

INCORPORATED VILLAGE OF BRIGHTWATERS
BRIGHTWATERS, NEW YORK

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2019

Table of Contents

	Page(s)
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 7
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheets	10
Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Position	11
Statements of Revenues, Expenditures and Change in Fund Balance	12
Reconciliation of the Statements of Revenues, Expenditures and Change in Fund Balance of the Governmental Funds to the Statement of Activities	13
Proprietary Fund Financial Statements:	
Statement of Net Position	14
Statement of Revenues, Expenses and Change in Net Position	15
Statement of Cash Flows	16
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	17
Notes to the Financial Statements	18 - 41
Required Supplementary Information	
Statement of Revenues, Expenditures and Change in Fund Balance Budget and Actual - General Fund	42
Schedule of the Local Government's Proportionate Share of the Net Pension Liability	43
Schedule of Local Government Contributions	44
Schedule of Changes in Net OPEB Liability and Related Ratios	45
Schedule of Employer Contributions	46

SKINNON AND FABER
Certified Public Accountants, P.C.

INDEPENDENT AUDITORS' REPORT

To the Mayor and Board of Trustees
Incorporated Village of Brightwaters
Brightwaters, New York

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Incorporated Village of Brightwaters as of and for the year ended May 31, 2019, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Incorporated Village of Brightwaters management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



America Counts on CPAs

3690 Expressway Drive South
Islandia, NY 11749

Phone: (631) 851-1201
Fax: (631) 851-1206
Email: info@sfhcpa.com
Website: www.sfhcpa.com

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Incorporated Village of Brightwaters, as of May 31, 2019, 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.

Change in Accounting Principle

As discussed in Note M to the financial statements, in 2019 the Village of Brightwaters adopted new accounting guidance, GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, local government's proportionate share of the net pension liability, local government contributions, schedule of changes in net OPEB liability and related ratios, and schedule of employer contributions 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.

Skinnon and Faber, CPAs, P.C.

SKINNON AND FABER, CPA's, P.C.
Islandia, New York
September 26, 2019

INCORPORATED VILLAGE OF BRIGHTWATERS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The Board of Trustees of the Incorporated Village of Brightwaters (the Village), would like to offer readers of the Village's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended May 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements report how Village activities were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail by providing information about the Village's most significant funds. The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by the required supplementary information, which supports the financial statements with a comparison of the Village's General Fund budget for the year, the schedule of the local government's proportionate share of the net pension liability, the schedule of local government contributions, as well as the schedule of changes in net OPEB liability and related ratios, and the schedule of employer contributions.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net Position

The Village's total net position decreased by \$1,660,116 for the fiscal year ended May 31, 2019. A condensed summary of the Village's Statement of Net Position for the current year is detailed below.

Condensed Statement of Net Position – Governmental and Business-Type Activities

	Governmental Activities		Business-Type Activities	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
Assets				
Current and Other Assets	\$ 1,035,407	\$ 1,094,411	\$ 188,442	\$ 415,788
Capital Assets (net)	4,467,298	4,120,396	1,701,058	1,602,661
Total Assets	<u>5,502,705</u>	<u>5,214,807</u>	<u>1,889,500</u>	<u>2,018,449</u>
Deferred Outflows of Resources	<u>105,924</u>	<u>166,087</u>	<u>-</u>	<u>-</u>
Liabilities				
Liabilities	237,739	226,716	195,124	383,976
Long-Term Liabilities	4,712,368	2,712,098	1,390,000	1,495,000
Total Liabilities	<u>4,950,107</u>	<u>2,938,814</u>	<u>1,585,124</u>	<u>1,878,976</u>
Deferred Inflows of Resources				
Deferred Amounts Related to Pension	<u>69,659</u>	<u>193,101</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>69,659</u>	<u>193,101</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	3,193,393	2,800,396	311,058	107,661
Restricted	4,638	-	-	-
Unrestricted (deficit)	(2,609,168)	(551,417)	(6,682)	31,812
Total Net Position	<u>\$ 588,863</u>	<u>\$ 2,248,979</u>	<u>\$ 304,376</u>	<u>\$ 139,473</u>

Net investment in capital assets is the Village's investment in capital assets, such as infrastructure, building and improvements, and vehicles and equipment reduced by accumulated depreciation and associated debt. This figure also includes land, which is not depreciated.

Changes in Net Position

The following table provides a summary of the Village's operations for the year ended May 31, 2019:

Changes in Net Position from Operating Results – Governmental and Business-Type Activities

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>May 31, 2019</u>	<u>May 31, 2018</u>	<u>May 31, 2019</u>	<u>May 31, 2018</u>
Revenues				
Program Revenues:				
Fees, Fines and Charges for Services	\$ 511,915	\$ 481,787	\$ 179,082	\$ 169,035
Capital Grants and Contributions	424,418	249,849	100,000	-
General Revenues:				
Property Tax Items	1,738,376	1,706,813	-	-
Non Property Tax Items	141,165	137,053	-	-
Other	162,136	221,502	34	1,754
Transfers	30,800	30,800	-	-
Total Revenues	<u>3,008,810</u>	<u>2,827,804</u>	<u>279,116</u>	<u>170,789</u>
Expenses				
Governmental Activities:				
General Government Support	1,261,109	1,164,393	-	-
Public Safety	695,204	665,647	-	-
Health	90,000	85,000	-	-
Transportation	99,227	178,897	-	-
Economic Opportunity and Development	160,221	74,298	-	-
Culture and Recreation	160,746	111,636	-	-
Home and Community Services	411,688	352,920	-	-
Interest on Debt	23,650	26,950	-	-
Transfers	-	-	30,800	30,800
Canal Fund Expenses	-	-	83,413	73,678
Total Expenses	<u>2,901,845</u>	<u>2,659,741</u>	<u>114,213</u>	<u>104,478</u>
Change in Net Position	106,965	168,063	164,903	66,311
Net Position - Beginning of Year	2,248,979	2,080,916	139,473	73,162
Beginning Balance Adjustment	(1,767,081)	-	-	-
Net Position - Beginning of Year, as restated	<u>481,898</u>	<u>2,080,916</u>	<u>139,473</u>	<u>73,162</u>
Net Position - End of Year	<u>\$ 588,863</u>	<u>\$ 2,248,979</u>	<u>\$ 304,376</u>	<u>\$ 139,473</u>

ANALYSIS OF POSITION AND RESULTS OF OPERATION

The Village had an excess of revenues over expenses of \$106,965, before a beginning balance adjustment of \$1,767,081, resulting in a net decrease in the Village net position of \$1,660,116. No significant individual economic factor affected these operating results.

The Village had an increase in total revenues of \$181,006 as compared to the prior year. Capital grants and contributions increased by \$174,569. The Village received additional state funding for consolidated highway improvement program (CHIPS).

ANALYSIS OF BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

The General Fund decreased by \$65,078, bringing the ending fund balance to \$807,182. Of this amount, \$618,244 is unassigned and \$170,000 is assigned. The remaining \$18,938 of fund balance is considered nonspendable, as it relates to prepaid items.

BUDGETARY ANALYSIS

A budget modification was made to increase Appropriated Fund Balance by \$98,200 and to cover additional expenditures.

The following significant variances exist between the final budget and actual results for the year ended May 31, 2019:

Revenues:

- Use of Money and Property - actual revenues were \$23,327 higher than the final budget. The Village received a higher interest rate causing an increase in interest revenue.
- Licenses and Permits – actual revenues were \$12,811 higher than the final budget due to increased construction and renovation activities in the Village.
- Departmental Income – actual revenue exceeded the budgeted amount by \$21,781, mainly due to increased sanitation fees.

Expenditures:

- Culture and Recreation - the final budget exceeded expenditures by \$43,843 due to the cost of extermination services used to remove poison ivy around the lakes.
- Overall, total expenditures were \$72,708 over budget.

None of the variations between budgeted and actual results are expected to affect future services or liquidity.

A schedule showing the budgeted amounts compared to the Village's actual financial activity for the General Fund is provided in this report as required supplementary information.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The Village's investment in capital assets as of May 31, 2019 totaled \$6,168,356 (net of accumulated depreciation). During the year, the Village acquired vehicles and equipment with a cost of \$208,017, building and improvements with a cost of \$92,205, as well as infrastructure costs of \$407,520. As of May 31, 2019, the Village had total bond indebtedness of \$2,545,000. Scheduled payments of \$270,000 were made.

INFRASTRUCTURE ASSETS

There were no significant changes in the assessed condition of eligible infrastructure assets.

CURRENTLY KNOWN FACTS, DECISIONS, AND CONDITIONS

Through continual budgetary analysis, competitive bidding and procedural efficiencies, the Village will continue to keep costs in line. The fund balance is an indication of the past performance of these measures and is anticipated to continue in the future.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide the reader with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact:

Incorporated Village of Brightwaters
Nicole Rhodes, Clerk-Treasurer
40 Seneca Drive
Brightwaters, New York 11718

INCORPORATED VILLAGE OF BRIGHTWATERS

Statement of Net Position

May 31, 2019

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 253,476	\$ 188,442	\$ 441,918
CLASS Investment Account	623,557	-	623,557
Accounts Receivable	3,390	-	3,390
Taxes Receivable - Overdue	35,908	-	35,908
Due from Other Governments	63,943	-	63,943
Prepaid Expenses	24,700	-	24,700
Due from Other Funds	25,795	-	25,795
Cash - Restricted	4,638	-	4,638
Capital Assets (net)	4,467,298	1,701,058	6,168,356
Total Assets	5,502,705	1,889,500	7,392,205
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amounts Related to Pension	105,924	-	105,924
Total Deferred Outflows of Resources	105,924	-	105,924
<u>LIABILITIES</u>			
Accounts Payable and Accrued Expenses	210,787	-	210,787
Unearned Revenue	19,252	158,288	177,540
Due to Other Funds	-	25,795	25,795
Bond Interest Payable	7,700	11,041	18,741
Long-term Liabilities:			
Due within one year	207,459	105,000	312,459
Due in more than one year	4,504,909	1,285,000	5,789,909
Total Liabilities	4,950,107	1,585,124	6,535,231
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Amounts Related to Pension	69,659	-	69,659
Total Deferred Inflows of Resources	69,659	-	69,659
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,193,393	311,058	3,504,451
Restricted	4,638	-	4,638
Unrestricted (deficit)	(2,609,168)	(6,682)	(2,615,850)
Total Net Position	\$ 588,863	\$ 304,376	\$ 893,239

See Notes to the Financial Statements

INCORPORATED VILLAGE OF BRIGHTWATERS

Statement of Activities

For the Year Ended May 31, 2019

Functions/Programs	Expenses	PROGRAM REVENUES			Net (Expense) Revenue and Change in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government Support	\$ 1,261,109	\$ 37,245	\$ -	\$ -	\$ (1,223,864)	\$ -	\$ (1,223,864)
Public Safety	695,204	83,802	-	-	(611,402)	-	(611,402)
Health	90,000	-	-	-	(90,000)	-	(90,000)
Transportation	99,227	2,000	-	424,418	327,191	-	327,191
Economic Opportunity	160,221	-	-	-	(160,221)	-	(160,221)
Culture and Recreation	160,746	24,570	-	-	(136,176)	-	(136,176)
Home and Community Services	411,688	364,298	-	-	(47,390)	-	(47,390)
Interest on Debt	23,650	-	-	-	(23,650)	-	(23,650)
Total Governmental Activities	<u>2,901,845</u>	<u>511,915</u>	<u>-</u>	<u>424,418</u>	<u>(1,965,512)</u>	<u>-</u>	<u>(1,965,512)</u>
Business-Type Activities:							
Canal Fund	83,413	179,082	-	100,000	-	195,669	195,669
Total Business-Type Activities	<u>83,413</u>	<u>179,082</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>195,669</u>	<u>195,669</u>
Totals	<u>\$ 2,985,258</u>	<u>\$ 690,997</u>	<u>\$ -</u>	<u>\$ 524,418</u>	<u>(1,965,512)</u>	<u>195,669</u>	<u>(1,769,843)</u>
GENERAL REVENUES:							
Real Property Taxes and Related Tax Items					1,738,376	-	1,738,376
Non Property Taxes					141,165	-	141,165
Investment Earnings					34,073	34	34,107
Federal and State Aid					89,768	-	89,768
Gain on Asset Disposition					1,266	-	1,266
Other Miscellaneous Revenues					37,029	-	37,029
TRANSFERS:					30,800	(30,800)	-
Total General Revenues					<u>2,072,477</u>	<u>(30,766)</u>	<u>2,041,711</u>
Change in Net Position					<u>106,965</u>	<u>164,903</u>	<u>271,868</u>
Net Position - Beginning of Year					<u>2,248,979</u>	<u>139,473</u>	<u>2,388,452</u>
Beginning Balance Adjustment					<u>(1,767,081)</u>	<u>-</u>	<u>(1,767,081)</u>
Net Position - Beginning of Year, as Restated					<u>481,898</u>	<u>139,473</u>	<u>621,371</u>
Net Position - End of Year					<u>\$ 588,863</u>	<u>\$ 304,376</u>	<u>\$ 893,239</u>

See Notes to the Financial Statements

INCORPORATED VILLAGE OF BRIGHTWATERS

Balance Sheets

May 31, 2019

<u>ASSETS</u>	Governmental Funds			
	General Fund	Capital Projects	Cabin Restoration	Total
Assets:				
Cash and Cash Equivalents	\$ 183,763	\$ 69,713	\$ -	\$ 253,476
CLASS Investment Account	609,828	13,729	-	623,557
Accounts Receivable	3,391	-	-	3,391
Taxes Receivable - Overdue	35,908	-	-	35,908
Due from Other Governments	13,963	49,980	-	63,943
Due from Other Funds	227,567	29,275	-	256,842
Prepaid Expenditures	18,938	-	-	18,938
Cash - Restricted	-	-	4,638	4,638
	Total Assets	\$ 162,697	\$ 4,638	\$ 1,260,693
	\$ 1,093,358	\$ 162,697	\$ 4,638	\$ 1,260,693
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable and Accrued Expenditures	\$ 210,787	\$ -	\$ -	\$ 210,787
Due to Other Funds	31,450	199,597	-	231,047
	Total Liabilities	199,597	-	441,834
	242,237	199,597	-	441,834
Deferred Inflows of Resources:				
Insurance Compensation	19,252	-	-	19,252
Deferred Revenue -Property Taxes	19,949	-	-	19,949
Deferred Revenue -Property Tax Penalties	4,738	-	-	4,738
	Total Deferred Inflows of Resources	-	-	43,939
	43,939	-	-	43,939
Fund Balance:				
Nonspendable	18,938	-	-	18,938
Restricted	-	-	4,638	4,638
Assigned, Appropriated	170,000	-	-	170,000
Unassigned	618,244	(36,900)	-	581,344
	Total Fund Balance	(36,900)	4,638	774,920
	807,182	(36,900)	4,638	774,920
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance				
	\$ 1,093,358	\$ 162,697	\$ 4,638	\$ 1,260,693
	\$ 1,093,358	\$ 162,697	\$ 4,638	\$ 1,260,693

See Notes to the Financial Statements

INCORPORATED VILLAGE OF BRIGHTWATERS
Reconciliation of the Governmental Funds Balance Sheets
to the Statement of Net Position
As of May 31, 2019

Total Fund Balance - Total Governmental Funds \$ 774,920

This amount differs from the amount of net position shown in the Statement of Net Position due to the following:

Receivables for revenues earned, measurable but not available to provide financial resources are included in the government-wide financial statements as assets and are added. 24,687

Deferred inflows of resources and deferred outflows of resources are not due and payable in the current period and, accordingly, are not reported as fund liabilities and are added. 36,265

Amounts for prepaid expenses are included in the government-wide financial statements as assets and are added. 5,761

Capital assets are included as assets in the government-wide financial statements and are added, net of accumulated depreciation. 4,467,298

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (7,700)

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported in the governmental funds. However, these liabilities are included in the government-wide financial statements and are deducted.

Serial Bonds	(1,155,000)
Net Pension Liability	(163,361)
Compensated Absences	(51,785)
Installment Purchase Debt	(118,905)
Other Post-employment Benefits Payable	(3,223,317)
	<u>(3,223,317)</u>

Total Net Position - Governmental Activities \$ 588,863

INCORPORATED VILLAGE OF BRIGHTWATERS
Statements of Revenues, Expenditures and Change in Fund Balance
For the Year Ended May 31, 2019

	Governmental Funds			Total
	General Fund	Capital Projects	Cabin Restoration	
Revenues:				
Real Property Taxes	\$ 1,725,865	\$ -	\$ -	\$ 1,725,865
Real Property Tax Items	14,672	-	-	14,672
Non Property Tax Items	141,165	-	-	141,165
Departmental Income	439,529	-	-	439,529
Use of Money and Property	33,727	346	-	34,073
Licenses and Permits	22,811	-	-	22,811
Fines and Forfeitures	47,575	-	-	47,575
Insurance Recoveries and Minor Sales	2,660	-	-	2,660
Miscellaneous Local Sources	30,947	-	4,688	35,635
State and Local Aid Aid	364,206	149,980	-	514,186
Total Revenues	2,823,157	150,326	4,688	2,978,171
Expenditures:				
General Government Support	806,003	200,368	50	1,006,421
Public Safety	563,151	-	-	563,151
Health	90,000	-	-	90,000
Transportation	72,856	173,290	-	246,146
Economic Opportunity	55,783	92,988	-	148,771
Culture and Recreation	134,343	-	-	134,343
Home and Community Services	411,476	-	-	411,476
Employee Benefits	410,688	-	-	410,688
Debt Service	234,388	-	-	234,388
Total Expenditures	2,778,688	466,646	50	3,245,384
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,469	(316,320)	4,638	(267,213)
Other Financing Sources (Uses):				
Proceeds From Asset Disposition	4,000	-	-	4,000
Installment Purchase Debt	-	163,545	-	163,545
Transfers In	30,800	144,347	-	175,147
Transfers Out	(144,347)	-	-	(144,347)
Total Other Financing Sources (Uses)	(109,547)	307,892	-	198,345
Net Change in Fund Balance	(65,078)	(8,428)	4,638	(68,868)
Fund Balance at Beginning of Year	872,260	(28,472)	-	843,788
Fund Balance at End of Year	\$ 807,182	\$ (36,900)	\$ 4,638	\$ 774,920

See Notes to the Financial Statements

INCORPORATED VILLAGE OF BRIGHTWATERS
Reconciliation of the Statements of Revenues, Expenditures and
Change in Fund Balance of the Governmental Funds
to the Statement of Activities
For the Year Ended May 31, 2019

Net Change in Fund Balance Shown for Total Governmental Funds \$ (68,868)

This amount differs from the change in net position shown in the Statement of Activities because of the following:

Capital outlays for acquisition of capital assets are recorded in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital expenditures	566,501	
Depreciation expense	<u>(213,740)</u>	352,761

In the Statement of Activities, gains and losses on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds from the disposal of capital assets are reflected, regardless of whether a gain or loss is realized. (2,734)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (178,130)

Major revenues are recorded in the governmental funds when they become susceptible to accrual, that is when they are earned, measurable and available to provide current financial resources. In the Statement of Activities, major revenues are recognized when they are earned and measurable, regardless of when they become available. (2,161)

Deferred inflows of resources and deferred outflows of resources are not due and payable in the current period and, accordingly, are not reported as fund liabilities. (41,000)

Certain expenditures for insurance premiums are recorded in the governmental funds when the payments are due. In the Statement of Activities, these costs are allocated over the applicable time period that they pertain to. Insurance premiums are allocated over the policy period that they are prepaid for. This is the amount by which the current period expenditures exceed the costs allocated over the applicable periods. (98)

The issuance of long-term liabilities provides current financial resources to governmental funds, while the repayment of the principal of long-term liabilities consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term liabilities and related items. 47,195

Change in Net Position of Governmental Activities Shown in the Statement of Activities \$ 106,965

INCORPORATED VILLAGE OF BRIGHTWATERS
Canal Fund
Statement of Net Position
Proprietary Fund
May 31, 2019

	Enterprise Fund
	Canal
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 188,442
Total Current Assets	188,442
Capital Assets:	
Canal Restoration	1,784,375
Less: Accumulated Depreciation	(83,316)
Net Capital Assets	1,701,059
Total Assets	1,889,501
Liabilities	
Current Liabilities:	
Unearned Revenue	158,289
Due to Other Funds	25,795
Interest Payable	11,041
Bonds Payable	105,000
	300,125
Long-Term Liabilities:	
Bonds Payable	1,285,000
	1,285,000
Total Liabilities	1,585,125
Net Position	
Unrestricted	304,376
Total Net Position	\$ 304,376

INCORPORATED VILLAGE OF BRIGHTWATERS
Canal Fund
Statement of Revenues, Expenses and Change in Net Position
Proprietary Fund
For the Year Ended May 31, 2019

	<u>Enterprise Fund</u>
	<u>Canal</u>
Operating Revenues	
Charges for Services	\$ 179,082
Operating Expenses	
Cost of Services	7,108
Depreciation Expense	42,843
Total Operating Expenses	49,951
Operating Income	129,131
Nonoperating Income and Expenses	
Interest Income	34
State Aid	100,000
Interest expense	(33,462)
Total Nonoperating Income and Expenses	66,572
Transfers out	(30,800)
Change in Net Position	164,903
Total Net Position-Beginning of Year	139,473
Total Net Position-End of Year	\$ 304,376

INCORPORATED VILLAGE OF BRIGHTWATERS

Canal Fund

Statement of Cash Flows

Proprietary Fund

For the Year Ended May 31, 2019

	<u>Enterprise Fund</u>
	<u>Canal</u>
Cash Flows from Operating Activities	
Receipts from Customers	\$ 197,400
Payments to Suppliers	(7,108)
Net Cash Provided by Operating Activities	<u>190,292</u>
Cash Flows from Capital and Related Financing Activities	
Payment of Canal Restoration	(204,300)
Payment of Long -Term Debt	(105,000)
Payment of Interest	(34,156)
Capital Contributed By Other Funds	(141,241)
Capital Grants Received From Other Governments	100,000
Net Cash (Used) by Capital and Related Financing Activities	<u>(384,697)</u>
Cash Flows from Noncapital and Related Financing Activities	
Payment Interfund Loan	(32,975)
Net Cash (Used) by Noncapital and Related Financing Activities	<u>(32,975)</u>
Cash Flows from Investing Activities	
Interest Income	34
Net Cash Provided by Investing Activities	<u>34</u>
Net Decrease in Cash and Cash Equivalents	(227,346)
Cash and Cash Equivalents at Beginning of Year	<u>415,788</u>
Cash and Cash Equivalents at End of Year	<u>\$ 188,442</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 129,131
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	42,843
Increase in Unearned Revenue	18,318
Net Cash Provided by Operating Activities	<u>\$ 190,292</u>

See Notes to the Financial Statements

INCORPORATED VILLAGE OF BRIGHTWATERS
Statements of Fiduciary Net Position
May 31, 2019

	<u>Agency</u>
Assets	
Cash and Cash Equivalents	\$ 16,022
Total Assets	<u>16,022</u>
Liabilities	
Due to Other Governments	4,272
Agency Fund Liability	<u>11,750</u>
Total Liabilities	<u>\$ 16,022</u>

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

The Village of Brightwaters was incorporated in 1916. The Board of Trustees, which is the legislative body responsible for the overall operations of the Village, consists of the Mayor and four trustees. The Mayor serves as Chief Executive Officer and the Treasurer serves as Chief Fiscal Officer.

The following basic services are provided: fire protection, sanitation, recreation, village planning, street maintenance and lighting.

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

B. BASIS OF PRESENTATION

1. Government-Wide Financial Statements:

The government-wide financial statements include a Statement of Net Position and the Statement of Activities. Fiduciary activities of the Village are not included in these statements.

The statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets and liabilities, 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 in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the Village are reported in three categories: 1) fees, fines, and charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All interfund balances in the Statement of Net Position have been eliminated.

2. Fund Financial Statements:

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures, which are segregated for the purpose of carrying on specific activities. The various funds are exhibited by type in the financial statements. The following fund types are used:

Fund Categories

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

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

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment.

Special Revenue Fund – This fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following Special Revenue Fund is utilized:

Cabin Restoration Fund – This fund is used to account for the proceeds of revenue that are dedicated to cabin restoration.

- b. **PROPRIETY FUNDS** - These funds are used to account for ongoing organizations or activities which are similar to those often found in the private sector. The measurement focus of proprietary funds is upon the determination of operating income, changes in net position, and cash flows. The following proprietary fund is utilized:

Canal Fund - used to account for the revenues and expenses relevant to canal services to the Village's residents. Canal service charges are the primary source of operating revenues, all other revenue received not specifically identifiable to canal services are classified as non-operating.

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

3. Equity Classifications:

Government-Wide Financial Statements

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

- a. 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 that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position 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.
- c. Unrestricted net position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Fund balance is classified and displayed in five components:

- a. Nonspendable – Consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.
- b. Restricted – Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- c. Committed – Consists of amounts that are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance.
- d. Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

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

C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if collected within 60 days from year end. Material revenues that are accrued include real property taxes and state aid. If expenditures are the prime factor for determining eligibility, revenue from federal and state grants are accrued when the expenditure is made and the resources are available. Expenditures are recorded when the liability is incurred except that:

- Principal and interest on indebtedness are recognized as an expenditure at the time of payment.
- Expenditures for prepaid expenses and inventory-type items are generally recognized at the time of purchase.
- Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.
- Pension costs are recognized as an expenditure when billed by the State.
- Other post-employment benefits are charged as expenditures when payment is due.

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

D. CASH AND INVESTMENTS

The Village's investment policies are governed by state statutes. Village monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The Village is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the United States government and United States agencies, repurchase agreements and obligations of New York State or its localities and investments made by the Cooperative Liquid Asset Security System (NYCLASS).

Collateral is required for demand deposits, money market accounts and certificates of deposit not covered by the FDIC. Obligations that may be pledged as collateral are obligations and repurchase agreements relating to treasury obligations.

Investments are stated at cost, which approximates market.

E. PROPERTY TAXES

Property taxes are levied annually on June 1. Real property tax payments are due in total by July 1 of each year. A 5% penalty is imposed after July 1. Interest is charged at a rate of 1% per month up to a total of 12% per annum.

F. BUDGETARY DATA

1. Budget Policies:

An operating budget is adopted each fiscal year. The Mayor prepares a preliminary budget and the Village Board of Trustees holds a public hearing. Subsequent to the public hearing, revisions (if any) are made and the budget is adopted by the Village Board as its budget for the coming year. The budget is not subject to referendum. Any supplemental appropriations that amend total expenditures require Village Board resolution. All budget appropriations lapse at the end of each fiscal year.

2. Budget Basis of Accounting:

Budgets are adopted annually on a basis consistent with generally accepted accounting principles applicable to municipalities.

G. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, vehicles and equipment and infrastructure, are reported in the government-wide financial statements. The capital assets are reported at original cost. Depreciation has been recorded using the straight-line method over 5 to 20 years for vehicles and equipment, 25 to 40 years for infrastructure, and 40 years for buildings and improvements. Land is not depreciated. The Village has

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

established a capitalization threshold for assets of \$1,000. General infrastructure assets acquired or constructed prior to June 1, 2004 are not reported in the financial statements.

H. COMPENSATED ABSENCES

The Village's union employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Vacation time can be accumulated upon written request citing extenuating circumstances. Sick time can be accumulated up to a maximum of 60 days. However, upon termination or retirement, each union employee shall be paid for accumulated sick leave, but in no event more than 36 days. Records are maintained by the Clerk-Treasurer. At May 31, 2019, the Village has an estimated liability of \$51,785.

I. OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides health insurance coverage and survivor benefits for retired employees. Substantially all of the Village's full-time employees may become eligible for these benefits.

Healthcare benefits and survivor benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the governmental funds in the year paid. The liability for these other post-employment benefits payable is recorded as long-term debt in the government-wide financial statements. The debt is estimated based on the most recent actuarial valuation in accordance with the parameters of GASB Statement No. 75.

J. INSURANCE

The Village assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The Village carries various insurance policies to mitigate any losses that might occur.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results may differ from those estimates.

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure/expense) until that time.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time.

M. NEW ACCOUNTING PRINCIPLES

The Village has adopted all current Statements of the GASB that are applicable. At May 31, 2019, the Village implemented the following new standard issued by GASB:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This standard replaces the requirements of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. This statement establishes accounting and financial reporting standards for other postemployment benefits (OPEB) that is provided to the employees of state and local governmental employers. The statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources, and expense/expenditures. The statement identifies methods and assumptions required to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

II. DETAIL NOTES ON ALL FUNDS

A. ASSETS

1. Cash and Investments:

The Village's cash and cash equivalents consist of cash on hand and demand deposits. Village monies must be deposited in specified FDIC-insured commercial banks located in New York State. The Village Clerk-Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include: obligations of the U.S. Treasury, obligations of New York State (or its localities if approved by the State Comptroller), and a CLASS investment account with the Municipal Investors Service Corp. which has a collateral arrangement with a third-party custodial bank. All deposits and investments are carried at cost plus accrued interest.

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

Third-party collateral is required for all deposits and certificates of deposit at 100% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are the same as the permissible investments mentioned above.

Deposits and investments at year-end were entirely covered by federal depository insurance or by collateral held by the Village's third-party custodial bank. They consisted of:

Deposits: All deposits are carried at cost plus accrued interest. Bank balances for the Village's deposits with financial institutions as of May 31, 2019 totaled \$422,333 and covered by federal deposit insurance or third party collateral as follows:

Amount FDIC - Insured	\$ 250,050
Amount Collateralized by Third Parties	451,897
Total Amounts	<u>\$ 701,947</u>

Investments: All deposits are stated at cost plus accrued interest.

Fund	CLASS Investment Account	
	Market Value	Carrying Amount
General	\$ 609,829	\$ 609,829
Capital	13,728	13,728
Total Investments	<u>\$ 623,557</u>	<u>\$ 623,557</u>

2. Interfund Receivables, Payables, and Transfers:

Temporary advances between funds and unpaid interfund charges will be reimbursed subsequent to year end. The interfund receivable and payable balances at May 31, 2019 are as follows:

	Amount Receivable	Amount Payable
General Fund	\$ 227,567	\$ 31,450
Canal Fund	-	25,795
Capital Projects Fund	29,275	199,597
Totals	<u>\$ 256,842</u>	<u>\$ 256,842</u>

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

During the year, the budgeted transfers totaling \$175,147 were made between the Capital Projects Fund, Canal Fund and the General Fund to support the costs of operations. The following is a summary of interfund transfers:

	Transfers In	Transfers Out
General Fund	\$ 30,800	\$ 144,347
Canal Fund	-	30,800
Capital Projects Fund	144,347	-
Totals	\$ 175,147	\$ 175,147

3. Changes in Capital Assets:

A summary of changes in capital assets for Governmental Activities follows:

<u>Capital Assets</u>	Balance May 31, 2018	Additions	Reductions	Balance May 31, 2019
Land	\$ 240,131	\$ -	\$ -	\$ 240,131
Vehicles and Equipment	903,133	208,017	(74,262)	1,036,888
Buildings and Improvements	298,187	92,205	(3,125)	387,267
Infrastructure	4,264,557	266,279	-	4,530,836
	5,706,008	566,501	(77,387)	6,195,122
 <u>Accumulated Depreciation</u>				
Land	-	-	-	-
Vehicles and Equipment	(594,239)	(67,363)	71,528	(590,074)
Buildings and Improvements	(232,583)	(10,604)	-	(243,187)
Infrastructure	(758,790)	(135,773)	-	(894,563)
	(1,585,612)	(213,740)	71,528	(1,727,824)
 <u>Totals</u>				
Land	240,131	-	-	240,131
Vehicles and Equipment	308,894	140,654	(2,734)	446,814
Buildings and Improvements	65,604	81,601	(3,125)	144,080
Infrastructure	3,505,767	130,506	-	3,636,273
Capital Assets, (net)	\$ 4,120,396	\$ 352,761	\$ (5,859)	\$ 4,467,298

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

Depreciation expense was charged as direct expense to programs of the primary government as follows:

Governmental Activities

General Government Support	\$ 42,984
Public Safety	18,660
Transportation	116,045
Economic Development	7,000
Culture and Recreation	28,839
Home and Community Services	212
Total depreciation expense – Governmental Activities	\$ 213,740

A summary of changes in capital assets for Business-type Activities follows:

<u>Capital Assets</u>	<u>Balance May 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance May 31, 2019</u>
Improvements Other than Building	\$ 1,643,134	\$ 141,241	\$ -	\$ 1,784,375
	1,643,134	141,241	-	1,784,375
 <u>Accumulated Depreciation</u>				
Improvements Other than Building	(40,473)	(42,844)	-	(83,317)
	(40,473)	(42,844)	-	(83,317)
 <u>Totals</u>				
Improvements Other than Building	1,602,661	98,397	-	1,701,058
Capital Assets (net)	\$ 1,602,661	\$ 98,397	\$ -	\$ 1,701,058

B. LIABILITIES

1. Pension Plan:

Description of Plan

The Village of Brightwaters participates in the New York State and Local Employees' Retirement System (ERS or the System). The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary 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. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. System benefits are established

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

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 the 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. Generally, members of the System are employees of the State and its municipalities, other than New York City.

ERS is a cost sharing, multiple-employer defined benefit pension plan. The System is included in the State's financial report as a pension trust fund.

Separately issued financial statements can be viewed on the Comptroller's website at: www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Membership Tiers

Pension legislation enacted in 1973, 1976, 1983, 2009 and 2012 established distinct classes of membership. For convenience, the System uses a tier concept to distinguish these groups, generally:

ERS

- Tier 1 Those persons who last became members before July 1, 1973.
- Tier 2 Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 Those persons who last became members on or after January 1, 2010, but before April 1, 2012.
- Tier 6 Those persons who first became members on or after April 1, 2012.

Vesting

Members who joined the System prior to January 1, 2010 need five years of service to be 100% vested. Members who joined on or after January 1, 2010 (ERS) require ten years of service credit to be 100% vested.

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

Benefits

Tiers 1 & 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

Tier 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4, and 5 members, each year of final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% greater than the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75% of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. The cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

Employer Contributions

Participating employers are required under the RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2019 was approximately 14.9% of payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial rate applicable during the year. For the fiscal year ended March 31, 2019, the applicable interest rate was 7%.

Member Contributions

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, 1976, 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.

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

2018-19	\$	74,412
2017-18		65,358
2016-17		78,487

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

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

At May 31, 2019, the Incorporated Village of Brightwaters reported a liability of \$163,361 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Incorporated Village of Brightwaters' proportion of the net pension liability was based on a projection of the Incorporated Village of Brightwaters' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At May 31, 2019, the Incorporated Village of Brightwaters' proportion was 0.0023056 percent, which was an increase of .0004750 percent from its proportion measure at March 31, 2018.

For the year ended May 31, 2019, the Incorporated Village of Brightwaters recognized pension expense of \$115,413. At May 31, 2019, the Incorporated Village of Brightwaters reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 32,169	\$ 10,966
Changes of Assumptions	41,062	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	41,927
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	32,693	16,766
	\$ 105,924	\$ 69,659

There were no amounts reported as deferred outflows of resources related to pensions resulting from the Incorporated Village of Brightwaters contributions subsequent to the measurement date. 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 March 31:	
2020	39,534
2021	(26,786)
2022	(502)
2023	24,019
	\$ 36,265

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

Actuarial Assumptions

The total pension liability at March 31, 2019 measurement date was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019. The actuarial valuation for ERS used the following actuarial assumptions:

Inflation	2.5%
Salary Increases	4.2%
Investment Rate of Return (Net of Investment Expense Including Inflation)	7.0%
Cost of Living Adjustments	1.3%

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

The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36 %	4.55 %
International equity	14	6.35
Private equity	10	7.50
Real estate	10	5.55
Absolute return strategies (1)	2	3.75
Opportunistic portfolio	3	5.68
Real assets	3	5.29
Bonds and mortgages	17	1.31
Cash	1	(0.25)
Inflation-indexed bonds	4	1.25
	<u>100 %</u>	

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

The real rate of return is net of the long-term inflation assumption of 2.50%.

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon those 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 Incorporated Village of Brightwaters' proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Incorporated Village of Brightwaters' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Village's proportionate share of the net pension liability	\$ 714,241	\$ 163,361	\$ (299,417)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2019, were as follows:

	Employees' Retirement System (in 000's)
Employers' total pension liability	\$ 189,803,429
Plan net position	(182,718,124)
Employers' net pension liability	\$ 7,085,305
Ratio of plan net position to the employers' total pension liability	96.27%

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

2. Long-Term Liabilities:

- a. Outstanding Bond indebtedness aggregated \$2,545,000.
- b. Serial Bonds – The Incorporated Village of Brightwaters 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. 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 the long-term liabilities.
- c. Other Long-Term Debt – In addition to the above long-term debt, the local government had the following non-current liabilities:
 - Net Pension Liability – Represents the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributable to those employees’ past periods of service.
 - Compensated Absences – Represents the value of earned and unused portion of the liability for compensated absences.
 - Other Post-employment Benefits (OPEB) – Represents the non-current portion of the liability to current employees and retirees.
 - Installment Purchase Debt – Represents the outstanding balance of an installment purchase contract to acquire a vehicle.
- d. Summary Long-Term Debt – The following is a summary of long-term liabilities by fund:

	General	Capital Projects	Canal
Bonds	\$ -	\$ 1,155,000	\$ 1,390,000
Total Bonds	-	1,155,000	1,390,000
Net Pension Liability	163,361	-	-
Compensated Absences	51,785	-	-
Other Post-Employment Benefits	3,223,317	-	-
Installment Purchase Debt	118,905	-	-
Total Long-Term Debt	\$ 3,557,368	\$ 1,155,000	\$ 1,390,000

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

e. The following is a summary of changes in long-term liabilities:

	Payable at beginning of year	Additions	Reductions	Payable at end of year	Due in One Year
Bonds	\$ 2,815,000	-	\$ (270,000)	\$ 2,545,000	\$ 270,000
Net Pension Liability	59,082	104,279	-	163,361	-
Compensated Absences	53,016	-	(1,231)	51,785	5,179
OPEB	3,047,081	245,177	(68,941)	3,223,317	-
Installment Purchase	-	163,545	(44,640)	118,905	37,280
Total	<u>5,974,179</u>	<u>513,001</u>	<u>(384,812)</u>	<u>6,102,368</u>	<u>\$ 312,459</u>

f. Long-Term Debt Maturity Schedule – The following is a statement of serial bonds with corresponding maturity schedules:

Original Date Issued	Original Amount	Rate %	Date Final Maturity	Outstanding at 5/31/2019
2016	\$ 1,650,000	2.0%	2026	\$ 1,155,000
2017	1,600,000	2.5%	2032	1,390,000

g. The following table summarizes the Incorporated Village of Brightwater's future debt service requirements (Bond and Installment Purchase):

Ending Date	Principal	Interest	Total
May 31:			
2020	\$ 307,280	\$ 60,866	368,146
2021	309,587	53,159	362,746
2022	312,038	45,308	357,346
2023	270,000	37,241	307,241
2024	270,000	31,644	301,644
2025-2028	755,000	76,425	831,425
2029-2032	440,000	25,781	465,781
Total	<u>\$ 2,663,905</u>	<u>\$ 330,424</u>	<u>\$ 2,994,329</u>

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

C. DEFICIT FUND BALANCE

As of May 31, 2019, the Village had a deficit fund balance in the Capital Projects Fund of \$36,900. The deficit will be restored as funds are transferred from the General Fund.

D. FUND BALANCE

The government's fund balance classification policies and procedures are as follows:

1. For committed fund balances:
 - a. The government's highest level of decision-making authority resides with the Board of Trustees.
 - b. The formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment is through formal resolution by the Board.
2. For assigned fund balances:
 - a. The body or official authorized to assign amounts to specific purpose is the Board of Trustees.
 - b. The policy established by the governing body pursuant to which the authorization to assign amounts to a specific purpose is given to the Board of Trustees.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned), the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the assigned fund balance to the extent that there is an assignment and then from the unassigned fund balance. The Village's fund balance is classified as follows:

	General Fund	Cabin Restoration
Non-Spendable Fund Balance:		
Prepaid Expense	\$ 18,938	\$ -
Total Non-Spendable Fund Balance	\$ 18,938	\$ -
Restricted Fund Balance:		
Restricted	-	4,638
Total Restricted Fund Balance	\$ -	\$ 4,638
Assigned Fund Balance:		
Capital Projects	\$ 170,000	\$ -
Total Assigned Fund Balance	\$ 170,000	\$ -

INCORPORATED VILLAGE OF BRIGHTWATERS

Notes to the Financial Statements

For the Year Ended May 31, 2019

E. POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description. The Village maintains a post-employment health insurance plan for retired employees of the Village. The plan is a single-employer defined benefit OPEB plan administered by the Village. The plan provides medical insurance through the New York State Empire Health Insurance Plan and dental and vision benefits through Teamsters Local 237. The plan's benefits are provided to all eligible retirees and their eligible spouses and can be amended by action of the Governing Board subject to applicable collective bargaining and employment agreements. For a retiree to be eligible, he or she should have completed twenty consecutive years working full time for the Village. All financial activities of the plan are included in the financial statements of the Village. The plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Funding Policy. Currently, the plan is non-contributory for employees. The plan pays 100% of the cost of all benefits provided to the retiree and the retiree's spouse during the retiree's lifetime. The plan does not provide benefits to surviving spouses. The Village currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The Village reserves the right to modify this plan in the future.

Benefits Provided. As of May 31, 2019 the following employees were covered by the benefit terms:

Active Employees	9
Inactive employees or beneficiaries currently receiving benefit payments	5
Total	<u>14</u>

Total OPEB Liability. The Village's total OPEB liability of \$3,223,317 was measured using the alternative measurement method as of May 31, 2019. For the year ended May 31, 2019, the Village recognized OPEB expense of \$203,014.

Actuarial Assumptions and Other Inputs

Payroll Growth Rate	3.00%
Discount Rate	3.05%
2019 Healthcare Trends Rate	8% decreasing to 5%

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

The discount rate was based on the S&P Municipal Bond 20-year High Grade Rate Index. Mortality rates were based on RP-2014 Mortality Table with MP-2016 projection.

Changes in the Total OPEB Liability

Balance at May 31, 2018	<u>\$ 3,047,081</u>
Changes for the year:	
Service cost	105,106
Interest	91,885
Changes in benefit terms	-
Difference between expected and actual experience	48,186
Changes in assumptions and other inputs	-
Net Benefit Payments	(68,941)
Net changes	<u>176,236</u>
Balance at May 31, 2019	<u><u>\$ 3,223,317</u></u>

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

	<u>1%</u> <u>Decrease</u> <u>(2.05%)</u>	<u>Discount</u> <u>Rate</u> <u>(3.05%)</u>	<u>1%</u> <u>Increase</u> <u>(4.05%)</u>
Total OPEB Liability	\$ 3,737,872	\$ 3,223,317	\$ 2,708,762

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using the healthcare cost trend rates that is 1 percentage point lower (7% decreasing to 4%) or 1 percentage point higher (9% decreasing to 6%) than the healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u> <u>(7% decreasing to</u> <u>4%)</u>	<u>Healthcare Cost</u> <u>Trend</u> <u>Rate</u> <u>(8% decreasing to</u> <u>5%)</u>	<u>1%</u> <u>Increase</u> <u>(9% decreasing to</u> <u>6%)</u>
Total OPEB Liability	\$ 2,642,259	\$ 3,223,317	\$ 3,924,001

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

F. CONCENTRATION OF RISK

The Village maintains all cash and cash equivalents in one depository. FDIC insurance covers all government accounts up to \$250,000 (per official custodian) for demand and time and savings accounts.

G. COMMITMENTS AND CONTINGENCIES

Contracts

The Village contracts annually with the Bay Shore Fire District to provide fire protection for residents and property owners within the territorial limits of the Incorporated Village of Brightwaters. Payments made during the fiscal year totaled \$305,491 for this protection. In accordance with the contract, the Village is required to pay \$283,813 for fire protection on or before September 1, 2019.

In March 2018, the Village entered into an agreement for garbage collection and disposal. The contract is for a period of two years commencing June 1, 2018 and ending May 31, 2020. The minimum required payments for the year ending May 31, 2019 is \$329,452.

State Grants

The Village is a recipient of a number of State grants. These grants are administered by various agencies. These grants are subject to various compliance and financial audits by the respective agencies administering the grants, which could lead to certain disallowances and a request for a return of funds. The Board believes that they have substantially complied with the rules and regulations as specified under the various grant agreements as well as rules and regulations of the respective agency for each grant.

Tax Certiorari

There are presently pending against the Village a number of real property tax review proceedings requesting reductions in assessed valuations of various properties for both past and current years. The financial exposures in these cases are indeterminable at this time.

Other

The Village is subject to litigation in the ordinary conduct of its affairs. Management does not believe however, that such litigation, individually or in the aggregate, is likely to have a material effect on the financial statements.

There are no contingencies that the Village is aware of that would have a material impact on the financial statements.

INCORPORATED VILLAGE OF BRIGHTWATERS
Notes to the Financial Statements
For the Year Ended May 31, 2019

H. SUBSEQUENT EVENTS

There were no events subsequent to May 31, 2019 and the date that these financial statements were available to be issued, September 26, 2019, that would have a material impact on these financial statements.

INCORPORATED VILLAGE OF BRIGHTWATERS
Required Supplementary Information
For the Year Ended May 31, 2019
(Unaudited)

Statement of Revenues, Expenditures and Change in Fund Balance
Budget and Actual - General Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Real Property Taxes	\$ 1,732,077	\$ 1,732,077	\$ 1,725,865
Real Property Tax Items	5,000	5,000	14,672
Non Property Tax Items	130,000	130,000	141,165
Departmental Income	417,748	417,748	439,529
Use of Money and Property	10,400	10,400	33,727
Licenses and Permits	10,000	10,000	22,811
Fines and Forfeitures	45,000	45,000	47,575
Insurance Recoveries and Minor Sales	5,500	5,500	2,660
Miscellaneous Local Sources	15,500	15,500	30,947
State Aid	350,102	350,102	364,206
Appropriated Reserve	-	98,200	-
Total Revenues	<u>2,721,327</u>	<u>2,819,527</u>	<u>2,823,157</u>
Expenditures:			
General Government Support	778,518	823,518	806,003
Public Safety	537,750	567,750	563,151
Health	90,000	90,000	90,000
Transportation	70,213	70,213	72,856
Economic Opportunity	40,690	40,690	55,783
Culture and Recreation	67,300	90,500	134,343
Home and Community Services	398,552	398,552	411,476
Employee Benefits	435,007	435,007	410,688
Debt Service	189,750	189,750	234,388
Total Expenditures	<u>2,607,780</u>	<u>2,705,980</u>	<u>2,778,688</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>113,547</u>	<u>113,547</u>	<u>44,469</u>
Other Financing Sources (Uses):			
Proceeds From Asset Disposition	-	-	4,000
Transfers In	30,800	30,800	30,800
Transfers Out	(144,347)	(144,347)	(144,347)
Total Other Financing Sources (Uses)	<u>(113,547)</u>	<u>(113,547)</u>	<u>(109,547)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(65,078)</u>
Fund Balance at Beginning of Year			872,260
Fund Balance at End of Year			<u>\$ 807,182</u>

See Notes to the Financial Statements

INCORPORATED VILLAGE OF BRIGHTWATERS
Required Supplementary Information
For the Year Ended May 31, 2019
(Unaudited)

Schedule of the Local Government's Proportionate Share of the Net Pension Liability

NYSLRS Pension Plan
For the 2019 Fiscal Year ***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Village's proportion of the net pension liability (asset)	0.0023056%	0.0018306%	0.0016572%	0.0016328%
Village's proportionate share of the net pension liability (asset)	\$ 163,361	\$ 59,082	\$ 155,716	\$ 262,069
Village's covered payroll	\$ 508,638	\$ 390,000	\$ 390,000	\$ 390,000
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.12%	15.15%	39.93%	67.20%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%

*** The amounts presented for the fiscal year were determined as of the March 31, 2019 measurement date.

INCORPORATED VILLAGE OF BRIGHTWATERS
Required Supplementary Information
For the Year Ended May 31, 2019
(Unaudited)

Schedule of Local Government Contributions

NYSLRS Pension Plan
For the 2019 Fiscal Year

	2019	2018	2017	2016
Contractually required contribution	\$ 115,413	\$ 77,722	\$ 78,487	\$ 69,127
Contributions in relation to the contractually required contribution	115,413	77,722	78,487	69,127
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Village's covered-employee payroll	\$ 508,638	\$ 390,000	\$ 390,000	\$ 390,000
Contributions as a percentage of covered-employee payroll	22.69%	19.93%	20.12%	17.72%

INCORPORATED VILLAGE OF BRIGHTWATERS
Required Supplementary Information
May 31, 2019
(Unaudited)

Schedule of Changes in Net OPEB Liability and Related Ratios

<u>Total OPEB Liability</u>	<u>Agency</u>
Service cost	\$ 105,106
Interest	91,885
Changes of benefit terms	-
Difference between expected and actual experience	48,186
Changes in assumptions	-
Net benefits payments	(68,941)
Net change in total OPEB liability	<u>176,236</u>
Total OPEB liability - beginning of year	<u>3,047,081</u>
Total OPEB liability - end of year	<u><u>\$ 3,223,317</u></u>

Plan fiduciary net position as percentage of the total OPEB liability 0%

The information in this schedule is intended to show 10 years.
However, as of May 31, 2019 only one year was available.

INCORPORATED VILLAGE OF BRIGHTWATERS
Required Supplementary Information
For the Year Ended May 31, 2019
(Unaudited)

Schedule of Employer Contributions

Year Ended May 31, 2019	Actuarially Determined Contribution (ADC)	Contributions Related to ADC	Contribution (Deficiency) Excess	Covered - employee payroll	Contributions as a percentage of covered - employee payroll
2019	\$ 310,726	\$ 68,941	\$ (241,785)	\$ 508,638	13.55%

The information in this schedule is intended to show 10 years.
However, as of May 31, 2019 only one year is available.