

# VILLAGE OF BROCKPORT

**Brockport, New York**

## **FINANCIAL REPORT**

**For the Year Ended  
May 31, 2021**



# ***VILLAGE OF BROCKPORT***

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## **INDEPENDENT AUDITORS' REPORT**

To the Village Board  
Village of Brockport  
Brockport, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Brockport (the Village) as of and for the 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.

### **Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 Village'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, each major fund, and the aggregate remaining fund information of the Village of Brockport as of May 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of a Matter**

During the year ended May 31, 2021, the Village adopted Government Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities." As discussed in Note 16 to the financial statements, net position as of May 31, 2020 for the governmental activities and fiduciary funds, as well as fund balance for the governmental funds activities were restated to reflect this change in accounting principle. In addition, during the year ended May 31, 2021, the Village entered into a new Joint Operating Agreement and Lease Agreement for the operation of Seymour Library (the Library) which superseded and replaced the previous versions. In accordance with the terms of the new agreements, the Village's understanding of the nature of the relationship between the Library and the Village changed and the Library was deemed to be a component unit as well as a joint venture and the Village was deemed to have title to a share of the Library building. As discussed in Note 16 to the financial statements, net position as of May 31, 2020 for the governmental activities was restated to reflect these changes in understanding. Our opinion is not modified with respect to these matters.

## **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; the Schedules of the Village's Contributions - New York State and Local Retirement System (NYSLRS); the Schedules of the Village's Proportionate Share of the Net Pension Liability; Schedules of Changes in the Village's Total OPEB Liability and Related Ratios; and related notes, on pages 4-4h and 42-49, 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 of Brockport’s basic financial statements. The nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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 combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Rochester, New York  
January 28, 2022

# ***VILLAGE OF BROCKPORT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2021**

Our discussion and analysis of the Village of Brockport's (the Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended May 31, 2021. This section is a summary of the Village's financial activities based on currently known facts, decisions, or conditions. It is also based on both the Government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed in the current year. Please read it in conjunction with the Village's financial statements, which begin on page 5.

### **FINANCIAL HIGHLIGHTS**

- The liabilities and deferred inflows of resources of the Village's governmental activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$4,248,469 (net position deficit), compared to a \$4,434,436 (net position deficit, as restated) in 2020. This deficit is the result of the recognition of other postemployment benefit obligations (OPEB) of \$10,246,081 and the Village's proportionate share of New York State's pension obligations of \$1,700,240.
- The Village's net position increased by \$185,967 from the prior year primarily due to Federal CARES revenue totaling \$675,578 recognized in the current fiscal year.
- The General Fund recorded an increase of \$442,476 in 2021 and had a fund balance at the end of the year of \$3,582,513. The increase is primarily due to the Federal CARES revenues as noted above. Unassigned fund balance at year end was \$1,930,701, which amounts to 30.9% of next year's budget.
- Resources available for appropriation in the General Fund were \$117,638 more than budgeted and expenditures were \$401,822 less than budgeted. The difference between budgeted and actual revenues is mainly due to better than expected sales tax collections. The difference between budgeted and actual expenditures is primarily due to a reduction in transportation expense.
- The Village purchased a Snowplow through a lease purchase agreement. The total cost for the truck is \$181,629. The lease purchase agreement totaling \$109,090 is for three years, with the first payment starting on September 29, 2021, and last payment scheduled for September 29, 2023.

# ***VILLAGE OF BROCKPORT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2021**

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 5-6) provide information about the Village as a whole and present a longer-term view of the Village's finances. Governmental Fund financial statements start on page 7. For Governmental Activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the Village's operations in greater detail than the Government-wide financial statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside the government. Following these statements are notes that provide additional information essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements, the annual report contains budgetary comparison schedules for the General and Water Funds; Schedules of Changes in the Village's Total OPEB Liability and Related Ratios; Schedules of the Village's Contributions - NYSLRS Pension Plan; Schedules of the Village's Proportionate Share of the Net Pension Liability; notes to required supplementary information; and statements for those funds that are not considered major funds.

### **Reporting the Village as a Whole**

Our analysis of the Village as a whole begins on page 5, with the Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer the question of whether the Village, as a whole, is better or worse off as a result of the year's activities. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when the cash is received or paid.

These two statements report the Village's net position and changes in them. One can think of the Village's net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, as one way to measure the Village's financial health or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating. One needs to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's roads, to assess the overall health of the Village.

In the Statement of Net Position and the Statement of Activities, the Village reports:

**Governmental Activities:** Most of the Village's services are reported in this category, including public safety, public health, economic assistance, transportation, home and community services, culture and recreation, and general administration. Property and sales taxes, and state and federal grants, finance most of these activities.



# ***VILLAGE OF BROCKPORT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2021**

### **Reporting the Village's Most Significant Funds**

#### **Governmental Fund Financial Statements**

Analysis of the Village's Major Funds begins on page 7. The Governmental Fund financial statements provide detailed information about the most significant funds, not on the Village as a whole. Some funds are required to be established by New York State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The Village's Governmental funds use the following accounting approach.

**Governmental Funds:** All of the Village's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds and the balances left at yearend that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund financial statements provide a detailed short-term view of the Village's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide financial statements) and Governmental *Funds* is explained in a reconciliation following the Governmental Fund financial statements.

**Component Units:** The Village includes a separate legal entity in its report: the Seymour Library (Library). Although legally separate, this "component unit" is important because the Village is financially accountable for it. The Library is reported as a discretely presented component unit, as well as an equity interest in joint ventures. The Village's equity interest in the Library is reported as an asset in the government-wide financial statements. See Note 14 for more information about the Library and how to obtain the Library's financial statements.

#### **THE VILLAGE AS A WHOLE**

The Village's *combined* net deficit for fiscal year ended May 31, 2021 decreased from \$4,434,436 to \$4,248,469.

# VILLAGE OF BROCKPORT

## MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2021

Our analysis below focuses on the net position (*Figure 1*), and changes in net position (*Figure 2*), of the Village's Governmental Activities.

*Figure 1 - Net Position*

<i>Governmental Activities</i>	<i>2021</i>	<i>2020</i>	<i>Dollar Change 2021 - 2020</i>
<i>Current Assets</i>	\$ 3,495,991	\$ 3,170,641	\$ 325,350
<i>Capital Assets, Net</i>	4,855,184	4,881,873	(26,689)
<i>Noncurrent Assets</i>	1,665,459	1,500,668	164,791
<b><i>Total Assets</i></b>	<b>10,016,634</b>	<b>9,553,182</b>	<b>463,452</b>
<i>Deferred Charges on Defeased Debt</i>	26,221	-	26,221
<i>Pensions</i>	3,312,465	2,423,771	888,694
<i>Other Postemployment Benefits</i>	674,544	2,101,504	(1,426,960)
<b><i>Total Deferred Outflows of Resources</i></b>	<b>4,013,230</b>	<b>4,525,275</b>	<b>(512,045)</b>
<i>Current Liabilities</i>	463,128	388,224	74,904
<i>Noncurrent Liabilities</i>	12,465,072	17,562,916	(5,097,844)
<b><i>Total Liabilities</i></b>	<b>12,928,200</b>	<b>17,951,140</b>	<b>(5,022,940)</b>
<i>Pensions</i>	4,192,330	384,920	3,807,410
<i>Other Postemployment Benefits</i>	1,157,803	176,833	980,970
<b><i>Total Deferred Inflows of Resources</i></b>	<b>5,350,133</b>	<b>561,753</b>	<b>4,788,380</b>
<i>Net Investment in Capital Assets</i>	3,311,869	2,826,246	485,623
<i>Restricted</i>	1,429,700	1,323,532	106,168
<i>Unrestricted</i>	(8,990,038)	(8,584,214)	(405,824)
<b><i>Total Net Position (Deficit)</i></b>	<b>\$ (4,248,469)</b>	<b>\$ (4,434,436)</b>	<b>\$ 185,967</b>

Assets of the Village's Governmental Activities increased 4.9%, or \$463,452, primarily due to the increase in current assets. The liabilities of the Village's Governmental Activities decreased 27.9%, or \$5,022,940, based on a decrease in the OPEB liability and the Village's proportionate share of the net pension liability. Changes in deferred outflows and inflows of resources were related to changes in pension-related actuarial and OPEB valuations. Net position of the Village's Governmental Activities increased by \$185,967, primarily due to the items discussed above.

# VILLAGE OF BROCKPORT

## MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2021

*Figure 2 - Changes in Net Position*

<i>Governmental Activities</i>	<i>2021</i>	<i>2020</i>	<i>Dollar Change 2021 - 2020</i>
<b>REVENUES</b>			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 1,695,077	\$ 1,574,974	\$ 120,103
<i>Operating Grants and Contributions</i>	781,353	159,865	621,488
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	2,973,527	2,811,759	161,768
<i>Real Property Tax Items</i>	33,096	29,780	3,316
<i>Nonproperty Tax Items</i>	2,033,064	1,980,701	52,363
<i>Use of Money and Property</i>	25,110	67,971	(42,861)
<i>Sale of Property and Compensation for Loss</i>	27,049	41,789	(14,740)
<i>Misc. Local Sources</i>	161,425	166,629	(5,204)
<i>State Sources</i>	56,936	217,220	(160,284)
<i>Change in Equity Interest in Joint Venture</i>	74,551	1,806	72,745
<b>Total Revenues</b>	<b>\$ 7,861,188</b>	<b>\$ 7,052,494</b>	<b>\$ 808,694</b>
<b>PROGRAM EXPENSES</b>			
<i>General Governmental Support</i>	\$ 1,297,905	\$ 1,588,144	\$ (290,239)
<i>Public Safety</i>	3,091,374	3,894,691	(803,317)
<i>Transportation</i>	1,673,195	1,533,684	139,511
<i>Economic Assistance and Opportunity</i>	51,192	63,507	(12,315)
<i>Culture and Recreation</i>	301,586	321,995	(20,409)
<i>Home and Community Services</i>	1,220,521	1,467,134	(246,613)
<i>Interest on Long-Term Debt</i>	39,448	64,761	(25,313)
<b>Total Expenses</b>	<b>\$ 7,675,221</b>	<b>\$ 8,933,916</b>	<b>\$ (1,258,695)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 185,967</b>	<b>\$ (1,881,422)</b>	<b>\$ 2,067,389</b>

### **Governmental Activities**

The increase in operating grants and contributions was primarily due to the Federal CARES monies recognized in the current fiscal year.

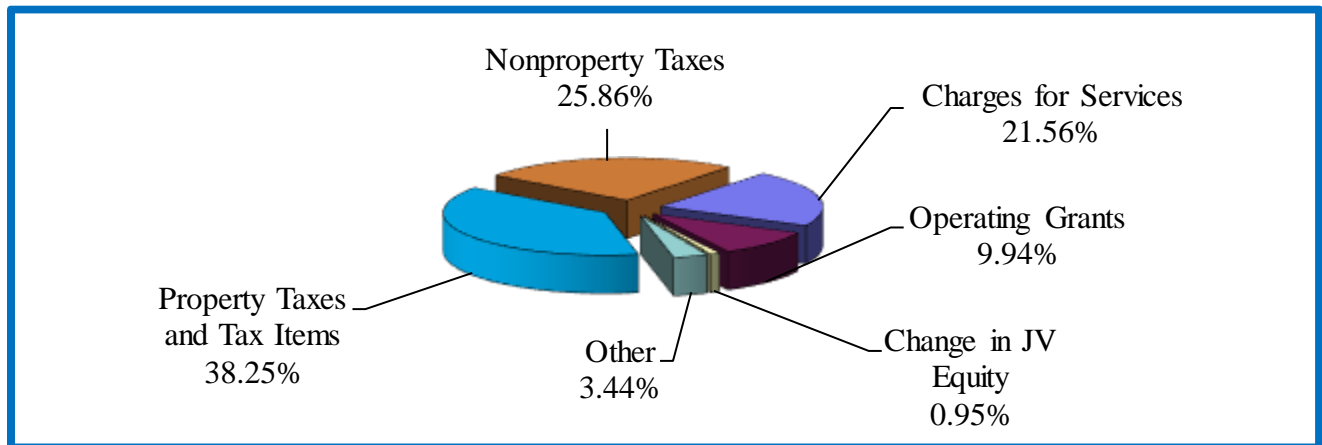
General governmental support expense decreased 18.3% and public safety expense decreased 20.7% as a result of changes in the net pension and OPEB liabilities, as well as compensated absences.

# VILLAGE OF BROCKPORT

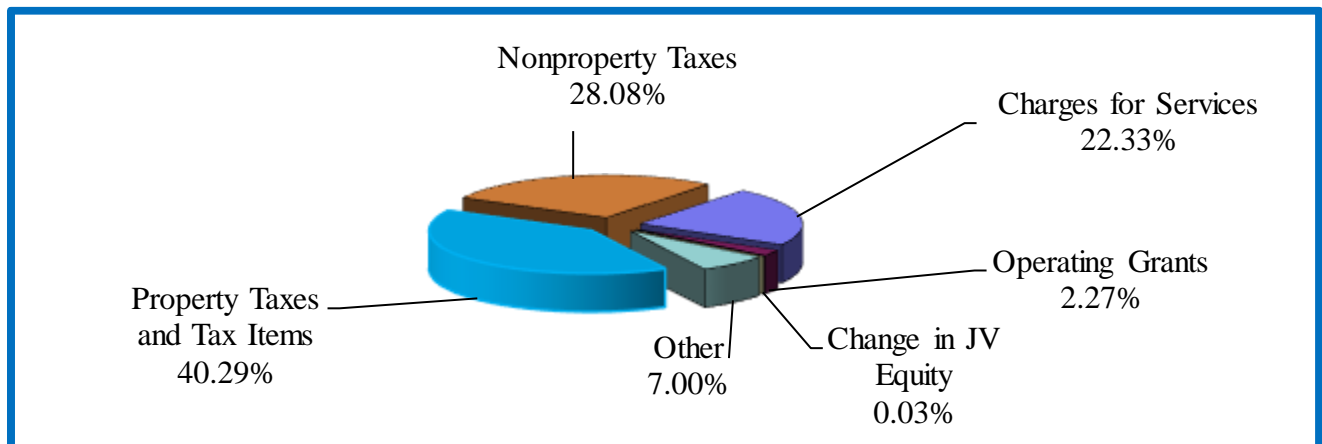
## MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2021

Figures 3 and 4 show the sources of revenue for 2021 and 2020.

**Figure 3**  
**Revenue by Source - 2021**



**Figure 4**  
**Revenue by Source - 2020**



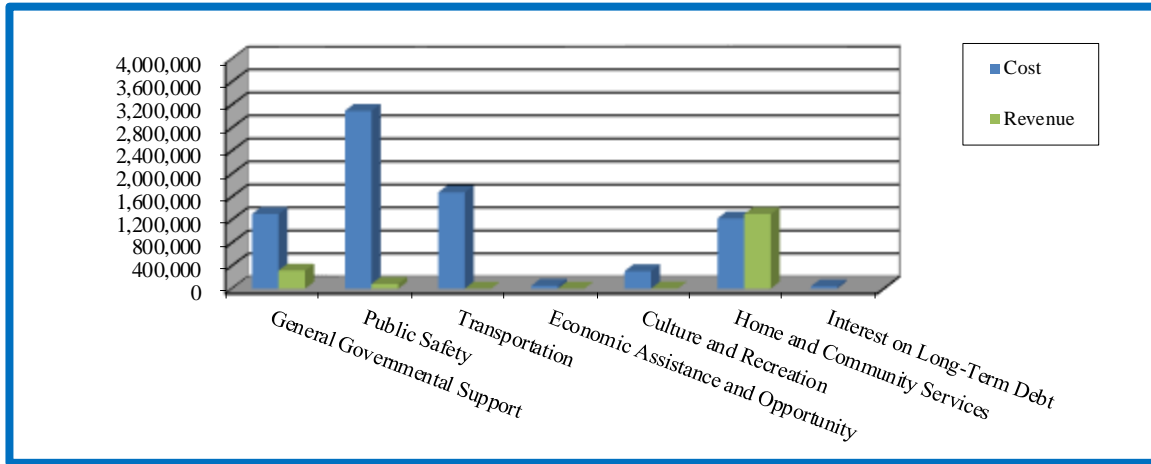
The cost of all Governmental Activities this year was \$7,675,221. As shown in the Statement of Activities, some of the cost was paid by those who directly benefited from the programs in the amount of \$1,695,077 and by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$781,353. Overall, the Village's governmental program revenues, including fees for services and grants, were \$2,476,430. The Village paid for the remaining "public benefit" portion of Governmental Activities with \$5,384,758 in taxes and other revenues, such as interest and general entitlements.

The total cost less revenues generated by activities, or the net cost, for each of the Village's largest programs is presented below. The net cost shows the financial burden that was placed on the Village's taxpayers by each of these functions.

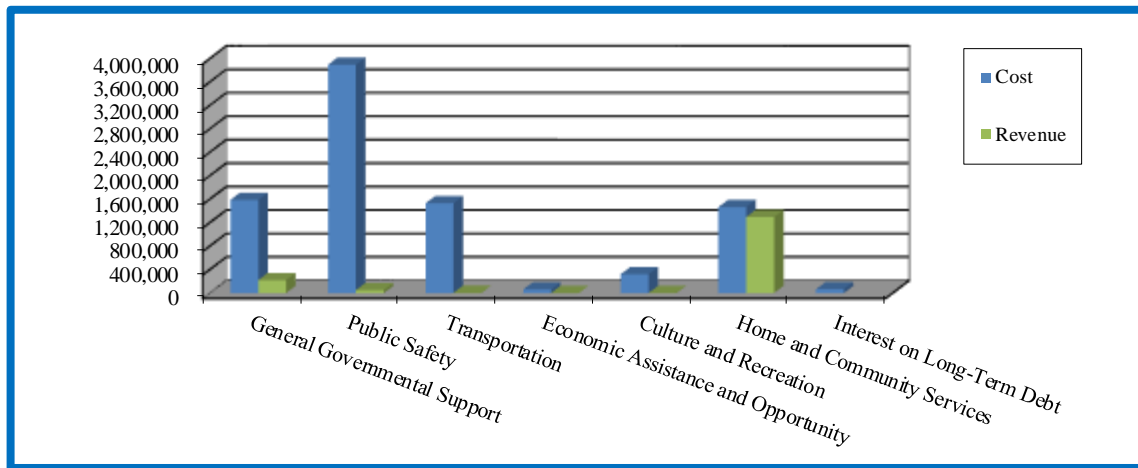
# VILLAGE OF BROCKPORT

## MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2021

**Figure 5**  
**Net Program Cost - Governmental Activities**  
**2021**



**Figure 6**  
**Net Program Cost - Governmental Activities**  
**2020**



### THE VILLAGE'S FUNDS

As the Village completed the year, its Governmental Funds, as presented in the Balance Sheet on page 7, reported a combined fund balance of \$4,563,559, which is \$379,976 more than last year's total of \$4,183,583. *Figure 7* shows the changes in fund balances for the year for the Village's funds. The General Fund increased primarily as a result of Federal CARES revenues recognized in the current fiscal year. The Water Fund decreased because expenditures exceeded departmental income.

# VILLAGE OF BROCKPORT

## MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2021

*Figure 7  
Major Governmental Funds  
Fund Balance at Year Ended*

	<i>2021</i>	<i>2020</i>	<i>Dollar Change 2021 - 2020</i>
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 3,582,513	\$ 3,140,037	\$ 442,476
<i>Water Fund</i>	613,431	722,920	(109,489)
<i>Non-Major Funds</i>	367,615	320,626	46,989
<b><i>Totals</i></b>	<b>\$ 4,563,559</b>	<b>\$ 4,183,583</b>	<b>\$ 379,976</b>

### General Fund Budgetary Highlights

Over the course of the year, the Village Board, as well as management of the Village, revised the Village budget several times. These budget amendments consisted of budget transfers between functions which do not increase the budget overall. The Village did increase the overall budget for unanticipated revenues and expenditures of \$459,753.

After these adjustments, the actual charges to appropriations (expenditures) were \$401,822 below the final budget amounts. Resources available for appropriation were \$117,638 above the final budget.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At May 31, 2021, the Village invested in a broad range of capital assets, including buildings, machinery and equipment, and infrastructure. This amount represents a net decrease of \$26,689, related to additional depreciation recorded during 2021.

*Figure 8  
Capital Assets, Net of Depreciation*

<i>Governmental Activities</i>	<i>2021</i>	<i>2020</i>	<i>Dollar Change 2021 - 2020</i>
<i>Land</i>	\$ 208,950	\$ 208,950	\$ -
<i>Construction in Progress</i>	-	35,001	(35,001)
<i>Buildings</i>	929,581	964,347	(34,766)
<i>Equipment</i>	1,007,444	1,010,873	(3,429)
<i>Infrastructure</i>	2,709,209	2,662,702	46,507
<b><i>Totals</i></b>	<b>\$ 4,855,184</b>	<b>\$ 4,881,873</b>	<b>\$ (26,689)</b>

# VILLAGE OF BROCKPORT

## MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2021

### Debt

Debt totaled \$1,569,536 as of May 31, 2021, which includes debt premiums, as shown in *Figure 9*. Of this amount, \$951,606 is subject to the constitutional debt limit and represents 5.79% of the Village's statutory debt limit.

*Figure 9*  
*Debt at Year Ended May 31,*

<i>Governmental Activities</i>	<i>2021</i>	<i>2020</i>	<i>Dollar Change 2021 - 2020</i>
<i>Installment Purchase Debt</i>	\$ 170,048	\$ 126,455	\$ 43,593
<i>Serial Bonds</i>	1,399,488	1,410,000	(10,512)
<b><i>Totals</i></b>	<b>\$ 1,569,536</b>	<b>\$ 1,536,455</b>	<b>\$ 33,081</b>

### Economic Factors and Next Year's Budgets and Rates

- The Village purchased approximately 600 streetlights previously owned by National Grid during the year ended May 31, 2021. The Village is in the process of installing energy efficient LED lighting to reduce electric consumption and improve lighting.
- The Village will receive approximately \$833,000 in Federal American Rescue Plan Act (ARPA) funds over the next two fiscal years. Village officials are currently developing plans for use of these funds.

### Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about the report or need any additional financial information, contact Daniel Hendricks, Treasurer, at 127 Main Street, Brockport, New York 14420.

# VILLAGE OF BROCKPORT

## STATEMENT OF NET POSITION MAY 31, 2021

	Governmental Activities	Component Unit Seymour Library December 31, 2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents - Unrestricted	\$ 923,410	\$ 471,931
Cash and Cash Equivalents - Restricted	61,598	-
Investments - Unrestricted	1,938,158	-
Investments - Restricted	44,841	-
Due from Other Governments	281,345	7,089
Other Receivables	159,305	100
Prepaid Expenses	87,334	4,806
<b>Total Current Assets</b>	<b>3,495,991</b>	<b>483,926</b>
<b>Noncurrent Assets</b>		
Cash and Cash Equivalents - Restricted	-	41,742
Investments - Restricted	1,323,261	-
Investment in Joint Venture Equity	342,198	-
Land and Other Nondepreciable Capital Assets	208,950	-
Depreciable Capital Assets	4,646,234	548,429
<b>Total Noncurrent Assets</b>	<b>6,520,643</b>	<b>590,171</b>
<b>Total Assets</b>	<b>10,016,634</b>	<b>1,074,097</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charges on Defeased Debt	26,221	-
Pensions	3,312,465	-
Other Postemployment Benefits	674,544	1,611
<b>Total Deferred Outflows of Resources</b>	<b>4,013,230</b>	<b>1,611</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	104,423	5,774
Accrued Liabilities	65,211	-
Due to Other Governments	-	11,760
Due to Retirement Systems	86,059	-
Unearned Revenues	-	13,789
Current Portion of Long-Term Liabilities:		
Installment Purchase Debt	67,469	-
Bonds Payable	139,966	-
<b>Total Current Liabilities</b>	<b>463,128</b>	<b>31,323</b>
<b>Noncurrent Liabilities</b>		
Installment Purchase Debt	102,579	-
Bonds Payable	1,259,522	-
Compensated Absences	519,774	-
Other Postemployment Benefits Liability	9,762,822	149,090
Net Pension Liability - Proportionate Share	820,375	-
<b>Total Noncurrent Liabilities</b>	<b>12,465,072</b>	<b>149,090</b>
<b>Total Liabilities</b>	<b>12,928,200</b>	<b>180,413</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	4,192,330	-
Other Postemployment Benefits	1,157,803	22,342
<b>Total Deferred Outflows of Resources</b>	<b>5,350,133</b>	<b>22,342</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	3,311,869	548,429
Restricted	1,429,700	41,742
Unrestricted	(8,990,038)	282,782
<b>Total Net Position (Deficit)</b>	<b>\$ (4,248,469)</b>	<b>\$ 872,953</b>

*See Notes to Financial Statements*



# VILLAGE OF BROCKPORT

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2021

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Government	Seymour Library December 31, 2020
<b>Government Activities</b>						
General Governmental Support	\$ 1,297,905	\$ 314,199	\$ 675,578	\$ -	\$ (308,128)	\$ -
Public Safety	3,091,374	82,408	-	-	(3,008,966)	-
Transportation	1,673,195	-	105,775	-	(1,567,420)	-
Economic Assistance and Opportunity	51,192	-	-	-	(51,192)	-
Culture and Recreation	301,586	2,020	-	-	(299,566)	-
Home and Community Services	1,220,521	1,296,450	-	-	75,929	-
Interest on Long-Term Debt	39,448	-	-	-	(39,448)	-
<b>Total Primary Government</b>	<b>\$ 7,675,221</b>	<b>\$ 1,695,077</b>	<b>\$ 781,353</b>	<b>\$ -</b>	<b>(5,198,791)</b>	<b>-</b>
<b>Component Unit</b>						
Seymour Library	<b>\$ 515,947</b>	<b>\$ 524,840</b>	<b>\$ 4,779</b>	<b>\$ -</b>	<b>-</b>	<b>13,672</b>
<b>GENERAL REVENUES</b>						
Real Property Taxes					2,973,527	-
Real Property Tax Items					33,096	-
Nonproperty Tax Items					2,033,064	-
Use of Money and Property					25,110	1,429
Sale of Property and Compensation for Loss					27,049	-
State Sources					56,936	-
Miscellaneous Local Sources					161,425	10,731
Change in Equity Interest in Joint Venture					74,551	-
Special Item					-	194,324
<b>Total General Revenues and Special Item</b>					<b>5,384,758</b>	<b>206,484</b>
Change in Net Position					185,967	220,156
Net Position - Beginning, as Restated					(4,434,436)	652,797
<b>Net Position - Ending</b>					<b>\$ (4,248,469)</b>	<b>\$ 872,953</b>

*See Notes to Financial Statements*

# VILLAGE OF BROCKPORT

## BALANCE SHEET GOVERNMENTAL FUNDS MAY 31, 2021

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Fund Water Fund		
<b>ASSETS</b>				
Cash and Cash Equivalents - Unrestricted	\$ 601,695	\$ 155,874	\$ 165,841	\$ 923,410
Cash and Cash Equivalents - Restricted	29,709	31,889	-	61,598
Investments - Unrestricted	1,727,137	134,205	76,816	1,938,158
Investments - Restricted	1,027,660	234,003	106,439	1,368,102
Taxes Receivable (Net)	8,614	-	-	8,614
Due from Other Governments	281,345	-	-	281,345
Other Receivables, Net	11,582	119,974	19,135	150,691
Prepaid Expenses	87,334	-	-	87,334
<b>Total Assets</b>	<b><u>\$ 3,775,076</u></b>	<b><u>\$ 675,945</u></b>	<b><u>\$ 368,231</u></b>	<b><u>\$ 4,819,252</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 53,603	\$ 50,204	\$ 616	\$ 104,423
Accrued Liabilities	60,371	4,840	-	65,211
Due to Retirement Systems	78,589	7,470	-	86,059
<b>Total Liabilities</b>	<u>192,563</u>	<u>62,514</u>	<u>616</u>	<u>255,693</u>
<b>FUND BALANCES</b>				
Nonspendable	87,334	-	-	87,334
Restricted	1,057,369	265,892	106,439	1,429,700
Assigned	507,109	347,539	261,176	1,115,824
Unassigned	1,930,701	-	-	1,930,701
<b>Total Fund Balances</b>	<u>3,582,513</u>	<u>613,431</u>	<u>367,615</u>	<u>4,563,559</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 3,775,076</u></b>	<b><u>\$ 675,945</u></b>	<b><u>\$ 368,231</u></b>	<b><u>\$ 4,819,252</u></b>

*See Notes to Financial Statements*

# **VILLAGE OF BROCKPORT**

## **RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION MAY 31, 2021**

**Total Governmental Fund Balances** **\$ 4,563,559**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Historical Cost	\$ 14,277,236	
Accumulated Depreciation	<u>(9,422,052)</u>	4,855,184

The Village's proportionate share of the collective net pension liability is not reported in the funds.

ERS Net Pension Liability - Proportionate Share	\$ (4,952)	
PFRS Net Pension Liability - Proportionate Share	<u>(815,423)</u>	(820,375)

Equity interests in joint ventures are not reported in the Governmental Funds because they do not represent current financial resources.

342,198

Deferred outflows of resources represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources presents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

ERS Deferred Inflows of Resources - Pension	\$ (1,479,526)	
PFRS Deferred Inflows of Resources - Pension	(2,712,804)	
Deferred Inflows of Resources - Other Postemployment Benefits	(1,157,803)	
ERS Deferred Outflows of Resources - Pension	1,011,467	
PFRS Deferred Outflows of Resources - Pension	2,300,998	
Deferred Outflows of Resources - Other Postemployment Benefits	674,544	
Deferred Charges on Defeased Debt	<u>26,221</u>	(1,336,903)

Proceeds of debt are reported as revenue in the Governmental Funds, but issuance of debt increases the balance of obligations payable in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Installment Purchase Debt	\$ (170,048)	
Bonds Payable	(1,270,000)	
Unamortized Bond Premium	(129,488)	<u>(1,569,536)</u>

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.

Compensated Absences	(519,774)	
Other Postemployment Benefits Liability	<u>(9,762,822)</u>	<u>(10,282,596)</u>

**Net Position (Deficit) of Governmental Activities** **\$ (4,248,469)**

*See Notes to Financial Statements*

# VILLAGE OF BROCKPORT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED MAY 31, 2021

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Fund Water Fund		
<b>REVENUES</b>				
Real Property Taxes	\$ 2,973,527	\$ -	\$ -	\$ 2,973,527
Real Property Tax Items	33,096	-	-	33,096
Nonproperty Tax Items	2,033,064	-	-	2,033,064
Departmental Income	247,006	1,092,680	140,897	1,480,583
Use of Money and Property	1,959	522	22,629	25,110
Licenses and Permits	51,600	-	-	51,600
Fines and Forfeitures	162,894	-	-	162,894
Sale of Property and Compensation for Loss	25,851	1,198	-	27,049
Miscellaneous Local Sources	161,194	-	231	161,425
State Sources	162,711	-	-	162,711
Federal Sources	675,578	-	-	675,578
<b>Total Revenues</b>	<b>6,528,480</b>	<b>1,094,400</b>	<b>163,757</b>	<b>7,786,637</b>
<b>EXPENDITURES</b>				
Current:				
General Governmental Support	880,014	39,221	76,856	996,091
Public Safety	1,982,118	-	-	1,982,118
Transportation	1,339,398	-	-	1,339,398
Economic Assistance and Opportunity	51,192	-	-	51,192
Culture and Recreation	259,809	-	-	259,809
Home and Community Services	166,905	945,977	22,773	1,135,655
Employee Benefits	1,476,301	133,509	-	1,609,810
Debt Service:				
Principal	31,120	71,721	67,694	170,535
Interest	3,775	26,019	13,243	43,037
<b>Total Expenditures</b>	<b>6,190,632</b>	<b>1,216,447</b>	<b>180,566</b>	<b>7,587,645</b>
<b>Excess of Revenues (Expenditures)</b>	<b>337,848</b>	<b>(122,047)</b>	<b>(16,809)</b>	<b>198,992</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers In	500	12,558	-	13,058
Interfund Transfers (Out)	-	-	(13,058)	(13,058)
Proceeds of Obligations	104,128	-	1,275,000	1,379,128
Premium on Obligations	-	-	133,988	133,988
Repayment to Escrow Agent	-	-	(1,332,132)	(1,332,132)
<b>Total Other Financing (Uses) Sources</b>	<b>104,628</b>	<b>12,558</b>	<b>63,798</b>	<b>180,984</b>
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)	442,476	(109,489)	46,989	379,976
Fund Balances, Beginning of Year	3,140,037	722,920	320,626	4,183,583
<b>Fund Balances, End of Year</b>	<b>\$ 3,582,513</b>	<b>\$ 613,431</b>	<b>\$ 367,615</b>	<b>\$ 4,563,559</b>

*See Notes to Financial Statements*

# **VILLAGE OF BROCKPORT**

## **RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2021**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 379,976**

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

Governmental Funds report purchases of capital assets as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized.

Capital Outlay	\$ 409,890	
Depreciation Expense	<u>(436,579)</u>	(26,689)

Equity interests in joint ventures are not reported in the Governmental Funds because they do not represent current financial resources. These are the changes in the Village's equity interests in joint ventures.

74,551

Long-term debt proceeds, and related issue costs and deferred amounts on refunding, provide current financial resources to Governmental Funds, but issuing debt and the related premiums increase long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Proceeds of Bond Obligations	\$ (1,275,000)	
Repayment of Bond Principal	110,000	
Deferred Charges on Defeased Debt	27,132	
Payments to Escrow Agent	1,305,000	
Amortization of Bond Premium	4,500	
Amortization of Deferred Charges on Refunding of Debt	(911)	
Premium of Obligations	(133,988)	
Repayment of Installment Purchase Debt	60,535	
Proceeds of Installment Purchase Debt	<u>(104,128)</u>	(6,860)

Changes in long-term obligations, including related deferred inflows and deferred outflows of resources, associated with employee benefits, are reported in the Statement of Activities as increases or decreases in expenses. Such changes are not reflected in the Governmental Fund financial statements. The following are the changes reported in the Statement of Activities for these net liabilities.

Compensated Absences	\$ 85,426	
Other Postemployment Benefits Liability	(391,817)	
ERS	89,284	
PFRS	<u>(17,904)</u>	<u>(235,011)</u>

**Change in Net Position of Governmental Activities** **\$ 185,967**

*See Notes to Financial Statements*

# ***VILLAGE OF BROCKPORT***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### ***Note 1* Summary of Significant Accounting Policies**

The accompanying financial statements of the Village of Brockport (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental 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.

#### **Financial Reporting Entity**

The Village of Brockport, located in Monroe County, New York, is governed by Village Law and other general laws of New York State. The Board of Trustees is the legislative body responsible for overall operations, the Mayor serves as Chief Executive Officer, and the Village Treasurer serves as Chief Fiscal Officer.

The Village provides the following basic services: police and law enforcement, fire protection, street maintenance, sewer and water facilities, and community development.

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

The financial reporting entity consists of the following:

- The primary government, which is the Village;
- Organizations for which the primary government is financially accountable; and
- 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 component unit in the Village's reporting entity is based on several criteria set forth in GASB Statement No. 14, as amended. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the Village's reporting entity.

#### **Financial Reporting Entity - Joint Venture and Discretely Presented Component Unit**

The Seymour Library (the Library) is a joint venture and discretely presented component unit undertaken by the Village with the Towns of Clarkson and Sweden. See Note 14 for additional disclosures regarding this joint venture and discretely presented component unit.

# ***VILLAGE OF BROCKPORT***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Basic Financial Statements - Government-Wide Financial Statements**

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government. The focus of the Government-wide financial statements addresses the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports both the gross and net cost for each of the Village's functions and programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues: charges paid by the recipients of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the program or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Village, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the Village.

#### **Basic Financial Statements - Governmental Fund Financial Statements**

The financial transactions of the Village are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, reserves, fund equity, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

# ***VILLAGE OF BROCKPORT***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Governmental Fund Types**

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 Governmental Funds is based upon determination of financial position and changes in financial position under the modified accrual basis of accounting. The following are the Village's Governmental Funds:

#### **Major Funds**

- General Fund - Principal operating fund; includes all operations not required to be recorded in other funds.
- Special Revenue Fund
  - Water Fund - Accounts for revenues derived from charges for water consumption and benefited assessments, as well as the application of such revenues toward related operating expenses and debt retirement.

#### **Non-Major Funds**

- Special Revenue Funds
  - Sewer Fund - Accounts for revenues derived from charges for sewer usage and benefited assessments, and the application of such revenues toward related operating expenses and debt retirement.
  - Miscellaneous Special Revenue Fund - Accounts for other dedicated special revenue streams.
- Permanent Fund - Accounts for revenues and expenditures from assets contributed with restrictions on their use; earnings may be used for the Seymour Library.
- Debt Service Fund - Accounts for the accumulation of resource and the payment of principal and interest on long-term general obligation debt of Governmental Activities.



# ***VILLAGE OF BROCKPORT***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **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 basic financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, such as expenditures or expenses.

#### **Accrual Basis**

The Government-wide financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

#### **Modified Accrual Basis**

The Governmental Fund financial statements are prepared 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. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges.

The Village considers property tax receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. All other revenues that are deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when the asset is received. Exceptions to this general rule are 1) principal and interest on indebtedness are not recognized as an expenditure until due; and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

# ***VILLAGE OF BROCKPORT***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Property Taxes**

Real property taxes are levied annually by the Village no later than May 31 and become a lien on June 1. Taxes are collected during the period June 1 to November 1. Uncollected real property taxes are subsequently enforced by the County of Monroe, in which the Village is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the Village no later than the forthcoming April 1.

Property tax revenues are recognized as revenues in the year they are levied and collected. Property taxes not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources.

In June 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 2% 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.

#### **Tax Levy**

The Village is authorized by New York State General Municipal Law (GML) §3-c to increase its tax levy by a statutorily defined percentage. The Village has the ability to exceed that percentage upon the vote of sixty percent of the Village Board. The Village has not exceeded this limit for the year ended May 31, 2021.

#### **Sales Tax**

The County of Monroe currently imposes a sales and use tax. Based on a complex formula, a portion of total revenue collected is allocated annually to the Village in four quarterly installments.

#### **Budget Policies**

Budget policies are as follows:

- No later than March 20, a tentative budget is submitted by the budget officer to the Village Board for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- After public hearings are conducted to obtain taxpayer comments, no later than April 20, the governing board adopts the budget.
- All modifications of the budget must be approved by the governing board. However, the Village Mayor is authorized to transfer certain budgeted amounts within departments.

# ***VILLAGE OF BROCKPORT***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **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 for the General and Special Revenue Funds. Encumbrances are reported as assignments of fund balance, as they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

#### **Budgetary Basis of Accounting**

Budgets are adopted annually on a basis consistent with its prescribed fund's basis of accounting. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Budgetary controls for the Miscellaneous Special Revenue Fund are established per the applicable funding source.

#### **Cash and Investments**

The Village's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

New York State Law governs the Village's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC 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 districts.

#### **Receivables**

In the fund financial statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales tax, water fees, and sewer fees.

Receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided, as it is believed such allowance would not be material.

# **VILLAGE OF BROCKPORT**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### **Note 1 Summary of Significant Accounting Policies - Continued**

#### **Capital Assets**

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Governmental capital assets purchased or acquired with an original cost of at least \$5,000 and having a useful life of greater than two years are capitalized.

Estimated useful lives for governmental capital assets are as follows:

Buildings	20-45 Years
Machinery and Equipment	5-45 Years
Infrastructure	20-40 Years

#### **Unearned and Unavailable Revenues**

Unearned revenues arise when resources are received by the Village before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the Village has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

The Governmental Fund financial statements also report unavailable revenues as a deferred inflow of resources when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the liability for unavailable revenues is removed and revenues are recorded.

#### **Accrued Liabilities and Long-Term Obligations**

In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the Village's future obligations or future economic outflows. The liabilities are reported in the Statement of Net Position.

# **VILLAGE OF BROCKPORT**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### **Note 1 Summary of Significant Accounting Policies - Continued**

#### **Compensatory Absences**

Village employees are granted vacation and sick leave benefits and earn compensated absences in varying amounts to specified maximums, depending on tenure with the Village. An individual who leaves the employment of the Village, either through termination or retirement, is entitled to payment for accumulated vacation and unused compensatory time. A non-police employee who retires may receive up to 165 days as additional service credit and is entitled to be paid for unused days over 165 days, up to a maximum payment of \$10,000. Police personnel are allowed to cash in any unused sick time at a rate of one for one for the first 60 days and two for one in excess. Full-time police officers may accumulate at any one time 200 hours of compensatory time. Each full-time employee receives five personal days every June 1. Personal leave days are not cumulative; however, unused personal leave days at year end are added to the employee's vacation time. This liability is liquidated from the General Fund and Water Fund.

Village employees participate in the New York State and Local Retirement System.

#### **Other Postemployment Benefits**

In addition to pension benefits described in Note 7, the Village provides other postemployment benefits for health and dental insurance to eligible retirees and their spouses. The benefits are provided in accordance with Village ordinances, collective bargaining agreements, and the Consolidated Omnibus Budget Reconciliation Act (COBRA). The criterion to determine eligibility includes years of services and employee age.

The Village recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the fund financial statements.

The Village follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The Village's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with that statement. See Note 8 for additional information.

#### **Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports deferred outflows of resources related to deferred charges on defeased debt, pensions, and Other Postemployment Benefits (OPEB) plans in the Statement of Net Position. The types of deferred outflows of resources related to deferred charges on defeased debt, pensions and OPEB plans are described in Notes 5, 7, and 8, respectively.

# **VILLAGE OF BROCKPORT**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### **Note 1 Summary of Significant Accounting Policies - Continued**

#### **Deferred Outflows and Inflows of Resources - Continued**

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Village reports deferred inflows of resources related to pensions and OPEB plans which are further described in Notes 7 and 8, respectively.

#### **Equity Classifications - Government-Wide Financial Statements**

Equity is classified as net position and displayed in three components:

- **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** - Consists of net resources with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted** - Consists of all other net resources that do not meet the definition of “restricted” or “net investment in capital assets.”

#### **Equity Classifications - Governmental Fund Financial Statements**

In the fund statements there are five classification of fund balance:

- **Nonspendable** - Consists of assets 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 endowment principal.
- **Restricted** - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation.
- **Committed** - Consists of amounts subject to a purpose constraint imposed by formal action of the government’s highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint. There were no committed fund balances at May 31, 2021.

# ***VILLAGE OF BROCKPORT***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - Governmental Fund Financial Statements - Continued**

- **Assigned** - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority (or their designated body or official). The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned** - Represents the residual classification of the government's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The Village Board may adopt resolutions to commit or assign fund balance. By resolution, fund balance of the Village may be committed for a specific source by formal action of the Village Board. Furthermore, the Village Board delegates authority to assign fund balance for a specific purpose to the Village Treasurer. The Village Board, by resolution, approves fund balance appropriations for next year's budget. The Village applies expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

#### **Interfund Activity**

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. All interfund activities between governmental activities are eliminated on the Statement of Net Position and the Statement of Activities.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Village's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

# **VILLAGE OF BROCKPORT**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### **Note 1 Summary of Significant Accounting Policies - Continued**

#### **Future Changes in Accounting Standards**

GASB has issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance," which delays the implementation dates for several GASB statements as follows:

- GASB has issued Statement No. 87, "Leases," effective for the year ended May 31, 2021, delayed by GASB Statement No. 95 to May 31, 2023.
- GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," delayed by GASB Statement No. 95 to May 31, 2022.
- GASB has issued Statement No. 91, "Conduit Debt Obligations," effective for the year ending May 31, 2023.
- GASB has issued Statement No. 92, "Omnibus 2020," effective for the year ending May 31, 2023.

The Village will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

### **Note 2 Cash and Investments**

The Village of Brockport's investment policies are governed by state statutes. In addition, the Village of Brockport has its own written investment policy. Village of Brockport has deposits in FDIC-insured commercial banks or trust companies located within the State. The Village Treasurer is authorized to use demand 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. Collateral is required for demand and time deposits and certificates of deposit at 100% of all deposits not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, as well as obligations of New York State, its municipalities, and its school districts.

Deposits and investments are categorized as either (1) insured and for which the securities are held by the Village's agent in the Village's name; (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the Village's name or; (3) uncollateralized.

Total financial institution (bank) balances at May 31, 2021, per the bank, were \$1,073,778. These deposits are either insured or collateralized in accordance with state statutes and Village investment policies.



# ***VILLAGE OF BROCKPORT***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### ***Note 2*** **Cash and Investments - Continued**

The Village also participates in a local government external investment pool through the New York Cooperative Liquid Assets Securities System (NYCLASS). NYCLASS is rated by S&P Global Ratings. The current rating is AAAM. The cooperative is actively managed and invests exclusively in investments legally permissible for New York State school districts and municipal corporations. These permissible investments include: U.S. Treasury securities, obligations backed by the full faith and credit of the U.S. government, collateralized bank deposits, and repurchase agreements collateralized at 102% by Treasury securities and agency securities backed by the full faith and credit of the U.S. government. All counterparties to repurchase agreements are highly-rated primary dealers, and a custodial bank holds all collateral supporting the transactions in constructive possession on the cooperative's behalf. Investments in NYCLASS were \$3,184,189 at May 31, 2021.

The Village is a named beneficiary for a share of the Vivian Shafer Trust (the Trust) for the benefit of the Seymour Library and Museum. Funds of the trust are managed in an investment account through J. P. Morgan Chase Bank. The value of the Village's share in the Trust was \$106,439 at May 31, 2021 and is reported in the Village's Permanent Fund.

The Village also has an investment account through Vanguard that is reported in the Miscellaneous Special Revenue Fund. The value of the investment account at May 31, 2021 was \$15,632.

### **Fair Value**

NYCLASS follows Financial Accounting Standards Board (FASB) Accounting Standards Topic (ASC) 820 Fair Value Measurement and Disclosure for financial reporting purposes. ASC 820 defines fair value, establishes a single framework for measuring fair value, and requires disclosures about fair value measurement. NYCLASS does not meet all of the specific criteria outlined in GASB 79 Paragraph 4 therefore NYCLASS Participants should measure their investments in NYCLASS at fair value as provided in Paragraph 11 of GASB Statement 31, as amended. NYCLASS reports the amortized cost of investments, which approximates fair value, to its Participants.

NYCLASS measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in NYCLASS is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72.

No. 72, "Fair Value Measurement and Application," establishes a framework for measuring fair value. The Village categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

**Note 2 Cash and Investments - Continued**

Except for NYCLASS investments noted above, the Village has the following recurring fair value measurements as of May 31, 2021:

Description	Fund Type	Level	Amount
Mutual Funds	Miscellaneous Special Revenue Fund	(1)	\$ 15,632
Mutual Funds	Permanent Fund	(1)	106,439

**Restricted Cash and Investments**

Restricted cash and investments of \$1,323,261 consists of funds restricted in the Village's reserves. \$106,439 is related to restricted fund balance in the Permanent Fund.

**Note 3 Property Taxes**

The 2021 real property tax levy for Village purposes totaled \$2,973,527. The Village is permitted by the constitution of New York State to levy taxes up to 2% of the five year average for assessed valuation for general governmental services other than the payment of debt service and capital expenditures. The constitutional tax limit of the Village for the fiscal year ended May 31, 2021 was \$4,693,803, leaving a margin of \$1,782,911 after \$62,635 of exclusions.

**Note 4 Capital Assets**

A summary of changes in capital assets at May 31, 2021 follows:

	Balance at 05/31/2020	Restatement	Additions	Disposals & Reclassifications	Balance at 05/31/2021
<b>Governmental Activities</b>					
<b>Non-Depreciable Capital Assets</b>					
Land	\$ 208,950	\$ -	\$ -	\$ -	\$ 208,950
Construction in Progress	35,001	-	146,628	(181,629)	-
<b>Total Non-Depreciable Capital Assets</b>	<u>243,951</u>	<u>-</u>	<u>146,628</u>	<u>(181,629)</u>	<u>208,950</u>
<b>Depreciable Capital Assets</b>					
Buildings	5,095,088	953,582	-	-	6,048,670
Machinery and Equipment	3,333,787	-	33,109	83,279	3,450,175
Infrastructure	4,339,288	-	230,153	-	4,569,441
<b>Total Depreciable Capital Assets</b>	<u>12,768,163</u>	<u>953,582</u>	<u>263,262</u>	<u>83,279</u>	<u>14,068,286</u>
<b>Total Historical Cost</b>	<u>13,012,114</u>	<u>953,582</u>	<u>409,890</u>	<u>(98,350)</u>	<u>14,277,236</u>
<b>Less Accumulated Depreciation</b>					
Buildings	(4,649,913)	(434,410)	(34,766)	-	(5,119,089)
Machinery and Equipment	(2,322,914)	-	(218,167)	98,350	(2,442,731)
Infrastructure	(1,676,586)	-	(183,646)	-	(1,860,232)
<b>Total Accumulated Depreciation</b>	<u>(8,649,413)</u>	<u>(434,410)</u>	<u>(436,579)</u>	<u>98,350</u>	<u>(9,422,052)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$ 4,362,701</u></u>	<u><u>\$ 519,172</u></u>	<u><u>\$ (26,689)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,855,184</u></u>

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

**Note 4 Capital Assets - Continued**

Depreciation expense was allocated to the following functions.

<b>Governmental Activities</b>	
General Governmental Support	\$ 22,342
Public Safety	30,300
Transportation	266,176
Culture and Recreation	22,011
Home and Community Services	<u>95,750</u>
<b>Depreciation Expense</b>	<b><u><u>\$ 436,579</u></u></b>

**Note 5 Long-Term Debt**

**Serial Bonds and Installment Purchase Debt**

The Village borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Statement of Net Position. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of long-term liabilities. Serial bonds for the Village are liquidated from the Water and Sewer Funds. Installment purchase debt (IPD) is liquidated from the Water and General Funds. Debt is sometimes issued directly with a financial institution or investor and are not offered for public sale. There are no terms that present additional risk to the Village associated with these direct borrowings or placements.

**Constitutional Debt Limit**

At May 31, 2021, the total outstanding indebtedness of the Village aggregated to \$1,440,048. Of this amount, \$951,606 was subject to the Village's constitutional debt limit, and represented approximately 5.79% of its debt limit.

**Summary of Long-Term Debt**

The following is a summary of changes in serial bonds and installment purchase debt (IPD) for the year ended May 31, 2021:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Serial Bonds	\$ 1,410,000	\$ 1,275,000	\$ (1,415,000)	\$ 1,270,000	\$ 120,000
IPD	126,455	104,128	(60,535)	170,048	67,469
Subtotal	<u>1,536,455</u>	<u>1,379,128</u>	<u>(1,475,535)</u>	<u>1,440,048</u>	<u>187,469</u>
Add: Premium	-	133,988	(4,500)	129,488	19,966
<b>Total</b>	<b><u><u>\$ 1,536,455</u></u></b>	<b><u><u>\$ 1,513,116</u></u></b>	<b><u><u>\$ (1,480,035)</u></u></b>	<b><u><u>\$ 1,569,536</u></u></b>	<b><u><u>\$ 207,435</u></u></b>

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

**Note 5 Long-Term Debt - Continued**

The following is a summary of the Village's long-term debt from the year ended May 31, 2021:

Description of Issue	Final Maturity	Interest Rate	Payable to Maturity
<b>Serial Bonds</b>			
Refunding Bond - Water	May, 2031	1.000 - 4.000%	\$ 488,442
Refunding Bond - Sewer	May, 2031	1.000 - 4.000%	781,558
Subtotal Bonds			<u>1,270,000</u>
Add: Unamortized Premium			129,488
Total Bonds			<u>1,399,488</u>
<b>Installment Purchase Debt</b>			
Plow Truck	September, 2022	3.890%	65,920
Dump Truck	September, 2023	3.590%	104,128
			<u>170,048</u>
<b>Total</b>			<b><u><u>\$ 1,569,536</u></u></b>

Interest paid on long-term debt during the year was:

Interest Paid	\$ 43,037
(Less) Amortization of Bond Premium	(4,500)
Plus Amortization of Deferred Charges on Defeased Debt	<u>911</u>
<b>Total</b>	<b><u><u>\$ 39,448</u></u></b>

Interest paid on the serial bonds varies from year to year, in accordance with the interest rates specified in the bond agreements.

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

Year	Principal	Interest	Total
2022	\$ 120,000	\$ 31,000	\$ 151,000
2023	120,000	29,800	149,800
2024	115,000	28,600	143,600
2025	115,000	27,450	142,450
2026	120,000	26,300	146,300
2027-2031	<u>680,000</u>	<u>57,900</u>	<u>737,900</u>
<b>Total</b>	<b><u><u>\$ 1,270,000</u></u></b>	<b><u><u>\$ 201,050</u></u></b>	<b><u><u>\$ 1,471,050</u></u></b>

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

### Note 5 Long-Term Debt - Continued

#### Summary of Long-Term Debt - Continued

The following is a summary of maturing debt service requirements for installment purchase debt:

Year	Principal	Interest	Total
2022	\$ 67,469	\$ 3,790	\$ 71,259
2023	67,475	3,783	71,258
2024	35,104	1,260	36,364
<b>Total</b>	<b>\$ 170,048</b>	<b>\$ 8,833</b>	<b>\$ 178,881</b>

The historical cost of capital assets acquired with installment purchase debt at May 31, 2020 was \$491,411, with accumulated depreciation of \$186,159, for a net book value of \$305,252.

Deferred charges on defeased debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges on defeased debt as shown below are related to the 2021 bond refunding. Balances and activity for the year are summarized below.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Deferred Charges on Defeased Debt	\$ -	\$ (27,132)	\$ 911	\$ (26,221)	\$ (4,043)
<b>Total</b>	<b>\$ -</b>	<b>\$ (27,132)</b>	<b>\$ 911</b>	<b>\$ (26,221)</b>	<b>\$ (4,043)</b>

On February 24, 2021, \$1,275,000 in general obligation bonds, with variable interest rates ranging from 1.000%-4.000% were issued to advance refund the refunding of \$1,305,000 of outstanding bonds, with variable interest rates ranging from 4.125%-4.250%. The net proceeds of \$1,332,132 (after payment of fiscal agent fees, original bond premium, insurance, and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The outstanding principal of the defeased bonds was \$1,305,000 at May 31, 2021.

# **VILLAGE OF BROCKPORT**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

**Note 6    Compensated Absences**

Compensated Absences - Represents unpaid accumulated sick leave, vacation, and sabbatical time. This liability is liquidated from the General and Water Funds.

Activity for the year ended May 31, 2021 consists of the following:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Compensated Absences	\$ 605,200	\$ -	\$(85,426)	\$ 519,774

Changes to long-term compensated absences are reported net, as it is impractical to individually determine the amount of additions and deletions during the fiscal year.

**Note 7    Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the Systems)**

**Employees' Retirement System (ERS) and Police and Fire Retirement System (PFRS)**

The Village participates in the New York State and Local Retirement System (the System) which includes the New York State Employees' Retirement System plan (ERS) and the New York State Police and Fire Retirement System plan (PFRS). These plans 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 net assets and record changes in plan net position allocated to the System. 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.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

# **VILLAGE OF BROCKPORT**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

**Note 7 Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the Systems) - Continued**

**Summary of Significant Accounting Policies**

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

**Contributions**

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required under the Program, and were as follows:

	<b>ERS</b>	<b>PFRS</b>
<b>2021</b>	<b>\$ 195,946</b>	<b>\$ 319,364</b>
2020	192,678	278,742
2019	192,883	247,154

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At May 31, 2021, the Village reported the following liabilities for its proportionate share of the net pension liability for each of the System's plans. The Village's proportionate share of the ERS plan liability and related deferred inflows and outflows included the Seymour Library's (the Library) proportionate share (collectively the Group) which was not reported separately. The net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. For the ERS plan, the Group's proportionate share of the net pension liability was based on a projection of the Group's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. For the PFRS plan, the Village's proportionate share of the net pension liability was based on a projection of the Village's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the Village by the Systems.

	<b>ERS</b>	<b>PFRS</b>
Actuarial Valuation Date	April 1, 2020	April 1, 2020
Net Pension Liability	\$ 99,573,957	\$1,736,275,954
Village's Proportionate Share of the Plan's Total Net Pension Liability	4,952	815,423
Village's Share of the Plan's Total Net Pension Liability	0.0049728%	0.0469639%

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

**Note 7 Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the Systems) - Continued**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

For the year ended May 31, 2021, the Village recognized pension expense of \$105,563 for ERS and \$340,480 for PFRS in the Government-wide financial statements. At May 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	PFRS	ERS	PFRS
Differences Between Expected and Actual Experience	\$ 60,473	\$ 180,938	\$ -	\$ -
Changes of Assumptions	910,442	2,003,405	17,171	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	-	1,422,395	2,397,702
Changes in Proportion and Differences Between the Village's Contributions and Proportionate Share of Contributions	8,129	63,019	39,960	315,102
Village's Contributions Subsequent to the Measurement Date	32,423	53,636	-	-
<b>Total</b>	<b>\$ 1,011,467</b>	<b>\$ 2,300,998</b>	<b>\$ 1,479,526</b>	<b>\$ 2,712,804</b>

Village contributions subsequent to the measurement date, reported as deferred outflows of resources, are recognized as a reduction of the net pension liability for the 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:

Year Ended	ERS	PFRS
2022	\$ (93,381)	\$ (187,595)
2023	(39,338)	(80,429)
2024	(86,186)	(126,260)
2025	(281,577)	(454,581)
2026	-	383,423
Thereafter	-	-



# **VILLAGE OF BROCKPORT**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

**Note 7 Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the Systems) - Continued**

**Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	<b>ERS</b>	<b>PFRS</b>
Measurement Date	March 31, 2021	March 31, 2021
Actuarial Valuation Date	April 1, 2020	April 1, 2020
Investment Rate of Return	5.9%	5.9%
Salary Increases	4.5%	5.7%
Cost of Living Adjustments	1.3%	1.3%
Inflation Rate	2.5%	2.5%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-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 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 returns net of investment expense 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 each target asset allocation 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 are summarized below:

	<b>ERS and PFRS</b>
Measurement Date	March 31, 2021
<i>Asset Class:</i>	
Domestic Equity	4.1%
International Equity	6.3%
Real Estate	5.0%
Private Equity/Alternative Investments	6.8%
Opportunistic Portfolio/ARC Portfolio	4.5%
Real Assets	6.0%
Cash	0.5%
Credit	3.6%

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

**Note 7 Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the Systems) - Continued**

**Discount Rate**

The discount rate used to calculate the total pension liability was 5.9%. 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 contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the System's 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 liability calculated using the discount rate of 5.9%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

	<b>1% Decrease (4.9%)</b>	<b>Current Assumption (5.9%)</b>	<b>1% Increase (6.9%)</b>
<b>ERS</b>			
Village's Proportionate Share of the Net Pension Liability	\$ 1,374,377	\$ 4,952	\$(1,257,979)
<b>PFRS</b>			
Village's Proportionate Share of the Net Pension Liability	3,467,636	815,423	(1,379,925)

**Pension Plan Fiduciary Net Position**

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

	<b>Dollars in Thousands</b>	
	<b>ERS</b>	<b>PFRS</b>
Measurement Date	March 31, 2021	March 31, 2021
Employers' Total Pension Liability	\$ 220,680,157	\$ 41,236,775
Plan Net Position	(220,580,583)	(39,500,500)
<b>Employers' Net Pension Liability</b>	<b>\$ 99,574</b>	<b>\$ 1,736,275</b>
Ratio of Plan Net Position to the Employers' Total Pension Liability	99.9%	95.8%

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

### *Note 7* Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the Systems) - Continued

#### Payable to the Plan

Employer contributions are paid annually based on the System's fiscal year which ends March 31. Employee contributions are remitted monthly. Accrued retirement contributions as of May 31, 2021 represent the projected employer contribution for the period of April 1, 2020 through May 31, 2021 based on paid ERS and PFRS wages multiplied by the employer's contribution rate (by tier). Accrued retirement contributions as of May 31, 2021 amounted to \$86,059.

#### Effect on Net Position

Changes in the net pension liability and deferred outflows and inflows of resources for the year ended May 31, 2021 resulted in the following effect on net position:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
<b>ERS</b>			
Net Pension Liability	\$ 1,385,581	\$ (1,380,629)	\$ 4,952
Deferred Outflows of Resources	(867,481)	(143,986)	(1,011,467)
Deferred Inflows of Resources	44,195	1,435,331	1,479,526
Subtotal	<u>562,295</u>	<u>(89,284)</u>	<u>473,011</u>
<b>PFRS</b>			
Net Pension Liability	2,424,890	(1,609,467)	815,423
Deferred Outflows of Resources	(1,556,290)	(744,708)	(2,300,998)
Deferred Inflows of Resources	340,725	2,372,079	2,712,804
Subtotal	<u>1,209,325</u>	<u>17,904</u>	<u>1,227,229</u>
<b>Total Effect on Net Position</b>	<u><b>\$ 1,771,620</b></u>	<u><b>\$ (71,380)</b></u>	<u><b>\$ 1,700,240</b></u>

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

### Note 8 Postemployment Benefits Other Than Pensions (OPEB)

#### General Information About the OPEB Plan

Plan Description - The Village provides postemployment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The Village's plan is a single-employer postemployment benefit plan (the Plan). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided - The benefit coverage is a self-funded medical and prescription drug plan for retirees. The benefit levels, employee contributions, and employer contributions are governed by the Village's contractual agreements.

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	53
Inactive Employees Entitled to	
But Not Yet Receiving Benefit Payments	-
Active Employees	<u>31</u>
<b>Total</b>	<b><u><u>84</u></u></b>

#### Total OPEB Liability

The Village's total OPEB liability of \$9,762,822 was measured as of May 31, 2021 and was determined by an actuarial valuation as of June 1, 2020.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the May 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Bond Rate	2.50%
Salary Scale	3.11%
Marriage Rate	70.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates	4.00% for 2021, increasing to an ultimate rate of 4.08% for 2070 and later years

The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date (or the nearest business day thereto).

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

### Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

#### Total OPEB Liability - Continued

The salary scale was based on the rate at which payroll amounts are expected to increase over time for purposes of attributing liabilities under entry age normal and level percent of pay actuarial cost method.

Mortality rates were based on Pub-2010 Public Retirement Plans Mortality Tables Headcount-Weighted, distinct for Teachers, General, and Safety, without separate contingent Survivor mortality, fully generational using scale MP-2020.

Termination rates were based on 2003 Society of Actuaries small plan withdrawal.

Healthcare Cost Trend Rates were based on the National Health Expenditure Projections 2012-2028 and reflect the impact of legislative changes in 2020 and future years. Long-term trend rates were developed using the Societies of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2021\_b (updated September 2020).

CPI inflation rates were based on the Livingston Survey for June 2020, Long-Term (10-year) Forecast mean rates.

Real GDP rates are based on median rates from OECD 2022-2060 GDP projections, published 2020.

The actuarial assumptions used in the June 1, 2020 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

#### Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at May 31, 2020</b>	<u>\$ 11,778,935</u>
<b>Changes for the Year</b>	
Service Cost	161,234
Interest Cost	208,852
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(609,333)
Changes in Assumptions	(1,375,472)
Benefit Payments	<u>(401,394)</u>
Net Change	<u>(2,016,113)</u>
<b>Balance at May 31, 2021</b>	<u><b>\$ 9,762,822</b></u>

# **VILLAGE OF BROCKPORT**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

**Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued**

**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 or higher than the current discount rate:

	<b>1% Decrease (1.50%)</b>	<b>Discount Rate (2.50%)</b>	<b>1% Increase (3.50%)</b>
<b>Total OPEB Liability</b>	\$ 11,468,971	\$ 9,762,822	\$ 8,435,479

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rate that is 1 percentage point lower or higher than the current healthcare cost trend rate:

	<b>1% Decrease (3.00% to 3.08%)</b>	<b>Healthcare Cost Trend Rate (4.00% to 4.08%)</b>	<b>1% Increase (5.00% to 5.08%)</b>
<b>Total OPEB Liability</b>	\$ 8,390,443	\$ 9,762,822	\$ 11,552,714

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended May 31, 2021, the Village recognized OPEB expense of \$818,830.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 77,400	\$ 355,444
Changes in Assumptions or Other Inputs	495,693	802,359
Contributions Subsequent to Measurement Date	101,451	-
<b>Total</b>	<b>\$ 674,544</b>	<b>\$ 1,157,803</b>

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

**Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued**

Village contributions subsequent to the measurement date, reported as deferred outflows of resources, are recognized as a reduction of the net OPEB liability for the year ended May 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year</b>	<b>Amount</b>
<u>Ending May 31,</u>	<u>Amount</u>
2022	\$ (253,909)
2023	(330,801)
Thereafter	-

**Current Year Activity**

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
OPEB Liability	\$ 11,778,935	\$ (2,016,113)	\$ 9,762,822
Deferred Outflows of Resources	(2,101,504)	1,426,960	(674,544)
Deferred Inflows of Resources	176,833	980,970	1,157,803
<b>Total</b>	<b><u>\$ 9,854,264</u></b>	<b><u>\$ 391,817</u></b>	<b><u>\$10,246,081</u></b>

**Note 9 Deferred Compensation Plan**

The Village maintains a deferred compensation plan in accordance with §457 of the Internal Revenue Code for which Village employees have the option to participate.

**Note 10 Health Reimbursement Account**

Effective September 1, 2010, the Village implemented a Health Reimbursement Account Plan (HRA). The Village contributes to the Plan for eligible employees based upon employment criteria as outlined in the Plan document. The eligible expenses allowed for reimbursement under the Plan are medical expenses as defined by IRS Code §213(d) and eligible over the counter medical expenses.

The Plan year is accounted for starting September 1 through August 31. Any participant funds remaining in the account at the end of a Plan year will be forfeited back to the Village. The Plan is accounted for in the Village's General Fund.

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

### *Note 11* Risk Management

The Village is exposed to various risks of loss related to injuries to employees, theft, damages, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

The Village of Brockport owns a landfill that was closed in June 1984. State and federal laws and regulations require the Village to place final covers on the Village of Brockport Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. The Village performs annual soil tests and has noted no environmental issues as a result of monitoring.

### *Note 12* Interfund Transactions

During the course of normal operations, the Village has transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental funds' financial statements generally reflect such transactions as transfers, whereas the proprietary funds record such transactions as non-operating revenues or expenses. Additionally, the Village generally maintains its cash in few accounts, whereby the Village pools its cash to provide both cash flow and interest income maximization across the Village as a whole.

	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Fund	\$ 500	\$ -
Water Fund	12,558	-
Non-Major Funds	-	13,058
<b>Total</b>	<b><u>\$ 13,058</u></b>	<b><u>\$ 13,058</u></b>



# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

**Note 13 Fund Balance**

Nonspendable, restricted, and assigned fund balance at May 31, 2021 are as follows:

	<b>General Fund</b>	<b>Water Fund</b>	<b>Non-Major Funds</b>
<b>Nonspendable</b>			
Prepaid Expenses	\$ 87,334	\$ -	\$ -
<b>Restricted</b>			
Workers' Compensation Reserve	256,972	-	-
Capital Projects Reserve	337,625	234,003	-
Employee Benefits Accrued Liability Reserve	462,772	31,889	-
Remaining Fund Balance	-	-	106,439
<b>Total</b>	<b>1,057,369</b>	<b>265,892</b>	<b>106,439</b>
<b>Assigned</b>			
Fund Balance Appropriated for Next Year's Budget	507,109	-	-
Encumbrances for:			
Home and Community Services	-	227	-
<b>Total Encumbrances</b>	<b>-</b>	<b>227</b>	<b>-</b>
Remaining Fund Balance	-	347,312	261,176
<b>Total</b>	<b>\$ 507,109</b>	<b>\$ 347,539</b>	<b>\$ 261,176</b>

**Note 14 Joint Venture - Seymour Library**

The following is the activity undertaken jointly with other municipalities. Except for their equity interest in the joint venture, this activity is excluded from the financial statements of the participating municipalities. Separate financial statements are issued for the joint venture and may be obtained from their administrative office at 161 East Avenue, Brockport, New York 14420.

Seymour Library (the Library) is a joint venture undertaken by the Village with the Towns of Clarkson and Sweden (collectively the Municipalities). The Library is a nonprofit corporation established in November 1999 by an agreement with the Municipalities and was granted an absolute charter under §253 of the New York State Education law by the Board of Regents of New York State. The most recent operating agreement between the Library and the Municipalities is dated January 19, 2021. Significant provisions of the agreement are as follows:

# VILLAGE OF BROCKPORT

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2021

### Note 14 Joint Venture - Seymour Library - Continued

- The executive body of the Library consists of nine members. Each member municipality appoints three members.
- Funding for the Library shall be allocated on a pro rate basis based on the Municipalities total population. The current pro rate share is as follows:

Village of Brockport	39.2%
Town of Clarkson	33.2%
Town of Sweden	27.6%

- The Municipalities shall appoint a Treasurer to assume control of the Library finances pursuant to New York State Education Law §259. The Treasurer shall serve for a two year rotating period and any costs related to the Treasurer are paid annually by the Library.
- The Library leases a building under an operating lease. The Library executed an agreement with the Municipalities to lease the real property at 161 East Avenue, Brockport, New York, 14420. The Municipalities are owners as tenants in common with each of the Municipalities owning an undivided one third (1/3) share of the property. In accordance with the terms of the lease agreement, no rental expenses were incurred by the Library for the use of the real property. The Municipalities have responsibility for specific items of capital maintenance, repair and/or replacement for the property. The Library has responsibility for all other costs related to the property. The Municipalities are directed to develop a capital plan for the property and to set aside sufficient funds in reserve accounts to finance the maintenance, repair, and/or replacement costs as is already provided for their other facilities. The agreement is effective for the five years starting on January 1, 2021 and terminating on December 31, 2025 and will be automatically renewed for additional five year periods unless otherwise terminated.

The following is an audited summary of financial information included in the basic financial statements issued for the joint venture:

	<b>Year Ended</b> <b>12/31/2020</b>
Total Assets	\$ 1,074,097
Deferred Outflows of Resources	1,611
Total Liabilities	180,413
Deferred Inflows of Resources	22,342
Joint Venture Equity	872,953
Total Revenues	736,103
Total Expenditures	515,947

# **VILLAGE OF BROCKPORT**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

**Note 15 Stewardship, Compliance, and Accountability**

At May 31, 2021, the Government-wide Statement of Net Position had an unrestricted deficit net position of \$8,990,038, due primarily to the OPEB liability. This deficit is not expected to be eliminated during the normal course of operations.

**Note 16 Restatement**

During the year, the Village adopted GASB Statement No. 84. The Village also had a change in understanding of the nature of the relationship between the Library and the Village. Due to these changes, the Village's May 31, 2020 net position has been restated to reflect the following:

	<b>Governmental Activities</b>
Net Position Beginning of Year	\$ (5,312,690)
GASB Statement No. 84 Implementation	91,435
Share of Seymour Library Building	519,172
Equity Interest in Joint Venture	267,647
<b>Net Position Beginning of Year, as Restated</b>	<b>\$ (4,434,436)</b>

In addition, fund balances in the Governmental Funds have been restated to reflect the following:

	<b>Governmental Funds</b>	<b>Permanent Fund</b>
Fund Balance Beginning of Year	\$ 4,092,148	\$ -
GASB Statement No. 84 Implementation	91,435	91,435
<b>Fund Balance Beginning of Year, as Restated</b>	<b>\$ 4,183,583</b>	<b>\$ 91,435</b>

Lastly, net position for the Private Purpose Trust Fund has been restated to reflect the following:

	<b>Private Purpose Trust Fund</b>
Net Position Beginning of Year	\$ 91,435
GASB Statement No. 84 Implementation	(91,435)
<b>Net Position Beginning of Year, as Restated</b>	<b>\$ -</b>

# ***VILLAGE OF BROCKPORT***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2021**

### ***Note 17*   **Uncertainty****

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the area in which the Village exists. While it is unknown how long these conditions will last and what the complete financial effect will be, the Village expects disruptions to businesses and residents, which could negatively impact operating results in future periods.

# VILLAGE OF BROCKPORT

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED MAY 31, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
<b>REVENUES</b>					
Real Property Taxes	\$ 2,973,527	\$ 2,973,527	\$ 2,973,527	\$ -	\$ -
Real Property Tax Items	20,737	20,737	33,096	-	12,359
Nonproperty Tax Items	1,897,077	1,897,077	2,033,064	-	135,987
Departmental Income	149,900	200,400	247,006	-	46,606
Use of Money and Property	30,000	30,000	1,959	-	(28,041)
Licenses and Permits	59,400	59,400	51,600	-	(7,800)
Fines and Forfeitures	148,378	148,378	162,894	-	14,516
Sale of Property and Compensation for Loss	17,500	16,000	25,851	-	9,851
Miscellaneous Local Sources	164,500	174,537	161,194	-	(13,343)
State Sources	126,908	215,208	162,711	-	(52,497)
Federal Sources	-	675,578	675,578	-	-
<b>Total Revenues</b>	<b>5,587,927</b>	<b>6,410,842</b>	<b>6,528,480</b>	<b>-</b>	<b>117,638</b>
<b>EXPENDITURES</b>					
Current:					
General Governmental Support	997,625	986,053	880,014	-	106,039
Public Safety	1,983,298	2,030,670	1,982,118	-	48,552
Transportation	1,255,068	1,603,121	1,339,398	-	263,723
Economic Assistance and Opportunity	41,685	68,685	51,192	-	17,493
Culture and Recreation	237,815	248,215	259,809	-	(11,594)
Home and Community Services	69,458	112,758	166,905	-	(54,147)
Employee Benefits	1,512,857	1,508,057	1,476,301	-	31,756
Debt Service:					
Principal	31,120	31,120	31,120	-	-
Interest	3,775	3,775	3,775	-	-
<b>Total Expenditures</b>	<b>6,132,701</b>	<b>6,592,454</b>	<b>6,190,632</b>	<b>-</b>	<b>401,822</b>
Excess of Revenues (Expenditures)	(544,774)	(181,612)	337,848	-	519,460
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers In	-	-	500	-	500
Proceeds of Obligations	-	-	104,128	-	104,128
<b>Total Other Financing (Uses)</b>	<b>-</b>	<b>-</b>	<b>104,628</b>	<b>-</b>	<b>104,628</b>
<b>Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)</b>	<b>(544,774)</b>	<b>(181,612)</b>	<b>442,476</b>	<b>\$ -</b>	<b>\$ 624,088</b>
Additions to Reserves	(40,000)	(40,000)			
Appropriated Fund Balance	324,842	148,683			
Appropriated Reserves	187,003	-			
Carryforward Encumbrances	72,929	72,929			
Net Increase (Decrease)	<b>\$ -</b>	<b>\$ -</b>	442,476		
Fund Balance, Beginning of Year			3,140,037		
<b>Fund Balance, End of Year</b>			<b>\$ 3,582,513</b>		

*See Notes to Required Supplementary Information*

# VILLAGE OF BROCKPORT

## BUDGETARY COMPARISON SCHEDULE WATER FUND - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED MAY 31, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
<b>REVENUES</b>					
Departmental Income	\$ 1,312,133	\$ 1,312,133	\$ 1,092,680	\$ -	\$ (219,453)
Use of Money and Property	6,000	6,000	522	-	(5,478)
Sale of Property and Compensation for Loss	-	-	1,198	-	1,198
<b>Total Revenues</b>	<u>1,318,133</u>	<u>1,318,133</u>	<u>1,094,400</u>	<u>-</u>	<u>(223,733)</u>
<b>EXPENDITURES</b>					
Current:					
General Governmental Support	72,250	69,850	39,221	-	30,629
Home and Community Services	1,145,002	1,145,902	945,977	227	199,698
Employee Benefits	133,400	134,900	133,509	-	1,391
Debt Service:					
Principal	69,798	69,798	71,721	-	(1,923)
Interest	23,333	23,333	26,019	-	(2,686)
<b>Total Expenditures</b>	<u>1,443,783</u>	<u>1,443,783</u>	<u>1,216,447</u>	<u>227</u>	<u>227,109</u>
Excess of Revenues (Expenditures)	<u>(125,650)</u>	<u>(125,650)</u>	<u>(122,047)</u>	<u>(227)</u>	<u>3,376</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers In	-	-	12,558	-	12,558
<b>Total Other Financing (Uses)</b>	<u>-</u>	<u>-</u>	<u>12,558</u>	<u>-</u>	<u>12,558</u>
<b>Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)</b>	<u>(125,650)</u>	<u>(125,650)</u>	<u>(109,489)</u>	<u>\$ (227)</u>	<u>\$ 15,934</u>
Appropriated Fund Balance	125,000	125,000			
Carryforward Encumbrances	650	650			
Net Increase (Decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>(109,489)</u>		
Fund Balance, Beginning of Year			<u>722,920</u>		
<b>Fund Balance, End of Year</b>			<u>\$ 613,431</u>		

*See Notes to Required Supplementary Information*

# **VILLAGE OF BROCKPORT**

## **SCHEDULES OF THE VILLAGE'S CONTRIBUTIONS NYSLRS PENSION PLANS FOR THE LAST SEVEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution							
ERS	\$ <b>195,946</b>	\$ 192,678	\$ 192,833	\$ 189,229	\$ 177,862	\$ 198,424	\$ 206,211
PFRS	<b>319,364</b>	278,742	247,154	235,587	256,287	261,200	216,184
Contributions in Relation to the Contractually Required Contribution							
ERS	<b>195,946</b>	192,678	192,833	189,229	177,862	198,424	206,211
PFRS	<b>319,364</b>	278,742	247,154	235,587	256,287	261,200	216,184
Contribution Deficiency (Excess)							
ERS	-	-	-	-	-	-	-
PFRS	-	-	-	-	-	-	-
Village's Covered Employee Payroll for Year Ended May 31,							
ERS	<b>1,545,179</b>	1,551,573	1,482,917	1,411,360	1,334,093	1,245,772	1,184,948
PFRS	<b>1,563,360</b>	1,488,278	1,344,073	1,198,327	1,122,949	1,146,056	1,054,380
Contributions as a Percentage of Covered Employee Payroll for the Year Ended May 31,							
ERS	<b>12.7%</b>	12.4%	13.0%	13.4%	13.3%	15.9%	17.4%
PFRS	<b>20.4%</b>	18.7%	18.4%	19.7%	22.8%	22.8%	20.5%

*As information becomes available, this schedule will contain ten years of information.*

*See Notes to Required Supplementary Information*

# **VILLAGE OF BROCKPORT**

## **SCHEDULES OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY NYSLRS PENSION PLANS FOR THE YEARS ENDED MAY 31,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Village's Proportion of the Net Pension Liability						
ERS	<b>0.0049728%</b>	0.0052324%	0.0051076%	0.0050344%	0.0048631%	0.0046382%
PFRS	<b>0.0469639%</b>	0.0453680%	0.0423495%	0.0402535%	0.0445197%	0.0442502%
Village's Proportionate Share of the Net Pension Liability						
ERS	<b>\$ 4,952</b>	\$ 1,385,581	\$ 361,886	\$ 162,481	\$ 456,947	\$ 744,442
PFRS	<b>815,423</b>	2,424,890	710,228	406,865	922,739	1,310,155
	<b>820,375</b>	3,810,471	1,072,114	569,346	1,379,686	2,054,597
Village's Covered Employee Payroll						
ERS	<b>\$ 1,568,500</b>	\$ 1,500,792	\$ 1,429,292	\$ 1,357,565	\$ 1,263,675	\$ 1,192,063
PFRS	<b>1,523,523</b>	1,382,543	1,228,662	1,107,323	1,169,825	1,074,757
	<b>3,092,023</b>	2,883,335	2,657,954	2,464,888	2,433,500	2,266,820
Village's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll						
ERS	<b>0.3%</b>	92.3%	25.3%	12.0%	36.2%	62.4%
PFRS	<b>53.5%</b>	175.4%	57.8%	36.7%	78.9%	121.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability						
ERS	<b>99.9%</b>	86.4%	96.3%	98.2%	94.7%	90.7%
PFRS	<b>95.8%</b>	84.9%	95.1%	96.9%	93.5%	90.2%

*As information becomes available, this schedule will contain ten years of information.*

*See Notes to Required Supplementary Information*



# VILLAGE OF BROCKPORT

## SCHEDULES OF CHANGES IN THE VILLAGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total OPEB Liability</b>										
Service Cost	\$ 161,234	\$ 89,378	\$ 124,034	\$ 110,076	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	208,852	299,279	360,204	333,792	*	*	*	*	*	*
Changes of Benefit Terms	-	(47,540)	(65,441)	111,538	*	*	*	*	*	*
Differences Between Expected and Actual Experience	(609,333)	464,404	(1,945,159)	503,250	*	*	*	*	*	*
Changes in Assumptions or Other Inputs Benefit Payments	(1,375,472)	2,974,161	218,267	83,216	*	*	*	*	*	*
Benefit Payments	(401,394)	(251,534)	(303,388)	(279,312)	*	*	*	*	*	*
	<u>(2,016,113)</u>	<u>3,528,148</u>	<u>(1,611,483)</u>	<u>862,560</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Total OPEB Liability - Beginning	<u>11,778,935</u>	<u>8,250,787</u>	<u>9,862,270</u>	<u>8,999,710</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
<b>Total OPEB Liability - Ending</b>	<u><b>\$ 9,762,822</b></u>	<u><b>\$ 11,778,935</b></u>	<u><b>\$ 8,250,787</b></u>	<u><b>\$ 9,862,270</b></u>	<u><b>\$ 8,999,710</b></u>	<u><b>\$ *</b></u>	<u><b>\$ *</b></u>	<u><b>\$ *</b></u>	<u><b>\$ *</b></u>	<u><b>\$ *</b></u>
<b>Covered Employee Payroll</b>	<b>\$ 2,275,728</b>	<b>\$ 1,894,325</b>	<b>\$ 1,832,745</b>	<b>\$ 1,832,745</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>
<b>Liability as a % of Covered Payroll</b>	<b>429%</b>	622%	450%	*	*	*	*	*	*	*
<b>Discount Rate</b>	<b>2.50%</b>	1.81%	3.70%	3.72%	3.78%					

\* Information for periods prior to implementation of GASB Statement No. 75 is unavailable and will be completed for each year going forward as it becomes available.

*See Notes to Required Supplementary Information*

# **VILLAGE OF BROCKPORT**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION MAY 31, 2021**

**Note 1 Budget Basis of Accounting**

Except as indicated below, budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP). Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or expenditure in U.S. GAAP based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year end, thereby ensuring that appropriations are not exceeded.

**Note 2 Budget Policies**

Budget policies are as follows:

- No later than March 20, a tentative budget is submitted by the budget officer to the Village Board for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- After public hearings are conducted to obtain taxpayer comments, no later than April 20, the governing board adopts the budget.
- All modifications of the budget must be approved by the governing board. However, the Village Mayor is authorized to transfer certain budgeted amounts within departments.

**Note 3 Reconciliation of the Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are shown in a separate column and are not included in the actual results at May 31, 2021.

**Note 4 Stewardship, Compliance, and Accountability**

The following functional areas were over-expended during the year ended May 31, 2021:

<u>General Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Overexpended</u>
Culture and Recreation	\$ 248,215	\$ 259,809	\$ -	\$ (11,594)
Home and Community Services	112,758	166,905	-	(54,147)
<u>Water Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Overexpended</u>
Debt Service	\$ 93,131	\$ 97,740	\$ -	(4,609)

Overall, the General Fund budget was under-expended by \$401,822.

Overall, the Water Fund budget was under-expended by \$227,109.

# **VILLAGE OF BROCKPORT**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION MAY 31, 2021**

**Note 4 Stewardship, Compliance, and Accountability - Continued**

Overexpenditures are due to differences in the way expenditures are classified in the Village's trial balance software and the Annual Update Document (AUD) submitted to New York State. The financial statements classify expenditures in the same manner as reported in the AUD. There were no overexpenditures as classified in the Village's trial balances.

**Note 5 Schedules of Changes in the Village's Total OPEB Liability and Related Ratios**

Changes of assumptions and other inputs reflected the effect of changes in the discount rate each period as noted on the Schedule of Changes in the Village's Total OPEB Liability and Related Ratios.

**Note 6 Schedule of the Village's Proportionate Share of the Net Pension Liability**

The Schedule of the Village's Proportionate Share of the Net Pension Liability, required supplementary information, presents four years of information. These schedules will present ten years of information as it becomes available from the pension plans.

**Note 7 Schedules of Village Contributions - NYSLRS Pension Plans and Schedules of the Village's Proportionate Share of the Net Pension Liability**

### **NYSLRS**

#### **Changes in Benefit Terms**

There were no significant legislative changes in benefits for the April 1, 2020 actuarial valuation.

#### **Changes of Assumptions**

2021: The demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020, the mortality improvement assumption was updated to Society of Actuaries Scale MP-2020, inflation was updated to 2.7%, cost-of-living updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

2020: The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

2019: The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%.

2016: There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2015 actuarial valuation.

# **VILLAGE OF BROCKPORT**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION MAY 31, 2021**

### ***Note 7* Schedules of Village Contributions - NYSLRS Pension Plans and Schedules of the Village's Proportionate Share of the Net Pension Liability - Continued**

#### **Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The April 1, 2020 actuarial valuation determines the employer rates for contributions payable in fiscal year 2021. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.7%
Salary Scale	4.4% in ERS, 6.2% in PFRS indexed by service.
Investment Rate of Return	5.9% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.4% annually.

# **VILLAGE OF BROCKPORT**

## **BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS MAY 31, 2021**

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Miscellaneous Special Revenue Fund</u>	<u>Sewer Fund</u>	<u>Permanent Fund</u>		
<b>Assets</b>					
Cash and Cash Equivalents - Unrestricted	\$ 87,046	\$ 78,795	\$ -	\$ -	\$ 165,841
Investments - Unrestricted	15,632	61,184	-	-	76,816
Investments - Restricted	-	-	106,439	-	106,439
Other Receivables, Net	-	19,135	-	-	19,135
<b>Total Assets</b>	<b><u>\$ 102,678</u></b>	<b><u>\$ 159,114</u></b>	<b><u>\$ 106,439</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 368,231</u></b>
<b>Liabilities</b>					
Accounts Payable	\$ -	\$ 616	\$ -	\$ -	\$ 616
<b>Total Liabilities</b>	<u>-</u>	<u>616</u>	<u>-</u>	<u>-</u>	<u>616</u>
<b>Fund Balances</b>					
Restricted	-	-	106,439	-	106,439
Assigned	102,678	158,498	-	-	261,176
<b>Total Fund Balances</b>	<u>102,678</u>	<u>158,498</u>	<u>106,439</u>	<u>-</u>	<u>367,615</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 102,678</u></b>	<b><u>\$ 159,114</u></b>	<b><u>\$ 106,439</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 368,231</u></b>

# VILLAGE OF BROCKPORT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED MAY 31, 2021

	Special Revenue Funds			Debt Service Fund	Total Non-Major Governmental Funds
	Miscellaneous Special Revenue Fund	Sewer Fund	Permanent Fund		
<b>REVENUES</b>					
Departmental Income	\$ -	\$ 140,897	\$ -	\$ -	\$ 140,897
Use of Money and Property	7,564	61	15,004	-	22,629
Miscellaneous Local Sources	231	-	-	-	231
<b>Total Revenues</b>	7,795	140,958	15,004	-	163,757
<b>EXPENDITURES</b>					
Current:					
General Governmental Support	-	-	-	76,856	76,856
Home and Community Services	-	22,773	-	-	22,773
Debt Service:					
Principal	-	67,694	-	-	67,694
Interest	-	13,243	-	-	13,243
<b>Total Expenditures</b>	-	103,710	-	76,856	180,566
<b>Excess of Revenues</b>	7,795	37,248	15,004	(76,856)	(16,809)
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund Transfers (Out)	(500)	(12,558)	-	-	(13,058)
Proceeds of Obligations	-	-	-	1,275,000	1,275,000
Premium on Obligations	-	-	-	133,988	133,988
Repayments to Escrow Agent	-	-	-	(1,332,132)	(1,332,132)
<b>Total Other Financing Sources (Uses)</b>	(500)	(12,558)	-	76,856	63,798
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)	7,295	24,690	15,004	-	46,989
Fund Balances, Beginning of Year, as Restated	95,383	133,808	91,435	-	320,626
<b>Fund Balances, End of Year</b>	<b>\$ 102,678</b>	<b>\$ 158,498</b>	<b>\$ 106,439</b>	<b>\$ -</b>	<b>\$ 367,615</b>