations at May 31, 2019 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%	\$ 225,000
Public Improvements	2009	4,295,000	December 2024	2.00-3.75%	1,280,000
Public Improvements	2010	3,715,000	February 2026	2.00-3.875%	1,450,000
Refunding Bonds	2012	650,000	June 2019	2.00-3.00%	90,000
Refunding Bonds	2012	885,000	June 2019	2.00-3.00%	140,000
Refunding Bonds	2012	855,000	June 2020	2.00-3.00%	280,000
Refunding Bonds	2012	1,205,000	June 2021	2.00-3.00%	600,000
Refunding Bonds	2012	1,780,000	June 2022	2.00-4.00%	1,180,000
Public Improvements	2012	2,480,000	August 2027	1.50-3.00%	1,340,000
Public Improvements	2013	7,715,000	October 2028	2.00-3.00%	5,010,000
Public Improvements	2015	8,760,000	February 2030	2.00-3.00%	6,115,000
Public Improvements	2016	2,810,000	February 2031	2.00-3.00%	2,050,000
Public Improvements	2017	4,500,000	June 2032	3.00%	4,235,000
Public Improvements	2018	5,750,000	November 2047	3.00-4.00%	5,750,000
		<u>\$ 46,225,000</u>			<u>\$ 29,745,000</u>

Existing serial and statutory bond obligations at May 31, 2019 were comprised of the following for business-type activities, exclusive of premiums:

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Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Outstanding at Year End
<b>Water Fund</b>					
General Improvements	2008	2,000,000	October 2023	4.25-4.50%	650,00
General Improvements	2009	1,200,000	December 2024	2.00-3.75%	480,00
General Improvements	2011	2,000,000	February 2026	2.00-3.875%	1,000,00
General Improvements	2012	4,500,000	August 2027	1.50-3.00%	2,715,00
Refunding Bonds	2012	1,370,000	June 2021	2.00-4.00%	545,00
General Improvements	2013	400,000	October 2028	2.00-3.00%	300,00
Public Improvements	2015	2,700,000	February 2030	2.00-3.00%	1,980,00
Public Improvements	2016	6,600,000	February 2031	2.00-3.00%	5,350,00
Public Improvements	2017	3,700,000	June 2032	3.00%	3,485,00
Public Improvements	2018	5,300,000	November 2047	3.00-4.00%	5,300,00
<b>Electric Fund</b>					
General Improvements	2009	1,000,000	December 2024	2.00-3.75%	415,00
General Improvements	2011	1,400,000	February 2026	2.00-3.875%	700,00
General Improvements	2012	1,250,000	August 2027	1.50-3.00%	770,00
Refunding Bonds	2012	3,505,000	June 2027	2.00-4.00%	2,210,00
Public Improvements	2015	3,000,000	February 2030	2.00-3.00%	2,200,00
Public Improvements	2016	750,000	February 2031	2.00-3.00%	600,00
Public Improvements	2017	1,200,000	June 2032	3.00%	1,130,00
Public Improvements	2018	3,500,000	November 2047	3.00-4.00%	3,500,00
		<u>\$ 45,375,000</u>			<u>\$ 33,330,00</u>

On November 21, 2018, the Village issued \$14,550,000 in serial bonds, of which \$5,750,000 was recorded in the capital projects fund for general public improvements, \$3,500,000 was recorded in the electric fund for electric system and \$5,300,000 was recorded in the water fund for public improvements. The bond is payable over 30 years with an interest rate ranging from 3.0% to 4.0%.

The premiums on the 2017, 2016, and 2015 bonds of \$442,257, \$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.

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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
2020	\$ 3,318,471	\$ 939,006	\$ 2,666,529	\$ 1,133,943	\$ 5,985,000	\$ 2,072,949
2021	2,984,365	750,062	2,845,635	904,939	5,830,000	1,655,001
2022	2,701,340	669,864	2,803,660	826,038	5,505,000	1,495,902
2023	2,515,293	598,790	2,684,707	749,650	5,200,000	1,348,440
2024	2,222,267	536,764	2,702,733	675,093	4,925,000	1,211,857
2025-2029	9,647,592	1,845,933	10,317,408	2,394,121	19,965,000	4,240,054
2030-2034	2,870,102	852,462	3,974,898	1,285,451	6,845,000	2,137,913
2035-2039	1,055,153	590,239	1,614,847	903,321	2,670,000	1,493,560
2040-2044	1,252,750	364,365	1,917,250	557,634	3,170,000	921,999
2045-2048	1,177,667	96,348	1,802,333	147,452	2,980,000	243,800
	<u>\$29,745,000</u>	<u>\$ 7,243,833</u>	<u>\$33,330,000</u>	<u>\$ 9,577,642</u>	<u>\$63,075,000</u>	<u>\$16,821,475</u>

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

	Governmental Activities	Business-Type Activities	Primary Government
Interest paid	\$ 729,813	\$ 746,238	\$ 1,476,051
Less interest accrued in the prior year	(206,083)	(230,135)	(436,218)
Plus interest accrued in the current year	280,707	369,852	650,559
Plus amortization of deferred charge	72,911	36,836	109,747
Less amortization of premium	(113,993)	(82,581)	(196,574)
Total expense	<u>\$ 763,355</u>	<u>\$ 840,210</u>	<u>\$ 1,603,565</u>

**NOTE 12- PENSION PLANS:**

**A) Plan description and benefits provided:**

**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.

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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](http://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 based on covered payroll for the Village's fiscal year end were as follows:

	ERS	PFRS
2019	\$1,856,468	\$ 1,920,420
2018	\$1,941,494	\$ 2,034,338
2017	\$2,010,172	\$ 2,104,640

The PFRS contribution was charged to the general fund.

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The current ERS contribution was charged as follows:

Fund	Amount
General	\$ 1,235,118
Water	100,389
Electric	520,961
	\$ 1,856,468

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, 2019, 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, 2019 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.

	<u>ERS</u>	<u>PFRS</u>	<u>Community Development ERS</u>
Measurement date	March 31, 2019	March 31, 2019	March 31, 2019
Net pension liability	\$ (3,061,724)	\$ (3,717,484)	\$ (21,916)
Village's portion of the Plan's total net pension liability	0.0432123%	0.2216663%	0.0003093%
Change in proportion since prior measurement date	(0.002574)%	(0.0079681)%	(0.0000126)%

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For the fiscal year ended May 31, 2019, the Village recognized pension expense of \$2,197,008 for ERS and \$2,538,644 for PFRS. At May 31, 2019 the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<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	\$ 607,233	\$ 903,080	\$ 206,999	\$ 396,903
Changes of assumptions	775,101	1,350,661		
Net difference between projected and actual earnings on pension plan investments			791,433	744,521
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	394,340	216,491	149,028	176,812
Village's contributions subsequent to the measurement date	306,759	329,221		
	<u>\$ 2,083,433</u>	<u>\$ 2,799,453</u>	<u>\$ 1,147,460</u>	<u>\$ 1,318,236</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 fiscal year ended May 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>PFRS</u>
Fiscal Year ended:		
2020	\$ 767,017	\$ 846,701
2021	(523,616)	(158,087)
2022	(32,010)	(18,795)
2023	417,823	404,477
2024		77,700
	<u>\$ 629,214</u>	<u>\$ 1,151,996</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
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**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, 2019
Actuarial valuation date	April 1, 2018
Interest rate	7.00%
Salary scale	4.2% for ERS 5.0% for PFRS
Cost of living adjustments	1.3% annually
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience
Inflation rate	2.50%

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

The actuarial assumptions used in the April 1, 2018 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:

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<u>Valuation date</u>	<u>April 1, 2018</u>	
<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%	7.50%
Real estate	10%	5.55%
Absolute return strategies	2%	3.75%
Opportunistic portfolio	3%	5.68%
Real assets	3%	5.29%
Bonds and mortgages	17%	1.31%
Cash	1%	-0.25%
Inflation-indexed bonds	4%	1.25%
	<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:

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<u>ERS</u>	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
Village's proportionate share of the net pension asset/(liability)	<u>\$ (13,386,347)</u>	<u>\$ (3,061,724)</u>	<u>\$ 5,611,691</u>
<u>Community Development ERS</u>			
Village's proportionate share of the net pension asset/(liability)	<u>\$ (95,819)</u>	<u>\$ (21,916)</u>	<u>\$ 40,168</u>
<u>PFRS</u>			
Village's proportionate share of the net pension asset/(liability)	<u>\$ (13,434,433)</u>	<u>\$ (3,717,484)</u>	<u>\$ 4,397,295</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, 2018	April 1, 2018
Employers' total pension liability	\$ (189,803,429)	\$ (34,128,100)
Plan fiduciary net position	<u>182,718,124</u>	<u>32,451,037</u>
Employers' net pension liability	<u>\$ (7,085,305)</u>	<u>\$ (1,677,063)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	96.27%	95.09%

**Payables to the Pension Plan**

Employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of May 31, 2019 represent the projected employer contribution for the period of April 1, 2019 through May 31, 2019 based on paid wages multiplied by the employer's contribution rate, by tier. Accrued ERS and PFRS retirement contributions as of May 31, 2019 amounted to \$306,759 and \$329,221, respectively.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

**NOTE 13 – OTHER RETIREMENT PLAN:**

**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, 2019 totaled \$1,229,548.

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

**ii) Benefits**

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

**B) Fiduciary Investment and Control:**

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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
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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) Contributions:**

The total amount of contributions shall be made no later than the time prescribed by laws for the proper funding of the Plan.

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

**D) Program Financial Condition:**

**i) Assets and Liabilities**

Assets Available for Benefits

	<u>% of total</u>			
Mutual Funds	100.00%			\$ 4,593,777
Less: Liabilites				-
Total Net Assets Available for Benefits				\$ 4,593,777
Unfunded Liability for Prior Service				\$ -

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

**ii) Receipts and Disbursements**

Plan net assets, beginning of year		\$ 4,494,216
Changes during the year:		
Additions		
Plan contributions		221,200
Interest and net change in fair value of investments	(12,340)	(12,340)
Subtractions		
Plan benefit withdrawals	(109,299)	(109,299)
Plan net assets, end of year		<u>\$ 4,593,777</u>

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 32,388	\$ 1,035,988	\$ -	\$ 5,679,510
Capital projects fund	1,000,000	67,748	1,339,697	62,547
Non-major governmental	62,923	25,000	4,402,360	
Total government activities	1,095,311	1,128,736	5,742,057	5,742,057
Water fund		11,300		
Electric fund	8,065			
Internal service fund	36,660			
Totals	\$ 1,140,036	\$ 1,140,036	\$ 5,742,057	\$ 5,742,057

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, 2019**

**NOTE 16 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):**

**A) Plan Description:**

The Village’s OPEB Plan (the “Plan”), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP), and are administered by Empire BlueCross BlueShield, United Healthcare, and MEDCO. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the Village. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**B) Benefits Provided:**

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the Village to contribute between 50% and 100% of premiums for individual coverage and 35% and 100% for dependent care coverage, depending on the coverage selected and date of retirement. 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 2019, the Village contributed \$2,674,723 for current premiums and an additional \$0 to prefund benefits. Plan members contribute 0% to 65% as per respective collective bargaining agreements.

**C) Employees Covered by Benefit Terms**

At June 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	215
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	220
	435

**D) Total OPEB Liability:**

The Village’s total OPEB liability of \$140,458,994 was measured as of May 31, 2019, and was determined by an actuarial valuation as of June 1, 2018.

**E) Actuarial Assumptions and Other Inputs:**

The total OPEB liability in the June 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

Inflation	3.00%
Discount rate	3.05%
Healthcare cost trend rates	8.0%, decreasing to 5.0%
Retirees' share of benefit-related costs	0% to 50% of projected health insurance premiums for retirees and 0% to 65% of premiums for dependent coverage

The discount rate was based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table generationally projected using Scale MP-2016. The assumption includes a margin for future improvements in longevity.

The actuarial assumptions used in the June 1, 2018 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

**F) Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>
Balance at May 31, 2018	<u>\$ 132,724,265</u>
Changes for the fiscal year:	
Service cost	4,464,875
Interest	4,007,301
Differences between expected and actual experience	1,937,276
Benefit payments	<u>(2,674,723)</u>
Net changes	<u>7,734,729</u>
Balance at May 31, 2019	<u>\$ 140,458,994</u>

There were no significant plan changes since the last valuation.

**G) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:**

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (2.05%) or 1- percentage point higher (4.05%) than the current discount rate:

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

	1% Decrease (2.05%)	Discount Rate (3.05%)	1% Increase (4.05%)
Total OPEB liability	<u>\$ 163,271,365</u>	<u>\$ 140,458,994</u>	<u>\$ 117,646,625</u>

**H) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:**

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (7.0%) or 1-percentage point higher (9.0%) than the current healthcare cost trend rate:

	1% Decrease (7.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Total OPEB liability	<u>\$ 115,049,640</u>	<u>\$ 140,458,994</u>	<u>\$ 171,121,540</u>

**I) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

For the fiscal year ended May 31, 2019, the Village recognized OPEB expense of \$8,795,055. At May 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,614,397	\$ -
Changes of assumptions or other inputs	<u>-</u>	<u>-</u>
	<u>\$ 1,614,397</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

Fiscal Year ended May 31:	
2020	\$ (322,879)
2021	(322,879)
2022	(322,879)
2023	(322,879)
2024	(322,881)
Thereafter	-
	<b>\$ (1,614,397)</b>

**J) Restatement of Net Position:**

For the fiscal year ended May 31, 2019, the Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The implementation of GASB Statement No. 75 resulted in the reporting of deferred outflows of resources and total OPEB liability related to the Village’s OPEB Plan. The Village’s net position has been restated as follows:

	Governmental Activities		Business-Type Activities	
	Government-Wide, excluding Section 8	Section 8 Housing Fund	Water	Electric
Net position (deficit)/ fund balance beginning of year, as previously stated	\$ (1,626,524)	\$ 44,504	\$ 22,002,413	\$ 27,163,152
Removal of beginning net OPEB liability	40,329,780	278,477	933,039	5,180,046
Addition of beginning total OPEB liability	(116,584,565)	(487,177)	(2,123,719)	(13,528,804)
Net position (deficit)/ fund balance beginning of year, as restated	<b>\$ (77,881,309)</b>	<b>\$ (164,196)</b>	<b>\$ 20,811,733</b>	<b>\$ 18,814,394</b>
Total net position (deficit) beginning of year, as restated by activity		<b>\$ (78,045,505)</b>		<b>\$ 39,626,127</b>

**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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

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 current and prior year, the Village settled cases totaling approximately \$440,294 in 2019 and \$282,315 in 2018.

**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:

	<u>2019</u>	<u>2018</u>
Unpaid claims at beginning of year	\$ 3,102,844	\$ 3,389,753
Incurred claims and claim adjustment expenses	556,221	812,268
Claims payments	<u>(1,169,454)</u>	<u>(1,099,177)</u>
Unpaid claims at year end	<u>\$ 2,489,611</u>	<u>\$ 3,102,844</u>

**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 \$1,460,000. Any future refunds resulting from adverse settlements not accrued for will be funded in the year payments are made.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

**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, 2019 assigned for public safety were \$38,858.

**D) Leases:**

Operating Leases

The Village leases various equipment and vehicles under non-cancelable leases. Rental expense for the fiscal year was \$104,958. The minimum remaining lease payments are as follows:

Fiscal Year Ending May 31,	Amount
2020	\$ 132,742
2021	124,404
2022	100,507
2023	43,003
2024	39,195
2025	34,835
	<u>\$ 474,686</u>

**NOTE 19 – SPECIAL ITEM:**

On March 13, 2019, the Village’s water fund sold water tank leases to IWG-TLA Telecom, LLC, for sales proceeds of \$4,442,833. These sales proceeds are recorded in the water fund on the Statement of Revenues, Expenses and Changes in Fund Net Position.

**NOTE 20 – 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 \$811,057 for these programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$124,316.

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 \$437,315 for these programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$125,109 for these programs during the fiscal year.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

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 \$293,849 for these programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$76,130 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 21 – SUBSEQUENT EVENTS:**

The Village has evaluated subsequent events through November 25, 2019, 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.

**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, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Current Year</u>	<u>(Over) Under Final Budget</u>
<b>REVENUES</b>				
Real property taxes	\$ 29,819,715	\$ 29,819,715	\$ 29,819,715	\$ -
Other tax items	949,219	949,219	1,075,166	(125,947)
Departmental income	4,985,600	4,985,600	4,583,432	402,168
Use of money & property	140,000	140,000	322,114	(182,114)
Licenses & permits	1,545,000	1,545,000	1,833,490	(288,490)
Fines & forfeitures	1,200,000	1,200,000	920,362	279,638
Sale of property & compensation for loss	110,000	110,000	100,455	9,545
Intergovernmental charges	4,117,975	4,117,975	3,945,867	172,108
State and county aid	908,671	926,166	1,041,116	(114,950)
Federal aid	100,000	100,000	53,059	46,941
Miscellaneous	922,000	922,000	1,049,693	(127,693)
<b>TOTAL REVENUES</b>	<u>44,798,180</u>	<u>44,815,675</u>	<u>\$ 44,744,469</u>	<u>\$ 71,206</u>
Appropriated fund balance		<u>168,115</u>		
<b>TOTAL REVENUES &amp; APPROPRIATED FUND BALANCE</b>	<u>\$ 44,798,180</u>	<u>\$ 44,983,790</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.

**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, 2019**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
<b>EXPENDITURES</b>					
<b>GENERAL GOVERNMENT SUPPORT</b>					
Board trustees	\$ 107,000	\$ 114,024	\$ 114,024	\$ -	\$ -
Village justice	237,259	238,654	196,146		42,508
Mayor	149,000	150,794	150,793		1
Comptroller	608,671	693,871	691,074		2,797
Clerk treasurer	681,093	596,505	548,523		47,982
Treasurer	523,595	523,595	512,096		11,499
Professional services	755,000	448,502	409,340		39,162
Purchasing	164,241	164,241	156,826		7,415
Personnel	422,956	477,475	477,474		1
Elections	7,100	7,100	4,687		2,413
Central garage	780,615	832,698	832,697		1
Data processing	354,807	385,807	322,093		63,714
Special items					
Municipal associations dues	9,561	12,561	10,972		1,589
Judgments and claims	550,000	254,800	254,800		-
Metropolitan commuter transportation mobility tax	72,000	72,000	61,458		10,542
Insurance contribution	500,000	500,000	500,000		-
<b>PUBLIC SAFETY</b>					
Police civilian	919,410	880,551	863,285		17,266
Police	10,071,537	9,549,404	9,510,545	38,858	1
Street parking	221,500	221,500	206,104		15,396
Fire department	824,000	718,363	718,363		(0)
Fire prevention	13,400	13,400	6,140		7,260
Safety inspection	710,047	714,547	704,631		9,916
Auxiliary police	23,000	23,900	10,584		13,316
<b>HEALTH</b>					
Registrar of Vital Statistics	61,389	67,475	67,474		1
<b>TRANSPORTATION</b>					
Street administration	793,810	788,911	724,138		64,773
Street maintenance	1,126,599	1,149,938	1,149,937		1
Snow removal	304,500	171,664	171,664		-
Street lighting	543,600	543,600	543,452		148
Sidewalks	31,000	63,166	62,165		1,001
<b>ECONOMIC OPPORTUNITY AND DEVELOPMENT</b>					
Publicity	92,000	92,000	85,189		6,811
<b>CULTURE and RECREATION</b>					
Parks	790,928	755,797	750,469		5,328
Play & Recreation	1,607,154	1,555,597	1,555,597		-
MLK Center	288,818	307,707	302,972		4,735
Senior Center	613,129	648,032	648,031		1
Celebrations	33,000	33,569	33,569		-
<b>HOME and COMMUNITY SERVICE</b>					
Zoning Board	38,730	23,584	23,584		-
Planning Board	27,645	21,379	21,379		-
Sanitary Sewers	374,999	725,350	725,351		(1)
Refuse Collection	2,837,791	3,014,538	3,014,537		1
Board of Arch Review	7,500	7,500	-		7,500
Storm Sewers	213,775	193,667	191,689		1,978
Emergency Tenant Protection	7,500	7,780	7,780		-
<b>EMPLOYEE BENEFITS</b>					
Employee benefits	12,108,708	11,538,734	11,561,989		(23,255)
<b>TOTAL EXPENDITURES</b>	<b>40,608,367</b>	<b>39,304,280</b>	<b>38,903,621</b>	<b>38,858</b>	<b>361,801</b>
<b>OTHER FINANCING USES</b>					
Other financing uses - transfers to other funds	4,189,813	5,679,510	5,679,510		-
<b>TOTAL OTHER FINANCING USES</b>	<b>4,189,813</b>	<b>5,679,510</b>	<b>5,679,510</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<b>\$ 44,798,180</b>	<b>\$ 44,983,790</b>	<b>44,583,131</b>	<b>\$ 38,858</b>	<b>\$ 361,801</b>
<b>EXCESS OF REVENUES (EXPENDITURES)</b>			161,338		
<b>FUND BALANCES - BEGINNING OF YEAR</b>			10,280,734		
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 10,442,072</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.

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
MAY 31, 2019**

<b>Total OPEB Liability</b>	
Service cost	\$ 4,464,875
Interest	4,007,301
Changes of benefit terms	-
Differences between expected and actual experience	1,937,276
Changes of assumptions or other inputs	-
Benefit payments	<u>(2,674,723)</u>
<b>Net change in total OPEB liability</b>	<b>7,734,729</b>
<b>Total OPEB liability - beginning</b>	<u>132,724,265</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 140,458,994</u></u>
<b>Covered-employee payroll</b>	<b>\$ 22,009,076</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>638.19%</b>

**Notes to Schedule:**

*Trust Assets*

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75 to pay related benefits.

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

<b>NYSERS Pension Plan</b>					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability	0.0432123%	0.0457863%	0.0467436%	0.0448793%	0.0455493%
Community Development's proportion of the net pension liability	0.0003093%	0.0003219%	0.0002220%	0.0002536%	0.0003449%
Village's proportionate share of the net pension liability	\$ 3,061,724	\$ 1,477,728	\$ 4,392,132	\$ 7,203,254	\$ 1,538,768
Community Development's proportionate share of the net pension liability	\$ 21,916	\$ 10,390	\$ 20,862	\$ 40,702	\$ 11,651
Village's covered payroll	\$ 13,224,405	\$ 13,177,965	\$ 13,153,344	\$ 13,716,005	\$ 12,661,664
Village's proportionate share of the net pension liability as a percentage of its covered payroll	23.32%	11.29%	33.39%	52.52%	12.15%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.68%	97.95%
<b>NYS PFR Pension Plan</b>					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability	0.2216663%	0.2296344%	0.242583%	0.262200%	0.264672%
Village's proportionate share of the net pension liability	\$ 3,717,484	\$ 2,321,046	\$ 5,027,902	\$ 7,763,183	\$ 679,116
Village's covered payroll	\$ 8,248,738	\$ 8,408,694	\$ 8,275,129	\$ 8,712,398	\$ 8,746,302
Village's proportionate share of the net pension liability as a percentage of its covered payroll	45.07%	27.60%	60.76%	89.11%	7.76%
Plan fiduciary net position as a percentage of the total pension liability	95.09%	96.93%	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 LAST SIX FISCAL YEARS ENDED MAY 31,**

**NYSERS Pension Plan**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,856,468	\$ 1,941,494	\$ 2,010,172	\$ 2,172,165	\$ 2,489,116	\$ 2,795,580
Contributions in relation to the contractually required contribution	<u>1,856,468</u>	<u>1,941,494</u>	<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>					
Village's covered payroll	\$ 13,247,668	\$ 13,147,634	\$ 13,595,933	\$ 13,310,785	\$ 13,262,296	\$ 12,828,119
Contributions as a percentage of covered payroll	14.01%	14.77%	14.79%	16.32%	18.77%	21.79%

**NYSPFRS Pension Plan**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,920,420	\$ 2,034,338	\$ 2,104,640	\$ 1,694,871	\$ 2,886,280	\$ 2,321,824
Contributions in relation to the contractually required contribution	<u>1,920,420</u>	<u>2,034,338</u>	<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>					
Village's covered payroll	\$ 8,229,672	\$ 8,395,192	\$ 8,502,395	\$ 8,456,953	\$ 8,968,011	\$ 9,024,858
Contributions as a percentage of covered payroll	23.34%	24.23%	24.75%	20.04%	32.18%	25.73%

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
GENERAL FUND  
MAY 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 13,448,779	\$ 11,281,575
Cash and cash equivalents - restricted	1,143,485	1,124,830
Taxes receivable, net of allowance for uncollectible amounts		294
Other receivables:		
Accounts, net	182,076	189,656
State and federal aid	96,918	118,522
Due from other governments	152,544	157,749
Due from other funds	32,388	209,832
Prepaid expenses	46,405	
<b>TOTAL ASSETS</b>	<b>\$ 15,102,595</b>	<b>\$ 13,082,458</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Payables		
Accounts payable	\$ 1,224	\$ 643,052
Accrued liabilities	3,066,862	1,512,849
Due to other governments	11,678	2,216
Due to retirement system	543,953	558,733
Due to other funds	1,035,988	84,367
Unearned revenues		
Collections in advance	818	507
<b>TOTAL LIABILITIES</b>	<b>4,660,523</b>	<b>2,801,724</b>
<b>FUND BALANCES</b>		
Restricted (employee benefit accrued liability)	1,143,485	1,124,830
Assigned (tax certiorari)	2,024,956	2,024,956
Assigned (unappropriated)	38,858	284,691
Unassigned	7,234,773	6,846,257
<b>TOTAL FUND BALANCES</b>	<b>10,442,072</b>	<b>10,280,734</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,102,595</b>	<b>\$ 13,082,458</b>

**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, 2019 AND 2018**

	2019					2018				
	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
<b>REVENUES</b>										
Real property taxes	\$ 29,819,715	\$ 29,819,715	\$ 29,819,715	\$ -	\$ -	\$ 29,166,372	\$ 29,166,372	\$ 29,121,923	\$ -	\$ 44,449
Other tax items	949,219	949,219	1,075,166		(125,947)	924,341	924,341	982,014		(57,673)
Departmental income	4,985,600	4,985,600	4,583,432		402,168	4,895,600	4,895,600	4,810,702		84,898
Use of money & property	140,000	140,000	322,114		(182,114)	123,000	123,000	558,297		(435,297)
Licenses & permits	1,545,000	1,545,000	1,833,490		(288,490)	1,613,408	1,613,408	1,277,984		335,424
Fines & forfeitures	1,200,000	1,200,000	920,362		279,638	1,400,000	1,400,000	1,223,027		176,973
Sale of property & compensation for loss	110,000	110,000	100,455		9,545	105,000	105,000	187,183		(82,183)
Intergovernmental charges	4,117,975	4,117,975	3,945,867		172,108	4,045,676	4,045,676	4,223,834		(178,158)
State and county aid	908,671	926,166	1,041,116		(114,950)	931,671	931,671	974,133		(42,462)
Federal aid	100,000	100,000	53,059		46,941	100,000	100,000	81,860		18,140
Miscellaneous	922,000	922,000	1,049,693		(127,693)	1,426,043	1,426,043	1,526,628		(100,585)
<b>TOTAL REVENUES</b>	<b>44,798,180</b>	<b>44,815,675</b>	<b>44,744,469</b>	<b>-</b>	<b>71,206</b>	<b>44,731,111</b>	<b>44,731,111</b>	<b>44,967,585</b>	<b>-</b>	<b>(236,474)</b>
<b>EXPENDITURES</b>										
General government support	5,922,898	5,472,627	5,243,003		229,624	6,776,159	6,955,778	6,240,668	167,493	547,617
Public safety	12,782,894	12,121,665	12,019,652	38,858	63,155	12,683,966	12,759,984	12,432,082	70,191	257,711
Health	61,389	67,475	67,474		1	61,239	62,093	62,093		-
Transportation	2,799,509	2,717,279	2,651,356		65,923	2,624,017	2,685,091	2,556,981	31,136	96,974
Economic opportunity and development	92,000	92,000	85,189		6,811	92,000	92,000	86,649		5,351
Culture and recreation	3,333,029	3,300,702	3,290,638		10,064	3,171,159	3,169,928	3,046,120	7,066	116,742
Home and community services	3,507,940	3,993,798	3,984,320		9,478	3,519,033	3,412,661	3,309,654	8,805	94,202
Employee benefits	12,108,708	11,538,734	11,561,989		(23,255)	11,838,919	11,808,919	11,313,091		495,828
<b>TOTAL EXPENDITURES</b>	<b>40,608,367</b>	<b>39,304,280</b>	<b>38,903,621</b>	<b>38,858</b>	<b>361,801</b>	<b>40,766,492</b>	<b>40,946,454</b>	<b>39,047,338</b>	<b>284,691</b>	<b>1,614,425</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers out	(4,189,813)	(5,679,510)	(5,679,510)		-	(3,964,619)	(3,964,619)	(3,964,619)		-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,189,813)</b>	<b>(5,679,510)</b>	<b>(5,679,510)</b>	<b>-</b>	<b>-</b>	<b>(3,964,619)</b>	<b>(3,964,619)</b>	<b>(3,964,619)</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES AND OTHER SOURCES (USES)</b>	<b>\$ 44,798,180</b>	<b>\$ 44,983,790</b>	<b>44,583,131</b>	<b>\$ 38,858</b>	<b>\$ 361,801</b>	<b>\$ 44,731,111</b>	<b>\$ 44,911,073</b>	<b>43,011,957</b>	<b>\$ 284,691</b>	<b>\$ 1,614,425</b>
<b>NET CHANGE IN FUND BALANCES</b>			161,338					1,955,628		
<b>FUND BALANCES- BEGINNING OF YEAR</b>			10,280,734					8,325,106		
<b>FUND BALANCES- END OF YEAR</b>			<u>\$ 10,442,072</u>					<u>\$ 10,280,734</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.

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
CAPITAL PROJECTS FUND  
MAY 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 1,695,030	\$ -
Cash and cash equivalents - restricted	3,400,440	546,925
Receivables:		
State and federal aid	58,481	58,481
Due from other funds	1,000,000	705,000
<b>TOTAL ASSETS</b>	<b>\$ 6,153,951</b>	<b>\$ 1,310,406</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
Payables		
Accounts payable	\$ 199,926	\$ 381,283
Accrued liabilities	853,066	
Due to other funds	67,748	5,201
Notes payable		
Bond anticipation notes payable	2,016,080	-
<b>TOTAL LIABILITIES</b>	<b>3,136,820</b>	<b>386,484</b>
 <b>FUND BALANCES</b>		
Restricted	3,400,440	2,457,237
Unassigned	(383,309)	(1,533,315)
<b>TOTAL FUND BALANCES</b>	<b>3,017,131</b>	<b>923,922</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,153,951</b>	<b>\$ 1,310,406</b>

**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, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>		
State aid	\$ 409,754	\$ 609,276
Miscellaneous	204,347	724,000
Use of money and property	62,547	-
<b>TOTAL REVENUES</b>	<b>676,648</b>	<b>1,333,276</b>
 <b>EXPENDITURES</b>		
Capital outlay	5,610,589	5,061,802
<b>TOTAL EXPENDITURES</b>	<b>5,610,589</b>	<b>5,061,802</b>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,933,941)</b>	<b>(3,728,526)</b>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of serial bonds	5,750,000	
Operating transfers in	1,339,697	
Operating transfers (out)	(62,547)	(7,433)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>7,027,150</b>	<b>(7,433)</b>
 <b>NET CHANGE IN FUND BALANCES</b>	<b>2,093,209</b>	<b>(3,735,959)</b>
 <b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>923,922</b>	<b>4,659,881</b>
 <b>FUND BALANCES - END OF YEAR</b>	<b>\$ 3,017,131</b>	<b>\$ 923,922</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS  
MAY 31, 2019**

	<u>Special Revenue Funds</u>			<u>Total</u>	<u>Debt Service</u>	<u>Total Non-Major Funds</u>
	<u>Community Development</u>	<u>Section 8 Housing</u>	<u>Special Purpose</u>			
<b>ASSETS</b>						
Cash and cash equivalents - unrestricted	\$ 28,631	\$ -	\$ -	\$ 28,631	\$ -	\$ 28,631
Cash and cash equivalents - restricted		338,610	134,928	473,538	370,715	844,253
Receivables:						
Due from other governments	63,854			63,854		63,854
Due from other funds					62,923	62,923
<b>TOTAL ASSETS</b>	<u>92,485</u>	<u>338,610</u>	<u>134,928</u>	<u>566,023</u>	<u>433,638</u>	<u>999,661</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Other post-employment benefits obligation		5,926		5,926		5,926
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 92,485</u>	<u>\$ 344,536</u>	<u>\$ 134,928</u>	<u>\$ 571,949</u>	<u>\$ 433,638</u>	<u>\$ 1,005,587</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts payable	\$ 3,064	\$ 5,862	\$ -	\$ 8,926	\$ -	\$ 8,926
Accrued liabilities		571,109		571,109		571,109
Due to other funds	25,000			25,000		25,000
<b>TOTAL LIABILITIES</b>	<u>28,064</u>	<u>576,971</u>	<u>-</u>	<u>605,035</u>	<u>-</u>	<u>605,035</u>
<b>FUND BALANCES</b>						
Restricted			134,928	134,928	433,638	568,566
Assigned	64,421			64,421		64,421
Unassigned		(232,435)		(232,435)		(232,435)
<b>TOTAL FUND BALANCES</b>	<u>64,421</u>	<u>(232,435)</u>	<u>134,928</u>	<u>(33,086)</u>	<u>433,638</u>	<u>400,552</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 92,485</u>	<u>\$ 344,536</u>	<u>\$ 134,928</u>	<u>\$ 571,949</u>	<u>\$ 433,638</u>	<u>\$ 1,005,587</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS**

	Special Revenue Funds			Debt Service	Total Non Major Funds
	Community Development	Section 8 Housing	Special Purpose		
<b>REVENUES</b>					
Departmental income	\$ -	\$ 17,936	\$ -	\$ 17,936	\$ 17,936
Use of money and property	720	1,748		2,468	9,685
Federal aid	112,144	2,800,705		2,912,849	2,912,849
Miscellaneous			27,317	27,317	27,317
<b>TOTAL REVENUES</b>	<u>112,864</u>	<u>2,820,389</u>	<u>27,317</u>	<u>2,960,570</u>	<u>2,967,787</u>
<b>EXPENDITURES</b>					
Economic opportunity and development		2,880,931			2,880,931
Culture and recreation			35,242	35,242	35,242
Home and community services	200,517			200,517	200,517
Employee benefits		7,697		7,697	7,697
Debt service					
Principal				3,460,000	3,460,000
Interest				729,813	729,813
<b>TOTAL EXPENDITURES</b>	<u>200,517</u>	<u>2,888,628</u>	<u>35,242</u>	<u>3,124,387</u>	<u>7,314,200</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(87,653)</u>	<u>(68,239)</u>	<u>(7,925)</u>	<u>(163,817)</u>	<u>(4,346,413)</u>
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in	150,000			150,000	4,402,360
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>4,402,360</u>
<b>NET CHANGE IN FUND BALANCES</b>	62,347	(68,239)	(7,925)	(13,817)	55,947
<b>FUND BALANCES - BEGINNING OF YEAR AS RESTATED (SEE NOTE 16J)</b>	<u>2,074</u>	<u>(164,196)</u>	<u>142,853</u>	<u>(19,269)</u>	<u>344,605</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 64,421</u>	<u>\$ (232,435)</u>	<u>\$ 134,928</u>	<u>\$ (33,086)</u>	<u>\$ 400,552</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
COMMUNITY DEVELOPMENT FUND  
MAY 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 28,631	\$ 28,385
Receivables:		
Due from other governments	63,854	51,404
<b>TOTAL ASSETS</b>	<b>\$ 92,485</b>	<b>\$ 79,789</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable	\$ 3,064	\$ 3,080
Due to other funds	25,000	74,635
<b>TOTAL LIABILITIES</b>	28,064	77,715
 <b>FUND BALANCES</b>		
Assigned	64,421	2,074
<b>TOTAL FUND BALANCES</b>	64,421	2,074
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 92,485</b>	<b>\$ 79,789</b>

**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, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>		
Use of money and property	\$ 720	\$ 237
Federal aid	112,144	97,560
<b>TOTAL REVENUES</b>	<b>112,864</b>	<b>97,797</b>
<b>EXPENDITURES</b>		
Home and community service	200,517	97,560
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in	150,000	
<b>TOTAL EXPENDITURES AND OTHER SOURCES (USES)</b>	<b>50,517</b>	<b>97,560</b>
<b>NET CHANGE IN FUND BALANCES</b>	62,347	237
<b>FUND BALANCES - BEGINNING OF YEAR</b>	2,074	1,837
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 64,421</b>	<b>\$ 2,074</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
SECTION 8 HOUSING FUND  
MAY 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents - restricted	\$ 338,610	\$ 369,070
Receivables:		
Accounts, net		22,026
	<u>338,610</u>	<u>391,096</u>
<b>TOTAL ASSETS</b>		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other post-employment benefits obligation	5,926	
	<u>5,926</u>	
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 344,536</u>	<u>\$ 391,096</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable	\$ 5,862	\$ 1,050
Accrued liabilities	571,109	345,542
	<u>576,971</u>	<u>346,592</u>
<b>TOTAL LIABILITIES</b>		
<b>FUND BALANCES</b>		
Restricted		44,504
Unassigned	(232,435)	
	<u>(232,435)</u>	<u>44,504</u>
<b>TOTAL FUND BALANCES</b>		
	<u>(232,435)</u>	<u>44,504</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 344,536</u>	<u>\$ 391,096</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, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>		
Departmental income	\$ 17,936	\$ 43,350
Use of money and property	1,748	1,107
Federal aid	2,800,705	2,785,118
Miscellaneous	9	9
<b>TOTAL REVENUES</b>	<b>2,820,389</b>	<b>2,829,584</b>
<b>EXPENDITURES</b>		
Economic opportunity and development	2,880,931	2,849,852
Employee benefits	7,697	
<b>TOTAL EXPENDITURES</b>	<b>2,888,628</b>	<b>2,849,852</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(68,239)</b>	<b>(20,268)</b>
<b>FUND BALANCES - BEGINNING OF YEAR AS     RESTATED (SEE NOTE 16J)</b>	<b>(164,196)</b>	<b>64,772</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ (232,435)</b>	<b>\$ 44,504</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
SPECIAL PURPOSE FUND  
MAY 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents - restricted	\$ 134,928	\$ 847,853
<b>TOTAL ASSETS</b>	<u>\$ 134,928</u>	<u>\$ 847,853</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Due to other funds	\$ -	\$ 705,000
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>705,000</u>
 <b>FUND BALANCES</b>		
Restricted	<u>134,928</u>	<u>142,853</u>
<b>TOTAL FUND BALANCES</b>	<u>134,928</u>	<u>142,853</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 134,928</u>	<u>\$ 847,853</u>

**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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Miscellaneous	<u>\$ 27,317</u>	<u>\$ 110,658</u>
<b>EXPENDITURES</b>		
Culture and recreation	<u>35,242</u>	<u>148,076</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(7,925)	(37,418)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>142,853</u>	<u>180,271</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 134,928</u></u>	<u><u>\$ 142,853</u></u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
DEBT SERVICE FUND  
MAY 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents - restricted	\$ 370,715	\$ 363,498
Receivables:		
Due from other funds	<u>62,923</u>	<u>376</u>
<b>TOTAL ASSETS</b>	<u>\$ 433,638</u>	<u>\$ 363,874</u>
<b>FUND BALANCES</b>		
Restricted	<u>\$ 433,638</u>	<u>\$ 363,874</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 433,638</u>	<u>\$ 363,874</u>

**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, 2019 AND 2018**

	2019				2018			
	Original Budget	Final Budget	Current Year	Final Budget Variance with Budgetary Actual	Original Budget	Final Budget	Current Year	Final Budget Variance with Budgetary Actual
<b>REVENUES</b>								
Use of money & property	\$ -	\$ -	\$ 7,217	\$ (7,217)	\$ -	\$ -	\$ 23,366	\$ (23,366)
<b>TOTAL REVENUES</b>	-	-	7,217	(7,217)	-	-	23,366	(23,366)
<b>EXPENDITURES</b>								
Debt service								
Principal	3,460,000	3,460,000	3,460,000	-	3,280,000	3,280,000	3,280,000	-
Interest	729,813	729,813	729,813	-	684,619	684,619	819,619	(135,000)
<b>TOTAL EXPENDITURES</b>	4,189,813	4,189,813	4,189,813	-	3,964,619	3,964,619	4,099,619	(135,000)
<b>OTHER FINANCING SOURCES (USES)</b>								
Refund of bond escrow payment				-			942	(942)
Operating transfers in	4,189,813	4,189,813	4,252,360	(62,547)	3,964,619	3,964,619	3,972,052	(7,433)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	4,189,813	4,189,813	4,252,360	(62,547)	3,964,619	3,964,619	3,972,994	(8,375)
<b>TOTAL EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ -	\$ -	(62,547)	\$ 62,547	\$ -	\$ -	126,625	\$ (126,625)
<b>NET CHANGE IN FUND BALANCES</b>			69,764				(103,259)	
<b>FUND BALANCES- BEGINNING OF YEAR</b>			363,874				467,133	
<b>FUND BALANCES- END OF YEAR</b>			\$ 433,638				\$ 363,874	

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.

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FUND NET POSITION  
ENTERPRISE FUND - WATER FUND  
MAY 31, 2019 AND 2018**

	<u>2019</u>	<u>Restated 2018</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 7,900,911	\$ 2,493,250
Receivables		
Accounts, net	5,084,798	3,185,777
Due from other funds		3,438
Inventories	209,434	219,933
<b>Total Current Assets</b>	<u>13,195,143</u>	<u>5,902,398</u>
<b>Non-Current Assets</b>		
Land	327,271	327,271
Construction-in-progress	6,801,507	6,722,871
Buildings and equipment	46,173,777	41,799,021
	<u>53,302,555</u>	<u>48,849,163</u>
Less - Accumulated depreciation	(12,081,426)	(11,246,386)
<b>Total Non-Current Assets</b>	<u>41,221,129</u>	<u>37,602,777</u>
<b>TOTAL ASSETS</b>	<u>54,416,272</u>	<u>43,505,175</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	110,123	221,263
Other post-employment benefits obligation	25,832	
Deferred charge on refunding	17,328	34,657
<b>TOTAL DEFERRED OUTFLOWS</b>	<u>153,283</u>	<u>255,920</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>54,569,555</u>	<u>43,761,095</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	4,530	1,173,824
Accrued liabilities	554,009	43,217
Accrued interest	220,109	134,075
Due to other funds	11,300	21,794
Customer deposits	33,067	31,642
Collections in advance	59,648	63,718
Due to employees' retirement system	14,724	18,349
Bonds payable, inclusive of premiums	1,783,061	1,807,992
Compensated absences	7,766	9,700
<b>Total Current Liabilities</b>	<u>2,688,214</u>	<u>3,304,311</u>
<b>Non-Current Liabilities</b>		
Bonds payable, inclusive of premiums	20,351,871	16,834,931
Compensated absences	302,874	378,304
Net pension liability - proportionate share	167,476	73,443
Total other post-employment benefit obligations	2,247,483	2,123,719
<b>Total Non-Current Liabilities</b>	<u>23,069,704</u>	<u>19,410,397</u>
<b>TOTAL LIABILITIES</b>	<u>25,757,918</u>	<u>22,714,708</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	62,293	234,654
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>25,820,211</u>	<u>22,949,362</u>
<b>NET POSITION</b>		
Net investment in capital assets	19,103,525	18,994,511
Unrestricted	9,645,819	1,817,222
<b>TOTAL NET POSITION</b>	<u>\$ 28,749,344</u>	<u>\$ 20,811,733</u>

**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, 2019 AND 2018**

	<b>2019</b>	<b>2018*</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Metered sales	\$ 5,229,468	\$ 5,430,927
Penalty income	138,234	150,905
Miscellaneous	33,870	901,476
Grant revenue	2,867,550	
<b>Total operating revenues</b>	<b>8,269,122</b>	<b>6,483,308</b>
<b>OPERATING EXPENSES</b>		
Purchased power	137,269	143,907
Depreciation	929,883	839,632
Maintenance	252,463	447,319
Interfund charges	578,271	579,782
Transmission and distribution	776,785	757,461
General and administrative	1,634,707	1,068,955
Employee benefits	406,493	549,003
Insurance	84,502	75,000
<b>Total operating expenses</b>	<b>4,800,373</b>	<b>4,461,059</b>
<b>Operating income</b>	<b>3,468,749</b>	<b>2,022,249</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Rental income	412,674	388,075
Interest income	154,361	100,181
Interest expense	(541,006)	(484,331)
<b>Total non-operating revenues (expenses)</b>	<b>26,029</b>	<b>3,925</b>
<b>SPECIAL ITEM (SEE NOTE 19)</b>		
Sale of cellular leases	4,442,833	
<b>CHANGE IN NET POSITION</b>	<b>7,937,611</b>	<b>2,026,174</b>
<b>TOTAL NET POSITION - BEGINNING OF YEAR AS RESTATED (SEE NOTE 16J)</b>	<b>20,811,733</b>	<b>19,976,239</b>
<b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ 28,749,344</b>	<b>\$ 22,002,413</b>

\* 2018 Information was not restated because all the information necessary was not readily available. The cumulative effect of applying the change of accounting principle is shown as an adjustment to beginning net position. See Note 16J for more information.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF CASH FLOWS  
ENTERPRISE FUND - WATER FUND  
FOR THE FISCAL YEARS ENDED MAY 31, 2019 AND 2018**

	<b>2019</b>	<b>2018*</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue collected:		
Cash received from charges for services	\$ 6,367,456	\$ 5,745,064
Internal activity-payments from other funds for expense reimbursements	3,438	4,303
Payments for expenses:		
Cash payments to other suppliers of goods or services	(3,892,439)	(2,301,011)
Cash payments to employees for services and related expenses	(576,298)	(993,920)
Internal activity-payments to other funds for expense reimbursements	(10,494)	(1,087)
<b>Net Cash Provided by Operating Activities</b>	<b>1,891,663</b>	<b>2,453,349</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(4,548,235)	(3,955,444)
Proceeds from capital debt	5,300,000	42,993
Principal paid on capital debt	(1,765,000)	(1,597,993)
Interest paid on capital debt	(480,635)	(523,710)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(1,493,870)</b>	<b>(6,034,154)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and rental income	567,035	488,256
Sale of cellular leases	4,442,833	
<b>Net Cash Provided by Investing Activities</b>	<b>5,009,868</b>	<b>488,256</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	5,407,661	(3,092,549)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>2,493,250</b>	<b>5,585,799</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 7,900,911</b>	<b>\$ 2,493,250</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 3,468,749	\$ 2,022,249
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	929,883	839,632
Decrease (increase) in:		
Accounts receivable	(1,899,021)	(750,405)
Due from other funds	3,438	4,303
Inventory	10,499	16,562
Increase (decrease) in:		
Accounts payable	(1,169,294)	125,857
Accrued liabilities	510,792	6,745
Due to other funds	(10,494)	(1,087)
Customer deposits	1,425	300
Collections in advance	(4,070)	11,861
Due to employees' retirement system	(3,625)	(562)
Compensated absences	(77,364)	48,522
Pension amounts	32,812	(9,363)
Other post-employment benefit obligations	97,933	138,735
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,891,663</b>	<b>\$ 2,453,349</b>

\* 2018 Information was not restated because all the information necessary was not readily available. The cumulative effect of applying the change of accounting principle is shown as an adjustment to beginning net position. See Note 16J for more information.

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FUND NET POSITION  
ENTERPRISE FUND - ELECTRIC FUND  
MAY 31, 2019 AND 2018**

	2019	Restated 2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 11,710,438	\$ 7,688,103
Receivables		
Accounts, net	3,405,856	3,425,441
Due from other funds	8,065	16,424
Inventories	2,655,658	2,620,396
<b>Total Current Assets</b>	17,780,017	13,750,364
<b>Non-Current Assets</b>		
Land	48,614	48,614
Construction-in-progress	2,616,308	3,110,876
Buildings and equipment	68,549,250	66,463,139
	71,214,172	69,622,629
Less - Accumulated depreciation	(34,803,530)	(33,986,358)
<b>Total Non-Current Assets</b>	36,410,642	35,636,271
<b>TOTAL ASSETS</b>	54,190,659	49,386,635
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	573,135	1,294,088
Other post-employment benefits obligation	164,558	
Deferred charge on refunding	117,040	136,547
<b>TOTAL DEFERRED OUTFLOWS</b>	854,733	1,430,635
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	55,045,392	50,817,270
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	2,883,481	3,312,819
Accrued liabilities	2,063,981	235,249
Accrued interest	149,743	96,060
Due to other funds		25,432
Customer deposits	1,425,318	1,471,226
Due to employees' retirement system	77,303	99,475
Bonds payable, inclusive of premiums	966,049	934,589
Compensated absences	59,946	52,891
<b>Total Current Liabilities</b>	7,625,821	6,227,741
<b>Non-Current Liabilities</b>		
Bonds payable, inclusive of premiums	10,903,652	8,369,701
Compensated absences	2,337,875	2,062,764
Net pension liability - proportionate share	870,448	432,383
Total other post-employment benefit obligations payable	14,317,217	13,528,804
<b>Total Non-Current Liabilities</b>	28,429,192	24,393,652
<b>TOTAL LIABILITIES</b>	36,055,013	30,621,393
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	323,763	1,381,483
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	36,378,776	32,002,876
<b>NET POSITION</b>		
Net investment in capital assets	24,657,981	26,468,528
Unrestricted	(5,991,365)	(7,654,134)
<b>TOTAL NET POSITION</b>	\$ 18,666,616	\$ 18,814,394

**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, 2019 AND 2018**

	<b>2019</b>	<b>2018*</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Metered sales	\$ 26,035,837	\$ 25,376,857
Penalty income	34,987	
Miscellaneous	53,156	346,886
<b>Total operating revenues</b>	<b>26,123,980</b>	<b>25,723,743</b>
<b>OPERATING EXPENSES</b>		
Purchased power	12,220,190	11,657,876
Depreciation	1,556,460	1,443,818
Maintenance	138,362	48,053
Interfund charges	2,796,827	2,976,992
Production	2,685,647	2,469,775
Transmission and distribution	1,405,250	1,280,203
Street lighting	202,929	226,269
General and administrative	1,424,572	1,689,739
Employee benefits	3,424,931	3,568,728
Insurance	258,334	258,334
Customer deposit interest	2,914	1,251
<b>Total operating expenses</b>	<b>26,116,416</b>	<b>25,621,038</b>
<b>Operating income</b>	<b>7,564</b>	<b>102,705</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	143,862	105,523
Interest expense	(299,204)	(262,645)
<b>Total non-operating revenues (expenses)</b>	<b>(155,342)</b>	<b>(157,122)</b>
<b>CHANGE IN NET POSITION</b>	<b>(147,778)</b>	<b>(54,417)</b>
<b>TOTAL NET POSITION - BEGINNING OF YEAR AS RESTATED (SEE NOTE 16J)</b>	<b>18,814,394</b>	<b>27,217,569</b>
<b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ 18,666,616</b>	<b>\$ 27,163,152</b>

\* 2018 Information was not restated because all the information necessary was not readily available. The cumulative effect of applying the change of accounting principle is shown as an adjustment to beginning net position. See Note 16J for more information.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF CASH FLOWS  
ENTERPRISE FUND - ELECTRIC FUND  
FOR THE FISCAL YEARS ENDED MAY 31, 2019 AND 2018**

	<b>2019</b>	<b>2018*</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue collected:		
Cash received from charges for services	\$ 26,097,657	\$ 25,764,945
Internal activity-payments from other funds for expense reimbursements	8,359	59,478
Payments for expenses:		
Cash payments to other suppliers of goods or services	(18,387,910)	(17,646,790)
Cash payments to employees for services and related expenses	(3,819,853)	(4,891,878)
Cash payments to customers on deposit interest	(2,914)	(1,251)
Internal activity-payments to other funds for expense reimbursements	(25,432)	(1,473)
<b>Net Cash Provided by Operating Activities</b>	<b>3,869,907</b>	<b>3,283,031</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(2,330,831)	(3,014,918)
Proceeds from capital debt	3,500,000	39,589
Principal paid on capital debt	(895,000)	(1,289,589)
Interest paid on capital debt	(265,603)	(298,685)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>8,566</b>	<b>(4,563,603)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and rental income	143,862	105,523
<b>Net Cash Provided by Investing Activities</b>	<b>143,862</b>	<b>105,523</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	4,022,335	(1,175,049)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>7,688,103</b>	<b>8,863,152</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 11,710,438</b>	<b>\$ 7,688,103</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED</b>		
<b>BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 7,564	\$ 102,705
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,556,460	1,443,818
Decrease (Increase) in:		
Accounts receivable	19,585	(26,431)
Due from other funds	8,359	59,478
Inventory	(35,262)	21,368
Increase (Decrease) in:		
Accounts payable	(429,338)	697,237
Accrued liabilities	1,828,732	(18,840)
Due to other funds	(25,432)	(1,473)
Customer deposits	(45,908)	67,633
Due to employees' retirement system	(22,172)	(5,307)
Compensated absences	282,166	254,733
Pension amounts	101,298	65,829
Other post-employment benefit obligations	623,855	622,281
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 3,869,907</b>	<b>\$ 3,283,031</b>

\* 2018 Information was not restated because all the information necessary was not readily available. The cumulative effect of applying the change of accounting principle is shown as an adjustment to beginning net position. See Note 16J for more information.

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FUND NET POSITION  
INTERNAL SERVICE FUND - RISK RETENTION FUND  
MAY 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 2,388,504	\$ 3,100,983
Receivables		
Accounts receivable, net		
Due from other funds	36,660	
Prepaid expenses	282,112	261,348
<b>TOTAL ASSETS</b>	<b>2,707,276</b>	<b>3,362,331</b>
 <b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	217,665	240,847
Due to other funds		18,640
Claims payable	1,216,829	1,318,344
<b>Total Current Liabilities</b>	<b>1,434,494</b>	<b>1,577,831</b>
<b>Non-Current Liabilities</b>		
Claims payable	1,272,782	1,784,500
<b>Total Non-Current Liabilities</b>	<b>1,272,782</b>	<b>1,784,500</b>
<b>TOTAL LIABILITIES</b>	<b>2,707,276</b>	<b>3,362,331</b>
 <b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Risk management	\$ 2,053,570	\$ 1,888,354
<b>Total operating revenues</b>	<b>2,053,570</b>	<b>1,888,354</b>
<b>OPERATING EXPENSES</b>		
General and administrative	720,295	605,143
Employee benefits	1,077,158	953,177
Insurance	198,810	209,047
Judgments and claims	92,297	146,000
<b>Total operating expenses</b>	<b>2,088,560</b>	<b>1,913,367</b>
<b>Operating loss</b>	<b>(34,990)</b>	<b>(25,013)</b>
<b>NON-OPERATING INCOME</b>		
Interest income	34,990	25,013
<b>Total non-operating income</b>	<b>34,990</b>	<b>25,013</b>
<b>CHANGE IN NET POSITION</b>	-	-
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	-	-
<b>TOTAL NET POSITION- END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND - RISK RETENTION FUND  
FOR THE FISCAL YEARS ENDED MAY 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue collected:		
Cash received from charges for services	\$ 2,053,570	\$ 1,888,354
Cash received from insurance recoveries		133,185
Payments for expenses:		
Cash payments to insurance carriers and claimants	(1,668,581)	(1,307,985)
Cash payments to employees for services and related expenses	(1,077,158)	(953,177)
Internal activity-payments (to) from other funds for expense reimbursements	(55,300)	(39,785)
<b>Net Cash Used in Operating Activities</b>	<b>(747,469)</b>	<b>(279,408)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and rental income	34,990	25,013
<b>Net Cash Provided by Investing Activities</b>	<b>34,990</b>	<b>25,013</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	(712,479)	(254,395)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>3,100,983</b>	<b>3,355,378</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,388,504</b>	<b>\$ 3,100,983</b>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating loss	\$ (34,990)	\$ (25,013)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable		133,185
Due from other funds	(36,660)	
Prepaid expenses	(20,764)	(13,754)
Increase (Decrease) in:		
Accounts payable	(23,182)	(47,132)
Due to other funds	(18,640)	(39,785)
Claims payable	(613,233)	(286,909)
<b>Net Cash Used in Operating Activities</b>	<b>\$ (747,469)</b>	<b>\$ (279,408)</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
MAY 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash	\$ 472,715	\$ 491,737
Accounts receivable	4,711	8,278
<b>TOTAL ASSETS</b>	<b>\$ 477,426</b>	<b>\$ 500,015</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 11,466	\$ 14,490
Deposits	233,215	317,979
Other liabilities	232,745	167,546
<b>TOTAL LIABILITIES</b>	<b>\$ 477,426</b>	<b>\$ 500,015</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE FISCAL YEAR ENDED MAY 31, 2019**

	<u>Balance June 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance May 31, 2019</u>
<b>ASSETS</b>				
Cash	\$ 491,737	\$ 19,832	\$ 38,854	\$ 472,715
Accounts receivable	8,278		3,567	4,711
<b>TOTAL ASSETS</b>	<u>\$ 500,015</u>	<u>\$ 19,832</u>	<u>\$ 42,421</u>	<u>\$ 477,426</u>
<b>LIABILITIES</b>				
Accounts payable and due to governmental funds	\$ 14,490	\$ -	\$ 3,024	\$ 11,466
Deposits and other liabilities	485,525	110,900	130,465	465,960
<b>TOTAL LIABILITIES</b>	<u>\$ 500,015</u>	<u>\$ 110,900</u>	<u>\$ 133,489</u>	<u>\$ 477,426</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
 COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION  
 PENSION TRUST FUND  
 MAY 31, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Investments- mutual funds, at fair value	\$ 4,593,777	\$ 4,494,216
<b>TOTAL ASSETS</b>	<b>\$ 4,593,777</b>	<b>\$ 4,494,216</b>
 <b>TOTAL LIABILITIES</b>	 -	 -
 <b>NET POSITION</b>		
Net position restricted for pensions	\$ 4,593,777	\$ 4,494,216

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUND  
FOR THE FISCAL YEARS ENDED MAY 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ADDITIONS</b>		
Pension contributions	\$ 221,200	\$ -
Interest and net change in fair value of investments	(12,340)	420,643
<b>TOTAL ADDITIONS</b>	<u>208,860</u>	<u>420,643</u>
<b>DEDUCTIONS</b>		
Pension benefits	109,299	86,356
<b>TOTAL DEDUCTIONS</b>	<u>109,299</u>	<u>86,356</u>
<b>CHANGE IN NET POSITION</b>	99,561	334,287
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>4,494,216</u>	<u>4,159,929</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 4,593,777</u>	<u>\$ 4,494,216</u>

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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, 2019, 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 November 25, 2019.

**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*.

## **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  
November 25, 2019