

VILLAGE OF BROCKPORT
MONROE COUNTY, NEW YORK
BASIC FINANCIAL STATEMENTS
For Year Ended May 31, 2024



BUSINESS
ADVISORS
AND CPAS

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BUSINESS
ADVISORS
AND CPAS

Independent Auditors' Report

To the Board of Trustees
The Village of Brockport
Monroe County, New York

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Brockport, Monroe County, New York, as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, Monroe County, New York, as of May 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matters

As described in Note I to the financial statements, the Village adopted Governmental Accounting Standards Boards Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, and Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*; Statement No. 71, *Pension Transition for Contributions made subsequent to Measurement Date, an amendment of GASB No. 68*. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in Village's total OPEB liability and related ratio, schedule of the Village's proportionate share of the net pension liability, schedule of Village contributions, and budgetary comparison information on pages 4-11 and 48-52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village's basic financial statements. The accompanying supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
April 21, 2025

Village of Brockport, Monroe County, New York

Management's Discussion and Analysis (MD&A)

May 31, 2024

Introduction

Our discussion and analysis of the Village of Brockport, Monroe County, New York's financial performance provides an overview of the Village's financial activities for the year ended May 31, 2024. It should be read in conjunction with the basic financial statements to enhance understanding of the Village's financial performance, which immediately follows this section.

This Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards (GASB) in their Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued June 1999; GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments; Omnibus, an amendment to GASB Statements No. 21 and No. 34*, issued in June 2001, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, issued in 2001.

Financial Highlights

Key financial highlights for year 2024 are as follows:

- ◆ On the government-wide financial statements, the total liabilities of the Village exceeded assets by \$3,576,034 (net position). Of the current year amount, the unrestricted portion is (\$10,324,444) The balance of net position is either restricted for specific purposes or the net investment in capital assets.
- ◆ General revenues which include Property Taxes, Non-Property Taxes, Mortgage Tax, Compensation for Loss, Investment Earnings, and Miscellaneous accounted for \$6,239,191 or 70% of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$2,716,335 or 30% of total revenues.
- ◆ The Village's governmental fund financial statements report a combined ending fund balance of \$4,377,168. At the end of the current year, \$2,099,824 is available for spending at the Village's discretion.
- ◆ At the end of the current year, the fund balance of the General Fund was \$3,633,893.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are made up of three components: 1) government-wide financial statements, 2) notes to the financial statements, 3) and supplemental schedules which combine the special revenue funds.

Government-wide Financial Statements

The government-wide statements are designed to provide readers with an overview of the Village's finances, in a manner similar to a private-sector business.

- Statement of Net Position - This schedule presents information on the Village's assets and liabilities, with the difference between the two reported as Total Net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

- Statement of Activities - This schedule presents information on the cash income and outflow of the Village. All reporting is done when the pertinent underlying event occurs regardless of the timing of cash receipt or outflow.
- Governmental activities of the Village include general administrative support, public safety, transportation, recreation, and sanitary sewer services.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Most of the funds of the Village are governmental funds, a small minority is fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains two major individual governmental funds: General Fund and Water Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each of these major funds. There are also non-major funds that are consolidated for presentation. These include the Sewer Fund, Miscellaneous Special Revenue Fund, and Permanent Fund.

A schedule reconciling the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities is presented. This illustrates how the changes in Fund Balances and Net position relate to one another.

The Village adopts an annual budget for its General Fund and Water Fund. A budgetary comparison statement has been provided for these funds within the basic statements to demonstrate compliance with the respective budgets.

Notes to the Financial Statements

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

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of the Village's financial position. In the case of the Village of Brockport, Monroe County, New York, assets exceeded liabilities by (\$3,576,034) as of May 31, 2024.

Net Position

<u>ASSETS:</u>	<u>2024</u>
Current and Other Assets	\$ 4,702,747
Capital Assets	5,853,412
Total Assets	<u>\$ 10,556,159</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Deferred Outflows of Resources	<u>\$ 2,658,801</u>
<u>LIABILITIES:</u>	
Long-Term Debt Obligations	\$ 12,890,803
Other Liabilities	326,799
Total Liabilities	<u>\$ 13,217,602</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Deferred Inflows of Resources	<u>\$ 3,573,392</u>
<u>NET POSITION:</u>	
Net Investment in Capital Assets	\$ 4,816,302
<u>Restricted For,</u>	
Capital Reserve	466,256
Accrued Benefit Liability Reserve	533,555
Other Purposes	932,297
Unrestricted	(10,324,444)
Total Net Position	<u>\$ (3,576,034)</u>

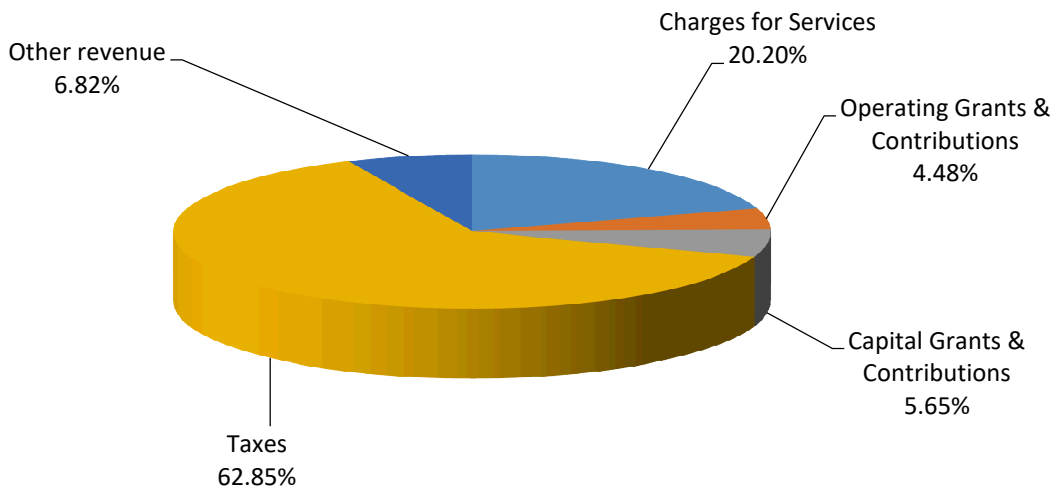
The largest component of the Village's net position is net investment in capital assets. The Village uses these assets to provide and deliver services to our residents and consequently, these assets are not available for future spending. The "related debt" must be paid for using resources raised in future budgets because the assets cannot be liquidated to satisfy this debt. In fact, a significant portion of our resources and energy is devoted to maintaining our infrastructure and we must plan to replace it as it ages.

There are three restricted net position balances; Capital Reserves, Accrued Benefit Liability Reserve, and Other Purposes. The remaining balance of unrestricted net position is a deficit of \$10,324,444.

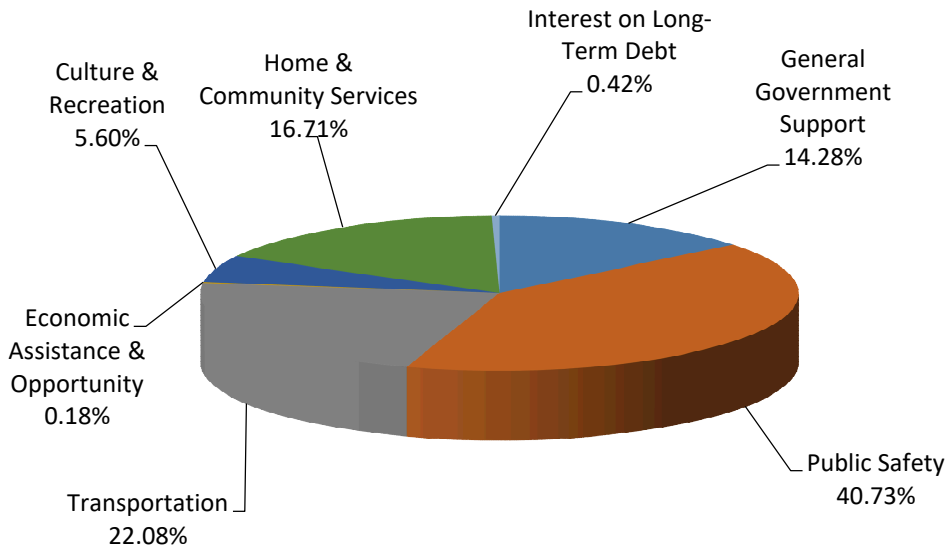
Change in Net Position

<u>REVENUES:</u>	<u>2024</u>
Charges for Service	\$ 1,808,974
Operating Grants & Contributions	400,978
Capital Grants & Contributions	506,383
Taxes	5,628,978
Other Revenues	610,213
TOTAL REVENUES	<u>\$ 8,955,526</u>
<u>EXPENSES:</u>	
General Governmental Support	\$ 1,201,975
Public Safety	3,428,292
Transportation	1,843,275
Economic Assistance & Opportunity	15,171
Culture & Recreation	471,599
Home & Community Services	1,406,916
Interest	35,713
TOTAL EXPENSES	<u>\$ 8,402,941</u>
INCREASE IN NET POSITION	\$ 552,585
NET POSITION, BEGINNING OF YEAR (restated)	<u>(4,128,619)</u>
NET POSITION, END OF YEAR	<u><u>\$ (3,576,034)</u></u>

SOURCE OF REVENUES 2024



SOURCE OF EXPENSES 2024



Financial Analysis of the Village’s Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the Village's *governmental funds* is to provide information on near term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *assigned and unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year and amounts to be applied against next year’s fund balance.

As of the end of the current year, the Village's combined governmental fund balances are \$4,377,168.

Of the total combined fund balances, \$78,655 has been designated as nonspendable fund balance, \$1,932,108 has been designated as restricted fund balance, \$266,581 has been designated as assigned fund balance and the remaining balance of \$2,099,824 (unassigned fund balance) is primarily for providing cash flow and for future spending needs.

The General Fund is the chief operating fund of the Village. At the end of the current year, the total fund balance of the General Fund was \$3,633,893 of which \$2,099,824 was unassigned.

Budgetary Highlights

The key budget variances for the major funds are listed below.

<u>Revenue Items</u>	<u>Budget Variance Original Vs. Amended</u>	<u>Explanation for Budget Variance</u>
General Fund-Intergovernmental Charges	\$108,945	CDBG funds from Monroe County
General Fund-Federal Aid	\$234,414	ARPA Funds from Federal Gov’t.
Water Fund-Intergovernmental Funds	\$60,000	CDBG Funds from Monroe County
<u>Expenditure Items</u>	<u>Budget Variance Original Vs. Amended</u>	<u>Explanation for Budget Variance</u>
General Fund-Health	\$95,785	Grant expenditures – Strand Theatre
General Fund-Transportation	\$250,317	Smith Road Bridge Project expenses
Water Fund-Home and Community Services	(\$131,223)	Reallocation of Prior Year Encumbrance
Water Fund-Debt Service-Principal	\$35,103	Reallocation of budget for Instalment Debt
Water Fund-Transfers-Out	\$156,270	Reallocation of prior year encumbrances, actual expenses reported in Home & Comm. Services

Revenue Items	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
General Fund-Departmental Income	37,872	New Program Brockport Arts Festival
General Fund-Intergovernmental Charges	(\$74,769)	Reclassified CDBG Funds
General Fund-Use of Money and Property	\$134,867	Interest Rates Higher than Anticipated
General Fund-Miscellaneous	\$231,581	Refund from Worker's Comp. Plan \$214,143.00
General Fund-State and County Aid	(\$102,684)	Decline in funding
General Fund-Federal Aid	\$173,551	ARPA Funds
Water Fund-Intergovernmental Charges	(\$60,000)	CDBG Funds
Expenditure Items	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
General Fund-General Government Support	\$91,709	Expenses less than anticipated
General Fund-Transportation	(\$69,342)	Street repairs higher than anticipated
General Fund-Transfer-Out	\$73,308	Budgeted transfer out, didn't use
Water Fund-Transfers-Out	\$156,270	Prior year encumbrances

Capital Assets

A listing of capital assets, net of accumulated depreciation, is reflected below:

	<u>2024</u>
<u>Capital Assets</u>	
Land	\$ 208,950
Work in Progress	135,466
Buildings and Improvements	821,721
Machinery and Equipment	1,964,441
Infrastructure	2,671,480
Total Capital Assets	<u>\$ 5,802,058</u>

More detailed information about the Village's capital assets is presented in the notes to the financial statements.

Long-Term Debt

The general obligation and other long-term debt of the Village is as follows:

<u>Type</u>	<u>2024</u>
Serial Bonds	\$ 915,000
Installment Purchase Debt	122,110
Net Pension Liability	2,792,236
Compensated Absences	840,940
OPEB	8,220,517
Total Long-Term Obligations	<u><u>\$ 12,890,803</u></u>

The amount paid on outstanding long-term debt was \$177,993. More detailed information about the Village's long-term liabilities is presented in the notes to the financial statements.

Factors Bearing on the Village's Future

- Water and sewer relining/replacement, possible future bonds
- NYS EMS pending legislation
- Political uncertainty – may lead to decreased sales tax
- NY forward grant – public projects will improve sidewalks and recreation
- Employee benefit costs and liability insurances skyrocketing
- Sewer fund increasing

Requests for Information

This report is designed to provide a general overview of the Village's finances for all those having an interest. It should be read in conjunction with the accompanying basic financial statements and related footnotes. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to either:

The Village of Brockport
127 Main Street
Brockport, New York 14420

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Statement of Net Position

May 31, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,772,835
Investments	117,617
Accounts receivable, net	733,640
Prepaid items	78,655
Capital assets:	
Land and work in progress	395,770
Other capital assets, net of depreciation	5,457,642
TOTAL ASSETS	<u>\$ 10,556,159</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 2,658,801</u>
 LIABILITIES	
Accounts payable	\$ 72,125
Accrued liabilities	139,090
Due to other governments	16,677
Due to retirement system	98,902
Other Liabilities	5
Noncurrent liabilities:	
Due in one year	353,909
Due in more than one year	12,536,894
TOTAL LIABILITIES	<u>\$ 13,217,602</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 3,573,392</u>
 NET POSITION	
Net investment in capital assets	\$ 4,816,302
Restricted for:	
Capital reserves	466,256
Accrued benefit liability reserve	533,555
Restricted other purposes	932,297
Unrestricted	(10,324,444)
TOTAL NET POSITION	<u><u>\$ (3,576,034)</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Statement of Activities

For the Year Ended May 31, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Primary Governmental Activities</u>
Primary Government:					
Governmental Activities:					
General government support	\$ 1,201,975	\$ 305,987	\$ 400,978	\$ -	\$ (495,010)
Public safety	3,428,292	49,556	-	-	(3,378,736)
Transportation	1,843,275	-	-	238,643	(1,604,632)
Economic assistance and development	15,171	1,540	-	-	(13,631)
Culture and recreation	471,599	64,394	-	145,509	(261,696)
Home and community services	1,406,916	1,387,497	-	122,231	102,812
Interest on long-term debt	35,713	-	-	-	(35,713)
Total Governmental Activities	<u>\$ 8,402,941</u>	<u>\$ 1,808,974</u>	<u>\$ 400,978</u>	<u>\$ 506,383</u>	<u>\$ (5,686,606)</u>
Total Primary Government	<u>\$ 8,402,941</u>	<u>\$ 1,808,974</u>	<u>\$ 400,978</u>	<u>\$ 506,383</u>	<u>\$ (5,686,606)</u>
General Revenues:					
Taxes:					
Property taxes					\$ 3,463,481
Non-property taxes					2,112,616
Mortgage tax					52,881
Compensation for loss					31,500
Investment earnings					243,854
Miscellaneous					334,859
Total General Revenues					<u>\$ 6,239,191</u>
Change in Net Position					\$ 552,585
Net Position - Beginning (restated)					<u>(4,128,619)</u>
Net Position - Ending					<u>\$ (3,576,034)</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Balance Sheet

Governmental Funds

May 31, 2024

	Major		Total	Total
	General Fund	Water Fund	Nonmajor Governmental Funds	Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,331,021	\$ 210,527	\$ 231,287	\$ 3,772,835
Investments	-	-	117,617	117,617
Receivables, net	81,537	168,106	31,043	280,686
Due from other funds	-	-	5	5
Due from other governments, net	300,000	51,354	-	351,354
State and federal aid receivable	101,600	-	-	101,600
Prepaid items	78,655	-	-	78,655
Total Assets	<u>\$ 3,892,813</u>	<u>\$ 429,987</u>	<u>\$ 379,952</u>	<u>\$ 4,702,752</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 18,281	\$ 53,651	\$ 198	\$ 72,130
Accrued liabilities	128,624	8,811	435	137,870
Due to other funds	5	-	-	5
Due to other governments	16,677	-	-	16,677
Due to retirement system	95,333	3,569	-	98,902
Total Liabilities	<u>\$ 258,920</u>	<u>\$ 66,031</u>	<u>\$ 633</u>	<u>\$ 325,584</u>
Fund Balances:				
Nonspendable	\$ 78,655	\$ -	\$ -	\$ 78,655
Restricted	1,188,833	363,956	379,319	1,932,108
Assigned	266,581	-	-	266,581
Unassigned	2,099,824	-	-	2,099,824
Total Fund Balances	<u>\$ 3,633,893</u>	<u>\$ 363,956</u>	<u>\$ 379,319</u>	<u>\$ 4,377,168</u>
Total Liabilities and Fund Balances	<u>\$ 3,892,813</u>	<u>\$ 429,987</u>	<u>\$ 379,952</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,853,412
Interest is accrued on outstanding bonds in the statement of net assets but not in the funds.	(1,220)
The following long-term obligations are not due and payable in the current period, therefore are not reported in the governmental funds:	
Serial Bonds Payable	(915,000)
Installment Purchase Debt	(122,110)
Deferred Inflows - Pensions	(1,463,942)
Deferred Outflows - Pensions	2,150,637
Deferred Inflows - OPEB	(2,109,450)
Deferred Outflows - OPEB	508,164
Pension Liability	(2,792,236)
OPEB Liability	(8,220,517)
Compensated absences are not reported in the funds under fund accounting but are expensed as the liability is incurred in the statement of net position.	(840,940)
Net Position of Governmental Activities	<u>\$ (3,576,034)</u>

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended May 31, 2024

	Major		Total Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Water Fund		
Revenues:				
Real property and tax items	\$ 3,463,481	\$ -	\$ -	\$ 3,463,481
Non-property taxes	2,112,616	-	-	2,112,616
Departmental income	170,022	1,241,891	145,606	1,557,519
Intergovernmental charges	62,926	-	-	62,926
Use of money and property	209,867	14,225	19,762	243,854
Licenses and permits	42,650	-	-	42,650
Fines and forfeitures	145,879	-	-	145,879
Sale of property and compensation for loss	30,889	611	-	31,500
Miscellaneous	300,181	-	34,678	334,859
State and county aid	500,923	-	-	500,923
Federal aid	407,965	51,354	-	459,319
Total Revenues	\$ 7,447,399	\$ 1,308,081	\$ 200,046	\$ 8,955,526
Expenditures:				
Current:				
General government support	\$ 911,453	\$ 33,248	\$ 8,000	\$ 952,701
Public safety	2,177,169	-	-	2,177,169
Health	89,125	-	-	89,125
Transportation	1,634,813	-	-	1,634,813
Economic assistance and development	15,171	-	-	15,171
Culture and recreation	347,620	-	-	347,620
Home and community services	88,804	1,123,653	45,534	1,257,991
Employee benefits	1,761,460	110,102	1,812	1,873,374
Debt Service:				
Debt service - principal	27,890	79,332	70,771	177,993
Debt service - interest and other charges	5,901	12,260	17,600	35,761
Total Expenditures	\$ 7,059,406	\$ 1,358,595	\$ 143,717	\$ 8,561,718
Excess (deficiency) of revenue over expenditures	\$ 387,993	\$ (50,514)	\$ 56,329	\$ 393,808
Other Financing Sources and Uses:				
Transfers - in	\$ 45,565	\$ -	\$ -	\$ 45,565
Transfers - out	-	-	(45,565)	(45,565)
Total Other Financing Sources and Uses	\$ 45,565	\$ -	\$ (45,565)	\$ -
Net change in fund balances	\$ 433,558	\$ (50,514)	\$ 10,764	\$ 393,808
Fund Balance - Beginning	3,200,335	414,470	368,555	3,983,360
Fund Balance - Ending	\$ 3,633,893	\$ 363,956	\$ 379,319	\$ 4,377,168

The notes to the financial statements are an integral part of this statement.

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended May 31, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 393,808

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

Governmental funds report capital outlay 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. This is the amount by which depreciation exceeded capital outlays in the current period.

Addition of assets, net	\$	484,581	
Depreciation		<u>(368,895)</u>	115,686

Bond and installment purchase debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the statement of net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position. The following details these items as they effect the governmental activities:

Debt repayment			177,993
----------------	--	--	---------

The net OPEB liability does not require the use of current financial resources, and therefore, is not reported as an expenditure in the governmental funds. 371,334

(Increase) decrease in proportionate share of net pension asset/liability reported in the statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues and expenditures in the governmental funds:

Employees' Retirement System		(235,598)	
Police and Fire Retirement System		(177,348)	

Compensated absences represents the value of the earned and unused portion of the liability for vacation and compensatory time. They are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change of compensated absences. (93,341)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 51

Change in Net Position of Governmental Activities \$ 552,585

The notes to the financial statements are an integral part of this statement.

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Notes To The Basic Financial Statements

May 31, 2024

I. Summary of Significant Accounting Policies:

The financial statements of the Village of Brockport, Monroe County, New York (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 Village's accounting policies are described below.

The implementation of GASB Statement No. 34, Statement No. 68 and Statement No. 84 resulted in the need to restate the prior year ending balance. The reconciliation of restated amounts to the December 2022 year end balance is:

	<u>Government-Wide Statements</u>
Beginning fund balance reported on annual updated document	\$ 10,579,113
The following adjustments are necessary to determine the beginning net position:	
Building	3,710,137
Accumulated depreciation - building	(5,154,506)
Infrastructure	3,093,434
Accumulated depreciation - infrastructure	(2,254,505)
Machinery and equipment	(453,089)
Accumulated depreciation - machinery and equipment	(1,430,004)
Deferred outflow-pension	2,417,337
Deferred inflow-pension	(376,125)
Net pension asset	(269,807)
Net pension liability	(3,349,545)
Deferred inflow-OPEB	(2,568,026)
Deferred outflow-OPEB	195,833
OPEB liability	(7,820,947)
Accrued interest	(1,271)
Compensated absences	(446,648)
Net position beginning of year, as restated	\$ (4,128,619)

A. Financial Reporting Entity

The Village is governed by Village Law and other general laws of the State of New York and various local laws. The Board of Trustees is the legislative body responsible for the overall operation, the Mayor services as Chief Executive Officer, and the Village Treasurer serves as Chief Fiscal Officer.

(I.) (Continued)

The Village provides the following basic services to all or some residents of the Village: 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, New York 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:

1. The primary government which is the Village of Brockport, New York;
2. Organizations for which the primary government is financially accountable, and;
3. Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the Village's reporting entity is based on the criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no component units within the Village of Brockport, New York.

1. Excluded From Reporting Entity – Seymour Library

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 operation agreement between the Library and the Municipalities is dated November 29, 2021. Significant provisions of the agreement are as follows:

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

Village of Brockport	36%
Town of Clarkson	34%
Town of Sweden	30%

- c. 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.

(I.) (Continued)

- d. 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.

B Basis of Presentation

1. Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). All of the Village's services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Village first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions, i.e., public safety and transportation, etc. The functions are also supported by general government revenues (property, sales taxes, mortgage tax, state revenue sharing, and investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operation grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the Village's special Village funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of services provided (finance, personnel, purchasing, legal, technology, management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

(I.) (Continued)

2. **Fund Financial Statements**

The emphasis in fund financial statements is on the major fund categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

a. **Governmental Funds** - Governmental funds are those major and non-major funds 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.

1. **Major Governmental Funds**

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

Water Fund – a special revenue fund used to account for user fees or other revenues which are raised to provide water services to Village residents.

2. **Non-Major Governmental Funds**

The other funds which do not meet the major fund criteria are aggregated and reported as non-major other governmental funds. The following are reported as non-major other governmental funds.

Special Revenue Funds - used to account for taxes, user fees, or other revenues which are raised or received to provide special services to areas that may or may not encompass the whole Village. The following are non-major special revenue funds utilized by the Village:

Sewer Fund	Miscellaneous Special Revenue Fund
Permanent Fund	

C. **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

(I.) (Continued)

1. Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Equity is classified as net position.

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

2. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (within the year) to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

D. Assets, Liabilities, and Equity

1. Deposit and Investment Laws and Regulations

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 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 Villages.

(I.) (Continued)

2. **Receivables**

In the government-wide 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.

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

3. **Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government –wide or fund financial statements.

a. **Government-Wide Statements**

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets (back to January 1, 1974) have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Estimated Useful Life</u>
Buildings	20-45 Years
Vehicles	5-30 Years
Machinery & Equipment	10-45 Years
Infrastructure	20-40 Years

b. **Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

(I.) (Continued)

4. **Unearned Revenue**

The Village reports unearned revenue in its basic financial statements. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Village has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

5. **Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

6. **Accrued Liabilities and Long-Term Obligations**

Payables, accrued liabilities and long-term obligations are reported in the Village-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable 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 as due in one year or due within more than one year in the Statement of Net Position.

a. **Compensatory Absences**

The 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, 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.

(I.) (Continued)

b. **Other Benefits**

Village employees participate in the New York State Employees' Retirement System.

In addition to providing pension benefits, the Village provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. The Village recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

7. **Encumbrances**

For financial reporting purposes encumbrances have been reclassified to assigned fund balance on the governmental funds for general fund and assigned or restricted fund balance in the capital fund. Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general, village-wide capital improvement project and nonmajor funds.

8. **Equity Classifications**

a. **Government-Wide Statements**

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

1. **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, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. **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.
3. **Unrestricted net position** - all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

b. **Fund Balances – Governmental Funds**

As of May 31, 2024, fund balances of the governmental funds are classified as follows:

1. **Nonspendable fund balance** – Amounts that are not in a spendable form (i.e. inventory or prepaids) or are legally or contractually required to be maintained intact.

(I.) (Continued)

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

1. Fund Financial Statements

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. Interfund loan** – amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. Interfund services** – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- c. Interfund reimbursements** – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds
- d. Interfund transfers** – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

2. Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- a. Internal balances** – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental columns of the Statement of Net Position, except for the net residual amounts due between governmental funds.
- b. Internal activities** – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities.

G. Use of Estimates

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

(I.) (Continued)

H. New Accounting Standards

The Village has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At May 31, 2024, the Village implemented the following new standards issued by GASB:

GASB has issued Statement 94 *Public-Private and Public-Public Partnerships and Available Payment Arrangements*.

GASB has issued Statement 96 *Subscription Based Information Technology*.

GASB has issued Statement 99 *Omnibus 2022-Leases, PPP, and SBITAS*.

I. Future Changes in Accounting Standards

GASB has issued Statement 99 *Omnibus 2022-Financial Guarantees, and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53*, which will be effective for fiscal years beginning after June 15, 2023.

GASB has issued Statement 100 *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, which will be effective for fiscal years beginning after June 15, 2023.

GASB has issued Statement 101, *Compensated Absences*, which will be effective for reporting periods beginning after December 15, 2023.

GASB has issued Statement 102, *Certain Risk Disclosures*, which will be effective for fiscal years beginning after June 15, 2024.

The Village is currently studying these statements and plans on adoption as required.

II. Changes in Accounting Principles

For the year ended May 31, 2024, the Village implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. The implementation of the statement changes the reporting for SBITAs. There was no financial statement impact for the implementation of the Statement.

III. Stewardship, Compliance and Accountability:

By its nature as a local government unit, the Village is subject to various federal, state and local laws and contractual regulations. An analysis of the Village's compliance with significant laws and regulations and demonstration of its stewardship over Village resources follows.

(III.) (Continued)

A. **Budgetary Data**

1. **Budget Policies** - The budget policies are as follows:

- a. No later than March 20, the budget officer submits a tentative budget 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.
- b. After public hearings are conducted to obtain taxpayer comments, no later than May 1, the governing board adopts the budget.
- c. All modifications of the budget must be approved by the Village Board.

2. **Budget Basis of Accounting**

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

3. **Revenue Restrictions**

The Village has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are those revenues raised for the special Village special revenue funds.

C. **Deficit Net Position**

The Village-wide net position had a deficit at May 31, 2024 of \$3,576,034. The deficit is the result of the implementation of GASB Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", which required the recognition of an unfunded liability of \$8,220,517 at May 31, 2024. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

IV. **Detail Notes on All Funds and Account Groups:**

A. **Cash and Cash Equivalents**

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

(IV.) (Continued)

The Village's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		2,285,979
Total	\$	2,285,979

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes \$1,932,108 within the governmental funds.

B. Investments

State statutes authorize the Village of Brockport to invest in obligations of the U.S. Treasury and U.S. Agencies, mutual funds with portfolios of securities issued or guaranteed by the United States Government, or agreements to repurchase these same obligations, negotiable and non-negotiable certificates of deposit, municipal bonds, commercial paper, corporate bonds, and the State Treasurer's Investment Pool.

The State Treasurer's Investment Pool (Pool) operates in accordance with state law, with oversight from the Office of the Treasurer. The Pool has a credit rating of AAA from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

Interest rate risk. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village of Brockport manages its exposure to declines in fair values by diversifying deposits and investments by date of maturity.

As of May 31, 2024, the Village has the following investments:

<u>Investments by Fair Value Level</u>	<u>May 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Village Share of				
Vivian Shafer Trust	\$ 99,006	\$ 99,006	\$ -	\$ -
Monica W Andrews Trust	18,611	18,611	-	-
Total Investments at Fair Value	\$ 117,617	\$ 117,617	\$ -	\$ -

(IV.) (Continued)

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Village of Brockport's investment policy requires that fixed income securities and equities have a weighted average of no less than investment grade, as rated by Moody's and Standard & Poor's. Unrated securities are limited to no more than 20% of the total investments. The investments in the securities of U.S. government agencies were all rated AAA by Standard & Poor's, and Aaa by Moody's Investors Services. The municipal bonds were rated AAA to AA by Standard & Poor's and Aaa to A3 by Moody's. The mutual funds were rated AA+ to A by Standard & Poor's and Aa1 to A2 by Moody's.

Custodial credit risk - investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Village of Brockport will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Village of Brockport's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village of Brockport's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village of Brockport's name.

Concentration of credit risk. The concentration of credit risk is the risk of loss that may be caused by the Village of Brockport's investment in a single issuer. The Village of Brockport's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle.

Fair value of investments. The Village of Brockport measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

C. Investment Pool

The Village participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

(IV.) (Continued)

Total investments of the cooperative as of year end are \$1,080,405, which consisted of \$158,928 in repurchase agreements, \$772,922 in U.S. Treasury Securities, \$18,907 in FDIC insured deposits and \$129,648 in collateralized bank deposits, with various interest rates and due dates.

The following amounts are included as unrestricted and restricted cash:

<u>Funds</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>	<u>Description of Investment</u>
General Fund	\$ 784,918	\$ 784,918	NYCLASS
Water Fund	\$ 208,478	\$ 208,478	NYCLASS
Sewer Fund	\$ 66,634	\$ 66,634	NYCLASS
Miscellaneous Special Revenue Fund	\$ 20,375	\$ 20,375	NYCLASS

D. Receivables

Receivables at May 31, 2024 consisted of the following, which are stated at net realizable value. Village management has deemed the amounts to be fully collectible.

<u>Description</u>	<u>Accounts Receivable</u>	<u>Due From Other Govts</u>	<u>Federal and State Aid</u>	<u>Total</u>
General Fund	\$ 81,537	\$ 300,000	\$ 101,600	\$ 483,137
Water Fund (Water Rents)	168,106	51,354	-	219,460
Non-Major Funds (Sewer Rents)	31,043	-	-	31,043
Total Receivables	\$ 280,686	\$ 351,354	\$ 101,600	\$ 733,640

E. Interfund Receivables, Payables, Revenues and Expenditures

Interfund receivables, payables, revenues and expenditures at May 31, 2024 were as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ -	\$ 5	\$ 45,565	\$ -
Nonmajor Funds	5	-	-	45,565
Total	\$ 5	\$ 5	\$ 45,565	\$ 45,565

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The Village typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year. Transfers were made to fund costs associated with museum from the trust funds.

(IV.) (Continued)

F. **Capital Assets and Lease Assets**

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>6/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>5/31/24</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 208,950	\$ -	\$ -	\$ 208,950
Work in progress	-	135,466	-	135,466
<i>Total Nondepreciable</i>	<u>\$ 208,950</u>	<u>\$ 135,466</u>	<u>\$ -</u>	<u>\$ 344,416</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 6,010,137	\$ -	\$ -	\$ 6,010,137
Machinery and equipment	3,368,395	160,718	-	3,529,113
Infrastructure	4,989,259	137,043	-	5,126,302
<i>Total Depreciated Assets</i>	<u>\$ 14,367,791</u>	<u>\$ 297,761</u>	<u>\$ -</u>	<u>\$ 14,665,552</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 5,154,506	\$ 33,910	\$ -	\$ 5,188,416
Machinery and equipment	1,430,004	134,668	-	1,564,672
Infrastructure	2,254,505	200,317	-	2,454,822
<i>Total Accumulated Depreciation</i>	<u>\$ 8,839,015</u>	<u>\$ 368,895</u>	<u>\$ -</u>	<u>\$ 9,207,910</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 5,528,776</u>	<u>\$ (71,134)</u>	<u>\$ -</u>	<u>\$ 5,457,642</u>
Total Capital Assets	<u><u>\$ 5,737,726</u></u>	<u><u>\$ 64,332</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,802,058</u></u>

Depreciation for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	<u>Depreciation</u>
General Government	\$ 14,749
Public Safety	51,274
Transportation	192,511
Culture and Recreation	34,854
Home and Community Services	75,507
Total	<u><u>\$ 368,895</u></u>

G. **Long-Term Debt**

1. **Serial Bonds**

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 General Long-Term Debt Account Group. 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.

(IV.) (Continued)

2. **Interest Reconciliation**

Interest on long-term debt for May 31, 2024 was composed of:

Interest Paid	\$	35,764
Less: Interest Accrued in the Prior Year		(1,271)
Plus: Interest Accrued in the Current Year		1,220
Total Long-Term Interest Expense	\$	35,713

3. **Other Long-Term Obligations**

In addition to the above long-term debt, the Village had the following other obligations:

Installment Purchase Debt – represents the remaining installments due on the purchase of vehicles.

Compensated Absences – represents the value of earned and unused portion of the liability for compensated absences.

OPEB Liability- represents health insurance benefits provided to employees upon retirement.

Net Pension Liability – represents long-term pension liability.

4. **Summary of Long-Term Debt** - The following is a summary of long-term liabilities outstanding at May 31, 2024:

	Balance 6/1/23	Additions	Deletions	Balance 5/31/24	Due Within One Year
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 1,030,000	\$ -	\$ 115,000	\$ 915,000	\$ 115,000
Installment Purchase Debt	185,103	-	62,993	122,110	28,674
Total Bonds and Notes Payable	\$ 1,215,103	\$ -	\$ 177,993	\$ 1,037,110	\$ 143,674
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 3,733,807	\$ -	\$ 941,571	\$ 2,792,236	\$ -
Compensated Absences	747,599	93,341	-	840,940	210,235
OPEB	7,820,947	399,570	-	8,220,517	-
Total Other Liabilities	\$ 12,302,353	\$ 492,911	\$ 941,571	\$ 11,853,693	\$ 210,235
Total Long-Term Obligations	\$ 13,517,456	\$ 492,911	\$ 1,119,564	\$ 12,890,803	\$ 353,909

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

(IV.) (Continued)

5. **Debt Maturity Schedule** - The following is a statement of serial bonds with corresponding maturity schedules:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 5/31/24</u>
Serial Bonds -					
Refunded bond	\$ 1,275,000	2021	2031	1%-4%	\$ 915,000
Installment Purchase Debt -					
Peterson Lightning Loader	\$ 150,000	2023	2028	4.19%	122,110
Total					<u><u>\$ 1,037,110</u></u>

6. The following table summarizes the Village's future principal and interest debt service requirements as of May 31, 2024:

<u>Year</u>	<u>Serial Bond</u>		<u>Installment Purchase Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 115,000	\$ 27,450	\$ 28,674	\$ 5,116
2026	120,000	26,300	29,876	3,915
2027	125,000	21,500	31,128	2,663
2028	130,000	16,500	32,432	1,359
2029	140,000	11,300	-	-
2030-31	285,000	8,600	-	-
Total	<u><u>\$ 915,000</u></u>	<u><u>\$ 111,650</u></u>	<u><u>\$ 122,110</u></u>	<u><u>\$ 13,053</u></u>

H. **Deferred Inflows/Outflows of Resources**

The following is a summary of the deferred inflows/outflows of resources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 2,150,637	\$ 1,463,942
OPEB	508,164	2,109,450
Total	<u><u>\$ 2,658,801</u></u>	<u><u>\$ 3,573,392</u></u>

I. **Fund Balances/Net Position**

1. **Fund Balances**

a. **Restricted**

Currently, New York State laws still use the terminology reserves. The Village currently utilizes the following reserves which are classified as restricted funds:

(IV.) (Continued)

Capital Reserves – established for the purpose of funding future capital contraction costs.

Workers' Compensation Reserve - According to General Municipal Law §6-j, must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget.

Employee Benefit Accrued Liability Reserve – as allowed by General Municipal Law Section 6-p, is used to reserve funds for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriate.

Asset Forfeiture – To conform with financial reporting requirements as promulgated by the Office of the State Comptroller the Village has recorded the unspent balance of the asset forfeiture in the General Fund as a general reserve.

Special Villages – Village special Villages fund balance is considered restricted as the revenues are raised by a specific taxing jurisdiction and can only be expended for that purpose. The Village has the following as special Villages:

Water Fund	Sewer Fund
Permanent Fund	Miscellaneous Special Revenue Fund

b. **Assigned**

The Village has the following assigned funds:

General Fund-Village 1. Appropriated for Taxes

c. **Unassigned**

Unassigned funds include the residual classification for the Village's general fund and all spendable amounts not contained in other classifications.

(IV.) (Continued)

The following table summarizes the Village's fund balance according to the descriptions above:

<u>FUND BALANCE:</u>	<u>General Fund</u>	<u>Water Fund</u>	<u>Non- Major Funds</u>	<u>Total</u>
<u>Nonspendable -</u>				
Prepaid items	\$ 78,655	\$ -	\$ -	\$ 78,655
Total Nonspendable	\$ 78,655	\$ -	\$ -	\$ 78,655
<u>Restricted -</u>				
Capital reserve	\$ 387,253	\$ 79,003	\$ -	\$ 466,256
Workers' compensation	256,972	-	-	256,972
EBALR	496,154	37,401	-	533,555
Water	-	247,552	-	247,552
Sewer	-	-	178,077	178,077
Misc. Special Revenue	-	-	102,236	102,236
Permanent	-	-	99,006	99,006
Asset Forfeiture	48,454	-	-	48,454
Total Restricted	\$ 1,188,833	\$ 363,956	\$ 379,319	\$ 1,932,108
<u>Assigned -</u>				
Appropriated for taxes	\$ 254,296	\$ -	\$ -	\$ 254,296
General government support	1,186	-	-	1,186
Public safety	5,000	-	-	5,000
Transportation	5,324	-	-	5,324
Home and community service	775	-	-	775
Total Assigned	\$ 266,581	\$ -	\$ -	\$ 266,581
<u>Unassigned</u>	\$ 2,099,824	\$ -	\$ -	\$ 2,099,824
TOTAL FUND BALANCE	\$ 3,633,893	\$ 363,956	\$ 379,319	\$ 4,377,168

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which assigned or unassigned fund balances are available, the Village considers amounts to have been spent first out of assigned funds and then unassigned funds, as needed, unless the Village has provided otherwise in its commitment actions.

The following special revenue funds restricted and assigned fund balances have monies appropriated for 2024-2025 taxes:

Sewer	\$ 27,507
Water	55,000
Total Special Revenue Restricted	82,507
Appropriated for Taxes	\$ 82,507

(IV.) (Continued)

2. **Net Position - Restricted for Other Purposes**

Represents those amounts which have been restricted by enabling legislation or Board Resolutions.

Water	\$	247,552
Sewer		178,077
Misc. Special Revenue		102,236
Permanent		99,006
Asset Forfeiture		48,454
Workers' Compensation Reserve		256,972
Total Net Position - Restricted for Other Purposes	\$	<u>932,297</u>

V. **Tax Abatement**

The County of Monroe enters into various property tax and sales tax abatement programs for the purpose of Economic Development. As a result the Village property tax revenue was reduced \$8,806. The Village received payment in lieu of tax (PILOT) payments totaling \$9,929 to help offset the property tax reduction.

VI. **General Information and Pension Plans:**

A. **General Information About Pension Plan**

1. **Plan Description**

The Village participates in the New York State Local Employees' Retirement System (ERS) which is collectively referred to as New York State and Local Retirement System (the System). This is a cost sharing multiple employer defined benefit retirement 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 net 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 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 may be found at 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, New York 12244.

(VI.) (Continued)

2. **Benefits Provided**

The System provides retirement benefits as well as death and disability benefits.

Tier 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 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 percent 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 percent 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. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tier 3, 4, 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 five 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 percent 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 percent 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 percent 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 five 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.

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

(VI.) (Continued)

Tier 6

Eligibility: Tier 6 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 full benefit age of Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent 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 percent 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 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with five or more years of service can retire as early as 55 with reduced benefits.

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

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to sheriffs and correction officers.

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 percent 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.

(VI.) (Continued)

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. This 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 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

3. Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly, used in computing the employers' contributions based on salaries paid during the Systems' financial year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Prepayment				
<u>Due Date</u>		<u>ERS</u>		<u>PFRS</u>
12/15/2024	\$	168,855	\$	424,074

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At May 31, 2024, the Village reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the systems. The net pension asset/(liability) was measured as of March 31, 2024 for each of the systems. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation as of that date. The Village's proportion of the net pension asset/(liability) was based on a projection of the Village's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and PFRS Systems in reports provided to the Village.

At May 31, 2024, the Village's proportion was 0.0052239 percent and its proportionate share was \$769,174 for ERS, and the Village's proportion was 0.0426552 percent and its proportionate share was \$2,023,062 for PFRS.

(VI.) (Continued)

For the year ended May 31, 2024 the Village recognized pension expense of \$308,622 for ERS and \$601,421 for PFRS. At May 31, 2024, the Village reported deferred outflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 247,750	\$ 623,278	\$ 20,973	\$ -
Changes of assumptions	290,807	763,101	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	375,737	549,164
Changes in proportion and differences between the District's contributions and proportionate share of contributions	79,949	46,850	142,602	375,466
Subtotal	<u>\$ 618,506</u>	<u>\$ 1,433,229</u>	<u>\$ 539,312</u>	<u>\$ 924,630</u>
Village's contributions subsequent to the measurement date	28,210	70,692	-	-
Grand Total	<u>\$ 646,716</u>	<u>\$ 1,503,921</u>	<u>\$ 539,312</u>	<u>\$ 924,630</u>

\$98,902 is reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended May 31, 2024. Other amounts reported as deferred outflows of resources related to the pension will be recognized as pension expenses as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2025	\$ (164,639)	\$ (239,790)
2026	130,803	522,519
2027	212,673	271,013
2028	(99,643)	(97,397)
2029	-	52,254
Total	<u>\$ 79,194</u>	<u>\$ 508,599</u>

1. **Actuarial Assumptions**

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

	<u>ERS</u>	<u>PFRS</u>
Interest rate	5.90%	5.90%
Salary scale	4.40%	6.20%
Inflation rate	2.90%	2.90%
COLA's	1.50%	1.50%

(VI.) (Continued)

Annuitant mortality rates are based on April 1, 2015 – March 31, 2021 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below:

Long Term Expected Rate of Return	
Measurement date	March 31, 2024
<u>Asset Type -</u>	
Domestic equity	4.00%
International equity	6.65%
Private equity	7.25%
Real estate	4.60%
Opportunistic/ARS portfolios	5.25%
Credit	5.40%
Real assets	5.79%
Fixed income	1.50%
Cash	0.25%

The real rate of return is net of the long-term inflation assumption of 2.9%.

2. Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

3. 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 5.90%, as well as what the Village's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90%) or 1-percentagepoint higher (6.90%) than the current rate:

(VI.) (Continued)

	1% Decrease	Current Assumption	1% Increase
<u>ERS</u>	<u>(4.90%)</u>	<u>(5.90%)</u>	<u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (2,418,361)	\$ (769,174)	\$ 608,240
		Current Assumption	1% Increase
<u>PFRS</u>	<u>(4.90%)</u>	<u>(5.90%)</u>	<u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (4,728,371)	\$ (2,023,062)	\$ 211,918

4. **Pension Plan Fiduciary Net Position**

The components of the current year net pension liability of the employers as of the March 31, 2024, were as follows:

	(In Thousands)	
	<u>ERS</u>	<u>PFRS</u>
Employers' total pension liability	\$ 240,696,851	\$ 46,137,717
Plan net position	225,972,801	41,394,895
Employers' net pension asset/(liability)	<u>\$ (14,724,050)</u>	<u>\$ (4,742,822)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.88%	89.72%

VII. **Deferred Compensation Plan**

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

VIII. **Health Reimbursement Account**

Effective September 1, 2020, 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 the Plan year will be forfeited back to the Village. The Plan is accounted for in the Village's General Fund

IX. Postemployment Benefits

A. General Information About the OPEB Plan

Plan Description – The Village’s defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the Village. The plan is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The Village provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the Village offices and are available upon request.

Employees Covered by Benefit Terms – At May 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	36
Active Employees	<u>57</u>
Total	<u><u>93</u></u>

B. Total OPEB Liability

The Village’s total OPEB liability of \$8,220,517 was measured as of May 31, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the May 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.42%
Salary Increases	3.42%
Discount Rate	3.92%
Healthcare Cost Trend Rates	Initial rate of 5.10% decreasing to an ultimate rate of 3.86%
Retirees' Share of Benefit-Related Costs	Varies between 0% and 10% depending on contract

The discount rate was based on Fidelity General Obligation AA-20 Year Municipal Bond rate..

Mortality rates were based on the Pub-2010 Public Retirement Mortality Tables, as appropriate, with adjustments for MP-2021 projection.

(IX.) (Continued)

C. **Changes in the Total OPEB Liability**

Balance at May 31, 2023	\$	7,820,947
<u>Changes for the Year -</u>		
Service cost	\$	77,989
Interest		303,796
Changes of benefit terms		(46,741)
Differences between expected and actual experier		333,026
Changes in assumptions or other inputs		147,764
Benefit payments		(416,264)
Net Changes	\$	399,570
Balance at May 31, 2024	\$	8,220,517

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 (2.92 percent) or 1-percentage-point higher (4.92 percent) than the current discount rate:

	Discount		
	1% Decrease	Rate	1% Increase
	<u>(2.92%)</u>	<u>(3.92%)</u>	<u>(4.92%)</u>
Total OPEB Liability	\$ 9,462,798	\$ 8,220,517	\$ 7,233,367

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.10 percent) or 1-percentage-point higher (6.10 percent) than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease	Cost Trend Rates	1% Increase
	<u>(4.10%)</u>	<u>(5.10%)</u>	<u>(6.10%)</u>
	<u>Decreasing</u>	<u>Decreasing</u>	<u>Decreasing</u>
	<u>to 2.86%</u>	<u>to 3.86%</u>	<u>to 4.86%</u>
Total OPEB Liability	\$ 7,229,261	\$ 8,220,517	\$ 9,469,704

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

For the year ended May 31, 2024, the Village recognized OPEB expense of (\$49,586). At May 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Differences between expected and actual experience	\$ 279,312	\$ 413,655
Changes of assumptions	123,931	1,695,795
Benefit payments subsequent to the measurement date	104,921	-
Total	\$ 508,164	\$ 2,109,450

(IX.) (Continued)

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

<u>Year</u>		
2025	\$	(381,029)
2026		(381,029)
2027		(381,029)
2028		(381,029)
2029		(197,599)
Thereafter		15,508
Total	\$	<u>(1,706,207)</u>

X. Risk Management

A. General Information

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

B. Workers Compensation

Upstate New York Municipal Workers' Compensation Program (the Program) is an unincorporated association of municipalities in New York State formed to provide municipalities located in Monroe County the opportunity to participate in a cooperative program for providing workers' compensation benefits to their employees by entering into an inter-municipal agreement pursuant to Article 5-G of General Municipal Law. By statute, the agreement is limited to a claims-servicing arrangement, whereby the participants are not allowed to share risk. The Board of Directors, by the affirmative vote of two-thirds of the entire Board of Directors, may elect to permit a municipality located outside of the above geographic area to become a member subject to terms and conditions established by the Board of Directors and satisfactory proof of its financial responsibility.

Voluntary withdrawal from the Program requires 180 days prior notice of termination with the Chairperson of the Program. Such notice will not become effective until the end of the program year. Membership is effective on the first day of the month following the Board's resolution to accept a new participant organization. Premiums for coverage are determined annually by the Board of Directors after review of claim history information and consultation with various advisors. Participant organizations are billed in installments during the year. No refunds or assessments, other than the monthly premiums are charged to the participant organizations, except in the case a participant's cumulative claim premium is not sufficient to cover its expected ultimate claim liability. In that instance, a special assessment may be assessed against the participant organization. The most recent audit shows the program is fully funded.

XI. Commitments and Contingencies

A. Litigation

There is no pending litigation for the Village as of the balance sheet date.

B. Federal and State Funded Programs

The Village participates in a number of Federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Village expects such amounts, if any, to be immaterial.

C. Landfill Closure

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.

Required Supplemental Information
VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Schedule of Changes in VILLAGE's Total OPEB Liability and Related Ratio
(Unaudited)
For the Year Ended May 31, 2024

TOTAL OPEB LIABILITY	
	<u>2024</u>
Service cost	\$ 77,989
Interest	303,796
Changes in benefit terms	(46,741)
Differences between expected and actual experiences	333,026
Changes of assumptions or other inputs	147,764
Benefit payments	<u>(416,264)</u>
Net Change in Total OPEB Liability	\$ 399,570
Total OPEB Liability - Beginning	<u>7,820,947</u>
Total OPEB Liability - Ending	<u><u>\$ 8,220,517</u></u>
Covered Employee Payroll	\$ 2,567,463
Total OPEB Liability as a Percentage of Covered Employee Payroll	320.18%

10 years of historical information is not available and will be reported each year going forward

Required Supplemental Information
VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Schedule of the VILLAGE's Proportionate Share of the Net Pension Liability
(Unaudited)
For the Year Ended May 31, 2024

NYSERS Pension Plan

	<u>2024</u>
Proportion of the net pension liability (assets)	0.0052239%
Proportionate share of the net pension liability (assets)	\$ 769,174
Covered-employee payroll	\$ 1,579,916
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	48.684%
Plan fiduciary net position as a percentage of the total pension liability	93.88%

NYSPPRS Pension Plan

	<u>2024</u>
Proportion of the net pension liability (assets)	0.0426552%
Proportionate share of the net pension liability (assets)	\$ 2,023,062
Covered-employee payroll	\$ 1,668,552
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	121.247%
Plan fiduciary net position as a percentage of the total pension liability	89.72%

10 years of historical information is not available and will be reported each year going forward

(See Independent Auditors' Report)

Required Supplemental Information
VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Schedule of VILLAGE Contributions
(Unaudited)
For the Year Ended May 31, 2024

NYSERS Pension Plan

	<u>2024</u>
Contractually required contributions	\$ 168,855
Contributions in relation to the contractually required contribution	(168,855)
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 1,579,916
Contributions as a percentage of covered-employee payroll	10.69%

NYSFPERS Pension Plan

	<u>2024</u>
Contractually required contributions	\$ 424,074
Contributions in relation to the contractually required contribution	(424,074)
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 1,668,552
Contributions as a percentage of covered-employee payroll	25.42%

10 years of historical information is not available and will be reported each year going forward

Required Supplemental Information
VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types
(Unaudited)

For the Year Ended May 31, 2024

	GENERAL FUND					
	Original Budget	Budget		Actual	Encumbrances	Variance
	(Incl. Carryover	(Amended)	Encumbrances)			
Revenues:						
Real property and tax items	\$ 3,459,114	\$ 3,459,114	\$ 3,463,481	\$ -	\$ 4,367	
Non-property taxes	2,070,000	2,070,000	2,112,616	-	42,616	
Departmental income	137,150	132,150	170,022	-	37,872	
Intergovernmental charges	28,750	137,695	62,926	-	(74,769)	
Use of money and property	75,000	75,000	209,867	-	134,867	
Licenses and permits	55,000	55,000	42,650	-	(12,350)	
Fines and forfeitures	155,000	155,000	145,879	-	(9,121)	
Sale of property and compensation for loss	8,500	26,050	30,889	-	4,839	
Miscellaneous	34,500	68,600	300,181	-	231,581	
State and county aid	300,171	603,607	500,923	-	(102,684)	
Federal aid	-	234,414	407,965	-	173,551	
Total Revenues	\$ 6,323,185	\$ 7,016,630	\$ 7,447,399	\$ -	\$ 430,769	
Expenditures:						
Current:						
General government support	\$ 1,055,195	\$ 1,004,348	\$ 911,453	\$ 1,186	\$ 91,709	
Public safety	2,105,790	2,133,242	2,177,169	5,000	(48,927)	
Health	-	95,785	89,125	-	6,660	
Transportation	1,320,478	1,570,795	1,634,813	5,324	(69,342)	
Economic assistance and development	12,500	13,675	15,171	-	(1,496)	
Culture and recreation	283,358	355,272	347,620	-	7,652	
Home and community services	89,000	105,701	88,804	775	16,122	
Employee benefits	1,855,141	1,855,141	1,761,460	-	93,681	
Debt Service:						
Debt service - principal	-	27,890	27,890	-	-	
Debt service - interest and other charges	-	5,901	5,901	-	-	
Total Expenditures	\$ 6,721,462	\$ 7,167,750	\$ 7,059,406	\$ 12,285	\$ 96,059	
Excess (deficiency) of revenue over expenditures	\$ (398,277)	\$ (151,120)	\$ 387,993	\$ (12,285)	\$ 526,828	
Other Financing Sources and Uses:						
Transfers - in	\$ 2,500	\$ 48,065	\$ 45,565	\$ -	\$ (2,500)	
Transfers - out	(15,000)	(73,308)	-	-	73,308	
Total Other Financing Sources and Uses	\$ (12,500)	\$ (25,243)	\$ 45,565	\$ -	\$ 70,808	
Net change in fund balances	\$ (410,777)	\$ (176,363)	\$ 433,558	\$ (12,285)	\$ 597,636	
Fund Balance - Beginning	3,200,335	3,200,335	3,200,335	-	-	
Fund Balance - Ending	\$ 2,789,558	\$ 3,023,972	\$ 3,633,893	\$ (12,285)	\$ 597,636	

Notes to Required Supplemental Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Required Supplemental Information
VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types
(Unaudited)
For the Year Ended May 31, 2024

	WATER FUND				
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Departmental income	\$ 1,195,400	\$ 1,195,400	\$ 1,241,891	\$ -	\$ 46,491
Intergovernmental charges	-	60,000	-	-	(60,000)
Use of money and property	5,821	5,821	14,225	-	8,404
Sale of property and compensation for loss	5,000	5,000	611	-	(4,389)
Federal aid	-	-	51,354	-	51,354
Total Revenues	\$ 1,206,221	\$ 1,266,221	\$ 1,308,081	\$ -	\$ 41,860
Expenditures:					
Current:					
General government support	\$ 66,150	\$ 64,740	\$ 33,248	\$ -	\$ 31,492
Home and community services	1,212,475	1,081,252	1,123,653	8,708	(51,109)
Employee benefits	108,637	108,637	110,102	-	(1,465)
Debt Service:					
Debt service - principal	44,229	79,332	79,332	-	-
Debt service - interest and other charges	11,000	12,260	12,260	-	-
Total Expenditures	\$ 1,442,491	\$ 1,346,221	\$ 1,358,595	\$ 8,708	\$ (21,082)
Excess (deficiency) of revenue over expenditures	\$ (236,270)	\$ (80,000)	\$ (50,514)	\$ (8,708)	\$ 20,778
Other Financing Sources and Uses:					
Transfers - out	\$ -	\$ (156,270)	\$ -	\$ -	\$ 156,270
Total Other Financing Sources and Uses	\$ -	\$ (156,270)	\$ -	\$ -	\$ 156,270
Net change in fund balances	\$ (236,270)	\$ (236,270)	\$ (50,514)	\$ (8,708)	\$ 177,048
Fund Balance - Beginning	414,470	414,470	414,470	-	-
Fund Balance - Ending	\$ 178,200	\$ 178,200	\$ 363,956	\$ (8,708)	\$ 177,048

Notes to Required Supplemental Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

May 31, 2024

	Sewer Fund	Miscellaneous Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 147,662	\$ 83,625	\$ -	\$ 231,287
Investments	-	18,611	99,006	117,617
Receivables, net	31,043	-	-	31,043
Due from other funds	-	5	-	5
Total Assets	\$ 178,705	\$ 102,241	\$ 99,006	\$ 379,952
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 193	\$ 5	\$ -	\$ 198
Accrued liabilities	435	-	-	435
Total Liabilities	\$ 628	\$ 5	\$ -	\$ 633
Fund Balances:				
Restricted	\$ 178,077	\$ 102,236	\$ 99,006	\$ 379,319
Total Fund Balances	\$ 178,077	\$ 102,236	\$ 99,006	\$ 379,319
Total Liabilities and Fund Balances	\$ 178,705	\$ 102,241	\$ 99,006	\$ 379,952

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended May 31, 2024

	Sewer Fund	Miscellaneous Special Revenue Fund	Permanent Fund	Total Non-Major Governmental Funds
Revenues:				
Departmental income	\$ 145,606	\$ -	\$ -	\$ 145,606
Use of money and property	3,376	7,215	9,171	19,762
Miscellaneous	-	34,678	-	34,678
Total Revenues	\$ 148,982	\$ 41,893	\$ 9,171	\$ 200,046
Expenditures:				
Current:				
General government support	\$ 8,000	\$ -	\$ -	\$ 8,000
Home and community services	45,534	-	-	45,534
Employee benefits	1,812	-	-	1,812
Debt Service:				
Debt service - principal	70,771	-	-	70,771
Debt service - interest and other charges	17,600	-	-	17,600
Total Expenditures	\$ 143,717	\$ -	\$ -	\$ 143,717
Excess (deficiency) of revenue over expenditures	\$ 5,265	\$ 41,893	\$ 9,171	\$ 56,329
Other Financing Sources and Uses:				
Transfers - out	\$ -	\$ (45,565)	\$ -	\$ (45,565)
Total Other Financing Sources and Uses	\$ -	\$ (45,565)	\$ -	\$ (45,565)
Net change in fund balances	\$ 5,265	\$ (3,672)	\$ 9,171	\$ 10,764
Fund Balance - Beginning	172,812	105,908	89,835	368,555
Fund Balance - Ending	\$ 178,077	\$ 102,236	\$ 99,006	\$ 379,319