

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

For The

VILLAGE of Upper Brookville

County of Nassau

For the Fiscal Year Ended 05/31/2015

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

VILLAGE OF Upper Brookville

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2014 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2015:

- (A) GENERAL
- (CM) MISCELLANEOUS SPECIAL REV
- (K) GENERAL FIXED ASSETS
- (TA) AGENCY

All amounts included in this update document for 2014 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption
- 7) Schedule of Other Post Employment Benefits (OPEB)

All numbers in this report will be rounded to the nearest dollar.

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Balance Sheet

Code Description	2014	Enc Code	2015
Assets			
Cash	1,468,425	A200	1,426,935
TOTAL Cash	1,468,425		1,426,935
Tax Sale Certificates	23,153	A320	21,769
Property Acquired For Taxes	56	A330	56
TOTAL Taxes Receivable (net)	23,209		21,825
Accounts Receivable	5,026	A380	5,813
TOTAL Other Receivables (net)	5,026		5,813
Due From State And Federal Government	15,025	A410	16,050
TOTAL State And Federal Aid Receivables	15,025		16,050
Prepaid Expenses		A480	45,616
TOTAL Prepaid Expenses	0		45,616
Cash Special Reserves	8,448	A230	5,452
TOTAL Restricted Assets	8,448		5,452
TOTAL Assets and Deferred Outflows of Resources	1,520,133		1,521,691

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Balance Sheet

Code Description	2014	Exp Code	2015
Accounts Payable	176,561	A600	2,080
TOTAL Accounts Payable	176,561		2,080
Other Liabilities	676	A688	
TOTAL Other Liabilities	676		0
TOTAL Liabilities	177,237		2,080
Deferred Inflows of Resources			
Deferred Taxes	23,153	A694	21,769
TOTAL Deferred Inflows of Resources	23,153		21,769
TOTAL Deferred Inflows of Resources	23,153		21,769
Fund Balance			
Not in Spendable Form		A806	
TOTAL Nonspendable Fund Balance	0		0
Reserve For Repairs	8,448	A882	5,452
TOTAL Restricted Fund Balance	8,448		5,452
Assigned Appropriated Fund Balance	50,000	A914	100,000
Assigned Unappropriated Fund Balance	80,000	A915	170,000
TOTAL Assigned Fund Balance	130,000		270,000
Unassigned Fund Balance	1,181,295	A917	1,222,390
TOTAL Unassigned Fund Balance	1,181,295		1,222,390
TOTAL Fund Balance	1,319,743		1,497,842
TOTAL Liabilities, Deferred Inflows And Fund Balance	1,520,133		1,521,691

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Results of Operation

Code Description	2014	Fiscal Code	2015
Revenues			
Real Property Taxes	2,784,508	A1001	2,957,884
TOTAL Real Property Taxes	2,784,508		2,957,884
Interest & Penalties On Real Prop Taxes	26,024	A1090	23,008
TOTAL Real Property Tax Items	26,024		23,008
Non Prop Tax Dist By County	4,718	A1120	4,718
Utilities Gross Receipts Tax	44,262	A1130	45,278
Franchises	34,637	A1170	36,236
TOTAL Non Property Tax Items	83,617		86,232
Charges For Tax Redemption	910	A1235	902
Zoning Fees	9,000	A2110	9,000
Planning Board Fees		A2115	4,000
TOTAL Departmental Income	9,910		13,902
Interest And Earnings	1,252	A2401	2,530
TOTAL Use of Money And Property	1,252		2,530
Building And Alteration Permits	269,978	A2555	141,168
Permits, Other	25,875	A2590	21,830
TOTAL Licenses And Permits	295,853		162,998
Fines And Forfeited Bail	26,027	A2610	34,179
TOTAL Fines And Forfeitures	26,027		34,179
Insurance Recoveries		A2680	
TOTAL Sale of Property And Compensation For Loss	0		0
Unclassified (specify)	1,998	A2770	5,514
TOTAL Miscellaneous Local Sources	1,998		5,514
St Aid, Revenue Sharing	7,258	A3001	7,710
St Aid, Mortgage Tax	105,689	A3005	88,851
St Aid, Consolidated Highway Aid	23,927	A3501	
TOTAL State Aid	136,874		96,561
Fed Aid, Emergency Disaster Assistance		A4960	
TOTAL Federal Aid	0		0
TOTAL Revenues	3,366,069		3,382,308
Interfund Transfers		A5031	
TOTAL Interfund Transfers	0		0
TOTAL Other Sources	0		0
TOTAL Detail Revenues And Other Sources	3,366,069		3,382,308

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Results of Operation

Code Description	2014	Eqp Code	2015
Expenditures			
Municipal Court, Pers Serv	29,656	A11101	30,248
Municipal Court, Equip & Cap Outlay		A11102	
Municipal Court, Contr Expend	8,112	A11104	8,340
TOTAL Municipal Court	37,768		38,588
Treasurer, Pers Serv	49,935	A13251	50,934
Treasurer, Equip & Cap Outlay	2,242	A13252	340
Treasurer, Contr Expend	27,397	A13254	24,157
TOTAL Treasurer	79,574		75,431
Assessment, Contr Expend		A13554	
TOTAL Assessment	0		0
Law, Contr Expend	49,733	A14204	43,921
TOTAL Law	49,733		43,921
Engineer, Contr Expend	27,167	A14404	1,449
TOTAL Engineer	27,167		1,449
Elections, Contr Expend	1,102	A14504	1,742
TOTAL Elections	1,102		1,742
Buildings, Contr Expend	4,380	A16204	4,410
TOTAL Buildings	4,380		4,410
Unallocated Insurance, Contr Expend	17,558	A19104	16,848
TOTAL Unallocated Insurance	17,558		16,848
Municipal Assn Dues, Contr Expend	3,432	A19204	3,432
TOTAL Municipal Assn Dues	3,432		3,432
Judgements And Claims, Contr Expend	11,811	A19304	8,638
TOTAL Judgements And Claims	11,811		8,638
TOTAL General Government Support	262,525		194,459
Police, Contr Expend	1,857,382	A31204	1,917,452
TOTAL Police	1,857,382		1,917,452
Fire, Contr Expend	378,045	A34104	394,550
TOTAL Fire	378,045		394,550
Safety Inspection, Pers Serv	61,378	A36201	62,611
Safety Inspection, Contr Expend	34,169	A36204	35,890
TOTAL Safety Inspection	95,547		98,501
Misc Public Safety, Pers Serv	4,077	A39891	
Misc Public Safety, Contr Expend	15,746	A39894	21,460
TOTAL Misc Public Safety	19,823		21,460
TOTAL Public Safety	2,350,797		2,431,963
Maint of Streets, Pers Serv	120,028	A51101	138,265
Maint of Streets, Contr Expend	212,633	A51104	168,787
TOTAL Maint of Streets	332,661		307,052
Perm Improve Highway, Equip & Cap Outlay	36,427	A51122	110,604
TOTAL Perm Improve Highway	36,427		110,604
Snow Removal, Pers Serv	3,133	A51421	7,328
Snow Removal, Contr Expend	30,740	A51424	25,015
TOTAL Snow Removal	33,873		32,343

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Results of Operation

Code Description	2014	Account Code	2015
Expenditures			
Street Lighting, Contr Expend	9,917	A51824	9,353
TOTAL Street Lighting	9,917		9,353
TOTAL Transportation	12,878		15,452
Zoning, Contr Expend	3,927	A80104	1,019
TOTAL Zoning	3,927		1,019
Planning, Contr Expend	108	A80204	81
TOTAL Planning	108		81
Refuse & Garbage, Contr Expend	307	A81604	0
TOTAL Refuse & Garbage	307		0
Flood & Erosion Control, Contr Expend	2,463	A87454	2,668
TOTAL Flood & Erosion Control	2,463		2,668
TOTAL Home And Community Services	6,806		3,768
State Retirement System	52,192	A90108	43,481
Social Security, Employer Cont	20,246	A90308	21,367
Worker's Compensation, Empl Bnfts	12,065	A90408	15,397
Unemployment Insurance, Empl Bnfts	3,069	A90508	3,702
Disability Insurance, Empl Bnfts	-18	A90558	-26
Hospital & Medical (dental) Ins, Empl Bnft	23,824	A90608	31,246
TOTAL Employee Benefits	111,378		115,167
TOTAL Expenditures	3,114,383		3,204,709
TOTAL Total Expenditures And Other Uses	3,114,383		3,204,709

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2014	Fund Code	2015
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	1,068,063	A8021	1,319,743
Restated Fund Balance - Beg of Year	1,068,063	A8022	1,319,743
ADD - REVENUES AND OTHER SOURCES	3,366,063		3,382,808
DEDUCT - EXPENDITURES AND OTHER USES	3,114,383		3,204,709
Fund Balance - End of Year	1,319,743	A8029	1,497,842

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Budget Summary

Code/Description	2015	Est Code	2016
Estimated Revenues			
Est Rev - Real Property Taxes	2,957,782	A1049N	3,025,781
Est Rev - Real Property Tax Items	15,000	A1099N	15,000
Est Rev - Non Property Tax Items	76,718	A1199N	76,718
Est Rev - Departmental Income	5,000	A1299N	5,000
Est Rev - Intergovernmental Charges	0	A2399N	
Est Rev - Use of Money And Property	2,000	A2499N	2,000
Est Rev - Licenses And Permits	160,000	A2599N	135,000
Est Rev - Fines And Forfeitures	25,000	A2649N	25,000
Est Rev - Sale of Prop And Comp For Loss	0	A2699N	
Est Rev - Miscellaneous Local Sources	1,200	A2799N	1,200
Est Rev - State Aid	155,905	A3099N	200,905
TOTAL Estimated Revenues	3,398,605		3,486,604
Appropriated Fund Balance	50,000	A599N	100,000
TOTAL Estimated Other Sources	50,000		100,000
TOTAL Estimated Revenues And Other Sources	3,448,605		3,586,604

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Budget Summary

Code/Description	2015	Fund Code	2015
Appropriations			
App - General Government Support	254,884	A1999N	231,709
App - Public Safety	2,488,156	A3999N	2,542,929
App - Transportation	568,315	A5999N	675,216
App - Home And Community Services	13,500	A8999N	13,500
App - Employee Benefits	123,750	A9199N	123,250
TOTAL Appropriations	3,448,605		3,586,604
TOTAL Appropriations And Other Uses	3,448,605		3,586,604

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2014/15	Fiscal Code	2014/15
Assets			
Cash	1,286	CM200	97,605
Cash In Time Deposits	100,000	CM201	
TOTAL Cash	101,286		97,605
TOTAL Assets and Deferred Outflows or Resources	101,286		97,605

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2014	Fund Code	2015
Fund Balance			
Other Restricted Fund Balance	101,286	CM899	97,605
TOTAL Restricted Fund Balance	101,286		97,605
TOTAL Fund Balance	101,286		97,605
TOTAL Liabilities, Deferred Inflows And Fund Balance	101,286		97,605

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2014	Edg Code	2015
Revenues			
Interest And Earnings	151	CM2401	135
TOTAL Use of Money And Property	151		135
Refunds of Prior Year's Expenditures		CM2701	
TOTAL Miscellaneous Local Sources	0		0
TOTAL Revenues	151		135
TOTAL Detail Revenues And Other Sources	151		135

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2014	Exp Code	2015
Expenditures			
Other Transportation-Contr Expend		CM59894	
TOTAL Other Transportation-Contr Expend	0		0
TOTAL Transportation	0		0
Other Culture And Recreation-Contr Expend	2,275	CM79894	3,816
TOTAL Other Culture And Recreation-Contr Expend	2,275		3,816
TOTAL Culture And Recreation	2,275		3,816
Other Home And Community Service-Contr Exp	93	CM89894	
TOTAL Other Home And Community Service-Contr Exp	93		0
TOTAL Home And Community Services	93		0
TOTAL Expenditures	2,368		3,816
TOTAL Detail Expenditures And Other Uses	2,368		3,816

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Analysis of Changes in Fund Balance

Code Description	2014	Fund Code	2015
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	103,503	CM8021	101,286
Restated Fund Balance - Beg of Year	103,503	CM8022	101,286
ADD - REVENUES AND OTHER SOURCES	151		135
DEDUCT - EXPENDITURES AND OTHER USES	2,368		3,816
Fund Balance - End of Year	101,286	CM8029	97,605

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2014	Encodes	2015
Assets			
Buildings	18,274	K102	18,274
Machinery And Equipment	39,067	K104	39,407
TOTAL Fixed Assets (net)	57,341		57,681
TOTAL Assets and Deferred Outflows of Resources	57,341		57,681

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(K) GENERAL FIXED ASSETS

Balance Sheet

Code/Description	2014	Fund Code	2015
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	57,341	K159	57,681
TOTAL Investments in Non-Current Government Assets	57,341		57,681
TOTAL Fund Balance	57,341		57,681
TOTAL	57,341		57,681

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(TA) AGENCY

Balance Sheet

Code Description	2014	Fund Code	2015
Assets			
Cash	146,407	TA200	193,791
Cash In Time Deposits	10,514	TA201	
TOTAL Cash	156,921		193,791
TOTAL Assets and Deferred Outflows of Resources	156,921		193,791

VILLAGE OF Upper Brookville
Annual Update Document
For the Fiscal Year Ending 2015

(TA) AGENCY

Balance Sheet

Code Description	2014	Fund Code	2015
Guaranty & Bid Deposits	156,407	TA30	193,264
Other Funds (specify)	514	TA85	527
TOTAL Agency Liabilities	156,921		193,791
TOTAL Liabilities	156,921		193,791
TOTAL Liabilities, Deferred Inflows And Fund Balance	156,921		193,791

VILLAGE OF Upper Brookville
Statement of Indebtedness
For the Fiscal Year Ending 2015

7/30/2015

First Year	Debit Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
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VILLAGE OF Upper Brookville
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2015

	<u>EDP Code</u>	<u>Amount</u>
CASH:		
On Hand	9Z2001	
Demand Deposits	9Z2011	<u>\$1,723,783.00</u>
Time Deposits	9Z2021	
Total		<u>\$1,723,783.00</u>
COLLATERAL:		
- FDIC Insurance	9Z2014	<u>\$450,133.00</u>
Collateralized with securities held in possession of municipality or its agent	9Z2014A	<u>\$1,273,650.00</u>
Total		<u>\$1,723,783.00</u>
INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

VILLAGE OF Upper Brookville
Bank Reconciliation
For the Fiscal Year Ending 2015

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-4677	\$1,215,773	\$0	\$0	\$1,215,773
****-4800	\$10,527	\$0	\$0	\$10,527
****-3248	\$97,605	\$0	\$0	\$97,605
****-3326	\$141,562	\$0	\$130,533	\$11,029
****-6757	\$184,720	\$0	\$1,456	\$183,264
****-3255	\$5,452	\$0	\$0	\$5,452
****-3348	\$200,133	\$0	\$0	\$200,133
Total Adjusted Bank Balance				\$1,723,783
Petty Cash				\$0.00
Adjustments				\$0.00
Total Cash				9ZCASH * \$1,723,783
Total Cash Balance All Funds				9ZCASHB * \$1,723,783
* Must be equal				

VILLAGE OF Upper Brookville
Local Government Questionnaire
For the Fiscal Year Ending 2015

	Response
1) Does your municipality have a written procurement policy?	Yes
2) Have the financial statements for your municipality been independently audited?	No
If not, are you planning on having an audit conducted?	No
3) Does your local government participate in an insurance pool with other local governments?	No
4) Does your local government participate in an investment pool with other local governments?	No
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	Yes
6) Does your municipality have a Capital Plan?	Yes
7) Has your municipality prepared and documented a risk assessment plan?	No
If yes, has your municipality used the results to design the system of internal controls?	
8) Have you had a change in chief executive or chief fiscal officer during the last year?	No
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	Yes

VILLAGE OF Upper Brookville
Employee and Retiree Benefits
For the Fiscal Year Ending 2015

Total Full Time Employees:		2			
Total Part Time Employees:		4			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$43,481.00	2	4	
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$21,367.00	2	4	
90408	Worker's Compensation Insurance	\$15,397.00	2	4	
90458	Life Insurance				
90508	Unemployment Insurance	\$3,702.00	2	4	
90558	Disability Insurance	\$-26.00	2	4	
90608	Hospital and Medical (Dental) Insurance	\$31,246.00	2	4	
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$115,167.00			
Computed Total From Financial Section (comparative purposes only)		\$115,167.00			

VILLAGE OF Upper Brookville
Energy Costs and Consumption
For the Fiscal Year Ending 2015

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$935	287	gallons	
Diesel Fuel	\$8,629	2,682	gallons	
Fuel Oil			gallons	
Natural Gas			cubic feet	
Electricity	\$3,706	24,284	kilowatt-hours	
Coal			tons	

VILLAGE OF Upper Brookville
Schedule of Other Post Employment Benefits (OPEB)
For the Fiscal Year Ending 2015

Annual OPEB Cost and Net OPEB Obligation

1. Type of Other Post Employment Benefits Plan
2. Annual Required Contribution(ARC)
3. Interest on Net OPEB Obligation
4. Adjustment to Annual Required Contribution
5. Annual OPEB Expense
6. Less: Actual Contribution Made
7. Increase in Net OPEB Obligation
8. Net OPEB Obligation - beginning of year
9. Net OPEB Obligation - end of year
10. Total Other Post Employment Benefits as reported in Accounts 683 in Financial Section, Current Fiscal Year
11. Percentage of Annual OPEB Cost Contributed (Actual Contribution Made/Annual OPEB Cost)

Funded Status and Funding Process

12. Actuarial Accrued Liability(AAL)
13. Less: Actuarial Value of Plan Assets
14. Unfunded Actuarial Accrued Liability(UAAL)
15. Funded Ratio(Actuarial Value of Plan Assets/AAL)
16. Annual Covered Payroll (of active employees covered by the plan)
17. UAAL as Percentage of Annual Covered Payroll

Other OPEB Information

18. Date of most recent actuarial valuation
19. Actuarial method used
20. Assumed rate of return on investments discount rate .00%
21. Amortization period of UAAL(in years)

CERTIFICATION OF CHIEF FISCAL OFFICER

I, TRACY LYNCH, hereby certify that I am the Chief Fiscal Officer of the VILLAGE of UPPER BROOKVILLE, and that the information provided in the annual financial report of the VILLAGE of UPPER BROOKVILLE, for the fiscal year ended 05/31/2015, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the VILLAGE of UPPER BROOKVILLE, and adopted by me as my signature for use in conjunction with the filing of the VILLAGE of UPPER BROOKVILLE's annual financial report, I am evidencing my express intent to authenticate my certification of the VILLAGE of UPPER BROOKVILLE's annual financial report for the fiscal year ended 05/31/2015 and filed by means of electronic data transmission.

B VALENTINO, ACCOUNTANT

Name of Report Preparer if different
than Chief Fiscal Officer

(516) 624-7715

Telephone Number

07/30/2015

Date of Certification

TRACY LYNCH

Name

CLERK/TREASURER

Title

PO BOX 548 OYSTER BAY, NY

Official Address

(516) 624-7715

Official Telephone Number

VILLAGE OF Upper Brookville
Financial Comments
For the Fiscal Year Ending 2015

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The fund financial statements of the Incorporated Village of Upper Brookville have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

A. Financial Reporting Entity

The Incorporated Village of Upper Brookville, the Village, which was incorporated in 1932, is governed by its charter, Village local law and other general laws of the State of New York and various local laws. The Board of Trustees is the legislative body responsible for overall operations, the Mayor serves as chief executive officer and the Treasurer serves as the chief fiscal officer.

The following basic services are provided: police and fire protection, street maintenance, snow removal and Village planning.

All governmental activities and functions performed for the Incorporated Village of Upper Brookville are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the Incorporated Village of Upper Brookville, (b) organizations for which the Village is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the Village's financial statements to be misleading or incomplete as set forth in GASB Statement 14, 39 and 61.

The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth in GASB 14, 39 and 61 including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the operations of the Village Justice Court Accounts have been excluded from the accompanying financial statements.

Police protection is provided jointly for the Villages of Brookville, Upper Brookville, Matinecock, Old Brookville, Cove Neck and Mill Neck. Such activity is excluded from these financial statements. See Note IV for additional disclosures regarding this joint activity.

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting

The Village uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The Village records its transactions in the fund types described below.

Fund Categories

a. **Governmental Funds** - Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position (the sources, uses and balances of current financial resources). The following are the Village's governmental fund types:

General Fund - The General Fund is the principal operating fund and includes all operations not required to be recorded in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

b. **Fiduciary Funds** - Fiduciary funds are used to account for assets held by the Village in a trustee or custodial capacity.

Agency Funds - Agency Funds are used to account for money and/or property received and held in the capacity of trustee, custodian or agent.

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting / Measurement Focus

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures.

Modified Accrual Basis - All Governmental Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days of the end of the current fiscal year.

Material revenues that are accrued include real property taxes and state and federal aid. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made and the resources are available.

Expenditures are recorded when a liability is incurred except that:

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as an expenditure when paid.
- d. Pension costs are recognized as expenditures when paid.

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Balances

In fiscal 2011, the Village implemented Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). GASB 54 changed the classification of fund balance to focus on the constraints imposed on resources in governmental funds, instead of the previous focus on availability for appropriation.

Fund balance is now broken down into five different classifications: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board of Trustees is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance.

Assigned consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. The Board of Trustees, by resolution has authorized the Mayor to assign fund balance.

Unassigned presents the residual classification for the government's general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

When resources are available from multiple classifications, the Village spends funds in the following order: restricted, committed, assigned and unassigned.

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the Governmental Funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

F. Capital Assets

Capital Assets, which include property, plant, equipment and machinery assets, are reported in the Schedule of Non-Current Governmental Assets. The Village defines capital assets as assets with an initial individual cost of more than \$500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets consisting of certain infrastructure type improvements including roads, curbs and gutters, streets and sidewalks, drainage and lighting systems have not been appraised and capitalized.

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures in governmental funds. Capital assets are not shown on governmental fund balance sheets.

G. Inventory and Prepaid Items

Inventory of supplies of governmental funds are recorded as expenditures when purchased.

Payments to vendors for costs that apply to future periods are recorded as prepaid assets.

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Deferred Outflows/Inflows of Resources

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognize as an inflow of resources (revenue) until that time.

I. Insurance

The Village assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonable estimated.

J. Compensatory Absences

Employees accrue vacation and sick leave based on position and the number of years employed. Unused days do not carry over from year to year and, therefore, no liability is recorded for these benefits.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budget Policies - The budget policies are as follows:

- a. No later than March 31, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than April 20, the Board adopts the budget.
- c. All modifications of the budget must be approved by the Board. However, the Treasurer is authorized to transfer certain budgeted amounts within departments
- d. Budgets are adopted annually on a basis consistent with generally accepted accounting principals.
- e. Appropriations in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-apportioned in the subsequent year.

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

B. Property Taxes

The Village collects its own taxes. Taxes are collected during the month of June without penalty. A 5% penalty is assessed on taxes paid after July 1 and an additional 1% is assessed each month on taxes paid after July. Unpaid Village taxes are collected through tax sales.

In June Of 2011 New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the Village in a particular year, beginning with the 2012-2013 fiscal year. The Growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (CPI-U), subject to certain limited exceptions and adjustments.

III. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Cash

The Village's investment policies are governed by state statutes. In addition, the Village has 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 and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit as provided for by law of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Presently, and during the year ended May 31, 2015, the Village has no investment in repurchase agreements.

The Village enters into a written contract with a custodial bank as to the basic responsibilities of the bank for securities pledged to secure time deposits and certificates of deposit. Periodically, the Village reviews the adequacy of collateral held.

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

III. DETAIL NOTES ON ALL FUNDS (continued)

Deposits

Deposits at year end were carried at cost and were entirely covered by federal depository insurance or by collateral held by the Village's custodial bank in the Village's name. They consisted of:

<u>Fund</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Insured by FDIC:		
General Fund	\$ 450,133	\$ 450,133
Uninsured but collateralized:		
General Fund	982,254	982,254
Trust and Agency	193,791	193,791
Special Revenue Fund	97,605	97,605
	<u>\$ 1,273,650</u>	<u>\$ 1,273,650</u>
Total all deposits	\$ 1,723,783	\$ 1,723,783

2. Property Taxes

At May 31, 2015, real property tax assets of \$21,769 are offset by deferred tax revenue of \$21,769, which represents estimated tax liens which will not be collected within the first sixty (60) days of the subsequent year.

3. Changes in Capital Assets

A summary of changes in fixed assets follows:

	Balance 6/1/14	Additions	Deletions	Balance 5/31/15
Building Improvements	\$ 18,274	\$ 0	\$ 0	\$ 18,274
Machinery & Equipment	\$ 39,067	\$ 340	0	\$ 39,407
	\$ 57,341	\$ 340	\$ 0	\$ 57,681

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

III. DETAIL NOTES ON ALL FUNDS (continued)

B. Liabilities

1. Pension Plan

Plan Description & Benefits Provided

The Village participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. 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 net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2014 he was elected for a new term commencing January 1, 2015. 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 System is included in the State's financial report as a pension trust fund. That report, including benefits provided, may be found at <http://www.osc.state.ny.us/retire/publications/index.php> or obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first 10 years of membership and employees who joined after January 1, 2010 who generally contribute 3% of their salary for the entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

2015	\$ 43,481
2014	\$ 52,192
2013	\$ 37,146

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

III. DETAIL NOTES ON ALL FUNDS (continued)

Chapter 260 of the Laws of 2004 of the State of New York was enacted that allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7 % of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.

- For SFY 2005-06, the amount in excess of 9.5% of employees' covered pensionable salaries.

- For SFY 2007-08, the amount in excess of 10.5% of employees' covered pensionable salaries.

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 2005 through 2008.

Chapter 57 of the Laws of 2010 of the State of New York was enacted that allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For the state fiscal year 2010-11, the amount in excess of the graded rate of 9.5% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.

- For subsequent State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.

- The interest rate will be set annually, and will be comparable to taxable fixed income investments of a similar duration.

- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program.

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

III. DETAIL NOTES ON ALL FUNDS (continued)

Chapter 57 of the Laws of 2013 of the State of New York was enacted that allows local employers to amortize a portion of their retirement bill for up to 12 years in accordance with the following stipulations:

- The maximum amount an employer can amortize is the difference between the normal annual contribution and the graded contribution.

- For subsequent State fiscal years (SFYs), the graded rate will increase or decrease by up to one-half of one percent depending on the gap between the increase or decrease in the System's average rate and previous graded rate.

- The interest rate will be set annually, and will be comparable to a 12 year US Treasury Bond plus 1 percent.

- For subsequent SFYs in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will be first used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program.

2. Post-Employment Benefits

The Village currently does not provide health insurance coverage for retired employees.

C. Lease Commitments

The Village leases its street maintenance equipment from a company whose principal is a Village employee. The lease is a non-cancelable operating lease with a term of two years beginning December 1, 2013 and a monthly payment of \$6,500. Lease expense for the year ended May 31, 2015 was \$78,000. The minimum remaining lease payments are as follows:

Year ended 5/31/16 \$39,000

D. Special Revenue Fund

A Miscellaneous Special Revenue Fund has been established to account for park land deposits received from subdivisions that are specifically restricted for the improvement of park land within the Village.

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

IV. JOINT ACTIVITY CONTRACT

The Incorporated Village of Old Brookville established a Police Department in 1949 and agreed to furnish police protection for itself and the Incorporated Villages of Muttontown, Brookville, Upper Brookville, Matinecock, Cove Neck and Mill Neck. The Village of Muttontown opted to withdraw from the contract on May 31, 2011. A new Six Village Police Protection Contract has been ratified by all 6 participating Villages. The new contract will be in effect for the period June 1, 2012 to May 31, 2017.

The transactions of the Joint Police Activity Fund are excluded from the financial statements of all participating municipalities. Separate financial statements are issued for the joint activity.

Significant provisions of the contracts are as follows:

- a. The governing body is the Board of Police Commissioners, which is comprised of six members, one from each participating municipality
- b. The Board of Police Commissioners shall prepare and submit an annual budget to the Mayors of all participating municipalities by March 1 of each year. Each Village shall incorporate such budget, without change, in its tentative budget for filing, budget hearing and adoption, according to Village law
- c. The Treasurer of Old Brookville shall maintain separate bank accounts to record activity of the Joint Police Activity Fund.
- d. The costs of operation of the Police Department shall be shared in the ratio of their respective assessed valuations as they appear on the assessment rolls of Nassau County. The Village's share of Police costs amounted to \$1,917,452 for the fiscal year ended May 31, 2015.
- e. Accident Liability insurance shall be carried on employees of the Police Department.

INCORPORATED VILLAGE OF UPPER BROOKVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED MAY 31, 2015

IV. JOINT ACTIVITY CONTRACT (continued)

The following is a summary of audited financial information included in the financial statements issued for the Joint Police Activity General Fund as of and for the year ended May 31, 2014 (the latest audited financial information available):

Total assets	\$ 3,301,312
Total liabilities	483,199
Joint Activity equity	2,818,113
Total revenues	9,468,557
Total expenditures	9,096,496

V. CONTINGENCIES

A. Certiorari Proceedings

Periodically, the Village is involved in certiorari proceedings under which taxpayers seek a reduction in the assessed value of property upon which taxes are measured. A reduction in assessed valuation may result in a refund of real property taxes previously paid by the taxpayer. It is not possible to estimate the amount of refunds, if any, that the Village may be required to make for taxes collected through May 31, 2015, or the effect on future operating budgets of the Village.

B. Litigation

The Village has pending claims against the Village of Muttontown relating to Muttontown's withdrawal from the Seven Village Joint Police Protection Contract. The Village of Upper Brookville together with the other five participating Villages has retained outside counsel to take the necessary actions against the Village of Muttontown on these claims. It is not possible to determine the probable outcome of these claims or their impact on the financial statements of the Village at this time. Therefore, no contingency has been made.