

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED  
MAY 31, 2020**

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
TABLE OF CONTENTS**

**I. INDEPENDENT AUDITOR'S REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS  
AND BASIC FINANCIAL STATEMENTS**

Independent Auditor's Report

	Page
Management's Discussion and Analysis (Required Supplementary Information) (MD&A)	1-13
Statement of Net Position	14
Statement of Activities	15
Balance Sheet – Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	19
Statement of Fund Net Position – Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds	22
Statement of Fiduciary Net Position – Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	24
Notes to Financial Statements	25-63

**II. REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	64-65
Schedule of Changes in the Village's Total OPEB liability and Related Ratios	66
Schedule of Village's Proportionate Share of the Net Pension Liability	67
Schedule of Village's Contributions	68

**III. OTHER SUPPLEMENTARY INFORMATION**

Comparative Balance Sheet – General Fund	69
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund	70
Comparative Balance Sheet – Capital Projects Fund	71



Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Fund	72
Combining Balance Sheet – Non-Major – Governmental Funds	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major – Governmental Funds	74
Comparative Balance Sheet – Community Development Fund	75
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – Community Development Fund	76
Comparative Balance Sheet – Section 8 Housing Fund	77
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – Section 8 Housing Fund	78
Comparative Balance Sheet – Special Purpose Fund	79
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances – Special Purpose Fund	80
Comparative Balance Sheet – Debt Service Fund	81
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Debt Service Fund	82
Comparative Statement of Fund Net Position – Enterprise Fund – Water Fund	83
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Fund - Water Fund	84
Comparative Statement of Cash Flows – Enterprise Fund - Water Fund	85
Comparative Statement of Fund Net Position – Enterprise Fund – Electric Fund	86
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Fund - Electric Fund	87
Comparative Statement of Cash Flows – Enterprise Fund - Electric Fund	88
Comparative Statement of Fund Net Position – Internal Service Fund – Risk Retention Fund	89
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Fund – Risk Retention Fund	90
Comparative Statement of Cash Flows – Internal Service Fund – Risk Retention Fund	91
Comparative Statement of Fiduciary Net Position – Agency Fund	92
Statement of Changes in Assets and Liabilities – Agency Fund	93
Comparative Statement of Fiduciary Net Position – Pension Trust Fund	94
Comparative Statement of Changes in Fiduciary Net Position – Pension Trust Fund	95

**IV. REPORTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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*



---

## 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 businesses-type activities, each major fund, the fiduciary funds, and the aggregate remaining fund information of the Incorporated Village of Rockville Centre (the "Village"), as of and for the fiscal year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Rockville Centre, as of May 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.



## ***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 the Village's total OPEB liability and related ratios, schedule of Village's proportionate share of the net pension liability, and the schedule of 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***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 basic financial statements.

The other supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial 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 24, 2020, 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 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 24, 2020

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

---

**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, 2020. 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 2020**

- The general fund completed fiscal year 2020 with a fund balance totaling \$11,287,645. Of this amount, the unassigned fund balance totaled \$6,286,890 while another \$3,818,288 was assigned, \$1,161,046 was restricted for unused sick, vacation, and terminal leave payments, primarily for retiring police officers, and nonspendable totaled \$21,421 for prepaid expenses.
- The water fund had an increase in net position of \$766,666 and the electric fund had a decrease in net position of \$891,177.
- The Village's total outstanding bonds payable at May 31, 2020 was \$57,090,000. Of this total, \$26,426,529 and \$30,663,471 were attributable to the Village's governmental and business-type activities, respectively.
- The fund balance in the capital projects fund was \$1,993,777 consisting of restricted fund balance totaling \$157,037 and an assigned (unappropriated) fund balance of \$1,836,740.
- On November 15, 2019, the Village's water fund sold leases to IWG-TLA Telecom, LLC, for sales proceeds of \$441,575. These sales proceeds are recorded in the water fund on the Statement of Revenues, Expenses and Changes in Fund Net Position.
- Total net deficit (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) for fiscal year 2020 was \$31,493,278. Of this amount \$78,784,727 represents a deficit in the governmental net position and \$47,291,449 represents the business-type net position. The governmental activities net deficit increased by \$5,692,541 for the fiscal year ended May 31, 2020. This was primarily due to an increase in capital assets and a decrease in bonds payable, offset by an increase in compensated absences, pensions and total other post-employment benefit obligations at May 31, 2020. The Village's proportionate share of the net pension liability was \$23,237,637 of which \$19,460,828 is recorded as a liability in the governmental activities on the government wide financial statements. For the fiscal year ending May 31, 2020, the Village's total OPEB obligations were \$149,463,968 of which \$131,837,287 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 \$29,516,010 and \$17,775,439, respectively.



**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

---

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

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

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

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

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

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

---

**Fund Financial Statements**

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

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

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

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

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

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

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

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

---

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

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

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

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

**Notes to Financial Statements**

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

**Other Information**

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

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, liabilities and deferred inflows of resources exceeded assets and deferred outflows resources by \$31,493,278 for fiscal year ended May 31, 2020.



**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

The following table reflects the condensed Statement of Net Position:

	May 31, 2020			May 31, 2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$ 20,167,710	\$ 29,020,633	\$ 49,188,343	\$ 23,834,747	\$ 30,963,860	\$ 54,798,607
Capital Assets, Net	80,428,492	77,321,606	157,750,098	79,229,989	77,631,771	156,861,760
Total Assets	<u>100,596,202</u>	<u>106,342,239</u>	<u>206,938,441</u>	<u>103,064,736</u>	<u>108,595,631</u>	<u>211,660,367</u>
Deferred Outflows of Resources	<u>20,772,899</u>	<u>3,643,437</u>	<u>24,416,336</u>	<u>5,696,548</u>	<u>1,008,016</u>	<u>6,704,564</u>
Current Liabilities	3,431,560	6,586,947	10,018,507	7,282,696	7,485,913	14,768,609
Non-current Liabilities	<u>190,824,139</u>	<u>55,282,603</u>	<u>246,106,742</u>	<u>172,491,134</u>	<u>54,315,718</u>	<u>226,806,852</u>
Total Liabilities	<u>194,255,699</u>	<u>61,869,550</u>	<u>256,125,249</u>	<u>179,773,830</u>	<u>61,801,631</u>	<u>241,575,461</u>
Deferred Inflows of Resources	<u>5,898,129</u>	<u>824,677</u>	<u>6,722,806</u>	<u>2,079,640</u>	<u>386,056</u>	<u>2,465,696</u>
Net Position:						
Net Investment in Capital Assets	53,688,438	46,163,617	99,852,055	50,373,788	43,761,506	94,135,294
Restricted	1,942,832		1,942,832	1,712,051		1,712,051
Unrestricted (Deficit)	<u>(134,415,997)</u>	<u>1,127,832</u>	<u>(133,288,165)</u>	<u>(125,178,025)</u>	<u>3,654,454</u>	<u>(121,523,571)</u>
Total Net Position (Deficit)	<u>\$ (78,784,727)</u>	<u>\$ 47,291,449</u>	<u>\$ (31,493,278)</u>	<u>\$ (73,092,186)</u>	<u>\$ 47,415,960</u>	<u>\$ (25,676,226)</u>

The largest component of the Village's net position reflects its net investment in capital assets amounting to \$99,852,055. 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 \$1,942,832 represents resources that are subject to external restrictions on how they may be used. The restrictions are for the following purposes:

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

---

	<u>May 31,</u>	
	<u>2020</u>	<u>2019</u>
Employee benefit		
accrued liability	\$ 1,161,046	\$ 1,143,485
Debt service	498,058	433,638
Special purpose -		
culture and recreation		
and public safety	283,728	134,928
Total	<u>\$ 1,942,832</u>	<u>\$ 1,712,051</u>

Unrestricted net deficit totaled \$133,288,165. This amount is comprised of governmental activities net deficit totaling \$134,415,997 and business-type activities net position totaling \$1,127,832. The deficit in governmental activities net position is primarily due to (1) compensated absences of approximately \$10 million, (2) total other post-employment benefit obligations and the increase in deferred inflows related to the other post-employment benefit obligations offset by related deferred outflows recorded in accordance with GASB Statement No. 75, for a total of approximately \$129 million and (3) an increase in the Village's net pension liability – proportionate share, offset by a decrease in deferred inflows related to pensions and an increase in deferred outflows related to pensions.



**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2020**

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

	May 31, 2020			May 31, 2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Program Revenues:</b>						
Charges for services:	\$ 10,187,052	\$ 28,006,498	\$ 38,193,550	\$ 11,427,610	\$ 31,938,226	\$ 43,365,836
Operating grants and contributions	3,514,150		3,514,150	3,100,782	2,867,550	5,968,332
Capital grants and contributions	660,844		660,844	614,100		614,100
<b>General Revenues:</b>						
Real property taxes	30,582,639		30,582,639	29,819,715		29,819,715
Other payments in lieu of taxes	724,864		724,864	707,531		707,531
Interest and penalties on taxes	129,425		129,425	119,256		119,256
Utilities	160,096		160,096	181,629		181,629
Non property taxes	66,749		66,749	66,749		66,749
Unrestricted use of money and property	265,660	303,296	568,956	345,477	298,223	643,700
State and federal aid	1,039,986		1,039,986	1,006,699		1,006,699
Miscellaneous	1,076,761		1,076,761	999,355		999,355
<b>Total Revenues</b>	<b>48,408,226</b>	<b>28,309,794</b>	<b>76,718,020</b>	<b>48,388,903</b>	<b>35,103,999</b>	<b>83,492,902</b>
Special item (see note 19)		441,575	441,575		4,442,833	4,442,833
<b>Total Revenues and Special Items</b>	<b>48,408,226</b>	<b>28,751,369</b>	<b>77,159,595</b>	<b>48,388,903</b>	<b>39,546,832</b>	<b>87,935,735</b>
<b>Program Expenses:</b>						
General government and administration	7,713,661		7,713,661	7,148,211		7,148,211
Public safety	25,265,124		25,265,124	22,483,768		22,483,768
Health	86,553		86,553	63,383		63,383
Transportation	4,953,806		4,953,806	(283,145)		(283,145)
Economic opportunity and development	2,951,642		2,951,642	2,973,817		2,973,817
Culture and recreation	5,846,228		5,846,228	4,540,236		4,540,236
Home and community services	6,498,299		6,498,299	5,719,709		5,719,709
Interest	785,454		785,454	789,605		789,605
Water		5,516,509	5,516,509		5,341,379	5,341,379
Electric		23,359,371	23,359,371		26,415,620	26,415,620
<b>Total expenses</b>	<b>54,100,767</b>	<b>28,875,880</b>	<b>82,976,647</b>	<b>43,435,584</b>	<b>31,756,999</b>	<b>75,192,583</b>
<b>Change in Net Position</b>	<b>(5,692,541)</b>	<b>(124,511)</b>	<b>(5,817,052)</b>	<b>4,953,319</b>	<b>7,789,833</b>	<b>12,743,152</b>
<b>Net Position (Deficit) - beginning of year</b>	<b>(73,092,186)</b>	<b>47,415,960</b>	<b>(25,676,226)</b>	<b>(78,045,505)</b>	<b>39,626,127</b>	<b>(38,419,378)</b>
<b>Net Position (Deficit) - end of year</b>	<b>\$ (78,784,727)</b>	<b>\$ 47,291,449</b>	<b>\$ (31,493,278)</b>	<b>\$ (73,092,186)</b>	<b>\$ 47,415,960</b>	<b>\$ (25,676,226)</b>

**Governmental activities.** As discussed previously, governmental activities resulted in a \$5,692,541 decrease in the Village's net position during the current fiscal year. Governmental activities reflected a net deficit of \$78,784,727 as opposed to a net deficit of \$73,092,186 for 2019, based on total revenues of \$48,408,226 and total expenses of \$54,100,767.

Property taxes (\$30.58 million) and charges for services (\$10.19 million) represented the largest revenue sources. Property taxes grew 2.56% due to a real estate tax rate increase of 2.87%. Collection of the current tax levy remains very strong at nearly 100%. Operating grants and contributions for general governmental activities increased by \$413,368 during the current fiscal year. Capital grants and contributions for general governmental activities increased by \$46,744.

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

---

Public safety expenses totaled \$25.27 million and represented 46.7% of total expenses. Culture and recreation expenses totaled \$5.85 million and reflected the Village's continuing commitment to its parks and recreation programs. Additional total other post-employment benefits obligations and related deferred inflows and deferred outflows of \$129 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 \$7.5 million were the primary reasons for the decrease in net position.

**Business-type activities.** Business-type activities reflected a net position totaling \$47,291,449 of which the water and electric funds totals were \$29,516,010 and \$17,775,439, respectively. Electric fund metered sales totaled \$22,030,305, a decrease from \$26,035,837 in fiscal year 2019. This decrease was primarily due to a decrease in consumption. Metered sales in the water fund increased from \$5,229,468 in fiscal year 2019 to \$5,534,086 in fiscal year 2020 due to increased usage. Purchased power and production for the electric fund changed from \$12,220,190 and \$2,685,647, respectively in fiscal year 2019 to \$8,971,745 and \$2,175,075, respectively in fiscal year 2020, due to a decrease 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 \$13,932,968, an increase of \$73,213 from the prior year. Of the total combined fund balance, \$6,286,890 constitutes unassigned fund balance in the general fund, \$3,818,288 constitutes assigned fund balance in the general fund, \$195,566 constitutes unassigned deficit balance in the section 8 housing fund, \$1,836,740 constitutes assigned unappropriated fund balance in the capital projects fund, \$65,326 is assigned for the community development fund, \$21,421 is nonspendable fund balance in the general fund, and \$2,099,869 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 \$11,287,645 compared to \$10,442,072 at May 31, 2019. Of the general fund fund balance, \$5,000,755 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, \$1,675,000 was designated for the subsequent fiscal year's budget and \$118,332 to liquidate contracts and purchase orders.



**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

---

The general fund revenues and other financing sources aggregate amount was \$44,035,225 in fiscal 2020, a decrease of \$708,244 from fiscal year 2019. Real property taxes totaled \$30,582,639, an increase of \$762,924 or 2.56% from fiscal year 2019 and represented the single largest revenue source at 69.45% of total general fund revenues. Parks and recreation charges totaled \$1,244,334, a decrease of \$552,537 from fiscal year 2019. Building and alteration permits decreased by \$348,739, from \$1,325,716 in fiscal year 2019 to \$976,977 in fiscal year 2020, primarily due to COVID-19 closures. Parking meter revenues decreased from \$1,314,266 in fiscal year 2019 to \$1,029,688 in fiscal 2020 due to a decrease in usage related to COVID-19. Interfund revenues generated from charges to the water and electric funds increased by \$113,405, to a total of \$4,059,272, primarily as a result of increases to reimbursements for wages and benefit expenditures.

Once again, public safety represented the largest expenditure category totaling \$11,673,042, a \$346,610 decrease from fiscal year 2019. Employee benefits increased from \$11,561,989 in fiscal year 2019 to \$11,648,362 in fiscal year 2020. Health insurance related expenditures increased from \$6,145,180 in fiscal year 2019 to \$6,199,498 in fiscal year 2020. General government support expenditures aggregated \$4,984,658, a decrease of \$258,345 from fiscal year 2019 largely due to a decrease in tax certiorari payments. Lastly, transfers to other funds decreased by \$854,382 from \$5,679,510 during fiscal year 2019 to \$4,825,128 during fiscal 2020 due to existing long-term debt decreasing as no new additional issuances were made.

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 \$1,993,777, a decrease of \$1,023,354 from fiscal year 2019. Expenditures totaled \$2,584,198 in fiscal year 2020, a \$3,026,391 decrease from fiscal year 2019. Capital projects during fiscal 2020 included road improvements, the renovation of Village buildings, parks and recreation and public safety.

Non-major governmental funds consist 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 2020, the combined fund balance of the non-major governmental funds totaled \$651,546. The special purpose fund portion of the fund balance totaled \$283,728 and consisted of a reserve for trusts to be utilized for recreational and police purposes. The community development fund had an assigned fund balance of \$65,326. The section 8 housing fund had an unassigned fund deficit balance of \$195,566.

The debt service fund had a total fund balance at May 31, 2020 of \$498,058 all of which was restricted for future debt service purposes. At May 31, 2019, the debt service fund had a total fund balance of \$433,638. Debt service expenditures for fiscal year 2020 totaled \$4,257,476, an increase of \$64,420 from fiscal year 2019.

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

---

**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 \$47,291,449 at the end of fiscal year 2020 compared to \$47,415,960 at May 31, 2019. 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 \$400,000 increase in appropriations from the original budget for Board approved transfers to the capital fund.

**Capital Asset and Debt Administration**

**Capital Assets.** The Village's capital assets for its governmental and business-type activities as of May 31, 2020 amount to \$157,750,098 (net of accumulated depreciation). These capital assets include land, buildings and equipment, infrastructure, and construction-in-progress.



**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

	Capital Assets (Net of Depreciation) (in thousands)					
	May 31, 2020			May 31, 2019		
	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	27,688	68,161	95,849	23,119	67,838	90,957
Infrastructure	24,301		24,301	24,899		24,899
Construction- in-Progress	23,863	8,785	32,648	26,636	9,418	36,054
<b>Total</b>	<b>\$ 80,428</b>	<b>\$ 77,322</b>	<b>\$ 157,750</b>	<b>\$ 79,230</b>	<b>\$ 77,632</b>	<b>\$ 156,862</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 \$57,090,000 compared to \$63,075,000 at May 31, 2019. The Village's total long-term debt decreased by \$5,985,000 from the prior fiscal year. All of this debt is backed by the full faith and credit of the Village.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
	General Obligation Bonds	\$ 26,427	\$ 29,745	\$ 30,663	\$ 33,330	\$ 57,090

Through sound financial management, effective budgetary controls and manageable debt levels, the Village has been successful in receiving its high-grade ratings for its general obligation bonds. The Village enjoys bond ratings of Aa2 from Moody's Investors Service and AAA from Standard and Poor's. These ratings place the Village in the upper tier of rated Villages on Long Island.

The New York State Constitution limits the amount of indebtedness, both long-term and short-term, which the Village may incur. The State Constitution provides that the Village may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the Village for the most recent five years. Certain indebtedness is excluded in determining the Village's authority to contract indebtedness within the constitutional limits;



**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2020**

---

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, 2020, the Village had a constitutional debt limit in excess of \$302 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 2019 estimated median household and per capita incomes at \$114,483 and \$61,730, which are 75% and 65% above the 2019 estimated New York State averages respectively. An estimated 4.4% of the population is living below the poverty level, 66% below the estimated New York State average.

The fiscal 2021 budget contained a 2.88% 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%.

The following revenue source is expected to experience budget growth in 2021: Payments in lieu of taxes from \$710,000 to \$725,000.

The following revenue sources are expected to experience budget decline in 2021: Parking meter fees from \$1,323,000 to \$1,050,000, parks and recreation from \$2,100,000 to \$1,735,000, buildings and alterations from \$1,200,000 to \$1,070,000, a decline in forfeitures from \$1,150,000 to \$850,000, and a decline in intergovernmental charges from \$4,240,000 to \$3,984,000.

The fiscal 2021 budget assumes expenditures will be relatively consistent assuming a 0.6% increase in total expenditures. Employee benefits including health insurance and retirement systems expenditures are anticipated to decrease by approximately \$139,273 for 2021.

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

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2020**

**Adopted General fund Budget for Retirement Systems**

2010	2011	2012	2013	2014	2015
\$ 1,582,000	\$ 2,213,000	\$ 2,692,000	\$ 3,566,512	\$ 4,117,926	\$ 4,080,000

2016	2017	2018	2019	2020	2021
\$ 3,950,000	\$ 3,795,000	\$ 3,890,400	\$ 3,458,208	\$ 3,713,827	\$ 3,347,500

The budgeted amount for expenditures related to debt for the fiscal year 2021 is \$3,734,427 compared to \$4,317,476 during fiscal year 2020.

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**

2010	2011	2012	2013	2014	2015
\$ 3,616,000	\$ 3,852,000	\$ 4,322,770	\$ 4,537,000	\$ 4,690,674	\$ 4,653,000

2016	2017	2018	2019	2020	2021
\$ 4,862,000	\$ 5,142,000	\$ 5,567,600	\$ 6,300,000	\$ 6,400,000	\$ 6,400,000

The health insurance budget has increased 77% between fiscal year 2010 and fiscal year 2021. The fiscal year 2021 budget for health insurance is \$6,400,000, which remains unchanged from fiscal year 2020. 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, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents - unrestricted	\$ 16,449,260	\$ 18,104,836	\$ 34,554,096
Cash and cash equivalents - restricted	2,397,815		2,397,815
Other receivables:			
Accounts, net	367,901	6,357,379	6,725,280
State and federal aid	184,869		184,869
Due from other governments	573,384		573,384
Internal balances	(116,968)	116,968	-
Prepaid expenses	311,449	1,382,983	1,694,432
Inventories		3,058,467	3,058,467
Capital assets (net of accumulated depreciation):			
Land	4,576,378	375,885	4,952,263
Construction-in-progress	23,863,333	8,784,735	32,648,068
Buildings and equipment	27,688,445	68,160,986	95,849,431
Infrastructure	24,300,336		24,300,336
<b>TOTAL ASSETS</b>	<b>100,596,202</b>	<b>106,342,239</b>	<b>206,938,441</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	12,515,741	2,441,918	14,957,659
Other post-employment benefits obligation	8,257,158	1,103,985	9,361,143
Deferred charge on refunding		97,534	97,534
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>20,772,899</b>	<b>3,643,437</b>	<b>24,416,336</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>121,369,101</b>	<b>109,985,676</b>	<b>231,354,777</b>
<b>LIABILITIES</b>			
Payables			
Accounts payable	966,610	897,872	1,864,482
Accrued liabilities	1,518,476	735,185	2,253,661
Due to fiduciary fund	121,002		121,002
Accrued interest payable	150,564	191,819	342,383
Due to other governments	2,610		2,610
Customer deposits		1,521,938	1,521,938
Due to retirement systems	549,039	99,606	648,645
Unearned revenues			
Collections in advance	123,259	3,140,527	3,263,786
Noncurrent liabilities			
Due within one year			
Bonds payable, inclusive of premiums	3,098,357	2,928,216	6,026,573
Claims payable	1,062,416		1,062,416
Compensated absences	255,288	65,590	320,878
Due in more than one year			
Bonds payable, inclusive of premiums	23,798,734	28,327,307	52,126,041
Claims payable	1,354,986		1,354,986
Compensated absences	9,956,243	2,558,000	12,514,243
Net pension liability - proportionate share	19,460,828	3,776,809	23,237,637
Total other post-employment benefits obligations	131,837,287	17,626,681	149,463,968
<b>TOTAL LIABILITIES</b>	<b>194,255,699</b>	<b>61,869,550</b>	<b>256,125,249</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	591,130	115,130	706,260
Other post-employment benefits obligation	5,306,999	709,547	6,016,546
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,898,129</b>	<b>824,677</b>	<b>6,722,806</b>
<b>NET POSITION</b>			
Net investment in capital assets	53,688,438	46,163,617	99,852,055
Restricted for:			
Employee benefit accrued liability	1,161,046		1,161,046
Debt service	498,058		498,058
Special purpose	283,728		283,728
Unrestricted (deficit)	(134,415,997)	1,127,832	(133,288,165)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (78,784,727)</b>	<b>\$ 47,291,449</b>	<b>\$ (31,493,278)</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

	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	\$ 7,713,661	\$ 5,512,647	\$ 30,977	\$ -	\$ (2,170,037)	\$ -	\$ (2,170,037)
Public safety	25,265,124	3,037,565			(22,227,559)		(22,227,559)
Health	86,553	116,826			30,273		30,273
Transportation	4,953,806			610,844	(4,342,962)		(4,342,962)
Economic opportunity and development	2,951,642	4,877	2,911,514		(35,251)		(35,251)
Culture and recreation	5,846,228	1,287,230	110,581	50,000	(4,398,417)		(4,398,417)
Home and community services	6,498,299	227,907	461,078		(5,809,314)		(5,809,314)
Interest	785,454				(785,454)		(785,454)
<b>Total Governmental Activities</b>	<b>54,100,767</b>	<b>10,187,052</b>	<b>3,514,150</b>	<b>660,844</b>	<b>(39,738,721)</b>	<b>-</b>	<b>(39,738,721)</b>
<b>Business-Type Activities</b>							
Water fund	5,516,509	5,711,479				194,970	194,970
Electric fund	23,359,371	22,295,019				(1,064,352)	(1,064,352)
<b>Total Business-Type Activities</b>	<b>28,875,880</b>	<b>28,006,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(869,382)</b>	<b>(869,382)</b>
<b>Total Primary Government</b>	<b>\$ 82,976,647</b>	<b>\$ 38,193,550</b>	<b>\$ 3,514,150</b>	<b>\$ 660,844</b>	<b>(39,738,721)</b>	<b>(869,382)</b>	<b>(40,608,103)</b>
<b>GENERAL REVENUES</b>							
Real property taxes, levied for general purpose					30,582,639		30,582,639
Other payments in lieu of taxes					724,864		724,864
Interest and penalties on taxes					129,425		129,425
Utilities					160,096		160,096
Non-property taxes					66,749		66,749
Use of money and property					265,660	303,296	568,956
State aid (unrestricted)					1,039,986		1,039,986
Miscellaneous					1,076,761		1,076,761
<b>TOTAL GENERAL REVENUES</b>					<b>34,046,180</b>	<b>303,296</b>	<b>34,349,476</b>
<b>SPECIAL ITEM (SEE NOTE 19)</b>							
Sale of cellular leases						441,575	441,575
<b>CHANGE IN NET POSITION</b>							
					(5,692,541)	(124,511)	(5,817,052)
<b>TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR</b>							
					(73,092,186)	47,415,960	(25,676,226)
<b>TOTAL NET POSITION (DEFICIT) - END OF YEAR</b>							
					<b>\$ (78,784,727)</b>	<b>\$ 47,291,449</b>	<b>\$ (31,493,278)</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**MAY 31, 2020**

	<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	\$ 11,344,466	\$ 2,584,440	\$ 94,733	\$ 14,023,639
Cash and cash equivalents - restricted	1,161,046	157,037	1,079,732	2,397,815
Other receivables:				
Accounts, net	361,076		6,825	367,901
State and federal aid	136,965	47,904		184,869
Due from other governments	273,647		299,737	573,384
Due from other funds	825,205		187,653	1,012,858
Prepaid expenditures	21,421			21,421
<b>TOTAL ASSETS</b>	<u>14,123,826</u>	<u>2,789,381</u>	<u>1,668,680</u>	<u>18,581,887</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other post-employment benefits obligation			34,361	34,361
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 14,123,826</u>	<u>\$ 2,789,381</u>	<u>\$ 1,703,041</u>	<u>\$ 18,616,248</u>
<b>LIABILITIES</b>				
Payables				
Accounts payable	\$ 616,464	\$ 5,207	\$ 254,053	\$ 875,724
Accrued liabilities	1,481,234	9,581	576,282	2,067,097
Due to other governments	2,610			2,610
Due to retirement systems	544,963		4,076	549,039
Due to other funds	67,651	780,816	195,000	1,043,467
Unearned revenues				
Collections in advance	123,259			123,259
<b>TOTAL LIABILITIES</b>	<u>2,836,181</u>	<u>795,604</u>	<u>1,029,411</u>	<u>4,661,196</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other post-employment benefits obligation			22,084	22,084
<b>FUND BALANCES</b>				
Nonspendable	21,421			21,421
Restricted	1,161,046		781,786	1,942,832
Restricted (unspent proceeds)		157,037		157,037
Assigned (community development)			65,326	65,326
Assigned (tax certiorari)	2,024,956			2,024,956
Assigned (appropriated)	1,675,000			1,675,000
Assigned (unappropriated)	118,332	1,836,740		1,955,072
Unassigned	6,286,890		(195,566)	6,091,324
<b>TOTAL FUND BALANCES</b>	<u>11,287,645</u>	<u>1,993,777</u>	<u>651,546</u>	<u>13,932,968</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 14,123,826</u>	<u>\$ 2,789,381</u>	<u>\$ 1,703,041</u>	<u>\$ 18,616,248</u>



**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
MAY 31, 2020**

Total Governmental Fund Balances \$ 13,932,968

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 will be recorded on the Statement of Net Position and amortized as a reduction of expense in future years.

Deferred inflows related to pensions	\$ (591,130)	
Deferred inflows related to total OPEB liability	<u>(5,284,915)</u>	(5,876,045)

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	\$ 12,515,741	
Deferred outflows related to total OPEB liability	<u>8,222,797</u>	20,738,538

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	\$ 123,574,804	
Accumulated depreciation	<u>(43,146,312)</u>	80,428,492

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. 2,417,402

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. (150,564)

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. (470,562)

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

Compensated absences	\$ (10,211,531)	
Claims payable	(2,417,402)	
Bonds payable	(26,426,529)	
Net pension liability - proportionate share	(19,460,828)	
Total other post-employment benefits obligation	<u>(131,288,666)</u>	<u>(189,804,956)</u>

Total Net Position \$ (78,784,727)

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED MAY 31, 2020**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Real property taxes	\$ 30,582,639	\$ -	\$ -	\$ 30,582,639
Other tax items	1,081,134			1,081,134
Departmental income	3,674,546		4,877	3,679,423
Use of money & property	247,533	57,079	9,818	314,430
Licenses & permits	1,384,982			1,384,982
Fines & forfeitures	897,780			897,780
Sale of property & compensation for loss	25,618			25,618
Intergovernmental charges	4,059,272			4,059,272
State and county aid	1,150,567	610,844		1,761,411
Federal aid	30,977		3,372,592	3,403,569
Miscellaneous	885,097	50,000	282,872	1,217,969
<b>TOTAL REVENUES</b>	<u>44,020,145</u>	<u>717,923</u>	<u>3,670,159</u>	<u>48,408,227</u>
<b>EXPENDITURES</b>				
Current:				
General government support	4,984,658			4,984,658
Public safety	11,673,042			11,673,042
Health	68,006			68,006
Transportation	2,450,726			2,450,726
Economic opportunity and development	70,546		2,846,277	2,916,823
Culture and recreation	3,192,688		134,072	3,326,760
Home and community services	3,817,496		528,728	4,346,224
Employee benefits	11,648,362		34,819	11,683,181
Debt service:				
Principal			3,318,470	3,318,470
Interest	60,000		939,006	999,006
Capital outlay		2,584,198		2,584,198
<b>TOTAL EXPENDITURES</b>	<u>37,965,524</u>	<u>2,584,198</u>	<u>7,801,372</u>	<u>48,351,094</u>
<b>EXCESS (DEFICIENCY)</b>				
<b>OF REVENUES OVER EXPENDITURES</b>	<u>6,054,621</u>	<u>(1,866,275)</u>	<u>(4,131,213)</u>	<u>57,133</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Premium on obligations	16,080			16,080
Interfund revenues				
Transfers in		900,000	4,382,207	5,282,207
Transfers (out)	(5,225,128)	(57,079)		(5,282,207)
<b>TOTAL OTHER FINANCING SOURCES AND (USES)</b>	<u>(5,209,048)</u>	<u>842,921</u>	<u>4,382,207</u>	<u>16,080</u>
<b>NET CHANGE IN FUND BALANCES</b>	845,573	(1,023,354)	250,994	73,213
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>10,442,072</u>	<u>3,017,131</u>	<u>400,552</u>	<u>13,859,755</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 11,287,645</u>	<u>\$ 1,993,777</u>	<u>\$ 651,546</u>	<u>\$ 13,932,968</u>

**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, 2020**

Net Change in Fund Balances		\$ 73,213
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
<p>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, 2019 to May 31, 2020 changed by:</p>		
		(197,056)
<p>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.</p>		
Other post-employment benefits obligation	\$ (6,390,139)	
Employees' retirement system	(1,466,634)	
Police and Firemen's retirement system	<u>(2,426,371)</u>	(10,283,144)
Capital Related Differences		
<p>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.</p>		
Capital outlays	\$ 2,584,198	
Capital asset additions	2,793,916	
Loss on disposal	(618,823)	
Depreciation expense	<u>(3,560,788)</u>	1,198,503
Long-Term Debt Differences		
<p>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.</p>		
		3,318,471
<p>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, 2020 was:</p>		
		113,992
<p>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 May 31, 2020 was:</p>		
		(72,913)
<p>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, 2019 to May 31, 2020 changed by:</p>		
		<u>156,393</u>
Change in Net Position of Governmental Activities		<u>\$ (5,692,541)</u>



**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**MAY 31, 2020**

	Business-Type Activities- Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 8,141,780	\$ 9,963,056	\$ 18,104,836	\$ 2,425,621
Receivables				
Accounts, net	2,672,242	3,685,137	6,357,379	
Due from other funds	27,026	89,942	116,968	
Prepaid expenses		1,382,983	1,382,983	290,028
Inventories	212,773	2,845,694	3,058,467	
<b>Total Current Assets</b>	<u>11,053,821</u>	<u>17,966,812</u>	<u>29,020,633</u>	<u>2,715,649</u>
<b>Non-Current Assets</b>				
Land	327,271	48,614	375,885	
Construction-in-progress	6,995,296	1,789,439	8,784,735	
Buildings and equipment	47,877,974	69,715,141	117,593,115	
	55,200,541	71,553,194	126,753,735	
Less - Accumulated depreciation	(13,200,994)	(36,231,135)	(49,432,129)	
<b>Total Non-Current Assets</b>	<u>41,999,547</u>	<u>35,322,059</u>	<u>77,321,606</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>53,053,368</u>	<u>53,288,871</u>	<u>106,342,239</u>	<u>2,715,649</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	387,411	2,054,507	2,441,918	
Other post-employment benefits obligations	149,788	954,197	1,103,985	
Deferred charge on refunding		97,534	97,534	
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>537,199</u>	<u>3,106,238</u>	<u>3,643,437</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>53,590,567</u>	<u>56,395,109</u>	<u>109,985,676</u>	<u>2,715,649</u>
<b>LIABILITIES</b>				
<b>Payables</b>				
Accounts payable	8,146	889,726	897,872	90,886
Accrued liabilities	51,565	683,620	735,185	
Accrued interest	113,586	78,233	191,819	
Due to other funds				207,361
Customer deposits	34,547	1,487,391	1,521,938	
Due to retirement system	15,814	83,792	99,606	
Bonds payable, inclusive of premiums	1,886,840	1,041,376	2,928,216	
Claims payable				1,062,416
Compensated absences	8,129	57,461	65,590	
<b>Unearned revenue</b>				
Collections in advance	68,595	3,071,932	3,140,527	
<b>Total Current Liabilities</b>	<u>2,187,222</u>	<u>7,393,531</u>	<u>9,580,753</u>	<u>1,360,663</u>
<b>Non-Current Liabilities</b>				
Bonds payable, inclusive of premiums	18,465,031	9,862,276	28,327,307	
Claims payable				1,354,986
Compensated absences	317,024	2,240,976	2,558,000	
Net pension liability - proportionate share	599,173	3,177,636	3,776,809	
Total other post-employment benefits obligations	2,391,571	15,235,110	17,626,681	
<b>Total Non-Current Liabilities</b>	<u>21,772,799</u>	<u>30,515,998</u>	<u>52,288,797</u>	<u>1,354,986</u>
<b>TOTAL LIABILITIES</b>	<u>23,960,021</u>	<u>37,909,529</u>	<u>61,869,550</u>	<u>2,715,649</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	18,265	96,865	115,130	
Other post-employment benefits obligations	96,271	613,276	709,547	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>114,536</u>	<u>710,141</u>	<u>824,677</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	21,647,676	24,515,941	46,163,617	
Unrestricted	7,868,334	(6,740,502)	1,127,832	
<b>TOTAL NET POSITION</b>	<u>\$ 29,516,010</u>	<u>\$ 17,775,439</u>	<u>\$ 47,291,449</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, 2020**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
<b>OPERATING REVENUES</b>				
Charges for services				
Metered sales	\$ 5,534,086	\$ 22,030,305	\$ 27,564,391	\$ -
Penalty income	96,109	41,142	137,251	
Risk management				2,060,970
Miscellaneous	14,727	55,576	70,303	
<b>Total operating revenues</b>	<u>5,644,922</u>	<u>22,127,023</u>	<u>27,771,945</u>	<u>2,060,970</u>
<b>OPERATING EXPENSES</b>				
Purchased power	119,522	8,971,745	9,091,267	
Depreciation	1,056,897	1,374,333	2,431,230	
Maintenance	533,313	47,960	581,273	
Interfund charges	577,830	2,862,712	3,440,542	
Production		2,175,075	2,175,075	
Transmission and distribution	938,420	1,643,060	2,581,480	
Street lighting		180,240	180,240	
General and administrative	1,065,714	1,858,543	2,924,257	503,779
Employee benefits	568,996	3,647,771	4,216,767	681,977
Insurance	75,000	258,333	333,333	673,957
Customer deposit interest		10,253	10,253	
Judgments and claims				236,639
<b>Total operating expenses</b>	<u>4,935,692</u>	<u>23,030,025</u>	<u>27,965,717</u>	<u>2,096,352</u>
<b>Operating income (loss)</b>	<u>709,230</u>	<u>(903,002)</u>	<u>(193,772)</u>	<u>(35,382)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Rental income	66,557	167,996	234,553	
Interest income	130,121	173,175	303,296	35,382
Interest expense	(580,817)	(329,346)	(910,163)	
<b>Total non-operating revenues (expenses)</b>	<u>(384,139)</u>	<u>11,825</u>	<u>(372,314)</u>	<u>35,382</u>
<b>SPECIAL ITEM (SEE NOTE 19)</b>				
Sale of cellular leases	441,575		441,575	
<b>CHANGE IN NET POSITION</b>	766,666	(891,177)	(124,511)	-
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	<u>28,749,344</u>	<u>18,666,616</u>	<u>47,415,960</u>	<u>-</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 29,516,010</u>	<u>\$ 17,775,439</u>	<u>\$ 47,291,449</u>	<u>\$ -</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

	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	\$ 8,067,905	\$ 24,981,747	\$ 33,049,652	\$ 2,060,970
Internal activity-payments to other funds for expense reimbursements	(27,026)	(81,877)	(108,903)	
Payments for expenses:				
Cash payments to other suppliers of goods or services	(2,467,319)	(19,061,979)	(21,529,299)	
Cash payments to insurance carriers and claimants				(1,621,279)
Cash payments to employees for services and related expenses	(1,671,256)	(5,369,074)	(7,040,330)	(681,977)
Cash payments to customers on deposit - interest		(10,253)	(10,253)	
Internal activity-payments to other funds for expense reimbursements	(11,300)		(925,268)	244,021
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>3,891,004</u>	<u>(455,404)</u>	<u>3,435,600</u>	<u>1,735</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(1,835,315)	(285,750)	(2,121,065)	
Principal paid on capital debt	(1,740,069)	(926,460)	(2,666,529)	
Interest paid on capital debt	(713,004)	(420,939)	(1,133,943)	
<b>Net Cash (Used in) Provided by Capital and Related Financing Activities</b>	<u>(4,288,388)</u>	<u>(1,633,149)</u>	<u>(5,921,537)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and rental income	196,678	341,171	537,849	35,382
<b>Net Cash Provided by Investing Activities</b>	<u>638,253</u>	<u>341,171</u>	<u>979,424</u>	<u>35,382</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	240,869	(1,747,382)	(1,506,513)	37,117
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>7,900,911</u>	<u>11,710,438</u>	<u>19,611,349</u>	<u>2,388,504</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 8,141,780</u>	<u>\$ 9,963,056</u>	<u>\$ 18,104,836</u>	<u>\$ 2,425,621</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 709,230	\$ (903,002)	\$ (193,772)	\$ (35,382)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,056,897	1,374,333	2,431,230	
Decrease (increase) in:				
Accounts receivable	2,412,556	(279,281)	2,133,275	
Due from other funds	(27,026)	(81,877)	(108,903)	36,660
Prepaid expenses		(1,382,983)	(1,382,983)	(7,916)
Inventory	(3,339)	(190,036)	(193,375)	
Increase (decrease) in:				
Accounts payable	3,616	(1,993,755)	(1,990,139)	(126,779)
Accrued liabilities	(502,444)	(1,380,361)	(1,882,805)	
Due to other funds	(11,300)		(11,300)	207,361
Claims payable				(72,209)
Customer deposits	1,480	62,073	63,553	
Collections in advance	8,947	3,071,932	3,080,879	
Due to employees' retirement system	1,090	6,489	7,579	
Compensated absences	14,513	(99,384)	(84,871)	
Pension amounts	110,381	598,918	709,299	
Other post-employment benefits obligations	116,403	741,530	857,933	
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 3,891,004</u>	<u>\$ (455,404)</u>	<u>\$ 3,435,600</u>	<u>\$ 1,735</u>



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
MAY 31, 2020**

	<b>Agency Fund</b>	<b>Pension Trust Fund</b>
<b>ASSETS</b>		
Cash	\$ 199,413	\$ -
Investments-mutual funds, at fair value		4,882,464
Due from governmental funds	121,002	
Accounts receivable	2,044	
<b>TOTAL ASSETS</b>	<b>\$ 322,459</b>	<b>\$ 4,882,464</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 10,313	\$ -
Deposits	124,926	
Other liabilities	187,220	
<b>TOTAL LIABILITIES</b>	<b>\$ 322,459</b>	<b>\$ -</b>
<b>NET POSITION</b>		
Net position restricted for pensions		<b>\$ 4,882,464</b>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

	<b>Pension Trust Fund</b>
<b>ADDITIONS</b>	
Interest and net change in fair value of investments	\$ 425,852
<b>TOTAL ADDITIONS</b>	425,852
<b>DEDUCTIONS</b>	
Pension benefits	137,165
<b>TOTAL DEDUCTIONS</b>	137,165
<b>CHANGE IN NET POSITION</b>	288,687
<b>NET POSITION - BEGINNING OF YEAR</b>	4,593,777
<b>NET POSITION - END OF YEAR</b>	\$ 4,882,464

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**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, 2020**

**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, 2020**

**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, 2020.

**Special Purpose Fund** –This fund is used to account for various cultural, recreational and police 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, 2020**

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

**iv) Fiduciary Funds:**

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

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

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

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

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

The Government-Wide Financial Statements, Fiduciary Fund Financial Statements and Proprietary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. Under the accrual basis revenues are recognized when earned, including unbilled services which are accrued.



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**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 used the direct method. Certain cash balances are restricted by various legal and contractual obligations such as legal reserves, grants and debt agreements.

**H) Taxes receivable:**

Real property tax rates are set by the Board prior to May 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.



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**N) Deferred outflows of resources:**

In addition to assets, Governmental Funds Balance Sheet and the Statements 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 which represents the unamortized portion of the deferred charge on refunding. The Village has two other items that qualify for reporting in this category. The two amounts are related to pensions and the other post-employment benefits liability and are detailed further in Notes 12 and 16.

**O) Deferred inflows of resources:**

In addition to liabilities, Governmental Funds Balance Sheet and the Statements 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 two item that qualifies for reporting in this category. The two amounts are related to pensions and the other post-employment benefits liability and are detailed further in Notes 12 and 16.

**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.

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**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 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 redeemed a BAN totaling \$2,000,000 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.

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**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:

<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	\$ -	\$ 157,037	\$ -	\$ 157,037
Employee benefit accrued liability	1,161,046			1,161,046
Debt service			498,058	498,058
Special purpose-culture and recreation and public safety			283,728	283,728
Total	<u>\$ 1,161,046</u>	<u>\$ 157,037</u>	<u>\$ 781,786</u>	<u>\$ 2,099,869</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,



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Tax certiorari	\$ 2,024,956	\$ 1,836,740	\$ -	\$ 3,861,696
Fiscal year 2020-21 budget	1,675,000			1,675,000
Public safety	118,332			118,332
Community development			65,326	65,326
Total	<u>\$ 3,818,288</u>	<u>\$ 1,836,740</u>	<u>\$ 65,326</u>	<u>\$ 5,720,354</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.

- (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, 2020, the Village has \$ \$21,421 in nonspendable fund balance for prepaid expenditures 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 \$8,361,890 in the general fund and a deficit of \$195,566 in the section 8 housing fund.

Order of Use of Fund Balance

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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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

GASB has issued Statement No. 83, Certain Asset Retirement Obligations, effective for fiscal year ended May 31, 2021, 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, 2021. 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, 2023. 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.

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.



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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.

**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.



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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 2019-2020 was \$83,726,408 which exceeded the actual levy by \$59,461,245.

**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, 2020 includes \$2,397,815 in the governmental funds.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**B) Investments:**

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

**NOTE 5 – RECEIVABLES:**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Receivables with allowances for uncollectible accounts as of May 31, 2020 are presented below.

	General Fund		Water Fund	Electric Fund	Section 8
	Taxes Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable
Gross receivables	\$ 23,048	\$ 546,654	\$ 2,674,766	\$ 4,090,863	\$ 23,552
Less: allowance for uncollectibles	<u>(23,048)</u>	<u>(185,578)</u>	<u>(2,524)</u>	<u>(405,726)</u>	<u>(16,727)</u>
Net receivables	<u>\$ -</u>	<u>\$ 361,076</u>	<u>\$ 2,672,242</u>	<u>\$ 3,685,137</u>	<u>\$ 6,825</u>

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

State and federal aid receivables at May 31, 2020 consisted of the following:

General Fund	
Due from State -justice court fund	\$ 136,965
Capital Fund	
Due from NYSDOT	<u>47,904</u>
Total - Governmental funds	<u>\$ 184,869</u>

Village management has deemed these amounts to be fully collectible.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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

Due from other governments at May 31, 2020 consisted of the following:

General Fund		
Due from Nassau County - mortgage tax	\$	273,647
Community Development Fund		
Due from Nassau Consortium		<u>299,737</u>
Total - Governmental funds	\$	<u>573,384</u>

Village management has deemed these amounts to be fully collectible.



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**NOTE 8 – CAPITAL ASSETS:**

The breakdown by major asset groups at May 31, 2020 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated					
Land	\$ 4,576,378	\$ -	\$ -	\$ -	\$ 4,576,378
Construction-in-progress	26,636,303	2,584,198	(5,357,168)		23,863,333
Total capital assets, not being depreciated	<u>31,212,681</u>	<u>2,584,198</u>	<u>(5,357,168)</u>	<u>\$ -</u>	<u>28,439,711</u>
Capital assets, being depreciated					
Building and equipment	38,565,335	986,126	5,357,168	(1,028,194)	43,880,435
Infrastructure	49,486,468	1,807,790		(39,600)	51,254,658
Total capital assets, being depreciated	<u>88,051,803</u>	<u>2,793,916</u>	<u>5,357,168</u>	<u>(1,067,794)</u>	<u>95,135,093</u>
Less accumulated depreciation for					
Buildings and equipment	15,446,786	1,154,575		(409,371)	16,191,990
Infrastructure	24,587,709	2,406,213		(39,600)	26,954,322
Total accumulated depreciation	<u>40,034,495</u>	<u>3,560,788</u>	<u>-</u>	<u>(448,971)</u>	<u>43,146,312</u>
Total capital assets being depreciated, net	<u>48,017,308</u>	<u>(766,872)</u>	<u>5,357,168</u>	<u>(618,823)</u>	<u>51,988,781</u>
Governmental activities capital assets, net	<u>\$ 79,229,989</u>	<u>\$ 1,817,326</u>	<u>\$ -</u>	<u>\$ (618,823)</u>	<u>\$ 80,428,492</u>
<b>Business-Type Activities:</b>					
Capital assets, not being depreciated					
Land	\$ 375,885	\$ -	\$ -	\$ -	\$ 375,885
Construction-in-progress	9,417,815	3,574,540	(3,076,560)	(1,131,060)	8,784,735
Total capital assets, not being depreciated	<u>9,793,700</u>	<u>3,574,540</u>	<u>(3,076,560)</u>	<u>(1,131,060)</u>	<u>9,160,620</u>
Capital assets, being depreciated					
Building and equipment	114,723,027	-	3,076,560	(206,472)	117,593,115
Total capital assets, being depreciated	<u>114,723,027</u>	<u>-</u>	<u>3,076,560</u>	<u>(206,472)</u>	<u>117,593,115</u>
Less accumulated depreciation for					
Buildings and equipment	46,884,956	2,724,652		(177,479)	49,432,129
Total accumulated depreciation	<u>46,884,956</u>	<u>2,724,652</u>	<u>-</u>	<u>(177,479)</u>	<u>49,432,129</u>
Total capital assets being depreciated, net	<u>67,838,071</u>	<u>(2,724,652)</u>	<u>3,076,560</u>	<u>(28,993)</u>	<u>68,160,986</u>
Business-type activities capital assets, net	<u>\$ 77,631,771</u>	<u>\$ 849,888</u>	<u>\$ -</u>	<u>\$ (1,160,053)</u>	<u>\$ 77,321,606</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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

General support	\$ 431,725
Public safety	736,808
Transportation	2,552,139
Culture and recreation	388,302
Home and community services	70,637
Total	<u>\$ 4,179,611</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, 2020 consisted of the following:

	<u>Business-Type Activities</u>
Loss on defeasance	<u>\$ 97,534</u>
Total deferred charge on refunding	<u>\$ 97,534</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>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>
Total			<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>

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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**NOTE 11 – LONG-TERM LIABILITIES:**

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

	Beginning Balance	Issued	Reclassified/ Redeemed	Ending Balance	Due Within One Year
<b>Primary Government</b>					
<b>Governmental activities:</b>					
General obligation debt:					
Bonds payable	\$ 29,745,000	\$ -	\$ 3,318,471	\$ 26,426,529	\$ 2,984,365
Premiums	584,554		113,992	470,562	113,992
Total bonds payable	<u>30,329,554</u>	<u>-</u>	<u>3,432,463</u>	<u>26,897,091</u>	<u>3,098,357</u>
Other liabilities:					
Claims payable	2,489,611	846,407	918,616	2,417,402	1,062,416
Compensated absences	10,014,475	291,706	94,650	10,211,531	255,288
Net pension liability- proportionate share	5,763,200	16,803,314	3,105,686	19,460,828	
Total other post-employment benefits obligations	<u>123,894,294</u>	<u>10,222,158</u>	<u>2,279,165</u>	<u>131,837,287</u>	
Total other liabilities	<u>142,161,580</u>	<u>28,163,585</u>	<u>6,398,117</u>	<u>163,927,048</u>	<u>1,317,704</u>
<b>Total Governmental activities</b>	<u>172,491,134</u>	<u>28,163,585</u>	<u>9,830,580</u>	<u>190,824,139</u>	<u>4,416,061</u>
<b>Business-Type Activities</b>					
General obligation debt:					
Bonds payable	33,330,000		2,666,529	30,663,471	2,845,635
Premiums	674,633		82,581	592,052	82,581
Total bonds payable	<u>34,004,633</u>	<u>-</u>	<u>2,749,110</u>	<u>31,255,523</u>	<u>2,928,216</u>
Other liabilities:					
Compensated absences	2,708,461		84,871	2,623,590	65,590
Net pension liability- proportionate share	1,037,924	3,344,927	606,042	3,776,809	
Total other post-employment benefit obligations	<u>16,564,700</u>	<u>1,361,850</u>	<u>299,869</u>	<u>17,626,681</u>	
Total other liabilities	<u>20,311,085</u>	<u>4,706,777</u>	<u>990,782</u>	<u>24,027,080</u>	<u>65,590</u>
<b>Total Business-Type activities</b>	<u>54,315,718</u>	<u>4,706,777</u>	<u>3,739,892</u>	<u>55,282,603</u>	<u>2,993,806</u>
<b>Total Primary Government</b>	<u>\$ 226,806,852</u>	<u>\$ 32,870,362</u>	<u>\$ 13,570,472</u>	<u>\$ 246,106,742</u>	<u>\$ 7,409,867</u>

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.



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**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, 2020.

Existing serial and statutory bond obligations at May 31, 2020 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%	\$ 180,000
Public Improvements	2009	4,295,000	December 2024	2.00-3.75%	1,000,000
Public Improvements	2010	3,715,000	February 2026	2.00-3.875%	1,225,000
Refunding Bonds	2012	855,000	June 2020	2.00-3.00%	140,000
Refunding Bonds	2012	1,205,000	June 2021	2.00-3.00%	400,000
Refunding Bonds	2012	1,780,000	June 2022	2.00-4.00%	885,000
Public Improvements	2012	2,480,000	August 2027	1.50-3.00%	1,185,000
Public Improvements	2013	7,715,000	October 2028	2.00-3.00%	4,515,000
Public Improvements	2015	8,760,000	February 2030	2.00-3.00%	5,450,000
Public Improvements	2016	2,810,000	February 2031	2.00-3.00%	1,775,000
Public Improvements	2017	4,500,000	June 2032	3.00%	3,965,000
Public Improvements	2018	5,750,000	November 2047	3.00-4.00%	5,706,529
		<u>\$ 44,690,000</u>			<u>\$ 26,426,529</u>

Existing serial and statutory bond obligations at May 31, 2020 were comprised of the following for business-type activities, exclusive of premiums:

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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%	520,000
General Improvements	2009	1,200,000	December 2024	2.00-3.75%	400,000
General Improvements	2011	2,000,000	February 2026	2.00-3.875%	875,000
General Improvements	2012	4,500,000	August 2027	1.50-3.00%	2,425,000
Refunding Bonds	2012	1,370,000	June 2021	2.00-4.00%	330,000
General Improvements	2013	400,000	October 2028	2.00-3.00%	270,000
Public Improvements	2015	2,700,000	February 2030	2.00-3.00%	1,800,000
Public Improvements	2016	6,600,000	February 2031	2.00-3.00%	4,925,000
Public Improvements	2017	3,700,000	June 2032	3.00%	3,260,000
Public Improvements	2018	5,300,000	November 2047	3.00-4.00%	5,259,931
<b>Electric Fund</b>					
General Improvements	2009	1,000,000	December 2024	2.00-3.75%	350,000
General Improvements	2011	1,400,000	February 2026	2.00-3.875%	600,000
General Improvements	2012	1,250,000	August 2027	1.50-3.00%	690,000
Refunding Bonds	2012	3,505,000	June 2027	2.00-4.00%	1,880,000
Public Improvements	2015	3,000,000	February 2030	2.00-3.00%	2,000,000
Public Improvements	2016	750,000	February 2031	2.00-3.00%	550,000
Public Improvements	2017	1,200,000	June 2032	3.00%	1,055,000
Public Improvements	2018	3,500,000	November 2047	3.00-4.00%	3,473,540
		<u>\$ 45,375,000</u>			<u>\$ 30,663,471</u>

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.



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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
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	2,196,219	479,624	2,563,781	602,683	4,760,000	1,082,307
2026-2030	8,684,328	1,587,204	9,280,672	2,116,974	17,965,000	3,704,178
2031-2035	1,834,741	764,610	2,750,259	1,163,528	4,585,000	1,928,138
2036-2040	1,090,720	549,749	1,669,280	841,354	2,760,000	1,391,103
2041-2045	1,298,197	313,346	1,986,803	479,553	3,285,000	792,899
2046-2048	899,059	54,813	1,375,941	83,887	2,275,000	138,700
	<u>\$ 26,426,529</u>	<u>\$ 6,304,826</u>	<u>\$ 30,663,471</u>	<u>\$ 8,443,699</u>	<u>\$ 57,090,000</u>	<u>\$ 14,748,525</u>

Upon default of the payment of principal and interest on serial bonds, the bond holders have the right to litigate.

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

	Governmental Activities	Business-Type Activities	Primary Government
Interest paid	\$ 939,006	\$ 1,133,943	\$ 2,072,949
Less interest accrued in the prior year	(280,707)	(369,852)	(650,559)
Plus interest accrued in the current year	150,564	191,819	342,383
Plus amortization of deferred charge	72,913	36,834	109,747
Less amortization of premium	(113,992)	(82,581)	(196,573)
Total expense	<u>\$ 767,784</u>	<u>\$ 910,163</u>	<u>\$ 1,677,947</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.



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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's contribution rates for ERS' fiscal year ended March 31, 2020 of covered payroll was 19.60% for Tier 2, 15.80% for Tier 3 & 4, 13.00% for Tier 5 and 9.30% for Tier 6. The Village's contribution rates for PFRS' fiscal year ended March 31, 2020 of covered payroll was 24.70% for Tier 2, 20.10% for Tier 5 and 15.00% for Tier 6.

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 based on covered payroll for the Village's fiscal year end was \$1,855,5567 for ERS and \$1,889,044 for PFRS.

The PFRS contribution was charged to the general fund.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

The current ERS contribution was charged as follows:

Fund	Amount
General	\$ 1,251,567
Water	85,498
Electric	518,502
	\$ 1,855,567

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, 2020, 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, 2020 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and PFRS Systems in reports provided to the Village.

	ERS	PFRS	<u>Community Development</u> ERS
Measurement date	March 31, 2020	March 31, 2020	March 31, 2020
Net pension liability	\$ (11,220,466)	\$ (11,911,073)	\$ (106,098)
Village's portion of the Plan's total net pension liability	0.0423724%	0.2228478%	0.0004007%
Change in proportion since prior measurement date	(0.0008399)%	0.0011815%	0.0000914%

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

For the fiscal year ended May 31, 2020, the Village recognized pension expense of \$3,993,785 for ERS and \$4,332,910 for PFRS. At May 31, 2020 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	\$ 666,614	\$ 793,152	\$ -	\$ 199,509
Changes of assumptions	228,063	1,018,109	196,929	
Net difference between projected and actual earnings on pension plan investments	5,806,547	5,363,931		
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	344,366	88,232	147,625	162,197
Village's contributions subsequent to the measurement date	301,928	346,717		
	<u>\$ 7,347,518</u>	<u>\$ 7,610,141</u>	<u>\$ 344,554</u>	<u>\$ 361,706</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, 2021. 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:		
2021	\$ 1,195,464	\$ 1,469,965
2022	1,677,627	1,610,044
2023	2,119,330	2,035,527
2024	1,708,615	1,706,964
2025		79,218
	<u>\$ 6,701,036</u>	<u>\$ 6,901,718</u>



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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, 2020
Actuarial valuation date	April 1, 2019
Interest rate	6.80%
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-2018.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the valuation date are summarized below:

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

<u>Measurement date</u>	<u>March 31, 2020</u>	
<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36%	4.05%
International equity	14%	6.15%
Private equity	10%	6.75%
Real estate	10%	4.95%
Absolute return strategies	2%	3.25%
Opportunistic portfolio	3%	4.65%
Real assets	3%	5.95%
Bonds and mortgages	17%	0.75%
Cash	1%	0.00%
Inflation-indexed bonds	4%	0.50%
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. 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 6.8%, 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 (5.8%) or 1-percentagepoint higher (7.8%) than the current rate:

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

ERS	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
<u>ERS</u>			
Village's proportionate share of the net pension asset/(liability)	<u>\$ (20,592,723)</u>	<u>\$ (11,220,466)</u>	<u>\$ (2,588,577)</u>
<u>Community Development ERS</u>			
Village's proportionate share of the net pension asset/(liability)	<u>\$ (194,719)</u>	<u>\$ (106,098)</u>	<u>\$ (24,477)</u>
<u>PFRS</u>			
Village's proportionate share of the net pension asset/(liability)	<u>\$ (21,297,241)</u>	<u>\$ (11,911,073)</u>	<u>\$ (3,505,547)</u>

**Pension Plan Fiduciary Net Position**

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

	(Dollars in Thousands)	
	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2020	March 31, 2020
Employers' total pension liability	\$ (194,596,261)	\$ (35,309,017)
Plan fiduciary net position	<u>168,115,682</u>	<u>29,965,080</u>
Employers' net pension liability	<u>\$ (26,480,579)</u>	<u>\$ (5,343,937)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	86.39%	84.86%

**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, 2020 represent the projected employer contribution for the period of April 1, 2020 through May 31, 2020 based on paid wages multiplied by the employer's contribution rate, by tier. Accrued ERS and PFRS retirement contributions as of May 31, 2020 amounted to \$301,928 and \$346,717, respectively.



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**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, 2020 totaled \$1,209,053.

**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  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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%		\$	4,882,464
Less: Liabilites				
Total Net Assets Available for Benefits			\$	4,882,464
Unfunded Liability for Prior Service			\$	-



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**ii) Receipts and Disbursements**

Plan net assets, beginning of year		\$ 4,593,777
Changes during the year:		
Additions		
Plan contributions	\$ -	
Interest and net change in fair value of investments	425,852	425,852
Subtractions		
Plan benefit withdrawals	(137,165)	(137,165)
Plan net assets, end of year		\$ 4,882,464

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 825,205	\$ 67,651	\$ -	\$ 5,225,128
Capital projects fund		780,816	900,000	57,079
Non-major governmental	187,653	195,000	4,382,207	
Total government activities	1,012,858	1,043,467	5,282,207	5,282,207
Water fund	27,026			
Electric fund	89,942			
Internal service fund		207,361		
Fiduciary agency fund	121,002			
Totals	\$ 1,250,828	\$ 1,250,828	\$ 5,282,207	\$ 5,282,207

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, 2020**

**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 50% 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 2020, the Village contributed \$2,579,034 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, 2019, 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 \$149,463,968 was measured as of May 31, 2020, and was determined by an actuarial valuation as of June 1, 2019.

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

The total OPEB liability in the June 1, 2019 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, 2020**

Inflation	3.00%
Discount rate	2.63%
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 50% 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, 2019 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, 2019	<u>\$ 140,458,994</u>
Changes for the fiscal year:	
Service cost	4,875,644
Interest	4,244,669
Differences between expected and actual experience	(7,219,855)
Changes of assumptions or other inputs	9,683,550
Benefit payments	(2,579,034)
Net changes	<u>9,004,974</u>
Balance at May 31, 2020	<u><u>\$ 149,463,968</u></u>

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include the change in discount rate from 3.05% to 2.63%.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**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 (1.63%) or 1- percentage point higher (3.63%) than the current discount rate:

	<u>1% Decrease (1.63%)</u>	<u>Discount Rate (2.63%)</u>	<u>1% Increase (3.63%)</u>
Total OPEB liability	<u>\$ 172,516,048</u>	<u>\$ 149,463,968</u>	<u>\$ 126,411,888</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:

	<u>1% Decrease (7.0% decreasing to 4.0%)</u>	<u>Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)</u>	<u>1% Increase (9.0% decreasing to 6.0%)</u>
Total OPEB liability	<u>\$ 12,180,720</u>	<u>\$ 149,463,968</u>	<u>\$ 182,985,729</u>

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

For the fiscal year ended May 31, 2020, the Village recognized OPEB expense of \$9,853,808. At May 31, 2020, 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	\$ 1,291,518	\$ 6,016,546
Changes of assumptions or other inputs	<u>8,069,625</u>	<u>                    </u>
	<u>\$ 9,361,143</u>	<u>\$ 6,016,546</u>



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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

Fiscal Year ended May 31:	
2021	\$ 733,495
2022	733,495
2023	733,495
2024	733,495
2025	410,617
	\$ 3,344,597

**NOTE 17 – RISK MANAGEMENT:**

**A) General:**

The Village is self-insured for general, auto and police professional liability. The Village has retained a \$250,000 liability per occurrence except for certain exceptions including public officials and employment practices which is retained at \$100,000 and in order to reduce its exposure to catastrophic losses on insured events, has purchased excess liability insurance in excess of the retention. Certain governmental funds and the enterprise fund are charged a premium by the Internal Service Fund.

The Village is self-insured for workers' compensation and Volunteer Firefighters Benefit Law (VFBL) benefits. The workers' compensation claims and VFBL are covered up to statutory limits. There is a \$850,000 self-insured retention per claim. Insurance coverage has been secured for losses in excess of the retention. Certain governmental funds and the Enterprise Fund are charged premiums by the Internal Service Fund.

The Village is self-insured for claims arising from unemployment cases and liabilities are not material. The Village is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks in excess of self-insured amounts. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage from the prior year. Settled claims from these risks have exceeded commercial insurance coverage in the past three years. During the current and prior year, the Village settled cases totaling approximately \$126,613 in 2020 and \$440,294 in 2019.

**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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

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:

	2020	2019
Unpaid claims at beginning of year	\$ 2,489,611	\$ 3,102,844
Incurred claims and claim adjustment expenses	846,407	556,221
Claims payments	(918,616)	(1,169,454)
Unpaid claims at year end	\$ 2,417,402	\$ 2,489,611

**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 \$1,872,500. Any future refunds resulting from adverse settlements not accrued for will be funded in the year payments are made.

**C) Encumbrances:**

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

- i) **General Fund** - Total encumbrances of the general fund as of May 31, 2020 assigned for public safety were \$118,332.

**D) Leases:**

Operating Leases

The Village leases various equipment and vehicles under non-cancelable leases. Rental expense for the fiscal year was \$132,742. The minimum remaining lease payments are as follows:



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

Fiscal Year Ending May 31,	Amount
2021	\$ 128,842
2022	105,360
2023	48,477
2024	42,962
2025	37,751
2026	243
	\$ 363,635

**NOTE 19 – SPECIAL ITEM:**

On November 15, 2019, the Village’s water fund sold leases to IWG-TLA Telecom, LLC, for sales proceeds of \$441,475. 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 \$834,664 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 \$449,861 for these programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$126,833 for these programs during the fiscal year.

The Village, County of Nassau and Rockville Center Housing, pursuant to Article V of the Private Housing Finance Law of the State of New York, entered into property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the Village. The Village’s property tax revenue was reduced by \$302,279 for these programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$80,028 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 24, 2020, which is the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements.



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

On March 11, 2020, the World Health Organization declared coronavirus (COVID-19) disease as a global pandemic, due to the rapid increase in global exposure. The full impact of this pandemic is still evolving as of the date of this report; however, COVID-19 has interrupted Village operations and financial performance. The future performance both operationally and financially will depend upon the duration and spread of the disease, the effect on employees, residents, and vendors, as well as federal and state funding, all of which are uncertain and cannot be estimated at this time.

**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, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Current Year</u>	<u>(Over) Under Final Budget</u>
<b>REVENUES</b>				
Real property taxes	\$ 30,582,639	\$ 30,582,639	\$ 30,582,639	\$ -
Other tax items	985,000	985,000	1,081,134	(96,134)
Departmental income	5,030,600	5,030,600	3,674,546	1,356,054
Use of money & property	140,000	140,000	247,533	(107,533)
Licenses & permits	1,851,300	1,851,300	1,384,982	466,318
Fines & forfeitures	1,150,000	1,150,000	897,780	252,220
Sale of property & compensation for loss	180,000	180,000	25,618	154,382
Intergovernmental charges	4,240,000	4,240,000	4,059,272	180,728
State and county aid	495,000	495,000	1,150,567	(655,567)
Federal aid	50,000	50,000	30,977	19,023
Miscellaneous	795,000	795,000	885,097	(90,097)
<b>TOTAL REVENUES</b>	<b>45,499,539</b>	<b>45,499,539</b>	<b>44,020,145</b>	<b>1,479,394</b>
<b><u>OTHER FINANCING SOURCES</u></b>				
Premium on obligations			16,080	(16,080)
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>45,499,539</b>	<b>45,499,539</b>	<b>\$ 44,036,225</b>	<b>\$ 1,463,314</b>
Appropriated fund balance	842,528	1,242,528		
<b>TOTAL REVENUES &amp; APPROPRIATED FUND BALANCE</b>	<b>\$ 46,342,067</b>	<b>\$ 46,742,067</b>		

**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, 2020**

	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	\$ 126,470	\$ 127,395	\$ 140,123	\$ -	\$ (12,728)
Village justice	240,191	240,191	225,138		15,053
Mayor	156,185	160,185	159,394		791
Comptroller	519,075	564,075	489,372		74,703
Clerk treasurer	607,667	636,567	520,908		115,659
Treasurer	558,864	558,864	566,903		(8,039)
Professional services	800,000	492,875	346,310		146,565
Purchasing	144,674	144,674	170,410		(25,736)
Personnel	436,345	437,545	460,744		(23,199)
Elections	7,100	7,100	3,608		3,492
Central garage	837,967	928,967	737,568		191,399
Data processing	333,104	410,204	359,155		51,049
Special items					
Metropolitan commuter transportation mobility tax	72,379	72,379	67,767		4,612
Dues and subscriptions	9,000	9,000	6,280		2,720
General administration		100,000	23,603		76,397
COVID-19		50,000	12,112		37,888
Real estate tax refunds	950,000	888,000	166,463		721,537
Insurance contribution	528,800	528,800	528,800		-
<b>PUBLIC SAFETY</b>					
Police civilian	900,548	900,548	775,767		124,781
Police	9,758,722	9,758,722	9,123,893	118,332	516,497
Street parking	245,500	245,500	212,247		33,253
Fire department	854,500	854,500	821,782		32,718
Fire prevention	6,500	6,500			6,500
Safety inspection	698,898	728,898	731,121		(2,223)
Auxiliary police	17,100	17,100	8,232		8,868
<b>HEALTH</b>					
Registrar of Vital Statistics	61,889	61,889	68,006		(6,117)
<b>TRANSPORTATION</b>					
Street administration	766,520	766,520	703,509		63,011
Street maintenance	1,138,059	1,138,059	1,108,855		29,204
Snow removal	304,500	213,500	63,661		149,839
Street lighting	550,000	550,000	533,686		16,314
Sidewalks	51,000	51,000	41,015		9,985
<b>ECONOMIC OPPORTUNITY AND DEVELOPMENT</b>					
Publicity	92,000	92,000	70,546		21,454
<b>CULTURE and RECREATION</b>					
Parks	782,112	807,112	742,540		64,572
Play & Recreation	1,638,517	1,638,517	1,471,126		167,391
MLK Center	280,351	292,351	292,709		(358)
Senior Center	629,294	661,294	656,023		5,271
Celebrations	33,000	33,000	30,290		2,710
<b>HOME and COMMUNITY SERVICE</b>					
Zoning Board	34,900	34,900	29,496		5,404
Planning Board	20,050	20,050	16,769		3,281
Sanitary Sewers	403,657	378,657	377,520		1,137
Refuse Collection	3,162,892	3,162,892	3,248,807		(85,915)
Board of Arch Review	7,500	7,500	5,100		2,400
Storm Sewers	160,913	160,913	132,264		28,649
Emergency Tenant Protection	7,500	7,500	7,540		(40)
<b>EMPLOYEE BENEFITS</b>					
Employee benefits	12,590,348	12,578,348	11,648,362		929,986
<b>DEBT SERVICE</b>					
Debt Service - Interest	60,000	60,000	60,000		-
<b>TOTAL EXPENDITURES</b>	<u>41,584,591</u>	<u>41,584,591</u>	<u>37,965,524</u>	<u>118,332</u>	<u>3,500,735</u>
<b>OTHER FINANCING USES</b>					
Operating transfers out	4,757,476	5,157,476	5,225,128		(67,652)
<b>TOTAL OTHER FINANCING USES</b>	<u>4,757,476</u>	<u>5,157,476</u>	<u>5,225,128</u>	<u>-</u>	<u>(67,652)</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 46,342,067</u>	<u>\$ 46,742,067</u>	<u>43,190,652</u>	<u>\$ 118,332</u>	<u>\$ 3,433,083</u>
<b>EXCESS OF REVENUES (EXPENDITURES)</b>			845,573		
<b>FUND BALANCES - BEGINNING OF YEAR</b>			10,442,072		
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 11,287,645</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  
FOR THE LAST TWO FISCAL YEARS ENDED MAY 31,**

	<u>2020</u>	<u>2019</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 4,875,644	\$ 4,464,875
Interest	4,244,669	4,007,301
Changes of benefit terms	-	-
Differences between expected and actual experience	(7,219,855)	1,937,276
Changes of assumptions or other inputs	9,683,550	-
Benefit payments	<u>(2,579,034)</u>	<u>(2,674,723)</u>
<b>Net change in total OPEB liability</b>	9,004,974	7,734,729
<b>Total OPEB liability - beginning</b>	140,458,994	132,724,265
<b>Total OPEB liability - ending</b>	<u>\$ 149,463,968</u>	<u>\$ 140,458,994</u>
<b>Covered-employee payroll</b>	\$ 25,343,661	\$ 22,009,076
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	589.75%	638.19%

**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.

*Changes of Assumptions*

Changes of assumptions or other inputs include the change in discount rate each period.

The following are the discount rates used in each period:

2020	2.63%
2019	3.05%

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
FOR THE LAST SIX FISCAL YEARS ENDED MAY 31, 2020**

<b>NYSERS Pension Plan</b>						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability	0.0423724%	0.0432123%	0.0457863%	0.0467436%	0.0448793%	0.0455493%
Community Development's proportion of the net pension liability	0.0004007%	0.0003093%	0.0003219%	0.0002220%	0.0002536%	0.0003449%
Village's proportionate share of the net pension liability	\$ 11,220,466	\$ 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	\$ 106,098	\$ 21,916	\$ 10,390	\$ 20,862	\$ 40,702	\$ 11,651
Village's covered payroll	\$ 14,507,511	\$ 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	78.07%	23.32%	11.21%	33.39%	52.52%	12.15%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

<b>NYS PFR Pension Plan</b>						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability	0.2228478%	0.2216663%	0.2296344%	0.242583%	0.262200%	0.264672%
Village's proportionate share of the net pension liability	\$ 11,911,073	\$ 3,717,484	\$ 2,321,046	\$ 5,027,902	\$ 7,763,183	\$ 679,116
Village's covered payroll	\$ 8,405,181	\$ 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	141.71%	45.07%	27.60%	60.76%	89.11%	7.76%
Plan fiduciary net position as a percentage of the total pension liability	84.86%	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 SEVEN FISCAL YEARS ENDED MAY 31,**

**NYSERS Pension Plan**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,855,567	\$ 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>1,855,567</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 14,679,259	\$ 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	12.64%	14.01%	14.77%	14.79%	16.32%	18.77%	21.79%

**NYSPFRS Pension Plan**

	<u>2020</u>	<u>2019</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,889,044	\$ 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>1,889,044</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	\$ 8,463,837	\$ 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	22.32%	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, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,344,466	\$ 13,448,779
Cash and cash equivalents - restricted	1,161,046	1,143,485
Other receivables:		
Accounts, net	361,076	182,076
State and federal aid	136,965	96,918
Due from other governments	273,647	152,544
Due from other funds	825,205	32,388
Prepaid expenditures	21,421	46,405
<b>TOTAL ASSETS</b>	<b>\$ 14,123,826</b>	<b>\$ 15,102,595</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Payables		
Accounts payable	\$ 616,464	\$ 1,224
Accrued liabilities	1,481,234	3,066,862
Due to other governments	2,610	11,678
Due to retirement system	544,963	543,953
Due to other funds	67,651	1,035,988
Unearned revenues		
Collections in advance	123,259	818
<b>TOTAL LIABILITIES</b>	<b>2,836,181</b>	<b>4,660,523</b>
<b>FUND BALANCES</b>		
Nonspendable	21,421	46,405
Restricted (employee benefit accrued liability)	1,161,046	1,143,485
Assigned (tax certiorari)	2,024,956	2,024,956
Assigned (appropriated)	1,675,000	
Assigned (unappropriated)	118,332	38,858
Unassigned	6,286,890	7,188,368
<b>TOTAL FUND BALANCES</b>	<b>11,287,645</b>	<b>10,442,072</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 14,123,826</b>	<b>\$ 15,102,595</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, 2020 AND 2019**

	2020					2019				
	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	\$ 30,582,639	\$ 30,582,639	\$ 30,582,639	\$ -	\$ -	\$ 29,819,715	\$ 29,819,715	\$ 29,819,715	\$ -	\$ -
Other tax items	985,000	985,000	1,081,134		(96,134)	949,219	949,219	1,075,166		(125,947)
Departmental income	5,030,600	5,030,600	3,674,546		1,356,054	4,985,600	4,985,600	4,583,432		402,168
Use of money & property	140,000	140,000	247,533		(107,533)	140,000	140,000	322,114		(182,114)
Licenses & permits	1,851,300	1,851,300	1,384,982		466,318	1,545,000	1,545,000	1,833,490		(288,490)
Fines & forfeitures	1,150,000	1,150,000	897,780		252,220	1,200,000	1,200,000	920,362		279,638
Sale of property & compensation for loss	180,000	180,000	25,618		154,382	110,000	110,000	100,455		9,545
Intergovernmental charges	4,240,000	4,240,000	4,059,272		180,728	4,117,975	4,117,975	3,945,867		172,108
State and county aid	495,000	495,000	1,150,567		(655,567)	908,671	926,166	1,041,116		(114,950)
Federal aid	50,000	50,000	30,977		19,023	100,000	100,000	53,059		46,941
Miscellaneous	795,000	795,000	885,097		(90,097)	922,000	922,000	1,049,693		(127,693)
<b>TOTAL REVENUES</b>	<b>45,499,539</b>	<b>45,499,539</b>	<b>44,020,145</b>	<b>-</b>	<b>1,479,394</b>	<b>44,798,180</b>	<b>44,815,675</b>	<b>44,744,469</b>	<b>-</b>	<b>71,206</b>
<b>EXPENDITURES</b>										
General government support	6,327,821	6,356,821	4,984,658		1,372,163	5,922,898	5,472,627	5,243,003		229,624
Public safety	12,481,768	12,511,768	11,673,042	118,332	720,394	12,782,894	12,121,665	12,019,652	38,858	63,155
Health	61,889	61,889	68,006		(6,117)	61,389	67,475	67,474		1
Transportation	2,810,079	2,719,079	2,450,726		268,353	2,799,509	2,717,279	2,651,356		65,923
Economic opportunity and development	92,000	92,000	70,546		21,454	92,000	92,000	85,189		6,811
Culture and recreation	3,363,274	3,432,274	3,192,688		239,586	3,333,029	3,300,702	3,290,638		10,064
Home and community services	3,797,412	3,772,412	3,817,496		(45,084)	3,507,940	3,993,798	3,984,320		9,478
Employee benefits	12,590,348	12,578,348	11,648,362		929,986	12,108,708	11,538,734	11,561,989		(23,255)
Debt service										
Interest	60,000	60,000	60,000		-					-
<b>TOTAL EXPENDITURES</b>	<b>41,584,591</b>	<b>41,584,591</b>	<b>37,965,524</b>	<b>118,332</b>	<b>3,500,735</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 SOURCES (USES)</b>										
Premium on obligations			16,080		(16,080)					
Operating transfers out	(4,757,476)	(5,157,476)	(5,225,128)		67,652	(4,189,813)	(5,679,510)	(5,679,510)		-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,757,476)</b>	<b>(5,157,476)</b>	<b>(5,209,048)</b>	<b>-</b>	<b>51,572</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 FINANCING SOURCES (USES)</b>	<b>\$ 46,342,067</b>	<b>\$ 46,742,067</b>	<b>43,174,572</b>	<b>\$ 118,332</b>	<b>\$ 3,449,163</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>NET CHANGE IN FUND BALANCES</b>			845,573					161,338		
<b>FUND BALANCES- BEGINNING OF YEAR</b>			10,442,072					10,280,734		
<b>FUND BALANCES- END OF YEAR</b>			<b>\$ 11,287,645</b>					<b>\$ 10,442,072</b>		

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, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 2,584,440	\$ 1,695,030
Cash and cash equivalents - restricted	157,037	3,400,440
Receivables:		
State and federal aid	47,904	58,481
Due from other funds		1,000,000
<b>TOTAL ASSETS</b>	<b>\$ 2,789,381</b>	<b>\$ 6,153,951</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
Payables		
Accounts payable	\$ 5,207	\$ 199,926
Accrued liabilities	9,581	853,066
Due to other funds	780,816	67,748
Notes payable		
Bond anticipation notes payable		2,016,080
<b>TOTAL LIABILITIES</b>	<b>795,604</b>	<b>3,136,820</b>
 <b>FUND BALANCES</b>		
Restricted	157,037	3,400,440
Assigned	1,836,740	
Unassigned		(383,309)
<b>TOTAL FUND BALANCES</b>	<b>1,993,777</b>	<b>3,017,131</b>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <b>\$ 2,789,381</b>	 <b>\$ 6,153,951</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, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>		
State aid	\$ 610,844	\$ 409,754
Miscellaneous	50,000	204,347
Use of money and property	57,079	62,547
<b>TOTAL REVENUES</b>	717,923	676,648
 <b>EXPENDITURES</b>		
Capital outlay	2,584,198	5,610,589
<b>TOTAL EXPENDITURES</b>	2,584,198	5,610,589
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,866,275)	(4,933,941)
 <b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of serial bonds		5,750,000
Operating transfers in	900,000	1,339,697
Operating transfers (out)	(57,079)	(62,547)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	842,921	7,027,150
 <b>NET CHANGE IN FUND BALANCES</b>	(1,023,354)	2,093,209
 <b>FUND BALANCES - BEGINNING OF YEAR</b>	3,017,131	923,922
 <b>FUND BALANCES - END OF YEAR</b>	\$ 1,993,777	\$ 3,017,131

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS**  
**MAY 31, 2020**

	Special Revenue Funds			Debt Service	Total Non-Major Funds	
	Community Development	Section 8 Housing	Special Purpose			Total
<b>ASSETS</b>						
Cash and cash equivalents - unrestricted	\$ 94,733	\$ -	\$ -	\$ 94,733	\$ -	\$ 94,733
Cash and cash equivalents - restricted		417,948	283,728	701,676	378,056	1,079,732
Receivables:						
Accounts, net		6,825		6,825		6,825
Due from other governments	299,737			299,737		299,737
Due from other funds	67,651			67,651	120,002	187,653
<b>TOTAL ASSETS</b>	<u>462,121</u>	<u>424,773</u>	<u>283,728</u>	<u>1,170,622</u>	<u>498,058</u>	<u>1,668,680</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Other post-employment benefits obligation		34,361		34,361		34,361
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 462,121</u>	<u>\$ 459,134</u>	<u>\$ 283,728</u>	<u>\$1,204,983</u>	<u>\$ 498,058</u>	<u>\$ 1,703,041</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 201,795	\$ 52,258	\$ -	\$ 254,053	\$ -	\$ 254,053
Accrued liabilities		576,282		576,282		576,282
Due to employees' retirement system		4,076		4,076		4,076
Due to other funds	195,000			195,000		195,000
<b>TOTAL LIABILITIES</b>	<u>396,795</u>	<u>632,616</u>	<u>-</u>	<u>1,029,411</u>	<u>-</u>	<u>1,029,411</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Other post-employment benefits obligation		22,084		22,084		22,084
<b>FUND BALANCES</b>						
Restricted			283,728	283,728	498,058	781,786
Assigned	65,326			65,326		65,326
Unassigned		(195,566)		(195,566)		(195,566)
<b>TOTAL FUND BALANCES</b>	<u>65,326</u>	<u>(195,566)</u>	<u>283,728</u>	<u>153,488</u>	<u>498,058</u>	<u>651,546</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 462,121</u>	<u>\$ 459,134</u>	<u>\$ 283,728</u>	<u>\$1,204,983</u>	<u>\$ 498,058</u>	<u>\$ 1,703,041</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON MAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED MAY 31, 2020**

	<u>Special Revenue Funds</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>REVENUES</b>					
Departmental income	\$ -	\$ 4,877	\$ -	\$ 4,877	\$ 4,877
Use of money and property	904	1,574		2,478	9,818
Federal aid	461,078	2,911,514		3,372,592	3,372,592
Miscellaneous			282,872	282,872	282,872
<b>TOTAL REVENUES</b>	<u>461,982</u>	<u>2,917,965</u>	<u>282,872</u>	<u>3,662,819</u>	<u>3,670,159</u>
<b>EXPENDITURES</b>					
Economic opportunity and development		2,846,277			2,846,277
Culture and recreation			134,072		134,072
Home and community services	528,728				528,728
Employee benefits		34,819			34,819
Debt service					
Principal				3,318,470	3,318,470
Interest				939,006	939,006
<b>TOTAL EXPENDITURES</b>	<u>528,728</u>	<u>2,881,096</u>	<u>134,072</u>	<u>4,257,476</u>	<u>7,801,372</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(66,746)</u>	<u>36,869</u>	<u>148,800</u>	<u>(4,250,136)</u>	<u>(4,131,213)</u>
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in	67,651				4,382,207
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>67,651</u>	<u>-</u>	<u>-</u>	<u>67,651</u>	<u>4,382,207</u>
<b>NET CHANGE IN FUND BALANCES</b>	905	36,869	148,800	186,574	250,994
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>64,421</u>	<u>(232,435)</u>	<u>134,928</u>	<u>(33,086)</u>	<u>400,552</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 65,326</u>	<u>\$ (195,566)</u>	<u>\$ 283,728</u>	<u>\$ 498,058</u>	<u>\$ 651,546</u>



**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
COMMUNITY DEVELOPMENT FUND  
MAY 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 94,733	\$ 28,631
Receivables:		
Due from other governments	299,737	63,854
Due from other funds	67,651	
<b>TOTAL ASSETS</b>	<b>\$ 462,121</b>	<b>\$ 92,485</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable	\$ 201,795	\$ 3,064
Due to other funds	195,000	25,000
<b>TOTAL LIABILITIES</b>	396,795	28,064
 <b>FUND BALANCES</b>		
Assigned	65,326	64,421
<b>TOTAL FUND BALANCES</b>	65,326	64,421
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 462,121</b>	<b>\$ 92,485</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, 2020 AND 2019**

	2020	2019
<b>REVENUES</b>		
Use of money and property	\$ 904	\$ 720
Federal aid	461,078	112,144
<b>TOTAL REVENUES</b>	461,982	112,864
<b>EXPENDITURES</b>		
Home and community service	528,728	200,517
<b>OTHER FINANCING SOURCES</b>		
Operating transfers in	67,651	150,000
<b>TOTAL EXPENDITURES AND OTHER SOURCES</b>	461,077	50,517
<b>NET CHANGE IN FUND BALANCES</b>	905	62,347
<b>FUND BALANCES - BEGINNING OF YEAR</b>	64,421	2,074
<b>FUND BALANCES - END OF YEAR</b>	\$ 65,326	\$ 64,421

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
SECTION 8 HOUSING FUND  
MAY 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents - restricted	\$ 417,948	\$ 338,610
Receivables:		
Accounts, net	<u>6,825</u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>424,773</u>	<u>338,610</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other post-employment benefits obligation	<u>34,361</u>	<u>5,926</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 459,134</u></u>	<u><u>\$ 344,536</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 52,258	\$ 5,862
Accrued liabilities	576,282	571,109
Due to employees' retirement system	<u>4,076</u>	<u>          </u>
<b>TOTAL LIABILITIES</b>	<u>632,616</u>	<u>576,971</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Other post-employment benefits obligation	<u>22,084</u>	<u>          </u>
<b>FUND BALANCE</b>		
Unassigned	<u>(195,566)</u>	<u>(232,435)</u>
<b>TOTAL FUND BALANCE</b>	<u>(195,566)</u>	<u>(232,435)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 459,134</u></u>	<u><u>\$ 344,536</u></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, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>		
Departmental income	\$ 4,877	\$ 17,936
Use of money and property	1,574	1,748
Federal aid	2,911,514	2,800,705
<b>TOTAL REVENUES</b>	<b>2,917,965</b>	<b>2,820,389</b>
 <b>EXPENDITURES</b>		
Economic opportunity and development	2,846,277	2,810,189
Employee benefits	34,819	78,439
<b>TOTAL EXPENDITURES</b>	<b>2,881,096</b>	<b>2,888,628</b>
 <b>NET CHANGE IN FUND BALANCES</b>	 36,869	 (68,239)
 <b>FUND BALANCES - BEGINNING OF YEAR</b>	 (232,435)	 (164,196)
 <b>FUND BALANCES - END OF YEAR</b>	 \$ (195,566)	 \$ (232,435)

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
SPECIAL PURPOSE FUND  
MAY 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and cash equivalents - restricted	\$ 283,728	\$ 134,928
<b>TOTAL ASSETS</b>	\$ 283,728	\$ 134,928
<b>FUND BALANCES</b>		
Restricted	\$ 283,728	\$ 134,928
<b>TOTAL FUND BALANCES</b>	\$ 283,728	\$ 134,928

**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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>		
Miscellaneous	\$ 282,872	\$ 27,317
<b>EXPENDITURES</b>		
Culture and recreation	134,072	35,242
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	148,800	(7,925)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>134,928</u>	<u>142,853</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 283,728</u></u>	<u><u>\$ 134,928</u></u>



**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
DEBT SERVICE FUND  
MAY 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and cash equivalents - restricted	\$ 378,056	\$ 370,715
Receivables:		
Due from other funds	120,002	62,923
<b>TOTAL ASSETS</b>	<b>\$ 498,058</b>	<b>\$ 433,638</b>
<b>FUND BALANCES</b>		
Restricted	\$ 498,058	\$ 433,638
<b>TOTAL FUND BALANCES</b>	<b>\$ 498,058</b>	<b>\$ 433,638</b>

**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, 2020 AND 2019**

	2020				2019			
	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	\$ -	\$ -	\$ 7,340	\$ (7,340)	\$ -	\$ -	\$ 7,217	\$ (7,217)
<b>TOTAL REVENUES</b>	-	-	7,340	(7,340)	-	-	7,217	(7,217)
<b>EXPENDITURES</b>								
Debt service								
Principal	3,318,470	3,318,470	3,318,470	-	3,460,000	3,460,000	3,460,000	-
Interest	939,006	939,006	939,006	-	729,813	729,813	729,813	-
<b>TOTAL EXPENDITURES</b>	4,257,476	4,257,476	4,257,476	-	4,189,813	4,189,813	4,189,813	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	4,257,476	4,257,476	4,314,556	(57,080)	4,189,813	4,189,813	4,252,360	(62,547)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	4,257,476	4,257,476	4,314,556	(57,080)	4,189,813	4,189,813	4,252,360	(62,547)
<b>TOTAL EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ -	\$ -	(57,080)	\$ 57,080	\$ -	\$ -	(62,547)	\$ 62,547
<b>NET CHANGE IN FUND BALANCES</b>			64,420				69,764	
<b>FUND BALANCES- BEGINNING OF YEAR</b>			433,638				363,874	
<b>FUND BALANCES- END OF YEAR</b>			\$ 498,058				\$ 433,638	

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, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 8,141,780	\$ 7,900,911
Receivables		
Accounts, net	2,672,242	5,084,798
Due from other funds	27,026	
Inventories	212,773	209,434
<b>Total Current Assets</b>	11,053,821	13,195,143
<b>Non-Current Assets</b>		
Land	327,271	327,271
Construction-in-progress	6,995,296	6,801,507
Buildings and equipment	47,877,974	46,173,777
	55,200,541	53,302,555
Less - Accumulated depreciation	(13,200,994)	(12,081,426)
<b>Total Non-Current Assets</b>	41,999,547	41,221,129
<b>TOTAL ASSETS</b>	53,053,368	54,416,272
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	387,411	110,123
Other post-employment benefits obligation	149,788	25,832
Deferred charge on refunding		17,328
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	537,199	153,283
 <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
	53,590,567	54,569,555
 <b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	8,146	4,530
Accrued liabilities	51,565	554,009
Accrued interest	113,586	220,109
Due to other funds		11,300
Customer deposits	34,547	33,067
Collections in advance	68,595	59,648
Due to employees' retirement system	15,814	14,724
Bonds payable, inclusive of premiums	1,886,840	1,783,061
Compensated absences	8,129	7,766
<b>Total Current Liabilities</b>	2,187,222	2,688,214
<b>Non-Current Liabilities</b>		
Bonds payable, inclusive of premiums	18,465,031	20,351,871
Compensated absences	317,024	302,874
Net pension liability - proportionate share	599,173	167,476
Total other post-employment benefit obligations	2,391,571	2,247,483
<b>Total Non-Current Liabilities</b>	21,772,799	23,069,704
<b>TOTAL LIABILITIES</b>	23,960,021	25,757,918
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	18,265	62,293
Other post-employment benefits obligation	96,271	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	114,536	62,293
 <b>NET POSITION</b>		
Net investment in capital assets	21,647,676	19,103,525
Unrestricted	7,868,334	9,645,819
<b>TOTAL NET POSITION</b>	\$ 29,516,010	\$ 28,749,344



**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, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Metered sales	\$ 5,534,086	\$ 5,229,468
Penalty income	96,109	138,234
Miscellaneous	14,727	33,870
Grant revenue		2,867,550
<b>Total operating revenues</b>	<b>5,644,922</b>	<b>8,269,122</b>
<b>OPERATING EXPENSES</b>		
Purchased power	119,522	137,269
Depreciation	1,056,897	929,883
Maintenance	533,313	252,463
Interfund charges	577,830	578,271
Transmission and distribution	938,420	776,785
General and administrative	1,065,714	1,634,707
Employee benefits	568,996	406,493
Insurance	75,000	84,502
<b>Total operating expenses</b>	<b>4,935,692</b>	<b>4,800,373</b>
<b>Operating income</b>	<b>709,230</b>	<b>3,468,749</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Rental income	66,557	412,674
Interest income	130,121	154,361
Interest expense	(580,817)	(541,006)
<b>Total non-operating revenues (expenses)</b>	<b>(384,139)</b>	<b>26,029</b>
<b>SPECIAL ITEM (SEE NOTE 19)</b>		
Sale of cellular leases	441,575	4,442,833
<b>CHANGE IN NET POSITION</b>	<b>766,666</b>	<b>7,937,611</b>
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	<b>28,749,344</b>	<b>20,811,733</b>
<b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ 29,516,010</b>	<b>\$ 28,749,344</b>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF CASH FLOWS  
ENTERPRISE FUND - WATER FUND  
FOR THE FISCAL YEARS ENDED MAY 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue collected:		
Cash received from charges for services	\$ 8,067,905	\$ 6,367,456
Internal activity-payments from other funds for expense reimbursements	(27,026)	3,438
Payments for expenses:		
Cash payments to other suppliers of goods or services	(2,467,319)	(3,892,439)
Cash payments to employees for services and related expenses	(1,671,256)	(576,298)
Internal activity-payments to other funds for expense reimbursements	(11,300)	(10,494)
<b>Net Cash Provided by Operating Activities</b>	<b>3,891,004</b>	<b>1,891,663</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(1,835,315)	(4,548,235)
Proceeds from capital debt		5,300,000
Principal paid on capital debt	(1,740,069)	(1,765,000)
Interest paid on capital debt	(713,004)	(480,635)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(4,288,388)</b>	<b>(1,493,870)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and rental income	196,678	567,035
Sale of cellular leases		4,442,833
<b>Net Cash Provided by Investing Activities</b>	<b>638,253</b>	<b>5,009,868</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	240,869	5,407,661
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>7,900,911</b>	<b>2,493,250</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 8,141,780</b>	<b>\$ 7,900,911</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 709,230	\$ 3,468,749
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,056,897	929,883
Decrease (increase) in:		
Accounts receivable	2,412,556	(1,899,021)
Due from other funds	(27,026)	3,438
Inventory	(3,339)	10,499
Increase (decrease) in:		
Accounts payable	3,616	(1,169,294)
Accrued liabilities	(502,444)	510,792
Due to other funds	(11,300)	(10,494)
Customer deposits	1,480	1,425
Collections in advance	8,947	(4,070)
Due to employees' retirement system	1,090	(3,625)
Compensated absences	14,513	(77,364)
Pension amounts	110,381	32,812
Other post-employment benefit obligations	116,403	97,933
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 3,891,004</b>	<b>\$ 1,891,663</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FUND NET POSITION  
ENTERPRISE FUND - ELECTRIC FUND  
MAY 31, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 9,963,056	\$ 11,710,438
Receivables		
Accounts, net	3,685,137	3,405,856
Due from other funds	89,942	8,065
Prepaid expense	1,382,983	
Inventories	2,845,694	2,655,658
<b>Total Current Assets</b>	17,966,812	17,780,017
<b>Non-Current Assets</b>		
Land	48,614	48,614
Construction-in-progress	1,789,439	2,616,308
Buildings and equipment	69,715,141	68,549,250
	71,553,194	71,214,172
Less - Accumulated depreciation	(36,231,135)	(34,803,530)
<b>Total Non-Current Assets</b>	35,322,059	36,410,642
<b>TOTAL ASSETS</b>	53,288,871	54,190,659
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	2,054,507	573,135
Other post-employment benefits obligation	954,197	164,558
Deferred charge on refunding	97,534	117,040
<b>TOTAL DEFERRED OUTFLOWS</b>	3,106,238	854,733
 <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	56,395,109	55,045,392
 <b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	889,726	2,883,481
Accrued liabilities	683,620	2,063,981
Accrued interest	78,233	149,743
Customer deposits	1,487,391	1,425,318
Collections in advance	3,071,932	
Due to employees' retirement system	83,792	77,303
Bonds payable, inclusive of premiums	1,041,376	966,049
Compensated absences	57,461	59,946
<b>Total Current Liabilities</b>	7,393,531	7,625,821
<b>Non-Current Liabilities</b>		
Bonds payable, inclusive of premiums	9,862,276	10,903,652
Compensated absences	2,240,976	2,337,875
Net pension liability - proportionate share	3,177,636	870,448
Total other post-employment benefit obligations payable	15,235,110	14,317,217
<b>Total Non-Current Liabilities</b>	30,515,998	28,429,192
<b>TOTAL LIABILITIES</b>	37,909,529	36,055,013
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	96,865	323,763
Other post-employment benefits obligation	613,276	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	710,141	323,763
 <b>NET POSITION</b>		
Net investment in capital assets	24,515,941	24,657,981
Unrestricted	(6,740,502)	(5,991,365)
<b>TOTAL NET POSITION</b>	\$ 17,775,439	\$ 18,666,616



**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, 2020 AND 2019**

	2020	2019
<b>OPERATING REVENUES</b>		
Charges for services		
Metered sales	\$ 22,030,305	\$ 26,035,837
Penalty income	41,142	34,987
Miscellaneous	55,576	53,156
<b>Total operating revenues</b>	22,127,023	26,123,980
 <b>OPERATING EXPENSES</b>		
Purchased power	8,971,745	12,220,190
Depreciation	1,374,333	1,556,460
Maintenance	47,960	138,362
Interfund charges	2,862,712	2,796,827
Production	2,175,075	2,685,647
Transmission and distribution	1,643,060	1,405,250
Street lighting	180,240	202,929
General and administrative	1,858,543	1,424,572
Employee benefits	3,647,771	3,424,931
Insurance	258,333	258,334
Customer deposit interest	10,253	2,914
<b>Total operating expenses</b>	23,030,025	26,116,416
 <b>Operating income (loss)</b>	(903,002)	7,564
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Rental income	167,996	
Interest income	173,175	143,862
Interest expense	(329,346)	(299,204)
<b>Total non-operating revenues (expenses)</b>	11,825	(155,342)
 <b>CHANGE IN NET POSITION</b>	(891,177)	(147,778)
 <b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	18,666,616	18,814,394
 <b>TOTAL NET POSITION - END OF YEAR</b>	\$ 17,775,439	\$ 18,666,616

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF CASH FLOWS  
ENTERPRISE FUND - ELECTRIC FUND  
FOR THE FISCAL YEARS ENDED MAY 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue collected:		
Cash received from charges for services	\$ 24,981,747	\$ 26,097,657
Internal activity-payments from other funds for expense reimbursements	(81,877)	8,359
Payments for expenses:		
Cash payments to other suppliers of goods or services	(19,061,979)	(18,387,910)
Cash payments to employees for services and related expenses	(5,369,074)	(3,819,853)
Cash payments to customers on deposit interest	(10,253)	(2,914)
Internal activity-payments to other funds for expense reimbursements	(913,968)	(25,432)
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(455,404)</b>	<b>3,869,907</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(285,750)	(2,330,831)
Proceeds from capital debt		3,500,000
Principal paid on capital debt	(926,460)	(895,000)
Interest paid on capital debt	(420,939)	(265,603)
<b>Net Cash (Used in) Provided by Capital and Related Financing Activities</b>	<b>(1,633,149)</b>	<b>8,566</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and rental income	341,171	143,862
<b>Net Cash Provided by Investing Activities</b>	<b>341,171</b>	<b>143,862</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,747,382)</b>	<b>4,022,335</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>11,710,438</b>	<b>7,688,103</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 9,963,056</b>	<b>\$ 11,710,438</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ (903,002)	\$ 7,564
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,374,333	1,556,460
Decrease (Increase) in:		
Accounts receivable	(279,281)	19,585
Due from other funds	(81,877)	8,359
Prepaid expense	(1,382,983)	
Inventory	(190,036)	(35,262)
Increase (Decrease) in:		
Accounts payable	(1,993,755)	(429,338)
Accrued liabilities	(1,380,361)	1,828,732
Due to other funds		(25,432)
Customer deposits	62,073	(45,908)
Collections in advance	3,071,932	
Due to employees' retirement system	6,489	(22,172)
Compensated absences	(99,384)	282,166
Pension amounts	598,918	101,298
Other post-employment benefit obligations	741,530	623,855
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (455,404)</b>	<b>\$ 3,869,907</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FUND NET POSITION  
INTERNAL SERVICE FUND - RISK RETENTION FUND  
MAY 31, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 2,425,621	\$ 2,388,504
Receivables		
Accounts receivable, net		
Due from other funds		36,660
Prepaid expenses	290,028	282,112
<b>TOTAL ASSETS</b>	<b>2,715,649</b>	<b>2,707,276</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	90,886	217,665
Due to other funds	207,361	
Claims payable	1,062,416	1,216,829
<b>Total Current Liabilities</b>	<b>1,360,663</b>	<b>1,434,494</b>
<b>Non-Current Liabilities</b>		
Claims payable	1,354,986	1,272,782
<b>Total Non-Current Liabilities</b>	<b>1,354,986</b>	<b>1,272,782</b>
<b>TOTAL LIABILITIES</b>	<b>2,715,649</b>	<b>2,707,276</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, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Risk management	\$ 2,060,970	\$ 2,053,570
<b>Total operating revenues</b>	2,060,970	2,053,570
<b>OPERATING EXPENSES</b>		
General and administrative	503,779	720,295
Employee benefits	681,977	1,077,158
Insurance	673,957	198,810
Judgments and claims	236,639	92,297
<b>Total operating expenses</b>	2,096,352	2,088,560
<b>Operating loss</b>	(35,382)	(34,990)
<b>NON-OPERATING INCOME</b>		
Interest income	35,382	34,990
<b>Total non-operating income</b>	35,382	34,990
<b>CHANGE IN NET POSITION</b>	-	-
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	-	-
<b>TOTAL NET POSITION- END OF YEAR</b>	\$ -	\$ -

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND - RISK RETENTION FUND  
FOR THE FISCAL YEARS ENDED MAY 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue collected:		
Cash received from charges for services	\$ 2,060,970	\$ 2,053,570
Cash received from insurance recoveries		
Payments for expenses:		
Cash payments to insurance carriers and claimants	(1,621,279)	(1,668,581)
Cash payments to employees for services and related expenses	(681,977)	(1,077,158)
Internal activity-payments (to) from other funds for expense reimbursements	244,021	(55,300)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,735</b>	<b>(747,469)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and rental income	35,382	34,990
<b>Net Cash Provided by Investing Activities</b>	<b>35,382</b>	<b>34,990</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	37,117	(712,479)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>2,388,504</b>	<b>3,100,983</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,425,621</b>	<b>\$ 2,388,504</b>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Operating loss	\$ (35,382)	\$ (34,990)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable		
Due from other funds	36,660	(36,660)
Prepaid expenses	(7,916)	(20,764)
Increase (Decrease) in:		
Accounts payable	(126,779)	(23,182)
Due to other funds	207,361	(18,640)
Claims payable	(72,209)	(613,233)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 1,735</b>	<b>\$ (747,469)</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
MAY 31, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
Cash	\$ 199,413	\$ 472,715
Due from governmental funds	121,002	
Accounts receivable	2,044	4,711
<b>TOTAL ASSETS</b>	<b>\$ 322,459</b>	<b>\$ 477,426</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 10,313	\$ 11,466
Deposits	124,926	233,215
Other liabilities	187,220	232,745
<b>TOTAL LIABILITIES</b>	<b>\$ 322,459</b>	<b>\$ 477,426</b>



**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE FISCAL YEAR ENDED MAY 31, 2020**

	<u>Balance June 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance May 31, 2020</u>
<b>ASSETS</b>				
Cash	\$ 472,715	\$ 3,809,645	\$ 4,082,947	\$ 199,413
Due from other funds	-	2,450,691	2,329,689	121,002
Accounts receivable	4,711	2,044	4,711	2,044
<b>TOTAL ASSETS</b>	<u>\$ 477,426</u>	<u>\$ 6,262,380</u>	<u>\$ 6,417,347</u>	<u>\$ 322,459</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 11,466	\$ 10,313	\$ 11,466	\$ 10,313
Deposits and other liabilities	465,960	3,679,469	3,833,283	312,146
<b>TOTAL LIABILITIES</b>	<u>\$ 477,426</u>	<u>\$ 3,689,782</u>	<u>\$ 3,844,749</u>	<u>\$ 322,459</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUND  
MAY 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Investments- mutual funds, at fair value	\$ 4,882,464	\$ 4,593,777
<b>TOTAL ASSETS</b>	<u>\$ 4,882,464</u>	<u>\$ 4,593,777</u>
 <b>TOTAL LIABILITIES</b>	 <u>-</u>	 <u>-</u>
 <b>NET POSITION</b>		
Net position restricted for pensions	<u>\$ 4,882,464</u>	<u>\$ 4,593,777</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUND  
FOR THE FISCAL YEARS ENDED MAY 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ADDITIONS</b>		
Pension contributions	\$ -	\$ 221,200
Interest and net change in fair value of investments	425,852	(12,340)
<b>TOTAL ADDITIONS</b>	<u>425,852</u>	<u>208,860</u>
 <b>DEDUCTIONS</b>		
Pension benefits	<u>137,165</u>	<u>109,299</u>
<b>TOTAL DEDUCTIONS</b>	<u>137,165</u>	<u>109,299</u>
 <b>CHANGE IN NET POSITION</b>	 288,687	 99,561
 <b>NET POSITION - BEGINNING OF YEAR</b>	 <u>4,593,777</u>	 <u>4,494,216</u>
 <b>NET POSITION - END OF YEAR</b>	 <u>\$ 4,882,464</u>	 <u>\$ 4,593,777</u>



---

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, 2020, 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 24, 2020.

**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) as a basis for designing 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 or, significant deficiencies. 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 financial statements. 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 24, 2020