

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE FISCAL YEAR ENDED  
MAY 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
The Incorporated Village of Rockville Centre

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the businesses-type activities, each major fund, and the fiduciary fund of the Incorporated Village of Rockville Centre (the "Village"), as of and for the fiscal year ended May 31, 2021, 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, 2021, 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.

### ***Emphasis of Matter***

As described in Note 1 to the financial statements, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the year ended May 31, 2021. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in 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 14 and 67 through 71, 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 Village'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 December 6, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control over financial reporting and compliance.

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

R.S. Abrams & Co., LLP  
Islandia, NY  
December 6, 2021

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2021**

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**Introduction**

The following discussion and analysis of the Incorporated Village of Rockville Centre, New York's financial statements provides an overview of the financial activities of the Village for the fiscal year ended May 31, 2021. 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 2021**

- The general fund completed fiscal year 2021 with a fund balance totaling \$11,514,507. Of this amount, the unassigned fund balance totaled \$5,638,733 while another \$4,645,559 was assigned, \$1,164,305 was restricted for unused sick, vacation, and terminal leave payments, primarily for retiring police officers, and nonspendable totaled \$65,910 for prepaid expenses.
- The District implemented Government Accounting Standards Board Statement No. 84 (GASB Statement No. 84), *Fiduciary Activities*, in 2021. This resulted in the restatement of opening net position and fund balance in the amount of \$283,728.
- The water fund had an increase in net position of \$1,101,996 and the electric fund had an increase in net position of \$1,063,793.
- The Village's total outstanding bonds payable at May 31, 2021 was \$51,260,000. Of this total, \$23,442,164 and \$27,817,836 were attributable to the Village's governmental and business-type activities, respectively.
- The fund balance in the capital projects fund was \$1,282,406, all of which was restricted fund balance.
- Total net deficit in the Government-Wide Financial Statements (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) for fiscal year 2021 was \$60,477,423. Of this amount \$109,934,661 represents a deficit in the governmental net position and \$49,457,238 represents the business-type net position. The governmental activities net deficit increased by \$6,821,545 for the fiscal year ended May 31, 2021. This was primarily due to an increase in liabilities and deferred outflows of resources pertaining to other post-employment benefits offset by a decrease in long term debt due to the repayment of bond principal. The Village's proportionate share of the net pension liability was \$3,700,329 of which \$3,685,287 is recorded as a liability in the governmental activities on the Government-Wide Financial Statements. For the fiscal year ending May 31, 2021, the Village's total OPEB obligations were \$180,154,237 of which \$159,939,314 was recorded as a liability in governmental activities on the Government-Wide Financial Statements. For the business-type

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2021**

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net position, the water fund and electric fund net position totals were \$30,618,006 and \$18,839,232, respectively.

**Overview of the Financial Statements**

The Village's financial statements are comprised of this MD&A and the basic financial statements. The MD&A provides an analysis and overview of the Village's financial activities. The basic financial statements include three components: Government-Wide Financial Statements; Fund Financial Statements; and notes to financial statements. This report also includes required supplementary information and 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, operating grants and contributions, and capital grants and contributions.

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



**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2021**

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The Government-Wide Financial Statements can be found immediately following this discussion and analysis.

**Fund Financial Statements**

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

*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 Housing 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 five individual governmental funds: general fund, capital projects fund, community development fund, Section 8 Housing 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.

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2021**

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

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

The Proprietary Fund Financial Statements can be found in the basic financial statements section of this report.

*Fiduciary Fund* - This fund is used to account for resources held as trustee or custodian for the benefit of others, including employees of the Village. The Fiduciary fund is not reflected in the Government-Wide Financial Statements because the assets of this fund is 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 \$60,477,423 for fiscal year ended May 31, 2021.

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2021**

The May 31, 2020 current assets and other assets, current and other liabilities, restricted net position, and total net position (deficit) were restated in the governmental funds as a result of the implementation of GASB Statement No. 84, *Fiduciary Activities*. This Statement eliminates the agency fund and special purpose trust fund and now records those activities in the general fund or custodial fund. See Note 20 for further information. Additionally, May 31, 2020 capital assets were restated to properly report opening construction in progress. See Note 8 for further detail. The following is a summary of these changes:

	As Restated 2020	As Reported 2020	(Decrease)/ Increase
Current assets and other assets	\$ 20,156,296	\$ 20,167,710	\$ (11,414)
Capital assets, net	56,383,831	80,428,492	(24,044,661)
Current and other liabilities	3,703,874	3,431,560	272,314
Net investment in capital assets	29,643,777	53,688,438	(24,044,661)
Net Position			
Restricted	1,659,104	1,942,832	(283,728)
Total Net Position (Deficit)	(103,113,116)	(78,784,727)	(24,328,389)

The following table reflects the condensed Statement of Net Position:

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2021**

	May 31, 2021			May 31, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities As Restated	Business-type Activities	Total
Current Assets	\$ 22,596,729	\$ 21,101,047	\$ 43,697,776	\$ 20,156,296	\$ 29,020,633	\$ 49,176,929
Capital Assets, Net	57,849,024	84,914,780	142,763,804	56,383,831	77,321,606	133,705,437
Total Assets	<u>80,445,753</u>	<u>106,015,827</u>	<u>186,461,580</u>	<u>76,540,127</u>	<u>106,342,239</u>	<u>182,882,366</u>
Deferred Outflows of Resources	<u>41,469,754</u>	<u>6,438,051</u>	<u>47,907,805</u>	<u>20,772,899</u>	<u>3,643,437</u>	<u>24,416,336</u>
Current Liabilities	7,110,352	6,895,153	14,005,505	3,703,874	6,586,947	10,290,821
Non-current Liabilities	200,338,467	51,105,685	251,444,152	190,824,139	55,282,603	246,106,742
Total Liabilities	<u>207,448,819</u>	<u>58,000,838</u>	<u>265,449,657</u>	<u>194,528,013</u>	<u>61,869,550</u>	<u>256,397,563</u>
Deferred Inflows of Resources	<u>24,401,349</u>	<u>4,995,802</u>	<u>29,397,151</u>	<u>5,898,129</u>	<u>824,677</u>	<u>6,722,806</u>
Net Position:						
Net Investment in Capital Assets	34,207,328	56,665,501	90,872,829	29,643,777	46,163,617	75,807,394
Restricted	2,788,946		2,788,946	1,659,104		1,659,104
Unrestricted (Deficit)	<u>(146,930,935)</u>	<u>(7,208,263)</u>	<u>(154,139,198)</u>	<u>(134,415,997)</u>	<u>1,127,832</u>	<u>(133,288,165)</u>
Total Net Position (Deficit)	<u>\$ (109,934,661)</u>	<u>\$ 49,457,238</u>	<u>\$ (60,477,423)</u>	<u>\$ (103,113,116)</u>	<u>\$ 47,291,449</u>	<u>\$ (55,821,667)</u>

The largest component of the Village's net position reflects its net investment in capital assets amounting to \$90,872,829. 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 \$2,788,946 represents resources that are subject to external restrictions on how they may be used. The restrictions are for the following purposes (see summary of restatement changes above):

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2021**

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	May 31,	
	2021	2020
Capital projects	\$ 1,125,369	\$ -
Employee benefit accrued liability	1,164,305	1,161,046
Debt service	499,272	498,058
Total	\$ 2,788,946	\$ 1,659,104

Unrestricted net deficit totaled \$154,139,198. This amount is comprised of governmental activities net deficit totaling \$146,930,935 and business-type activities net deficit totaling \$7,208,263. The deficit in governmental activities net position is primarily due to (1) compensated absences of approximately \$11 million, (2) total other post-employment benefit obligations, offset by the decrease in deferred inflows related to other post-employment benefit obligations and increase in related deferred outflows recorded in accordance with GASB No. 75, for approximately \$140 million and (3) a decrease in the Village's net pension liability – proportionate share and deferred inflows related to pensions, offset by an increase in deferred outflows related to pensions, for approximately \$7 million.

The May 31, 2020 balances for miscellaneous revenues, and expenses for culture and recreation were restated as a result of the implementation of GASB Statement No. 84. See Note 20 "Restatement of Fund Balances/Net Position (Deficit)" for further information. The following schedule outlines these changes:

	As Restated 2020	As Reported 2020	Decrease
General Revenues			
Miscellaneous	\$ 924,625	\$ 1,076,761	\$ (152,136)
Expenses			
Culture and recreation	5,842,892	5,846,228	(3,336)

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

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
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	May 31, 2021			May 31, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities As Restated	Business-type Activities	Total
<b>Program Revenues:</b>						
Charges for services:	\$ 9,891,842	\$ 29,503,481	\$ 39,395,323	\$ 10,187,052	\$ 28,006,498	\$ 38,193,550
Operating grants and contributions	5,712,867		5,712,867	3,514,150		3,514,150
Capital grants and contributions	1,333,900		1,333,900	660,844		660,844
<b>General Revenues:</b>						
Real property taxes	31,462,388		31,462,388	30,582,639		30,582,639
Other payments in lieu of taxes	767,064		767,064	724,864		724,864
Interest and penalties on taxes	135,071		135,071	129,425		129,425
Utilities	178,847		178,847	160,096		160,096
Non property taxes	66,749		66,749	66,749		66,749
Unrestricted use of money and property	53,765	58,261	112,026	265,660	303,296	568,956
State and federal aid	1,302,199		1,302,199	1,039,986		1,039,986
Miscellaneous	1,016,650		1,016,650	924,625		924,625
<b>Total Revenues</b>	<b>51,921,342</b>	<b>29,561,742</b>	<b>81,483,084</b>	<b>48,256,090</b>	<b>28,309,794</b>	<b>76,565,884</b>
Special item (2020 lease sale)			-		441,575	441,575
<b>Total Revenues and Special Items</b>	<b>51,921,342</b>	<b>29,561,742</b>	<b>81,483,084</b>	<b>48,256,090</b>	<b>28,751,369</b>	<b>77,007,459</b>
<b>Program Expenses:</b>						
General government and administration	9,668,728		9,668,728	7,713,661		7,713,661
Public safety	24,595,848		24,595,848	25,265,124		25,265,124
Health	90,749		90,749	86,553		86,553
Transportation	7,363,770		7,363,770	4,953,806		4,953,806
Economic opportunity and development	3,109,299		3,109,299	2,951,642		2,951,642
Culture and recreation	5,727,880		5,727,880	5,842,892		5,842,892
Home and community services	7,576,078		7,576,078	6,498,299		6,498,299
Interest	610,535		610,535	785,454		785,454
Water		5,208,954	5,208,954		5,516,509	5,516,509
Electric		22,186,999	22,186,999		23,359,371	23,359,371
<b>Total expenses</b>	<b>58,742,887</b>	<b>27,395,953</b>	<b>86,138,840</b>	<b>54,097,431</b>	<b>28,875,880</b>	<b>82,973,311</b>
<b>Change in Net Position</b>	<b>(6,821,545)</b>	<b>2,165,789</b>	<b>(4,655,756)</b>	<b>(5,841,341)</b>	<b>(124,511)</b>	<b>(5,965,852)</b>
Net Position (Deficit) - beginning of year, as restated	(103,113,116)	47,291,449	(55,821,667)	(97,271,775)	47,415,960	(49,855,815)
<b>Net Position (Deficit) - end of year</b>	<b>\$ (109,934,661)</b>	<b>\$ 49,457,238</b>	<b>\$ (60,477,423)</b>	<b>\$ (103,113,116)</b>	<b>\$ 47,291,449</b>	<b>\$ (55,821,667)</b>

**Governmental activities.** As discussed previously, governmental activities resulted in a \$6,821,545 decrease in the Village's net position during the current fiscal year. Governmental activities reflected a net deficit of \$109,934,661 as opposed to a net deficit of \$103,113,116 for 2020, as restated, primarily due total expenses of \$58,742,887 exceeding total revenues of \$51,921,342.

Property taxes (\$31.46 million) and charges for services (\$9.89 million) represented the largest revenue sources. Property taxes grew 2.88% due to a real estate tax rate increase of 2.43% as well as minor changes to assessed values. Collection of the current tax levy remains very strong at nearly 100%. Operating grants and contributions for general governmental activities increased by \$2,198,717 during the current fiscal year. Capital grants and contributions for general governmental activities increased by \$673,056.

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2021**

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Public safety expenses totaled \$24.60 million and represented 42% of total expenses. Culture and recreation expenses totaled \$5.73 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 \$140 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 million were the primary reasons for the decrease in net position.

**Business-type activities.** Business-type activities reflected a net position totaling \$49,457,238 of which the water and electric funds totals were \$30,618,006 and \$18,839,232, respectively. Electric fund metered sales totaled \$23,008,142, an increase from \$22,030,305 in fiscal year 2020. This increase was primarily due to an increase in consumption. Metered sales in the water fund increased from \$5,534,086 in fiscal year 2020 to \$6,241,996 in fiscal year 2021 due to increased usage. Purchased power and production for the electric fund changed from \$8,971,745 and \$2,175,075, respectively in fiscal year 2020 to \$9,660,951 and \$1,628,038, respectively in fiscal year 2021, due to an increase and 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 \$13,350,950, a decrease of \$298,290 from the prior year restated balance. Of the total combined fund balance, \$5,638,733 constitutes unassigned fund balance in the general fund, \$4,645,559 constitutes assigned fund balance in the general fund, \$10,719 constitutes unassigned deficit balance in the Section 8 Housing fund, \$65,484 is assigned for the community development fund, \$65,910 is nonspendable fund balance in the general fund, and \$2,945,983 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 \$11,514,507 compared to \$11,287,645 at May 31, 2020. The fund balance of the general fund consists of \$5,875,774 that is either assigned, restricted or nonspendable and therefore is not available for discretionary spending. The assigned fund balance is comprised of \$2,024,956 for future real estate certiorari settlements, and \$2,620,603 was designated for the subsequent fiscal year's budget.

**Incorporated Village of Rockville Centre, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2021**

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The general fund revenues and other financing sources aggregate amount was \$45,073,424 in fiscal 2021, an increase of \$1,037,199 from fiscal year 2020. Real property taxes totaled \$31,462,388, an increase of \$879,749 or 2.88% from fiscal year 2020 and represented the single largest revenue source at 69.80% of total general fund revenues. Parks and recreation charges totaled \$1,264,329, an increase of \$19,995 from fiscal year 2020. Building and alteration permits increased by \$307,505, from \$976,977 in fiscal year 2020 to \$1,284,482 in fiscal year 2021. Parking meter revenues decreased from \$1,029,688 in fiscal year 2020 to \$752,078 in fiscal 2021 due to a decrease in usage related to COVID-19. Interfund revenues generated from charges to the water and electric funds increased by \$62,908, to a total of \$4,122,180, primarily as a result of increases to reimbursements for wages and benefit expenditures.

Once again, public safety represented the largest expenditure category totaling \$12,710,235, a \$1,037,193 increase from fiscal year 2020. Employee benefits increased from \$11,648,362 in fiscal year 2020 to \$12,168,960 in fiscal year 2021. Health insurance related expenditures increased from \$6,199,498 in fiscal year 2020 to \$6,244,675 in fiscal year 2021. General government support expenditures aggregated \$5,994,332, an increase of \$1,009,674 from fiscal year 2020 largely due to an increase in real estate tax refunds. Lastly, transfers to other funds decreased by \$503,817 from \$5,225,128 during fiscal year 2020 to \$4,721,311 during fiscal 2021 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 \$1,282,406, a decrease of \$711,371 from fiscal year 2020. Expenditures totaled \$5,112,176 in fiscal year 2021, a \$2,527,978 increase from fiscal year 2020. Capital projects during fiscal 2021 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 fund and Section 8 Housing fund. For fiscal year 2021, the combined fund balance of the non-major governmental funds totaled \$554,037. The community development fund had an assigned fund balance of \$65,484. The Section 8 Housing fund had an unassigned deficit fund balance of \$10,719.

The debt service fund had a total fund balance at May 31, 2021 of \$499,272 all of which was restricted for future debt service purposes. At May 31, 2020, the debt service fund had a total fund balance of \$498,058. Debt service expenditures for fiscal year 2021 totaled \$3,734,427, a decrease of \$523,049 from fiscal year 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.



**Incorporated Village of Rockville Centre, New York  
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Net position totaled \$49,457,238 at the end of fiscal year 2021 compared to \$47,291,449 at May 31, 2020. 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.

**Capital Asset and Debt Administration**

**Capital Assets.** The Village's capital assets for its governmental and business-type activities as of May 31, 2021 amount to \$142,763,804 (net of accumulated depreciation). These capital assets include land, buildings and equipment, infrastructure, and construction-in-progress.

During the fiscal year ended May 31, 2021, the Village restated the amounts for construction in progress to properly report opening balances as follows:

	<u>As Restated</u> <u>May 31, 2020</u>	<u>As Reported</u> <u>May 31, 2020</u>	<u>Decrease</u>
<b>Governmental Activities:</b>			
Capital assets, not being depreciated			
Construction-in-progress	\$ 1,944,790	\$ 23,863,333	(21,918,543)
Capital assets, net of depreciation			
Buildings and equipment	25,562,327	27,688,445	(2,126,118)

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2021**

	Capital Assets (Net of Depreciation) (in thousands)					
	May 31, 2021			May 31, 2020		
	Governmental Activities	Business-type Activities	Total	As Restated Governmental Activities	Business-type Activities	Total
Land	\$ 4,576	\$ 376	\$ 4,952	\$ 4,576	\$ 376	\$ 4,952
Buildings and Equipment	27,158	73,319	100,477	25,562	68,161	93,723
Infrastructure	22,028		22,028	24,301		24,301
Construction- in-Progress	4,087	11,220	15,307	1,945	8,785	10,730
<b>Total</b>	<b>\$ 57,849</b>	<b>\$ 84,915</b>	<b>\$ 142,764</b>	<b>\$ 56,384</b>	<b>\$ 77,322</b>	<b>\$ 133,706</b>

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

**Long-term Debt.** At the end of the current fiscal year, the Village had total debt outstanding of \$51,260,000 compared to \$57,090,000 at May 31, 2020. The Village's total long-term debt decreased by \$5,830,000 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	
	2021	2020	2021	2020	2021	2020
	General Obligation Bonds	<u>\$ 23,442</u>	<u>\$ 26,427</u>	<u>\$ 27,818</u>	<u>\$ 30,663</u>	<u>\$ 51,260</u>

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

**Incorporated Village of Rockville Centre, New York  
Management's Discussion and Analysis (MD&A)  
May 31, 2021**

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real property in the Village for the most recent five years. Certain indebtedness is excluded in determining the Village's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the Village's authority to issue debt subject to the limit. At May 31, 2021, the Village had a constitutional debt limit in excess of \$281 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 10 in the notes to financial statements.

**Economic Factors and Fiscal Year 2021 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 \$113,769 and \$65,698, which are 66% and 67% above the 2019 estimated New York State averages respectively. An estimated 4.6% of the population is living below the poverty level, 65% below the estimated New York State average.

The federal government has passed several laws in the past year to address the economic and health consequences of the COVID-19 pandemic, including the American Rescue Plan Act of 2021(ARPA). The Village has subsequently received \$1,253,851 to be used to fund expenditures that meet certain requirements.

The fiscal 2022 budget contained a 4.94% real estate tax rate increase. This is the eighth 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 2022: Real property taxes from \$31,462,388 to \$33,079,620.

The following revenue sources are expected to experience budget decline in 2022: Parking meter fees from \$1,050,000 to \$700,000, parks and recreation from \$1,735,000 to \$800,000, buildings and alterations from \$1,070,000 to \$1,000,000, and a decline in forfeitures from \$850,000 to \$550,000.

The fiscal 2022 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 increase by approximately \$815,370 for 2022.

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

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Management's Discussion and Analysis (MD&A)  
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**Adopted General fund Budget for Retirement Systems**

2011	2012	2013	2014	2015	2016
\$ 2,213,000	\$ 2,692,000	\$ 3,566,512	\$ 4,117,926	\$ 4,080,000	\$ 3,950,000
2017	2018	2019	2020	2021	2022
\$ 3,795,000	\$ 3,890,400	\$ 3,458,208	\$ 3,713,827	\$ 3,347,500	\$ 4,075,000

The budgeted amount for expenditures related to debt for the fiscal year 2022 is \$3,371,204 compared to \$3,734,427 during fiscal year 2021.

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**

2011	2012	2013	2014	2015	2016
\$ 3,852,000	\$ 4,322,770	\$ 4,537,000	\$ 4,690,674	\$ 4,653,000	\$ 4,862,000
2017	2018	2019	2020	2021	2022
\$ 5,142,000	\$ 5,567,600	\$ 6,300,000	\$ 6,400,000	\$ 6,400,000	\$ 6,450,000

The health insurance budget has increased 67% between fiscal year 2011 and fiscal year 2022. The fiscal year 2022 budget for health insurance is \$6,450,000, which increased from \$6,400,000 for fiscal year 2021. 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, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents - unrestricted	\$ 16,081,650	\$ 9,955,711	\$ 26,037,361
Cash and cash equivalents - restricted	3,497,167		3,497,167
Other receivables:			
Accounts, net	479,393	6,570,619	7,050,012
State and federal aid	1,697,509		1,697,509
Due from other governments	469,011		469,011
Internal balances	(929)	929	-
Prepaid expenses	372,928	1,382,983	1,755,911
Inventories		2,932,706	2,932,706
Security deposit - New York Independent System Operator		258,099	258,099
Capital assets (net of accumulated depreciation):			
Land	4,576,378	375,885	4,952,263
Construction-in-progress	4,087,342	11,220,180	15,307,522
Buildings and equipment	27,157,753	73,318,715	100,476,468
Infrastructure	22,027,551		22,027,551
<b>TOTAL ASSETS</b>	<b>80,445,753</b>	<b>106,015,827</b>	<b>186,461,580</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	16,609,122	3,229,564	19,838,686
Other post-employment benefits obligation	24,768,013	3,130,459	27,898,472
Length of service award program (LOSAP)	92,619		92,619
Deferred charge on refunding		78,028	78,028
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>41,469,754</b>	<b>6,438,051</b>	<b>47,907,805</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>121,915,507</b>	<b>112,453,878</b>	<b>234,369,385</b>
<b>LIABILITIES</b>			
Payables			
Accounts payable	163,600	1,238,855	1,402,455
Accrued liabilities	6,051,753	1,655,797	7,707,550
Accrued interest payable	125,030	167,218	292,248
Due to other governments	13,532		13,532
Customer deposits		1,540,075	1,540,075
Due to retirement systems	632,108	112,001	744,109
Unearned revenues			
Collections in advance	124,329	2,181,207	2,305,536
Noncurrent liabilities			
Due within one year			
Bonds payable (inclusive of unamortized premiums)	2,815,333	2,886,241	5,701,574
Claims payable	932,017		932,017
Compensated absences	267,295	63,710	331,006
Due in more than one year			
Bonds payable (inclusive of unamortized premiums)	20,983,400	25,441,066	46,424,466
Claims payable	781,969		781,969
Compensated absences	10,424,522	2,484,703	12,909,224
Net pension liabilities - proportionate share	3,685,287	15,042	3,700,329
Total other post-employment benefits obligations	159,939,314	20,214,923	180,154,237
Length of service award program	509,330		509,330
<b>TOTAL LIABILITIES</b>	<b>207,448,819</b>	<b>58,000,838</b>	<b>265,449,657</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	19,740,891	4,406,761	24,147,652
Other post-employment benefits obligation	4,660,458	589,041	5,249,499
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>24,401,349</b>	<b>4,995,802</b>	<b>29,397,151</b>
<b>NET POSITION</b>			
Net investment in capital assets	34,207,328	56,665,501	90,872,829
Restricted for:			
Capital projects	1,125,369		1,125,369
Employee benefit accrued liability	1,164,305		1,164,305
Debt service	499,272		499,272
Unrestricted (deficit)	(146,930,935)	(7,208,263)	(154,139,198)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (109,934,661)</b>	<b>\$ 49,457,238</b>	<b>\$ (60,477,423)</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

	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	\$ 9,668,728	\$ 5,880,562	\$ 131,413	\$ -	\$ (3,656,753)	\$ (3,656,753)
Public safety	24,595,848	2,276,905	81,384		(22,237,559)	(22,237,559)
Health	90,749	106,815			16,066	16,066
Transportation	7,363,770			333,900	(7,029,870)	(7,029,870)
Economic opportunity and development	3,109,299	3,433	3,220,978		115,112	115,112
Culture and recreation	5,727,880	1,288,100	2,158,262	1,000,000	(1,281,518)	(1,281,518)
Home and community services	7,576,078	336,027	120,830		(7,119,221)	(7,119,221)
Interest	610,535				(610,535)	(610,535)
<b>Total Governmental Activities</b>	<b>58,742,887</b>	<b>9,891,842</b>	<b>5,712,867</b>	<b>1,333,900</b>	<b>(41,804,278)</b>	<b>(41,804,278)</b>
<b>Business-Type Activities</b>						
Water fund	5,208,954	6,280,967			1,072,013	1,072,013
Electric fund	22,186,999	23,222,514			1,035,515	1,035,515
<b>Total Business-Type Activities</b>	<b>27,395,953</b>	<b>29,503,481</b>	<b>-</b>	<b>-</b>	<b>2,107,528</b>	<b>2,107,528</b>
<b>Total Primary Government</b>	<b>\$ 86,138,840</b>	<b>\$ 39,395,323</b>	<b>\$ 5,712,867</b>	<b>\$ 1,333,900</b>	<b>(41,804,278)</b>	<b>(39,696,750)</b>
<b>GENERAL REVENUES</b>						
Real property taxes, levied for general purpose					31,462,388	31,462,388
Other payments in lieu of taxes					767,064	767,064
					135,071	135,071
					178,847	178,847
					66,749	66,749
					53,765	112,026
					1,302,199	1,302,199
					1,016,650	1,016,650
					34,982,733	35,040,994
					(6,821,545)	(4,655,756)
					2,165,789	(2,489,967)
<b>ENDING OF YEAR, AS RESTATED (SEE NOTES 8 and 20)</b>					<b>(103,113,116)</b>	<b>(55,821,667)</b>
<b>YEAR</b>					<b>\$ (109,934,661)</b>	<b>\$ (60,477,423)</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**MAY 31, 2021**

	<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	\$ 12,817,709	\$ 1,564,329	\$ 134,462	\$ 14,516,500
Cash and cash equivalents - restricted	1,164,305	1,282,406	1,050,456	3,497,167
Other receivables:				
Accounts, net	479,393			479,393
State and federal aid	164,664	1,532,845		1,697,509
Due from other governments	424,046		44,965	469,011
Due from other funds	885,307		149,807	1,035,114
Prepaid expenditures	65,910			65,910
<b>TOTAL ASSETS</b>	<u>16,001,334</u>	<u>4,379,580</u>	<u>1,379,690</u>	<u>21,760,604</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other post-employment benefits obligation			96,795	96,795
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 16,001,334</u>	<u>\$ 4,379,580</u>	<u>\$ 1,476,485</u>	<u>\$ 21,857,399</u>
<b>LIABILITIES</b>				
Payables				
Accounts payable	\$ 5,355	\$ -	\$ 63	\$ 5,418
Accrued liabilities	3,674,141	2,343,324	659,341	6,676,806
Due to other governments	13,532			13,532
Due to retirement systems	629,302		2,806	632,108
Due to other funds	86,884	753,850	195,309	1,036,043
Unearned revenues				
Collections in advance	77,613		46,716	124,329
<b>TOTAL LIABILITIES</b>	<u>4,486,827</u>	<u>3,097,174</u>	<u>904,235</u>	<u>8,488,236</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other post-employment benefits obligation			18,213	18,213
<b>FUND BALANCES</b>				
Nonspendable	65,910			65,910
Restricted	1,164,305		499,272	1,663,577
Restricted (capital projects)		1,125,369		1,125,369
Restricted (unspent bond proceeds)		157,037		157,037
Assigned (community development)			65,484	65,484
Assigned (tax certiorari)	2,024,956			2,024,956
Assigned (appropriated)	2,620,603			2,620,603
Unassigned	5,638,733		(10,719)	5,628,014
<b>TOTAL FUND BALANCES</b>	<u>11,514,507</u>	<u>1,282,406</u>	<u>554,037</u>	<u>13,350,950</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 16,001,334</u>	<u>\$ 4,379,580</u>	<u>\$ 1,476,485</u>	<u>\$ 21,857,399</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
MAY 31, 2021**

Total Governmental Fund Balances \$ 13,350,950

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	\$ (19,740,891)	
Deferred inflows related to total OPEB liability	<u>(4,642,245)</u>	(24,383,136)

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	\$ 16,609,122	
Deferred outflows related to total OPEB liability	24,671,218	
Deferred outflows related to total LOSAP liability	<u>92,619</u>	41,372,959

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	\$ 104,375,122	
Accumulated depreciation	<u>(46,526,098)</u>	57,849,024

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. 1,713,986

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. (125,030)

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. (356,569)

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

Compensated absences	\$ (10,691,817)	
Claims payable	(1,713,986)	
Bonds payable	(23,442,164)	
Net pension liabilities - proportionate share	(3,685,287)	
Total other post-employment benefits obligation	(159,314,261)	
LOSAP	<u>(509,330)</u>	(199,356,845)

Total Net Position (Deficit) \$ (109,934,661)



**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED MAY 31, 2021**

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Real property taxes	\$ 31,462,388	\$ -	\$ -	\$ 31,462,388
Other tax items	1,147,731			1,147,731
Departmental income	3,243,610		3,433	3,247,043
Use of money & property	82,158	9,005	1,872	93,035
Licenses & permits	1,700,234			1,700,234
Fines & forfeitures	676,300			676,300
Sale of property & compensation for loss	291,549			291,549
Intergovernmental charges	4,122,180			4,122,180
State and county aid	1,383,945	1,333,900		2,717,845
Federal aid	131,413	2,157,900	3,341,808	5,631,121
Miscellaneous	831,916			831,916
<b>TOTAL REVENUES</b>	<b>45,073,424</b>	<b>3,500,805</b>	<b>3,347,113</b>	<b>51,921,342</b>
<b>EXPENDITURES</b>				
Current:				
General government support	5,994,332			5,994,332
Public safety	12,710,235			12,710,235
Health	68,257			68,257
Transportation	2,513,729			2,513,729
Economic opportunity and development	69,235		3,005,043	3,074,278
Culture and recreation	2,687,311			2,687,311
Home and community services	3,913,192		207,714	4,120,906
Employee benefits	12,168,960		35,021	12,203,981
Debt service:				
Principal			2,984,365	2,984,365
Interest			750,062	750,062
Capital outlay		5,112,176		5,112,176
<b>TOTAL EXPENDITURES</b>	<b>40,125,251</b>	<b>5,112,176</b>	<b>6,982,205</b>	<b>52,219,632</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,948,173</b>	<b>(1,611,371)</b>	<b>(3,635,092)</b>	<b>(298,290)</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Interfund revenues				
Transfers in		900,000	3,821,311	4,721,311
Transfers (out)	(4,721,311)			(4,721,311)
<b>TOTAL OTHER FINANCING SOURCES AND (USES)</b>	<b>(4,721,311)</b>	<b>900,000</b>	<b>3,821,311</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>226,862</b>	<b>(711,371)</b>	<b>186,219</b>	<b>(298,290)</b>
<b>FUND BALANCES - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 20)</b>	<b>11,287,645</b>	<b>1,993,777</b>	<b>367,818</b>	<b>13,649,240</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 11,514,507</b>	<b>\$ 1,282,406</b>	<b>\$ 554,037</b>	<b>\$ 13,350,950</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

Net Change in Fund Balances \$ (298,290)

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

**Long-Term Revenue and Expense Differences**

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, 2020 to May 31, 2021 changed by: (480,286)

Changes in the proportionate share of net pension liability, LOSAP liability, and total other post-employment benefits obligation and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Other post-employment benefits obligation	\$ (10,934,504)	
LOSAP	(416,711)	
Employees' retirement system	564,455	
Police and Firemen's retirement system	154,706	(10,632,054)

**Capital Related Differences**

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.

Capital outlays	\$ 5,112,176	
Capital asset additions	433,806	
Loss on disposal	(173,274)	
Depreciation expense	(3,907,515)	1,465,193

**Long-Term Debt Differences**

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 2,984,365

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, 2021 was: 113,993

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, 2020 to May 31, 2021 changed by: 25,534

Change in Net Position of Governmental Activities \$ (6,821,545)

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**MAY 31, 2021**

	Business-Type Activities- Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 6,500,549	\$ 3,455,162	\$ 9,955,711	\$ 1,565,150
Receivables				
Accounts, net	2,796,193	3,774,426	6,570,619	
Due from other funds		63,282	63,282	
Prepaid expenses		1,382,983	1,382,983	307,018
Inventories	192,702	2,740,004	2,932,706	
Security deposit - New York Independent System Operator		258,099	258,099	
<b>Total Current Assets</b>	<u>9,489,444</u>	<u>11,673,956</u>	<u>21,163,400</u>	<u>1,872,168</u>
<b>Non-Current Assets</b>				
Land	327,271	48,614	375,885	
Construction-in-progress	4,314,581	6,905,599	11,220,180	
Buildings and equipment	52,700,814	72,420,388	125,121,202	
	57,342,666	79,374,601	136,717,267	
Less - Accumulated depreciation	(14,084,595)	(37,717,892)	(51,802,487)	
<b>Total Non-Current Assets</b>	<u>43,258,071</u>	<u>41,656,709</u>	<u>84,914,780</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>52,747,515</u>	<u>53,330,665</u>	<u>106,078,180</u>	<u>1,872,168</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	483,164	2,746,400	3,229,564	
Other post-employment benefits obligations	448,982	2,681,477	3,130,459	
Deferred charge on refunding		78,028	78,028	
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>932,146</u>	<u>5,505,905</u>	<u>6,438,051</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>53,679,661</u>	<u>58,836,570</u>	<u>112,516,231</u>	<u>1,872,168</u>
<b>LIABILITIES</b>				
<b>Payables</b>				
Accounts payable	965	1,237,890	1,238,855	158,182
Accrued liabilities	304,740	1,351,057	1,655,797	
Accrued interest	99,609	67,609	167,218	
Due to other funds	62,353		62,353	
Customer deposits	36,422	1,503,653	1,540,075	
Due to retirement system	17,784	94,217	112,001	
Bonds payable, inclusive of premiums	1,853,662	1,032,579	2,886,241	
Claims payable				932,017
Compensated absences	7,823	55,887	63,710	
<b>Unearned revenue</b>				
Collections in advance	117,984	2,063,223	2,181,207	
<b>Total Current Liabilities</b>	<u>2,501,342</u>	<u>7,406,115</u>	<u>9,907,457</u>	<u>1,090,199</u>
<b>Non-Current Liabilities</b>				
Bonds payable, inclusive of premiums	16,611,369	8,829,697	25,441,066	
Claims payable				781,969
Compensated absences	305,093	2,179,610	2,484,703	
Net pension liability - proportionate share	2,245	12,797	15,042	
Total other post-employment benefits obligations	2,899,299	17,315,624	20,214,923	
<b>Total Non-Current Liabilities</b>	<u>19,818,006</u>	<u>28,337,728</u>	<u>48,155,734</u>	<u>781,969</u>
<b>TOTAL LIABILITIES</b>	<u>22,319,348</u>	<u>35,743,843</u>	<u>58,063,191</u>	<u>1,872,168</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	657,825	3,748,936	4,406,761	
Other post-employment benefits obligations	84,482	504,559	589,041	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>742,307</u>	<u>4,253,495</u>	<u>4,995,802</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	24,793,040	31,872,461	56,665,501	
Unrestricted	5,824,966	(13,033,229)	(7,208,263)	
<b>TOTAL NET POSITION</b>	<u>\$ 30,618,006</u>	<u>\$ 18,839,232</u>	<u>\$ 49,457,238</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, 2021**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
<b>OPERATING REVENUES</b>				
Charges for services				
Metered sales	\$ 6,241,996	\$ 23,008,142	\$ 29,250,138	\$ -
Risk management				1,890,432
Miscellaneous	38,971	46,376	85,347	
<b>Total operating revenues</b>	<u>6,280,967</u>	<u>23,054,518</u>	<u>29,335,485</u>	<u>1,890,432</u>
<b>OPERATING EXPENSES</b>				
Purchased power	124,070	9,660,951	9,785,021	
Depreciation	1,169,994	1,404,962	2,574,956	
Maintenance	462,995	97,040	560,035	
Interfund charges	586,149	2,957,300	3,543,449	
Production		1,628,038	1,628,038	
Transmission and distribution	767,888	2,056,965	2,824,853	
Street lighting		122,587	122,587	
General and administrative	1,005,041	1,456,412	2,461,453	490,802
Employee benefits	501,629	2,239,836	2,741,465	692,824
Insurance	75,000	258,333	333,333	698,524
Customer deposit interest		3,500	3,500	
Judgments and claims				15,157
<b>Total operating expenses</b>	<u>4,692,766</u>	<u>21,885,924</u>	<u>26,578,690</u>	<u>1,897,307</u>
<b>Operating income (loss)</b>	<u>1,588,201</u>	<u>1,168,594</u>	<u>2,756,795</u>	<u>(6,875)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Rental income		167,996	167,996	
Interest income	29,983	28,278	58,261	6,875
Interest expense	(516,188)	(301,075)	(817,263)	
<b>Total non-operating revenues (expenses)</b>	<u>(486,205)</u>	<u>(104,801)</u>	<u>(591,006)</u>	<u>6,875</u>
<b>CHANGE IN NET POSITION</b>	1,101,996	1,063,793	2,165,789	-
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	<u>29,516,010</u>	<u>17,775,439</u>	<u>47,291,449</u>	<u>-</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 30,618,006</u>	<u>\$ 18,839,232</u>	<u>\$ 49,457,238</u>	<u>\$ -</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Electric	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Revenue collected:				
Cash received from charges for services	\$ 6,208,279	\$ 21,972,782	\$ 28,181,061	\$ 1,890,432
Internal activity-payments to other funds for expense reimbursements	27,026	26,660	53,686	
Payments for expenses:				
Cash payments to other suppliers of goods or services	(2,105,199)	(11,205,051)	(13,310,251)	
Cash payments to insurance carriers and claimants			-	(1,857,593)
Cash payments to employees for services and related expenses	(1,018,151)	(7,507,910)	(8,526,060)	(692,824)
Cash payments to customers on deposit - interest		(3,500)	(3,500)	
Internal activity-payments to other funds for expense reimbursements	62,353	(913,968)	(851,615)	(207,361)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>3,174,309</u>	<u>2,369,013</u>	<u>5,543,322</u>	<u>(867,346)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(2,428,518)	(7,739,612)	(10,168,130)	
Principal paid on capital debt	(1,843,848)	(1,001,787)	(2,845,635)	
Interest paid on capital debt	(573,157)	(331,782)	(904,939)	
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(4,845,523)</u>	<u>(9,073,181)</u>	<u>(13,918,704)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and rental income	29,983	196,274	226,257	6,875
<b>Net Cash Provided by Investing Activities</b>	<u>29,983</u>	<u>196,274</u>	<u>226,257</u>	<u>6,875</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(1,641,231)	(6,507,894)	(8,149,125)	(860,471)
<b>Cash and Cash Equivalents at Beginning of Year</b>	8,141,780	9,963,056	18,104,836	2,425,621
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 6,500,549</u>	<u>\$ 3,455,162</u>	<u>\$ 9,955,711</u>	<u>\$ 1,565,150</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 1,588,201	\$ 1,168,594	\$ 2,756,795	\$ (6,875)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,169,994	1,404,962	2,574,956	
Decrease (increase) in:				
Accounts receivable	(123,951)	(89,289)	(213,240)	
Due from other funds	27,026	26,660	53,686	
Prepaid expenses			-	(16,990)
Inventory	20,071	105,690	125,761	
Security deposit - New York Independent System Operator		(258,099)	(258,099)	
Increase (decrease) in:				
Accounts payable	(7,181)	348,164	340,983	67,296
Accrued liabilities	253,175	667,437	920,612	
Due to other funds	62,353		62,353	(207,361)
Claims payable			-	(703,416)
Customer deposits	1,875	16,262	18,137	
Collections in advance	49,389	(1,008,709)	(959,320)	
Due to employees' retirement system	1,970	10,425	12,395	
Compensated absences	(12,237)	(62,940)	(75,177)	
Pension amounts	(53,121)	(204,661)	(257,782)	
Other post-employment benefits obligations	196,745	244,517	441,262	
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 3,174,309</u>	<u>\$ 2,369,013</u>	<u>\$ 5,543,322</u>	<u>\$ (867,346)</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUND  
MAY 31, 2021 AND 2020**

	<b>Custodial</b>	
	<b>2021</b>	<b>As Restated 2020</b>
<b>ASSETS</b>		
Cash	\$ 147,999	\$ 212,871
Investments- mutual funds, at fair value	6,441,703	4,882,464
<b>TOTAL ASSETS</b>	<b>\$ 6,589,702</b>	<b>\$ 5,095,335</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	-	-
 <b>NET POSITION</b>		
Restricted	6,589,702	5,095,335
<b>TOTAL NET POSITION</b>	<b>6,589,702</b>	<b>5,095,335</b>
 <b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 6,589,702</b>	<b>\$ 5,095,335</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUND  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

	<b>Custodial</b>
<b>ADDITIONS</b>	
Police funds received	\$ 240,227
Pension contributions	112,000
Interest and net change in fair value of investments	1,597,937
<b>TOTAL ADDITIONS</b>	<b>1,950,164</b>
<b>DEDUCTIONS</b>	
Police funds disbursed	305,099
Pension benefits	150,698
<b>TOTAL DEDUCTIONS</b>	<b>455,797</b>
<b>CHANGE IN NET POSITION</b>	1,494,367
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>	<b>5,095,335</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 6,589,702</b>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

**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, 2021**

**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.

**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.

**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, 2021**

**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, 2021.

**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.

**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.

**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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

activities for general liability, workers' compensation and unemployment benefits in an internal service fund.

The Village reports the following fiduciary fund:

**Fiduciary Fund:**

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The fiduciary fund is 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's fiduciary fund includes the custodial fund which is used to account for police funds received and disbursed, as well as, investments and benefit payments for the Fire Service Length of Service Award Program (LOSAP) defined contribution pension plan.

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

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

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

The Fund Financial Statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting (with the exception of the Section 8 Housing Fund). Under the modified accrual method of accounting revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "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 pension liability, other post-employment benefit obligations and LOSAP are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental

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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, other post-employment benefits obligations and LOSAP.

**G) Cash and cash equivalents:**

For purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Statement of Cash Flows is presented using 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, signed by the Mayor no later than May 31 and become an enforceable lien on real property as of June 1. Property taxes are due in two installments during June and December without penalty.

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**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 payments 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. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

**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.

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

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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

**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 three amounts are related to pensions, length of service award program, and other post-employment benefits liability, and are detailed further in Notes 11, 14, 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 11 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 classes paid in advance and for the Section 8 Housing 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.

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**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.

**R) Other benefits:**

Village employees participate in the New York State Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). In addition to providing pension benefits, the Village provides other 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 other 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 did not issue or redeem any short-term debt during the fiscal year.

**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, other post-employment benefits obligations, and LOSAP 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

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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.

**U) Length of service award program:**

The Village sponsors the Village of Rockville Centre Volunteer Defined Benefit Service Award Program and reports its share of service award program assets. These assets are required to be held in trust by Article 11-A of New York State Municipal Law. The underlying assets are reported at fair value based on quoted market prices and include cash and money market deposits, bonds, exchange traded funds, and mutual funds. See notes 13 and 14 for more details.

**V) Equity classifications:**

**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.



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**Fund Financial Statements:**

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

**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>	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Capital projects	\$ -	\$ 1,125,369	\$ -	\$ 1,125,369
Unspent bond proceeds		157,037		157,037
Employee benefit accrued liability	1,164,305			1,164,305
Debt service			499,272	499,272
Total	<u>\$ 1,164,305</u>	<u>\$ 1,282,406</u>	<u>\$ 499,272</u>	<u>\$ 2,945,983</u>

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

<u>Assigned for:</u>	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Tax certiorari	\$ 2,024,956	\$ -	\$ -	\$ 2,024,956
Fiscal year 2021-22 budget	2,620,603			2,620,603
Community development			65,484	65,484
Total	<u>\$ 4,645,559</u>	<u>\$ -</u>	<u>\$ 65,484</u>	<u>\$ 4,711,043</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. The Village has no encumbrances for the fiscal year.

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

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**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, 2021, the Village has \$ \$65,910 in nonspendable fund balance for prepaid expenditures in the general fund.

**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 \$5,638,733 in the general fund and a deficit of \$10,719 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.

**W) New accounting pronouncements:**

GASB has issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), 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. The Village has adopted and implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. See Note 20 for further details.

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

GASB has issued Statement No. 87, *Leases*, effective for fiscal year ended May 31, 2022. 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.

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

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

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

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

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

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

**i) Long-term revenue and expense differences:**

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

**ii) Capital related differences:**

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

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

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

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**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:**

**A) Budgetary data:**

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

- i) On or before March 20, the budget officer submits to the Village Clerk a tentative operating budget for the fiscal year commencing the following June 1. 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.
- iii) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15.
- iv) After the public hearing and on or before May 1, 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, or proprietary funds.
- vii) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modifications to appropriations resulting from increases in revenue estimates or supplemental appropriations also require a majority vote by the Board.
- viii) Appropriations in the general and debt service funds lapse at the end of the fiscal year, except those 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 constitutional tax limit amount of the levy for 2020-2021 was \$86,545,633 and the constitutional tax margin was \$58,817,672.

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**C) Encumbrances:**

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to assign applicable appropriations. Outstanding encumbrances as of year-end do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

**NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:**

**A) Cash:**

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

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

All of the Village's aggregate bank balances were covered by depository insurance or collateralized with securities held by pledging financial institutions in the Village's name at year end. None were exposed to custodial credit risk as described above at year end.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of May 31, 2021 includes \$3,497,167 in the governmental funds.

**B) Investments:**

Investments in the custodial fund are stated at fair market value. These investments are not subject to risk categorization. See Note 13 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, 2021 are presented below.

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	General Fund		Water Fund	Electric Fund	Section 8 Housing Fund
	Taxes Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable	Accounts Receivable
Gross receivables	\$ 22,088	\$ 533,725	\$ 2,796,163	\$ 3,926,014	\$ 31,770
Less: allowance for uncollectibles	(22,088)	(54,332)		(151,588)	(31,770)
Net receivables	\$ -	\$ 479,393	\$ 2,796,163	\$ 3,774,426	\$ -

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

State and federal aid receivables at May 31, 2021 consisted of the following:

General Fund

Due from State -justice court fund \$ 164,664

Capital Projects Fund

Due from Federal - FEMA grant 1,513,955

Due from NYSDOT 18,890

Total - Capital Projects Fund 1,532,845

Total - Governmental Funds \$1,697,509

Village management has deemed these amounts to be fully collectible.

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

Due from other governments at May 31, 2021 consisted of the following:

General Fund

Due from Nassau County - mortgage tax \$ 424,046

Community Development Fund

Due from Nassau Consortium 44,965

Total - Governmental Funds \$ 469,011

Village management has deemed these amounts to be fully collectible.

**NOTE 8 – CAPITAL ASSETS/PRIOR PERIOD ADJUSTMENT:**

During the fiscal year ended May 31, 2021, the Village restated the amounts for construction in progress to properly report opening balances as follows:

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	As Reported <u>May 31, 2020</u>	<u>Adjustments</u>	As Restated <u>May 31, 2020</u>
<b>Governmental Activities:</b>			
Capital assets, not being depreciated			
Land	\$ 4,576,378	\$ -	\$ 4,576,378
Construction-in-progress	23,863,333	(21,918,543)	1,944,790
Total capital assets, not being depreciated	<u>28,439,711</u>	<u>\$ (21,918,543)</u>	<u>6,521,168</u>
Capital assets, being depreciated			
Buildings and equipment	43,880,435	(2,126,118)	41,754,317
Infrastructure	51,254,658		51,254,658
Total capital assets, being depreciated	<u>95,135,093</u>	<u>(2,126,118)</u>	<u>93,008,975</u>
Less accumulated depreciation for			
Buildings and equipment	16,191,990		16,191,990
Infrastructure	26,954,322		26,954,322
Total accumulated depreciation	<u>43,146,312</u>	<u>-</u>	<u>43,146,312</u>
Total capital assets being depreciated, net	<u>51,988,781</u>	<u>(2,126,118)</u>	<u>49,862,663</u>
Governmental activities capital assets, net	<u>\$ 80,428,492</u>	<u>(24,044,661)</u>	<u>\$ 56,383,831</u>
Total Net Position (Deficit) - Beginning of Year		<u>(78,784,727)</u>	
Total Net Position (Deficit) - Beginning of Year, As Restated (See Note 20 for further detail)		<u>\$ (102,829,388)</u>	

The breakdown by major asset groups at May 31, 2021 was as follows:

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	Beginning Balance (As Restated)	Additions	Transfers	Adjustments/ Disposals	Ending Balance
<b>Governmental Activities:</b>					
Capital assets, not being depreciated					
Land	\$ 4,576,378	\$ -	\$ -	\$ -	\$ 4,576,378
Construction-in-progress	1,944,790	5,112,176	(2,969,624)		4,087,342
Total capital assets, not being depreciated	<u>6,521,168</u>	<u>5,112,176</u>	<u>(2,969,624)</u>	<u>\$ -</u>	<u>8,663,720</u>
Capital assets, being depreciated					
Buildings and equipment	41,754,317	433,806	2,719,224	(590,803)	44,316,544
Infrastructure	51,254,658		250,400	(110,200)	51,394,858
Total capital assets, being depreciated	<u>93,008,975</u>	<u>433,806</u>	<u>2,969,624</u>	<u>(701,003)</u>	<u>95,711,402</u>
Less accumulated depreciation for					
Buildings and equipment	16,191,990	1,384,330		(417,529)	17,158,791
Infrastructure	26,954,322	2,523,185		(110,200)	29,367,307
Total accumulated depreciation	<u>43,146,312</u>	<u>3,907,515</u>	<u>-</u>	<u>(527,729)</u>	<u>46,526,098</u>
Total capital assets being depreciated, net	<u>49,862,663</u>	<u>(3,473,709)</u>	<u>2,969,624</u>	<u>(173,274)</u>	<u>49,185,304</u>
Governmental activities capital assets, net	<u>\$ 56,383,831</u>	<u>\$ 1,638,467</u>	<u>\$ -</u>	<u>\$ (173,274)</u>	<u>\$ 57,849,024</u>
<b>Business-Type Activities:</b>					
Capital assets, not being depreciated					
Land	\$ 375,885	\$ -	\$ -	\$ -	\$ 375,885
Construction-in-progress	8,784,735	11,245,795	(8,037,862)	(772,488)	11,220,180
Total capital assets, not being depreciated	<u>9,160,620</u>	<u>11,245,795</u>	<u>(8,037,862)</u>	<u>(772,488)</u>	<u>11,596,065</u>
Capital assets, being depreciated					
Buildings and equipment	117,593,115		8,037,862	(509,775)	125,121,202
Total capital assets, being depreciated	<u>117,593,115</u>	<u>-</u>	<u>8,037,862</u>	<u>(509,775)</u>	<u>125,121,202</u>
Less accumulated depreciation for					
Buildings and equipment	49,432,129	2,574,956		(204,598)	51,802,487
Total accumulated depreciation	<u>49,432,129</u>	<u>2,574,956</u>	<u>-</u>	<u>(204,598)</u>	<u>51,802,487</u>
Total capital assets being depreciated, net	<u>68,160,986</u>	<u>(2,574,956)</u>	<u>8,037,862</u>	<u>(305,177)</u>	<u>73,318,715</u>
Business-type activities capital assets, net	<u>\$ 77,321,606</u>	<u>\$ 8,670,839</u>	<u>\$ -</u>	<u>\$ (1,077,665)</u>	<u>\$ 84,914,780</u>



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

General support	\$ 250,227
Public safety	400,032
Transportation	2,814,859
Culture and recreation	574,104
Home and community services	<u>41,567</u>
Total	<u>\$ 4,080,789</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, 2021 consisted of the following:

	<u>Business-Type Activities</u>
Loss on defeasance	<u>\$ 78,028</u>
Total deferred charge on refunding	<u>\$ 78,028</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.

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**NOTE 10 – 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	\$ 26,426,529	\$ -	\$ 2,984,365	\$ 23,442,164	\$ 2,701,340
Premiums	470,562		113,993	356,569	113,993
Total bonds payable	<u>26,897,091</u>	<u>-</u>	<u>3,098,358</u>	<u>23,798,733</u>	<u>2,815,333</u>
Other liabilities:					
Claims payable	2,417,402	4,565	707,981	1,713,986	932,017
Compensated absences	10,211,531	1,108,788	628,502	10,691,817	267,295
Net pension liabilities- proportionate share	19,460,828		15,775,541	3,685,287	
Total other post-employment benefits obligations	131,837,287	30,292,997	2,190,970	159,939,314	
LOSAP	-	509,330		509,330	
Total other liabilities	<u>163,927,048</u>	<u>31,915,680</u>	<u>19,302,994</u>	<u>176,539,734</u>	<u>1,199,312</u>
<b>Total Governmental activities</b>	<u>190,824,139</u>	<u>31,915,680</u>	<u>22,401,352</u>	<u>200,338,467</u>	<u>4,014,645</u>
<b>Business-Type Activities</b>					
General obligation debt:					
Bonds payable	30,663,471		2,845,635	27,817,836	2,803,660
Premiums	592,052		82,581	509,471	82,581
Total bonds payable	<u>31,255,523</u>	<u>-</u>	<u>2,928,216</u>	<u>28,327,307</u>	<u>2,886,241</u>
Other liabilities:					
Compensated absences	2,623,590		75,177	2,548,413	63,710
Net pension liabilities- proportionate share	3,776,809		3,761,767	15,042	
Total other post-employment benefit obligations	17,626,681	2,904,665	316,423	20,214,923	
Total other liabilities	<u>24,027,080</u>	<u>2,904,665</u>	<u>4,153,367</u>	<u>22,778,378</u>	<u>63,710</u>
<b>Total Business-Type activities</b>	<u>55,282,603</u>	<u>2,904,665</u>	<u>7,081,583</u>	<u>51,105,685</u>	<u>2,949,951</u>
<b>Total Primary Government</b>	<u>\$ 246,106,742</u>	<u>\$ 34,820,345</u>	<u>\$ 29,482,935</u>	<u>\$ 251,444,152</u>	<u>\$ 6,964,596</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, other post-employment benefit obligations, and LOSAP. The water and electric funds are typically used to liquidate long-term liabilities for business-type activities for bonds payable, compensated absences, and other post-employment benefit obligations based upon their respective obligations.

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**General Obligation Bonds**

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

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the Village to rebate excess arbitrage earnings from bond proceeds to the federal government. There were no excess arbitrage earnings for the year ended May 31, 2021.

Existing serial and statutory bond obligations at May 31, 2021 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%	\$ 135,000
Public Improvements	2009	4,295,000	December 2024	2.00-3.75%	800,000
Public Improvements	2010	3,715,000	February 2026	2.00-3.875%	1,000,000
Refunding Bonds	2012	1,205,000	June 2021	2.00-3.00%	200,000
Refunding Bonds	2012	1,780,000	June 2022	2.00-4.00%	590,000
Public Improvements	2012	2,480,000	August 2027	1.50-3.00%	1,030,000
Public Improvements	2013	7,715,000	October 2028	2.00-3.00%	4,020,000
Public Improvements	2015	8,760,000	February 2030	2.00-3.00%	4,910,000
Public Improvements	2016	2,810,000	February 2031	2.00-3.00%	1,500,000
Public Improvements	2017	4,500,000	June 2032	3.00%	3,685,000
Public Improvements	2018	5,750,000	November 2047	3.00-4.00%	5,572,164
		<u>\$ 43,835,000</u>			<u>\$ 23,442,164</u>

Existing serial and statutory bond obligations at May 31, 2021 were comprised of the following for business-type activities, exclusive of premiums:

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Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Outstanding at Year End
<b>Water Fund</b>					
General Improvements	2008	\$ 2,000,000	October 2023	4.25-4.50%	\$ 390,000.0
General Improvements	2009	1,200,000	December 2024	2.00-3.75%	320,000
General Improvements	2011	2,000,000	February 2026	2.00-3.875%	750,000
General Improvements	2012	4,500,000	August 2027	1.50-3.00%	2,115,000
Refunding Bonds	2012	1,370,000	June 2021	2.00-4.00%	120,000
General Improvements	2013	400,000	October 2028	2.00-3.00%	240,000
Public Improvements	2015	2,700,000	February 2030	2.00-3.00%	1,620,000
Public Improvements	2016	6,600,000	February 2031	2.00-3.00%	4,500,000
Public Improvements	2017	3,700,000	June 2032	3.00%	3,030,000
Public Improvements	2018	5,300,000	November 2047	3.00-4.00%	5,136,083
<b>Electric Fund</b>					
General Improvements	2009	1,000,000	December 2024	2.00-3.75%	280,000
General Improvements	2011	1,400,000	February 2026	2.00-3.875%	500,000
General Improvements	2012	1,250,000	August 2027	1.50-3.00%	605,000
Refunding Bonds	2012	3,505,000	June 2027	2.00-4.00%	1,545,000
Public Improvements	2015	3,000,000	February 2030	2.00-3.00%	1,795,000
Public Improvements	2016	750,000	February 2031	2.00-3.00%	500,000
Public Improvements	2017	1,200,000	June 2032	3.00%	980,000
Public Improvements	2018	3,500,000	November 2047	3.00-4.00%	3,391,753
		<u>\$ 45,375,000</u>			<u>\$ 27,817,836</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 of \$1,464,456 and \$165,254, respectively. The premiums are recorded in the Government-Wide Financial Statements and are being amortized using the straight-line method over 11 years and 15 years, respectively, the time to maturity of the 2012 refunded bond and the 2012 serial bond.

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

Fiscal Year Ending May 31,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	2,020,171	420,441	2,234,829	533,717	4,255,000	954,158
2027-2031	7,363,040	1,350,580	8,221,960	1,862,847	15,585,000	3,213,427
2032-2036	1,339,380	706,940	1,885,620	1,076,998	3,225,000	1,783,938
2037-2041	1,128,264	506,671	1,726,736	775,425	2,855,000	1,282,096
2042-2046	1,345,619	260,470	2,059,381	398,630	3,405,000	659,100
2047-2048	610,571	24,621	934,429	37,679	1,545,000	62,300
	<u>\$23,442,164</u>	<u>\$ 5,554,765</u>	<u>\$27,817,836</u>	<u>\$ 7,538,760</u>	<u>\$51,260,000</u>	<u>\$ 13,093,525</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	\$ 750,062	\$ 904,939	\$ 1,655,001
Less interest accrued in the prior year	(150,564)	(191,819)	(342,383)
Plus interest accrued in the current year	125,030	167,218	292,248
Plus amortization of deferred charge		19,506	19,506
Less amortization of premium	(113,993)	(82,581)	(196,574)
Total expense	<u>\$ 610,535</u>	<u>\$ 817,263</u>	<u>\$ 1,427,798</u>

**NOTE 11- PENSION PLANS:**

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

Employees' Retirement System and Police and Fire Retirement System

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

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

**B) Funding policies:**

The System is noncontributory, except as follows:

- a. Employees who joined the system after July 27, 1976, but before January 1, 2010
  - i. Employees contribute 3% of their salary, except those 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, 2021 of covered payroll was 19.70% for Tier 2, 16.10% for Tier 3 & 4, 13.40% for Tier 5 and 9.60% for Tier 6. The Village's contribution rates for PFRS' fiscal year ended March 31, 2021 of covered payroll was 26.60% for Tier 2, 21.90% for Tier 5 and 16.40% 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 \$2,096,893 for ERS and \$2,011,429 for PFRS.

The PFRS contribution was charged to the general fund.

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The current ERS contribution was charged as follows:

Fund	Amount
General	\$ 1,412,954
Water	103,573
Electric	580,366
	\$ 2,096,893

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, 2021, 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, 2021 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, 2021	March 31, 2021	March 31, 2021
Net pension liability	\$ 43,905	\$ 3,655,837	\$ 587
Village's portion of the Plan's total net pension liability	0.0440932%	0.2105562%	0.0005899%
Change in proportion since prior measurement date	0.0017208%	-0.0122916%	0.0001892%

For the fiscal year ended May 31, 2021, the Village recognized pension expense of \$1,240,022 for ERS and \$1,919,065 for PFRS. At May 31, 2021 the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<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	\$ 543,377	\$ 811,211	\$ -	\$ -
Changes of assumptions	8,180,781	8,981,996	154,291	
Net difference between projected and actual earnings on pension plan investments			12,780,935	10,749,774
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	522,160	55,052	103,013	359,639
Village's contributions subsequent to the measurement date	335,050	409,059		
	<u>\$ 9,581,368</u>	<u>\$ 10,257,318</u>	<u>\$ 13,038,239</u>	<u>\$ 11,109,413</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, 2022. 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:		
2022	\$ (634,384)	\$ (513,696)
2023	(171,939)	(111,234)
2024	(600,791)	(421,200)
2025	(2,384,807)	(1,958,868)
2026	-	1,743,844
	<u>\$ (3,791,921)</u>	<u>\$ (1,261,154)</u>

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions for both ERS and PFRS:



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Measurement date	March 31, 2021
Acturial valuation date	April 1, 2020
Interest rate	5.90%
Salary scale	4.4% for ERS 6.2% for PFRS
Cost of living adjustments	1.3% annually
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience
Inflation rate	2.70%

The annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2020.

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

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

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<u>Measurement date</u>	<u>March 31, 2021</u>	
	Target Allocation	Long-Term Expected Real Rate of Return
<u>Asset Type</u>		
Domestic equity	32%	4.05%
International equity	15%	6.30%
Private equity	10%	6.75%
Real estate	9%	4.95%
Opportunistic/ Absolute return strategies	3%	4.50%
Credit	4%	3.63%
Real Assets	3%	5.95%
Fixed Income	23%	0.00%
Cash	1%	0.50%
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. 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 5.90%, 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-percentage point lower (4.90%) or 1-percentage point higher (6.90%) than the current rate:

<u>ERS</u>	<u>1% Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
Village's proportionate share of the net pension asset/(liability)	<u>\$ (12,186,428)</u>	<u>\$ (43,905)</u>	<u>\$ 11,154,342</u>
<u>Community Development ERS</u>			
Village's proportionate share of the net pension asset/(liability)	<u>\$ (163,036)</u>	<u>\$ (587)</u>	<u>\$ 149,228</u>
<u>PFRS</u>			
Village's proportionate share of the net pension asset/(liability)	<u>\$ (15,546,678)</u>	<u>\$ (3,655,837)</u>	<u>\$ 6,186,707</u>

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**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, 2021	March 31, 2021
Employers' total pension liability	\$ (220,680,157)	\$ (41,236,775)
Plan fiduciary net position	<u>220,580,583</u>	<u>39,500,500</u>
Employers' net pension liability	<u>\$ (99,574)</u>	<u>\$ (1,736,275)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	99.95%	95.79%

**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, 2021 represent the projected employer contribution for the period of April 1, 2021 through May 31, 2021 based on paid wages multiplied by the employer's contribution rate, by tier. Accrued ERS and PFRS retirement contributions as of May 31, 2021 amounted to \$223,049 and \$409,059, respectively.

**NOTE 12 – 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, 2021 totaled \$1,345,906.

**NOTE 13 – 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

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a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive up to 5 years of credit for firefighting performed prior to 1994.

**ii) Benefits**

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

**B) Fiduciary Investment and Control:**

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

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

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

**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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

**D) Program Financial Condition:**

**i) Assets and Liabilities**

Assets Available for Benefits

	<u>% of total</u>		
Mutual Funds	100.00%	\$	6,441,703
Less: Liabilities			
Total Net Assets Available for Benefits		\$	6,441,703
Unfunded Liability for Prior Service		\$	-

**ii) Receipts and Disbursements**

Plan net assets, beginning of year		\$	4,882,464
Changes during the year:			
Additions			
Plan contributions	\$	112,000	
Interest and net change in fair value of investments	1,597,937		1,709,937
Subtractions			
Plan benefit withdrawals	(150,698)		(150,698)
Plan net assets, end of year		\$	6,441,703

**NOTE 14 – LENGTH OF SERVICE AWARDS PROGRAM – LOSAP:**

**A) Plan Description:**

The Village participates in a defined benefit, length of service award program ("LOSAP") established under section 457(e)(11) of the Internal Revenue Code. The Village of Rockville Centre Volunteer Firefighter Service Award Program took effect on January 1, 2020 for the active volunteer firefighter members of the Rockville Centre Village Fire Department. The information contained in this note is based on information for LOSAP for the plan year ending December 31, 2020, which is the most recent plan year for which complete information is available.

Under the LOSAP program, an eligible program participant is defined to be an active volunteer firefighter who is at least 18 years of age and has earned one year of Service Award Program Service Credit. An active volunteer firefighter earns a year of Service Credit for each calendar year after the establishment of the Program in which he or she accumulates 50 points. Points are granted for the performance of certain firefighter 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 Service Credit for five years of active volunteer firefighting service rendered prior to the establishment of the Program.

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FOR THE FISCAL YEAR ENDED MAY 31, 2021**

For LOSAP, participants acquire a non-forfeitable right to be paid a Service Award after earning five years of Service Credit, becoming totally and permanently disabled, or upon attaining the Program's Entitlement Age while an active volunteer. The Program's Entitlement Age is 65 and is the age at which benefits begin to be paid to Participants.

**B) Benefits Provided:**

Under the LOSAP program, a participant's Service Award benefit is paid as a straight life annuity with the option for a lifetime monthly annuity guaranteed for 5 or 10 years. The amount payable each month equals \$20.00 multiplied by the total number of years of Service Credit earned by the participant. The maximum number of years of Service Credit a participant may earn is 30 years. Currently, there are no other forms of payment of a volunteer's earned Service Award under the programs. Except in the case of pre-Entitlement Age death or total and permanent disablement, a participant's Service Award will not be paid until he or she attains the Entitlement Age. Volunteers who continue to be active after attaining the Entitlement Age and who may have commenced receiving a Service Award have the opportunity to earn Service Credit and thereby increase their Service Award payments. The pre-Entitlement Age death and disability benefit is the lump sum equal to the actuarial present value of the participant's accrued benefit or actuarially equivalent monthly payment for life at the time of death for vested participants or disablement.

Participants Covered by the Benefit Terms

At the December 31, 2020 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	50
Inactive participants entitled to but not yet receiving benefit payments	0
Active participants	<u>166</u>
Total	<u>216</u>

Contributions

New York State General Municipal Law §219-o(1) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village.

Trust Assets

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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

**C) Measurement of Total LOSAP Liability:**

The total LOSAP liability at the December 31, 2020 measurement date was determined using an actuarial valuation as of December 31, 2020.

Actuarial Assumptions

The total LOSAP liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Mortality Table (60/40 male/female blend) projected for mortality improvement to the year 2025 with Scale MP2020.

Discount Rate

The discount rate used to measure the total LOSAP liability was 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Index as of December 31, 2020. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

**D) LOSAP Liabilities, LOSAP Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to LOSAP:**

For the fiscal year ended May 31, 2021, the Village reported a liability of \$509,330, for its proportionate share of the LOSAP liability, measured as of December 31, 2020.

Pension Expense

For the fiscal year ended May 31, 2021, the Village recognized LOSAP expense of \$416,711. The following represents the components of LOSAP expense:

Service cost	\$ 398,599
Interest	12,995
Differences between expected and actual experience	-
Changes of assumptions or other inputs	5,117
LOSAP plan administrative expenses	-
Total pension expense	<u>\$ 416,711</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

Deferred Outflows of Resources and Deferred Inflows of Resources

At May 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to LOSAP from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 92,619	\$ -
	<u>\$ 92,619</u>	<u>\$ -</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to LOSAP will be recognized in LOSAP expense as follows:

Year Ended May 31:

2022	\$	5,117
2023		5,117
2024		5,117
2025		5,117
2026		5,117
Thereafter		67,034
	<u>\$</u>	<u>92,619</u>

**E) Sensitivity of the Total LOSAP Liability to Changes in the Discount Rate:**

The following presents the LOSAP liability of the Village as of the December 31, 2020 measurement date, calculated using the discount rate of 1.93 %, as well as what the Village's total LOSAP liability would be if it were calculated using a discount rate that is 1-percentage point lower (0.93 %) or 1-percentage point higher (2.93 %) than the current rate:

	<u>1% Decrease (0.93%)</u>	<u>Current Discount Rate (1.93%)</u>	<u>1% Increase (2.93%)</u>
Total LOSAP liability	\$ 604,105	\$ 509,330	\$ 433,291



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 885,307	\$ 86,884	\$ -	\$ 4,721,311
Capital projects fund		753,850	900,000	
Non-major governmental	149,807	195,309	3,821,311	
Total government activities	1,035,114	1,036,043	4,721,311	4,721,311
Water fund		62,353		
Electric fund	63,282			
Totals	<u>\$ 1,098,396</u>	<u>\$ 1,098,396</u>	<u>\$ 4,721,311</u>	<u>\$ 4,721,311</u>

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

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

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

**NOTE 16 – POST-EMPLOYMENT 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 2021, the Village contributed \$2,507,393 for current premiums and an additional \$0 to prefund benefits. Plan members contribute 0% to 65% as per respective collective bargaining agreements.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

**C) Employees Covered by Benefit Terms:**

At June 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	219
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	217
	<u>436</u>

**D) Total OPEB Liability:**

The Village's total OPEB liability of \$180,154,237 was measured as of May 31, 2021, and was determined by an actuarial valuation as of June 1, 2020.

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

The total OPEB liability in the June 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Discount rate	1.59%
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-2019. The assumption includes a margin for future improvements in longevity.

The actuarial assumptions used in the June 1, 2020 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.

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
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**F) Changes in the Total OPEB Liability:**

Balance at May 31, 2020	\$ 149,463,968
Changes for the fiscal year:	
Service cost	5,254,287
Interest	3,897,930
Differences between expected and actual experience	(523,515)
Changes of assumptions or other inputs	24,568,960
Benefit payments	<u>(2,507,393)</u>
Net changes	<u>30,690,269</u>
Balance at May 31, 2021	<u><u>\$ 180,154,237</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 2.63% to 1.59%.

**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 (0.59%) or 1- percentage point higher (2.59%) than the current discount rate:

	1% Decrease (0.59%)	Discount Rate (1.59%)	1% Increase (2.59%)
Total OPEB liability	<u>\$ 203,780,782</u>	<u>\$ 180,154,237</u>	<u>\$ 156,527,691</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:

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	1% Decrease (7.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)		1% Increase (9.0% decreasing to 6.0%)
Total OPEB liability	\$ 147,009,265	\$ 180,154,237		\$ 220,288,264

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

For the fiscal year ended May 31, 2021, the Village recognized OPEB expense of \$13,893,286. At May 31, 2021, 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	\$ 968,639	\$ 5,249,499
Changes of assumptions or other inputs	26,929,833	
	\$ 27,898,472	\$ 5,249,499

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:	
2022	\$ 4,741,069
2023	4,741,069
2024	4,741,069
2025	4,418,190
2026	4,007,576
	\$ 22,648,973

**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

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

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 \$269,476 in 2021 and \$126,613 in 2020.

**B) Claims:**

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

	<u>2021</u>	<u>2020</u>
Unpaid claims at beginning of year	\$ 2,417,402	\$ 2,489,611
Incurred claims and claim adjustment expenses	4,565	846,407
Claims payments	<u>(707,981)</u>	<u>(918,616)</u>
unpaid claims at year end	<u>\$ 1,713,986</u>	<u>\$ 2,417,402</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

**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 \$1,611,517. Any future refunds resulting from adverse settlements not accrued for will be funded in the year payments are made.

**C) Leases:**

Operating Leases

The Village leases various equipment and vehicles under non-cancelable leases. Rental expense for the fiscal year was \$128,842. The minimum remaining lease payments are as follows:

Fiscal Year Ending May 31,	Amount
2022	133,574
2023	67,827
2024	65,221
2025	58,730
2026	7,378
	<u>\$ 332,730</u>

**NOTE 19 – TAX ABATEMENTS:**

The Town of Hempstead Industrial Development Agency, established by Title 1 of Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 905, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the Town. The Village’s property tax revenue was reduced by \$854,987 for these programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$157,293.

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 \$460,815 for these

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$127,975 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 \$309,639 for these programs. The Village received Payments in Lieu of Tax (PILOT) payments totaling \$99,569 for this program during the fiscal year.

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

**NOTE 20 – RESTATEMENT OF FUND BALANCES / NET POSITION (DEFICIT)**

During the year ended May 31, 2021, the Village implemented GASB Statement No. 84. The adoption and implementation of this Statement resulted in reporting changes in current assets and other assets and other liabilities. The Village's net fund balance and net position (deficit) have been restated as follows:

	General Fund	Special Purpose Fund	Statement of Net Position
<b>Fund Balance/Net Position (Deficit)</b>			
Beginning of Year, as Reported/Restated for capital assets-See Note 8	\$ 11,287,645	\$ 283,728	\$ (102,829,388)
<b>Assets</b>			
Cash	270,270	(283,728)	(13,458)
Accounts receivable	2,044		2,044
<b>Total Assets</b>	<u>272,314</u>	<u>(283,728)</u>	<u>(11,414)</u>
<b>Liabilities</b>			
Current and other liabilities	393,316		393,316
Due to other funds	(121,002)	-	(121,002)
<b>Total Liabilities</b>	<u>272,314</u>	<u>-</u>	<u>272,314</u>
<b>Fund Balance/Net Position (Deficit)</b>			
Restricted - special purpose		(283,728)	(283,728)
<b>Total Fund Balance/Net Position</b>	<u>-</u>	<u>(283,728)</u>	<u>(283,728)</u>
<b>Net increase (decrease) in Fund Balance/ Net Position</b>	<u>-</u>	<u>(283,728)</u>	<u>(283,728)</u>
<b>Fund Balance/Net Position (Deficit)</b>			
Beginning of Year, as Restated	<u>\$ 11,287,645</u>	<u>\$ -</u>	<u>\$ (103,113,116)</u>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MAY 31, 2021**

**NOTE 21 – SUBSEQUENT EVENTS:**

The Village has evaluated subsequent events through December 6, 2021, which is the date the financial statements were available to be issued, and noted the following:

- A)** On June 9, 2021 the Village issued refunding serial bonds in the amount of \$3,935,000 maturing on October 15, 2025 at an interest rate of 5.00%, with a premium of \$382,444 providing an average yield of .212%.
- B)** On June 9, 2021 the Village bond anticipation notes in the amount of \$15,000,000 maturing on June 9, 2022 at an interest rate of 1.00%, with a premium of \$123,900 providing an overall combined effective net interest rate of .174%
- C)** The federal government has passed several laws in the past year to address the economic and health consequences of the COVID-19 pandemic, including the American Rescue Plan Act of 2021(ARPA). The Village received \$1,253,851 to be used to fund expenditures that meet certain requirements.



**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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Current Year</u>	<u>(Over) Under Final Budget</u>
<b>REVENUES</b>				
Real property taxes	\$ 31,462,388	\$ 31,462,388	\$ 31,462,388	\$ -
Other tax items	1,000,000	1,000,000	1,147,731	(147,731)
Departmental income	4,364,600	4,364,600	3,243,610	1,120,990
Use of money & property	119,000	119,000	82,158	36,842
Licenses & permits	1,661,300	1,661,300	1,700,234	(38,934)
Fines & forfeitures	850,000	850,000	676,300	173,700
Sale of property & compensation for loss	180,000	180,000	291,549	(111,549)
Intergovernmental charges	3,984,000	3,984,000	4,122,180	(138,180)
State and county aid	495,000	495,000	1,383,945	(888,945)
Federal aid	50,000	50,000	131,413	(81,413)
Miscellaneous	765,000	765,000	831,916	(66,916)
<b>TOTAL REVENUES</b>	<b>44,931,288</b>	<b>44,931,288</b>	<b>\$ 45,073,424</b>	<b>\$ (142,136)</b>
Appropriated fund balance	<u>1,793,332</u>	<u>1,793,332</u>		
<b>TOTAL REVENUES &amp; APPROPRIATED FUND BALANCE</b>	<b><u>\$ 46,724,620</u></b>	<b><u>\$ 46,724,620</u></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, 2021**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
<b>EXPENDITURES</b>					
<b><u>GENERAL GOVERNMENT SUPPORT</u></b>					
Board trustees	\$ 133,900	\$ 133,900	\$ 136,490	\$ -	\$ (2,590)
Village justice	268,487	268,487	222,940		45,547
Mayor	157,940	157,940	155,308		2,632
Comptroller	614,176	614,176	578,477		35,699
Clerk treasurer	563,417	563,417	481,515		81,902
Treasurer	593,778	593,778	653,427		(59,649)
Professional services	720,000	520,000	513,180		6,820
Purchasing	171,479	171,479	148,952		22,527
Personnel	452,788	452,788	475,325		(22,537)
Elections	7,100	8,172	4,470		3,702
Central garage	835,189	910,189	858,607		51,582
Data processing	541,320	540,248	338,996		201,252
Special items					
Metropolitan commuter transportation mobility tax	-	-	67,409		(67,409)
Dues and subscriptions	10,000	10,000	7,930		2,070
General administration	75,000	75,000	46,692		28,308
COVID-19	-	-	8,672		(8,672)
Real estate tax refunds	847,000	847,000	795,942		51,058
Insurance contribution	500,000	500,000	500,000		-
<b><u>PUBLIC SAFETY</u></b>					
Police civilian	961,758	961,758	753,905		207,853
Police	10,260,944	10,242,444	10,246,087		(3,643)
Street parking	205,500	205,500	153,435		52,065
Fire department	937,500	956,000	903,102		52,898
Fire prevention	6,500	6,500	-		6,500
Safety inspection	726,686	726,686	644,619		82,067
Auxiliary police	15,250	15,250	9,087		6,163
<b><u>HEALTH</u></b>					
Registrar of Vital Statistics	66,320	66,320	68,257		(1,937)
<b><u>TRANSPORTATION</u></b>					
Street administration	743,367	806,367	637,306		169,061
Street maintenance	1,127,462	1,152,462	1,119,991		32,471
Snow removal	304,500	214,500	206,380		8,120
Street lighting	550,000	520,000	516,365		3,635
Sidewalks	51,000	49,000	33,687		15,313
<b><u>ECONOMIC OPPORTUNITY AND DEVELOPMENT</u></b>					
Publicity	92,000	92,000	69,235		22,765
<b><u>CULTURE and RECREATION</u></b>					
Parks	798,832	783,832	692,392		91,440
Play & Recreation	1,686,700	1,566,700	1,278,152		288,548
MLK Center	339,744	339,744	55,674		284,070
Senior Center	674,790	674,790	660,615		14,175
Celebrations	-	-	478		(478)
<b><u>HOME and COMMUNITY SERVICE</u></b>					
Zoning Board	29,500	29,500	21,443		8,057
Planning Board	18,350	18,350	9,936		8,414
Sanitary Sewers	416,391	486,391	429,654		56,737
Refuse Collection	3,387,516	3,331,516	3,307,012		24,504
Board of Arch Review	3,000	3,000	-		3,000
Storm Sewers	164,054	164,054	130,127		33,927
Emergency Tenant Protection	7,500	7,500	15,020		(7,520)
<b><u>EMPLOYEE BENEFITS</u></b>					
Employee benefits	12,523,455	12,303,455	12,168,960		134,495
<b>TOTAL EXPENDITURES</b>	<b>42,590,193</b>	<b>42,090,193</b>	<b>40,125,251</b>	<b>-</b>	<b>1,964,942</b>
<b><u>OTHER FINANCING USES</u></b>					
Operating transfers out	4,134,427	4,634,427	4,721,311		(86,884)
<b>TOTAL OTHER FINANCING USES</b>	<b>4,134,427</b>	<b>4,634,427</b>	<b>4,721,311</b>	<b>-</b>	<b>(86,884)</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 46,724,620</b>	<b>\$ 46,724,620</b>	<b>44,846,562</b>	<b>\$ -</b>	<b>\$ 1,878,058</b>
<b>EXCESS OF REVENUES (EXPENDITURES)</b>			<b>226,862</b>		
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<b>11,287,645</b>		
<b>FUND BALANCES - END OF YEAR</b>			<b>\$ 11,514,507</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 CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
FOR THE LAST THREE FISCAL YEARS ENDED MAY 31,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 5,254,287	\$ 4,875,644	\$ 4,464,875
Interest	3,897,930	4,244,669	4,007,301
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(523,515)	(7,219,855)	1,937,276
Changes of assumptions or other inputs	24,568,960	9,683,550	-
Benefit payments	<u>(2,507,393)</u>	<u>(2,579,034)</u>	<u>(2,674,723)</u>
<b>Net change in total OPEB liability</b>	30,690,269	9,004,974	7,734,729
<b>Total OPEB liability - beginning</b>	149,463,968	140,458,994	132,724,265
<b>Total OPEB liability - ending</b>	<u>\$ 180,154,237</u>	<u>\$ 149,463,968</u>	<u>\$ 140,458,994</u>
<b>Covered-employee payroll</b>	\$ 22,599,104	\$ 25,343,661	\$ 22,009,076
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	797.17%	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:

2021	1.59%
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 SEVEN FISCAL YEARS ENDED MAY 31,**

<b>NYSERS Pension Plan</b>							
	<u>2021</u>	<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	0.0440932%	0.0423724%	0.0432123%	0.0457863%	0.0467436%	0.0448793%	0.0455493%
Community Development's proportion of the net pension liability	0.0005899%	0.0004007%	0.0003093%	0.0003219%	0.0002220%	0.0002536%	0.0003449%
Village's proportionate share of the net pension liability	\$ 43,905	\$ 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	\$ 587	\$ 106,098	\$ 21,916	\$ 10,390	\$ 20,862	\$ 40,702	\$ 11,651
Village's covered payroll	\$ 13,596,956	\$ 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	0.33%	78.07%	23.32%	11.21%	33.39%	52.52%	12.15%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
<b>NYSPPFR Pension Plan</b>							
	<u>2021</u>	<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	0.2105562%	0.2228478%	0.2216663%	0.2296344%	0.242583%	0.262200%	0.264672%
Village's proportionate share of the net pension liability	\$ 3,655,837	\$ 11,911,073	\$ 3,717,484	\$ 2,321,046	\$ 5,027,902	\$ 7,763,183	\$ 679,116
Village's covered payroll	\$ 9,064,133	\$ 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	40.33%	141.71%	45.07%	27.60%	60.76%	89.11%	7.76%
Plan fiduciary net position as a percentage of the total pension liability	95.79%	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 EIGHT FISCAL YEARS ENDED MAY 31,**

**NYSERS Pension Plan**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,096,893	\$ 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>2,096,893</u>	<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>	<u>\$ -</u>
Village's covered payroll	\$ 13,424,406	\$ 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	15.62%	12.64%	14.01%	14.77%	14.79%	16.32%	18.77%	21.79%

**NYSPPRS Pension Plan**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,011,429	\$ 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>2,011,429</u>	<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>	<u>\$ -</u>
Village's covered payroll	\$ 9,925,024	\$ 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	20.27%	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, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 12,817,709	\$ 11,344,466
Cash and cash equivalents - restricted	1,164,305	1,161,046
Other receivables:		
Accounts, net	479,393	361,076
State and federal aid	164,664	136,965
Due from other governments	424,046	273,647
Due from other funds	885,307	825,205
Prepaid expenditures	65,910	21,421
<b>TOTAL ASSETS</b>	<b>\$ 16,001,334</b>	<b>\$ 14,123,826</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Payables		
Accounts payable	\$ 5,355	\$ 616,464
Accrued liabilities	3,674,141	1,481,234
Due to other governments	13,532	2,610
Due to retirement system	629,302	544,963
Due to other funds	86,884	67,651
Unearned revenues		
Collections in advance	77,613	123,259
<b>TOTAL LIABILITIES</b>	<b>4,486,827</b>	<b>2,836,181</b>
<b>FUND BALANCES</b>		
Nonspendable	65,910	21,421
Restricted (employee benefit accrued liability)	1,164,305	1,161,046
Assigned (tax certiorari)	2,024,956	2,024,956
Assigned (appropriated)	2,620,603	1,675,000
Assigned (unappropriated)		118,332
Unassigned	5,638,733	6,286,890
<b>TOTAL FUND BALANCES</b>	<b>11,514,507</b>	<b>11,287,645</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 16,001,334</b>	<b>\$ 14,123,826</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, 2021 AND 2020**

	2021					2020				
	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	\$ 31,462,388	\$ 31,462,388	\$ 31,462,388	\$ -	\$ -	\$ 30,582,639	\$ 30,582,639	\$ 30,582,639	\$ -	\$ -
Other tax items	1,000,000	1,000,000	1,147,731		(147,731)	985,000	985,000	1,081,134		(96,134)
Departmental income	4,364,600	4,364,600	3,243,610		1,120,990	5,030,600	5,030,600	3,674,546		1,356,054
Use of money & property	119,000	119,000	82,158		36,842	140,000	140,000	247,533		(107,533)
Licenses & permits	1,661,300	1,661,300	1,700,234		(38,934)	1,851,300	1,851,300	1,384,982		466,318
Fines & forfeitures	850,000	850,000	676,300		173,700	1,150,000	1,150,000	897,780		252,220
Sale of property & compensation for loss	180,000	180,000	291,549		(111,549)	180,000	180,000	25,618		154,382
Intergovernmental charges	3,984,000	3,984,000	4,122,180		(138,180)	4,240,000	4,240,000	4,059,272		180,728
State and county aid	495,000	495,000	1,383,945		(888,945)	495,000	495,000	1,150,567		(655,567)
Federal aid	50,000	50,000	131,413		(81,413)	50,000	50,000	30,977		19,023
Miscellaneous	765,000	765,000	831,916		(66,916)	795,000	795,000	885,097		(90,097)
<b>TOTAL REVENUES</b>	<b>44,931,288</b>	<b>44,931,288</b>	<b>45,073,424</b>	<b>-</b>	<b>(142,136)</b>	<b>45,499,539</b>	<b>45,499,539</b>	<b>44,020,145</b>	<b>-</b>	<b>1,479,394</b>
<b>EXPENDITURES</b>										
General government support	6,491,574	6,366,574	5,994,332		372,242	6,327,821	6,356,821	4,984,658		1,372,163
Public safety	13,114,138	13,114,138	12,710,235		403,903	12,481,768	12,511,768	11,673,042	118,332	720,394
Health	66,320	66,320	68,257		(1,937)	61,889	61,889	68,006		(6,117)
Transportation	2,776,329	2,742,329	2,513,729		228,600	2,810,079	2,719,079	2,450,726		268,353
Economic opportunity and development	92,000	92,000	69,235		22,765	92,000	92,000	70,546		21,454
Culture and recreation	3,500,066	3,365,066	2,687,311		677,755	3,363,274	3,432,274	3,192,688		239,586
Home and community services	4,026,311	4,040,311	3,913,192		127,119	3,797,412	3,772,412	3,817,496		(45,084)
Employee benefits	12,523,455	12,303,455	12,168,960		134,495	12,590,348	12,578,348	11,648,362		929,986
Debt service										
Interest					-	60,000	60,000	60,000		-
<b>TOTAL EXPENDITURES</b>	<b>42,590,193</b>	<b>42,090,193</b>	<b>40,125,251</b>	<b>-</b>	<b>1,964,942</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>OTHER FINANCING SOURCES (USES)</b>										
Premium on obligations					-			16,080		(16,080)
Operating transfers out	(4,134,427)	(4,634,427)	(4,721,311)		86,884	(4,757,476)	(5,157,476)	(5,225,128)	-	67,652
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,134,427)</b>	<b>(4,634,427)</b>	<b>(4,721,311)</b>	<b>-</b>	<b>86,884</b>	<b>(4,757,476)</b>	<b>(5,157,476)</b>	<b>(5,209,048)</b>	<b>-</b>	<b>51,572</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>\$ 46,724,620</b>	<b>\$ 46,724,620</b>	<b>44,846,562</b>	<b>\$ -</b>	<b>\$ 1,878,058</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>NET CHANGE IN FUND BALANCES</b>			<b>226,862</b>					<b>845,573</b>		
<b>FUND BALANCES- BEGINNING OF YEAR</b>			<b>11,287,645</b>					<b>10,442,072</b>		
<b>FUND BALANCES- END OF YEAR</b>			<b>\$ 11,514,507</b>					<b>\$ 11,287,645</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, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 1,564,329	\$ 2,584,440
Cash and cash equivalents - restricted	1,282,406	157,037
Receivables:		
State and federal aid	1,532,845	47,904
<b>TOTAL ASSETS</b>	<b>\$ 4,379,580</b>	<b>\$ 2,789,381</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
Payables		
Accounts payable	\$ -	\$ 5,207
Accrued liabilities	2,343,324	9,581
Due to other funds	753,850	780,816
<b>TOTAL LIABILITIES</b>	<b>3,097,174</b>	<b>795,604</b>
 <b>FUND BALANCES</b>		
Restricted	1,282,406	157,037
Assigned		1,836,740
<b>TOTAL FUND BALANCES</b>	<b>1,282,406</b>	<b>1,993,777</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,379,580</b>	<b>\$ 2,789,381</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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
State aid	\$ 1,333,900	\$ 610,844
Federal aid	2,157,900	
Miscellaneous		50,000
Use of money and property	9,005	57,079
<b>TOTAL REVENUES</b>	<u>3,500,805</u>	<u>717,923</u>
<b>EXPENDITURES</b>		
Capital outlay	<u>5,112,176</u>	<u>2,584,198</u>
<b>TOTAL EXPENDITURES</b>	<u>5,112,176</u>	<u>2,584,198</u>
<b>EXCESS (DEFICIENCY)</b> <b>OF REVENUES OVER EXPENDITURES</b>	<u>(1,611,371)</u>	<u>(1,866,275)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in	900,000	900,000
Operating transfers (out)		<u>(57,079)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>900,000</u>	<u>842,921</u>
<b>NET CHANGE IN FUND BALANCES</b>	(711,371)	(1,023,354)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>1,993,777</u>	<u>3,017,131</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,282,406</u>	<u>\$ 1,993,777</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS  
MAY 31, 2021**

	<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>ASSETS</b>					
Cash and cash equivalents - unrestricted	\$ 134,462	\$ -	\$ -	\$ 134,462	\$ 134,462
Cash and cash equivalents - restricted		614,107		614,107	1,050,456
Receivables:					
Due from other governments	44,965			44,965	44,965
Due from other funds	86,884			86,884	149,807
<b>TOTAL ASSETS</b>	<u>266,311</u>	<u>614,107</u>	<u>-</u>	<u>880,418</u>	<u>1,379,690</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Other post-employment benefits obligation		96,795		96,795	96,795
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 266,311</u>	<u>\$ 710,902</u>	<u>\$ -</u>	<u>\$ 977,213</u>	<u>\$ 1,476,485</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 63	\$ -	\$ 63	\$ 63
Accrued liabilities	5,602	653,739		659,341	659,341
Due to employees' retirement system		2,806			2,806
Due to other funds	195,225	84		195,309	195,309
Unearned revenues					
Collections in advance		46,716		46,716	46,716
<b>TOTAL LIABILITIES</b>	<u>200,827</u>	<u>703,408</u>	<u>-</u>	<u>904,235</u>	<u>904,235</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Other post-employment benefits obligation		18,213		18,213	18,213
<b>FUND BALANCES</b>					
Restricted				499,272	499,272
Assigned	65,484			65,484	65,484
Unassigned		(10,719)		(10,719)	(10,719)
<b>TOTAL FUND BALANCES</b>	<u>65,484</u>	<u>(10,719)</u>	<u>-</u>	<u>54,765</u>	<u>554,037</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 266,311</u>	<u>\$ 710,902</u>	<u>\$ -</u>	<u>\$ 977,213</u>	<u>\$ 1,476,485</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, 2021**

	Special Revenue Funds			Debt Service	Total Non Major Funds
	Community Development	Section 8 Housing	Special Purpose		
<b>REVENUES</b>					
Departmental income	\$ -	\$ 3,433	\$ -	\$ 3,433	\$ 3,433
Use of money and property	158	500		658	1,872
Federal aid	120,830	3,220,978		3,341,808	3,341,808
<b>TOTAL REVENUES</b>	<u>120,988</u>	<u>3,224,911</u>	<u>-</u>	<u>3,345,899</u>	<u>3,347,113</u>
<b>EXPENDITURES</b>					
Economic opportunity and development		3,005,043		3,005,043	3,005,043
Home and community services	207,714			207,714	207,714
Employee benefits		35,021		35,021	35,021
Debt service					
Principal				2,984,365	2,984,365
Interest				750,062	750,062
<b>TOTAL EXPENDITURES</b>	<u>207,714</u>	<u>3,040,064</u>	<u>-</u>	<u>3,247,778</u>	<u>6,982,205</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(86,726)</u>	<u>184,847</u>	<u>-</u>	<u>(3,733,213)</u>	<u>(3,635,092)</u>
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in	86,884			86,884	3,821,311
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>86,884</u>	<u>-</u>	<u>-</u>	<u>86,884</u>	<u>3,734,427</u>
<b>NET CHANGE IN FUND BALANCES</b>	158	184,847	-	185,005	186,219
<b>FUND BALANCES - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 20)</b>	<u>65,326</u>	<u>(195,566)</u>	<u>-</u>	<u>(130,240)</u>	<u>498,058</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 65,484</u>	<u>\$ (10,719)</u>	<u>\$ -</u>	<u>\$ 54,765</u>	<u>\$ 499,272</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
COMMUNITY DEVELOPMENT FUND  
MAY 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 134,462	\$ 94,733
Receivables:		
Due from other governments	44,965	299,737
Due from other funds	86,884	67,651
<b>TOTAL ASSETS</b>	<b>\$ 266,311</b>	<b>\$ 462,121</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable	\$ -	\$ 199,601
Accrued liabilities	5,602	2,194
Due to other funds	195,225	195,000
<b>TOTAL LIABILITIES</b>	200,827	396,795
 <b>FUND BALANCES</b>		
Assigned	65,484	65,326
<b>TOTAL FUND BALANCES</b>	65,484	65,326
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 266,311</b>	<b>\$ 462,121</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, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Use of money and property	\$ 158	\$ 904
Federal aid	120,830	461,078
<b>TOTAL REVENUES</b>	120,988	461,982
<b>EXPENDITURES</b>		
Home and community service	207,714	528,728
<b>OTHER FINANCING SOURCES</b>		
Operating transfers in	86,884	67,651
<b>TOTAL EXPENDITURES AND OTHER SOURCES</b>	120,830	461,077
<b>NET CHANGE IN FUND BALANCES</b>	158	905
<b>FUND BALANCES - BEGINNING OF YEAR</b>	65,326	64,421
<b>FUND BALANCES - END OF YEAR</b>	\$ 65,484	\$ 65,326

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
SECTION 8 HOUSING FUND  
MAY 31, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents - restricted	\$ 614,107	\$ 417,948
Receivables:		
Accounts, net		6,825
	614,107	424,773
<b>TOTAL ASSETS</b>		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Other post-employment benefits obligation	96,795	34,361
	96,795	34,361
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 710,902	\$ 459,134
<b>LIABILITIES</b>		
Accounts payable	\$ 63	\$ 52,258
Accrued liabilities	653,739	576,282
Due to employees' retirement system	2,806	4,076
Due to other funds	84	
Unearned revenues		
Collections in advance	46,716	
	46,716	
<b>TOTAL LIABILITIES</b>	703,408	632,616
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Other post-employment benefits obligation	18,213	22,084
	18,213	22,084
<b>FUND BALANCE</b>		
Unassigned	(10,719)	(195,566)
	(10,719)	(195,566)
<b>TOTAL FUND BALANCE</b>	(10,719)	(195,566)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	\$ 710,902	\$ 459,134

**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, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Departmental income	\$ 3,433	\$ 4,877
Use of money and property	500	1,574
Federal aid	3,220,978	2,911,514
<b>TOTAL REVENUES</b>	<b>3,224,911</b>	<b>2,917,965</b>
<b>EXPENDITURES</b>		
Economic opportunity and development	3,005,043	2,846,277
Employee benefits	35,021	34,819
<b>TOTAL EXPENDITURES</b>	<b>3,040,064</b>	<b>2,881,096</b>
<b>NET CHANGE IN FUND BALANCES</b>	184,847	36,869
<b>FUND BALANCES - BEGINNING OF YEAR</b>	(195,566)	(232,435)
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ (10,719)</b>	<b>\$ (195,566)</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
 COMPARATIVE BALANCE SHEET  
 SPECIAL PURPOSE FUND  
 MAY 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents - restricted	\$ -	\$ 283,728
<b>TOTAL ASSETS</b>	\$ -	\$ 283,728
<b>FUND BALANCES</b>		
Restricted	\$ -	\$ 283,728
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ -	\$ 283,728



**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, 2021 AND 2020**

	2021	2020
<b>REVENUES</b>		
Miscellaneous	\$ -	\$ 282,872
<b>EXPENDITURES</b>		
Culture and recreation	-	134,072
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	148,800
<b>FUND BALANCES - BEGINNING OF YEAR AS RESTATED (SEE NOTE 21)</b>	-	134,928
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 283,728

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE BALANCE SHEET  
DEBT SERVICE FUND  
MAY 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents - restricted	\$ 436,349	\$ 378,056
Receivables:		
Due from other funds	<u>62,923</u>	<u>120,002</u>
<b>TOTAL ASSETS</b>	<u>\$ 499,272</u>	<u>\$ 498,058</u>
<b>FUND BALANCES</b>		
Restricted	<u>\$ 499,272</u>	<u>\$ 498,058</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 499,272</u>	<u>\$ 498,058</u>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
**DEBT SERVICE FUND**  
**FOR THE FISCAL YEARS ENDED MAY 31, 2021 AND 2020**

	2021				2020			
	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	\$ -	\$ -	\$ 1,214	\$ (1,214)	\$ -	\$ -	\$ 7,340	\$ (7,340)
<b>TOTAL REVENUES</b>	-	-	1,214	(1,214)	-	-	7,340	(7,340)
<b>EXPENDITURES</b>								
Debt service								
Principal	2,984,365	3,734,427	2,984,365	750,062	3,318,470	3,318,470	3,318,470	-
Interest	750,062	400,000	750,062	(350,062)	939,006	939,006	939,006	-
<b>TOTAL EXPENDITURES</b>	3,734,427	4,134,427	3,734,427	400,000	4,257,476	4,257,476	4,257,476	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	3,734,427	3,734,427	3,734,427	-	4,257,476	4,257,476	4,314,556	(57,080)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	3,734,427	3,734,427	3,734,427	-	4,257,476	4,257,476	4,314,556	(57,080)
<b>TOTAL EXPENDITURES AND OTHER SOURCES (USES)</b>	\$ -	\$ 400,000	-	\$ 400,000	\$ -	\$ -	(57,080)	\$ 57,080
<b>NET CHANGE IN FUND BALANCES</b>			1,214				64,420	
<b>FUND BALANCES- BEGINNING OF YEAR</b>			498,058				433,638	
<b>FUND BALANCES- END OF YEAR</b>			\$ 499,272				\$ 498,058	

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, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 6,500,549	\$ 8,141,780
Receivables		
Accounts, net	2,796,193	2,672,242
Due from other funds		27,026
Inventories	192,702	212,773
<b>Total Current Assets</b>	9,489,444	11,053,821
<b>Non-Current Assets</b>		
Land	327,271	327,271
Construction-in-progress	4,314,581	6,995,296
Buildings and equipment	52,700,814	47,877,974
	57,342,666	55,200,541
Less - Accumulated depreciation	(14,084,595)	(13,200,994)
<b>Total Non-Current Assets</b>	43,258,071	41,999,547
<b>TOTAL ASSETS</b>	52,747,515	53,053,368
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	483,164	387,411
Other post-employment benefits obligation	448,982	149,788
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	932,146	537,199
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	53,679,661	53,590,567
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	965	8,146
Accrued liabilities	304,740	51,565
Accrued interest	99,609	113,586
Due to other funds	62,353	
Customer deposits	36,422	34,547
Collections in advance	117,984	68,595
Due to employees' retirement system	17,784	15,814
Bonds payable, inclusive of premiums	1,853,662	1,886,840
Compensated absences	7,823	8,129
<b>Total Current Liabilities</b>	2,501,342	2,187,222
<b>Non-Current Liabilities</b>		
Bonds payable, inclusive of premiums	16,611,369	18,465,031
Compensated absences	305,093	317,024
Net pension liability - proportionate share	2,245	599,173
Total other post-employment benefit obligations	2,899,299	2,391,571
<b>Total Non-Current Liabilities</b>	19,818,006	21,772,799
<b>TOTAL LIABILITIES</b>	22,319,348	23,960,021
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	657,825	18,265
Other post-employment benefits obligation	84,482	96,271
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	742,307	114,536
<b>NET POSITION</b>		
Net investment in capital assets	24,793,040	21,647,676
Unrestricted	5,824,966	7,868,334
<b>TOTAL NET POSITION</b>	\$ 30,618,006	\$ 29,516,010

**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, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Metered sales	\$ 6,241,996	\$ 5,534,086
Penalty income		96,109
Miscellaneous	38,971	14,727
<b>Total operating revenues</b>	<b>6,280,967</b>	<b>5,644,922</b>
<b>OPERATING EXPENSES</b>		
Purchased power	124,070	119,522
Depreciation	1,169,994	1,056,897
Maintenance	462,995	533,313
Interfund charges	586,149	577,830
Transmission and distribution	767,888	938,420
General and administrative	1,005,041	1,065,714
Employee benefits	501,629	564,996
Insurance	75,000	79,000
<b>Total operating expenses</b>	<b>4,692,766</b>	<b>4,935,692</b>
<b>Operating income</b>	<b>1,588,201</b>	<b>709,230</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Rental income		66,557
Interest income	29,983	130,121
Interest expense	(516,188)	(580,817)
<b>Total non-operating revenues (expenses)</b>	<b>(486,205)</b>	<b>(384,139)</b>
<b>SPECIAL ITEM</b>		
Sale of cellular leases		441,575
<b>CHANGE IN NET POSITION</b>	<b>1,101,996</b>	<b>766,666</b>
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	<b>29,516,010</b>	<b>28,749,344</b>
<b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ 30,618,006</b>	<b>\$ 29,516,010</b>

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF CASH FLOWS  
ENTERPRISE FUND - WATER FUND  
FOR THE FISCAL YEARS ENDED MAY 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue collected:		
Cash received from charges for services	\$ 6,208,279	\$ 8,067,905
Internal activity-payments from other funds for expense reimbursements	27,026	(27,026)
Payments for expenses:		
Cash payments to other suppliers of goods or services	(2,105,198)	(2,467,319)
Cash payments to employees for services and related expenses	(1,018,151)	(1,671,256)
Internal activity-payments to other funds for expense reimbursements	62,353	(11,300)
<b>Net Cash Provided by Operating Activities</b>	<b>3,174,309</b>	<b>3,891,004</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(2,428,518)	(1,835,315)
Principal paid on capital debt	(1,843,848)	(1,740,069)
Interest paid on capital debt	(573,157)	(713,004)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(4,845,523)</b>	<b>(4,288,388)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and rental income	29,983	196,678
Sale of cellular leases		441,575
<b>Net Cash Provided by Investing Activities</b>	<b>29,983</b>	<b>638,253</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(1,641,231)	240,869
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>8,141,780</b>	<b>7,900,911</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 6,500,549</b>	<b>\$ 8,141,780</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 1,588,201	\$ 709,230
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,169,994	1,056,897
Decrease (increase) in:		
Accounts receivable	(123,951)	2,412,556
Due from other funds	27,026	(27,026)
Inventory	20,071	(3,339)
Increase (decrease) in:		
Accounts payable	(7,181)	3,616
Accrued liabilities	253,175	(502,444)
Due to other funds	62,353	(11,300)
Customer deposits	1,875	1,480
Collections in advance	49,389	8,947
Due to employees' retirement system	1,970	1,090
Compensated absences	(12,237)	14,513
Pension amounts	(53,121)	110,381
Other post-employment benefit obligations	196,745	116,403
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 3,174,309</b>	<b>\$ 3,891,004</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**COMPARATIVE STATEMENT OF FUND NET POSITION**  
**ENTERPRISE FUND - ELECTRIC FUND**  
**MAY 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,455,162	\$ 9,963,056
Receivables		
Accounts, net	3,774,426	3,685,137
Due from other funds	63,282	89,942
Prepaid expense	1,382,983	1,382,983
Inventories	2,740,004	2,845,694
Security deposit - New York Independent System Operator	258,099	
<b>Total Current Assets</b>	11,673,956	17,966,812
<b>Non-Current Assets</b>		
Land	48,614	48,614
Construction-in-progress	6,905,599	1,789,439
Buildings and equipment	72,420,388	69,715,141
	79,374,601	71,553,194
Less - Accumulated depreciation	(37,717,892)	(36,231,135)
<b>Total Non-Current Assets</b>	41,656,709	35,322,059
<b>TOTAL ASSETS</b>	53,330,665	53,288,871
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	2,746,400	2,054,507
Other post-employment benefits obligation	2,681,477	954,197
Deferred charge on refunding	78,028	97,534
<b>TOTAL DEFERRED OUTFLOWS</b>	5,505,905	3,106,238
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	58,836,570	56,395,109
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	1,237,890	889,726
Accrued liabilities	1,351,057	683,620
Accrued interest	67,609	78,233
Customer deposits	1,503,653	1,487,391
Collections in advance	2,063,223	3,071,932
Due to employees' retirement system	94,217	83,792
Bonds payable, inclusive of premiums	1,032,579	1,041,376
Compensated absences	55,887	57,461
<b>Total Current Liabilities</b>	7,406,115	7,393,531
<b>Non-Current Liabilities</b>		
Bonds payable, inclusive of premiums	8,829,697	9,862,276
Compensated absences	2,179,610	2,240,976
Net pension liability - proportionate share	12,797	3,177,636
Total other post-employment benefit obligations payable	17,315,624	15,235,110
<b>Total Non-Current Liabilities</b>	28,337,728	30,515,998
<b>TOTAL LIABILITIES</b>	35,743,843	37,909,529
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	3,748,936	96,865
Other post-employment benefits obligation	504,559	613,276
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	4,253,495	710,141
<b>NET POSITION</b>		
Net investment in capital assets	31,872,461	24,515,941
Unrestricted	(13,033,229)	(6,740,502)
<b>TOTAL NET POSITION</b>	\$ 18,839,232	\$ 17,775,439

**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, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Metered sales	\$ 23,008,142	\$ 22,030,305
Penalty income		41,142
Miscellaneous	46,376	55,576
<b>Total operating revenues</b>	<b>23,054,518</b>	<b>22,127,023</b>
 <b>OPERATING EXPENSES</b>		
Purchased power	9,660,951	8,971,745
Depreciation	1,404,962	1,374,333
Maintenance	97,040	47,960
Interfund charges	2,957,300	2,862,712
Production	1,628,038	2,175,075
Transmission and distribution	2,056,965	1,643,060
Street lighting	122,587	180,240
General and administrative	1,456,412	1,858,543
Employee benefits	2,239,836	3,647,771
Insurance	258,333	258,333
Customer deposit interest	3,500	10,253
<b>Total operating expenses</b>	<b>21,885,924</b>	<b>23,030,025</b>
 <b>Operating income (loss)</b>	<b>1,168,594</b>	<b>(903,002)</b>
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Rental income	167,996	167,996
Interest income	28,278	173,175
Interest expense	(301,075)	(329,346)
<b>Total non-operating revenues (expenses)</b>	<b>(104,801)</b>	<b>11,825</b>
 <b>CHANGE IN NET POSITION</b>	<b>1,063,793</b>	<b>(891,177)</b>
 <b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	<b>17,775,439</b>	<b>18,666,616</b>
 <b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ 18,839,232</b>	<b>\$ 17,775,439</b>



**INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF CASH FLOWS  
ENTERPRISE FUND - ELECTRIC FUND  
FOR THE FISCAL YEARS ENDED MAY 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue collected:		
Cash received from charges for services	\$ 21,972,782	\$ 24,981,747
Internal activity-payments from other funds for expense reimbursements	26,660	(81,877)
Payments for expenses:		
Cash payments to other suppliers of goods or services	(11,205,051)	(19,061,979)
Cash payments to employees for services and related expenses	(7,507,910)	(5,369,074)
Cash payments to customers on deposit interest	(3,500)	(10,253)
Internal activity-payments to other funds for expense reimbursements	(913,968)	(913,968)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>2,369,013</b>	<b>(455,404)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(7,739,612)	(285,750)
Principal paid on capital debt	(1,001,787)	(926,460)
Interest paid on capital debt	(331,782)	(420,939)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(9,073,181)</b>	<b>(1,633,149)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and rental income	196,274	341,171
<b>Net Cash Provided by Investing Activities</b>	<b>196,274</b>	<b>341,171</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	(6,507,894)	(1,747,382)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>9,963,056</b>	<b>11,710,438</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 3,455,162</b>	<b>\$ 9,963,056</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Operating income	\$ 1,168,594	\$ (903,002)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,404,962	1,374,333
Decrease (Increase) in:		
Accounts receivable	(89,289)	(279,281)
Due from other funds	26,660	(81,877)
Prepaid expense		(1,382,983)
Inventory	105,690	(190,036)
Security deposit - New York Independent System Operator	(258,099)	
Increase (Decrease) in:		
Accounts payable	348,164	(1,993,755)
Accrued liabilities	667,437	(1,380,361)
Customer deposits	16,262	62,073
Collections in advance	(1,008,709)	3,071,932
Due to employees' retirement system	10,425	6,489
Compensated absences	(62,940)	(99,384)
Pension amounts	(204,661)	2,080,290
Other post-employment benefit obligations	244,517	(739,842)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,369,013</b>	<b>\$ (455,404)</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FUND NET POSITION  
INTERNAL SERVICE FUND - RISK RETENTION FUND  
MAY 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 1,565,150	\$ 2,425,621
Receivables		
Prepaid expenses	307,018	290,028
<b>TOTAL ASSETS</b>	<b>1,872,168</b>	<b>2,715,649</b>
 <b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	158,182	90,886
Due to other funds		207,361
Claims payable	932,017	1,062,416
<b>Total Current Liabilities</b>	<b>1,090,199</b>	<b>1,360,663</b>
<b>Non-Current Liabilities</b>		
Claims payable	781,969	1,354,986
<b>Total Non-Current Liabilities</b>	<b>781,969</b>	<b>1,354,986</b>
<b>TOTAL LIABILITIES</b>	<b>1,872,168</b>	<b>2,715,649</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, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>		
Charges for services		
Risk management	\$ 1,890,432	\$ 2,060,970
<b>Total operating revenues</b>	1,890,432	2,060,970
<b>OPERATING EXPENSES</b>		
General and administrative	490,802	503,779
Employee benefits	692,824	681,977
Insurance	698,524	673,957
Judgments and claims	15,157	236,639
<b>Total operating expenses</b>	1,897,307	2,096,352
 <b>Operating loss</b>	 (6,875)	 (35,382)
<b>NON-OPERATING INCOME</b>		
Interest income	6,875	35,382
<b>Total non-operating income</b>	6,875	35,382
 <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, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Revenue collected:		
Cash received from charges for services	\$ 1,890,432	\$ 2,060,970
Cash received from insurance recoveries		
Payments for expenses:		
Cash payments to insurance carriers and claimants	(1,857,593)	(1,621,279)
Cash payments to employees for services and related expenses	(692,824)	(681,977)
Internal activity-payments (to) from other funds for expense reimbursements	(207,361)	244,021
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(867,346)</b>	<b>1,735</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and rental income	6,875	35,382
<b>Net Cash Provided by Investing Activities</b>	<b>6,875</b>	<b>35,382</b>
 <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(860,471)</b>	<b>37,117</b>
 <b>Cash and Cash Equivalents at Beginning of Year</b>	<b>2,425,621</b>	<b>2,388,504</b>
 <b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,565,150</b>	<b>\$ 2,425,621</b>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Operating loss	\$ (6,875)	\$ (35,382)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Decrease (Increase) in:		
Due from other funds		36,660
Prepaid expenses	(16,990)	(7,916)
Increase (Decrease) in:		
Accounts payable	67,296	(126,779)
Due to other funds	(207,361)	207,361
Claims payable	(703,416)	(72,209)
 <b>Net Cash (Used in) Provided by Operating Activities</b>	<b>\$ (867,346)</b>	<b>\$ 1,735</b>

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
MAY 31, 2021 AND 2020**

	<b>2021*</b>	<b>2020</b>
<b>ASSETS</b>		
Cash	\$ -	\$ 199,413
Due from governmental funds		121,002
Accounts receivable		2,044
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 322,459</b>
 <b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 10,313
Deposits		124,926
Other liabilities		187,220
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 322,459</b>

\* Change in the current year is due to the implementaion of GASB 84.

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUND  
MAY 31, 2021 AND 2020**

	<b>2021*</b>	<b>2020</b>
<b>ASSETS</b>		
Investments- mutual funds, at fair value	\$ -	\$ 4,882,464
Due from other funds		
<b>TOTAL ASSETS</b>	\$ -	\$ 4,882,464
<b>TOTAL LIABILITIES</b>	-	-
<b>NET POSITION</b>		
Net position restricted for pensions	\$ -	\$ 4,882,464

\* Change in the current year is due to the implementaion of GASB 84.

**THE INCORPORATED VILLAGE OF ROCKVILLE CENTRE  
 COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PENSION TRUST FUND  
 FOR THE FISCAL YEARS ENDED MAY 31, 2021 AND 2020**

	2021	2020
<b>ADDITIONS</b>		
Pension contributions	\$ -	\$ -
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

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

To the Board of Trustees  
The Incorporated Village of Rockville Centre

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund, and the aggregate remaining fund information of the Village of Rockville Centre (the "Village"), as of and for the fiscal year ended May 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 6, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding as #2021-001 that we consider to be a material weakness.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village'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*.

## **Village's Response to Findings**

The Village's response to the findings identified in our audit is described in their corrective action plan. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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  
December 6, 2021

**INCORPORATED VILLAGE OF ROCKVILLE CENTRE**  
**SCHEDULE OF FINDING**  
For the Fiscal Year Ended May 31, 2021

**FINANCIAL STATEMENT FINDING #2021-001**

**CAPITAL ASSETS – MONITORING OF CONSTRUCTION IN PROGRESS**

**Material Weakness**

**Criteria:** To verify that the Village properly established and enforced controls to monitor and record the construction in progress properly.

**Condition:** The Village was not recording construction in progress balances properly.

**Cause:** The Village did not have a system in place over the years to properly account for the construction in progress.

**Effect:** The Village did not properly reflect the capital assets and net investment in capital assets properly in the Government-Wide Financial Statements.

**Recommendation:** We recommend the Village continue to establish and enforce controls to monitor the construction in progress more closely throughout the year. In addition, we recommend the Village review their tracking procedures to ensure that construction in progress continues to be recorded accurately. An analysis of the construction in progress should be done on a continuing basis to enable the Village to make any necessary adjustments on a timely basis.

**Response:** The Village's response is included in their corrective action plan.