

VILLAGE OF BROCKPORT
MONROE COUNTY, NEW YORK
BASIC FINANCIAL STATEMENTS
For Year Ended May 31, 2009

TABLE OF CONTENTS

	Pages
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 10
Basic Financial Statements:	
Financial Statements -	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General and Major Special Revenue Fund Types	16 - 17
Statement of Fiduciary Net Assets	18
Statement of Changes in Fiduciary Net Assets	19
Notes to the Basic Financial Statements	22 - 34
Supplemental Section:	
Combining Balance Sheet - Nonmajor Governmental Funds	35
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	36
Schedule of Investment in Capital Assets, Net of Related Debt	37

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Brockport, Monroe County, New York (the Village) as of and for the year ended May 31, 2009, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. We also have audited the financial statements of each of the Village's nonmajor governmental funds presented as supplemental schedules in the accompanying combining and individual fund financial statements and schedules as of and for the year ended May 31, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village as of May 31, 2009, and the respective changes in financial position, thereof and the budgetary comparison for the general fund, and the water fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Village, as of May 31, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion there on.

Raymond F. Wager CPA PC

August 19, 2009

Village of Brockport, Monroe County, New York

Management's Discussion and Analysis (MD&A)

May 31, 2009

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, 2009. 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.

Financial Highlights

Key financial highlights for year 2009 are as follows:

- ◆ At the end of the current year, the fund balance of the General Fund was \$528,180 a decrease of \$587,812 compared to the prior year.
- ◆ The Village's governmental fund financial statements report a combined ending fund balance of \$691,687. Approximately \$162,898 of this total amount is available for spending at the Village's discretion (unreserved and unappropriated fund balance).
- ◆ On the government-wide financial statements, the assets of the Village exceeded liabilities by \$4,067,361 a decrease of \$400,141 over the prior year. Of this amount, the unrestricted portion is \$73,670. The balance of net assets is either restricted for specific purposes or the net book value of capital assets.
- ◆ General revenues which include Property Taxes, Non-Property Taxes, Mortgage Tax, Compensation for Loss, Investment Earnings, Licenses and Permits, Fines and Forfeitures, and Miscellaneous accounted for \$3,664,144 or 61% of all revenues. Program specific revenues in the form of Charges for Services and Operating Grants and Contributions accounted for \$2,316,324 or 39% of total revenues.

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 comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

1. Government-Wide Financial Statements

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

- ◆ The *statement of net assets* presents information on all of the Village's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

- ◆ The *statement of activities* presents information showing how the government's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- ◆ The *governmental* activities of the Village include highway maintenance, snow removal, general administrative support, community service, and interest on long-term debt.

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.

2. Fund Financial Statements

- ◆ A *fund* is a grouping of related accounts that is 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. All of the funds of the Village can be divided into two categories: Governmental Funds and 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* available 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 three major individual governmental funds; General Fund, Route 19 Main Street Capital Project, 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 fund. The Village has elected to report the Sewer Fund and Other Capital Projects as non-major funds.
- ◆ The Village adopts an annual budget for the general fund and the water fund. A budgetary comparison statement has been provided for the general fund and the water fund within the basic financial statements to demonstrate compliance with the budget.
- ◆ The *Fiduciary Funds* are used to account for assets held by the Village in an agency capacity which accounts for assets held by the Village on behalf of others. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of these funds are *not* available to support the Village's programs.

The financial statements for the Village of Brockport, Monroe County, New York can be found in the basic financial statement section of this report.

Major Features of the Village-Wide and Fund Financial Statements			
		Fund Financial Statements	
Features	Village-Wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire Village	The activities of the Village that are not proprietary or fiduciary, such as General Administration, Highway.	Instances in which the Village administers resources on behalf of someone else
Required Financial Statements	Statement of Net Assets Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Fiduciary Net Assets, and Statement of Changes in Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

3. *Notes to the Financial Statements*

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

Government-Wide Financial Analysis

As noted earlier, net assets 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, net assets at the close of the current year were \$4,067,361.

Net Assets

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>	<u>Variance</u>
Current Assets	\$ 1,064,135	\$ 2,021,051	\$ (956,916)
Capital Assets, Net	3,540,756	2,926,842	613,914
Total Assets	\$ 4,604,891	\$ 4,947,893	\$ (343,002)
<u>LIABILITIES</u>			
Current Liabilities	\$ 413,854	\$ 346,581	\$ 67,273
Noncurrent Liabilities	123,676	133,810	(10,134)
Total Liabilities	\$ 537,530	\$ 480,391	\$ 57,139
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 3,431,242	\$ 2,726,842	\$ 704,400
Restricted Capital Reserves	528,789	697,802	(169,013)
Restricted Special Districts	119,146	570,765	(451,619)
Unrestricted	(11,816)	472,093	(483,909)
Total Net Assets	\$ 4,067,361	\$ 4,467,502	\$ (400,141)

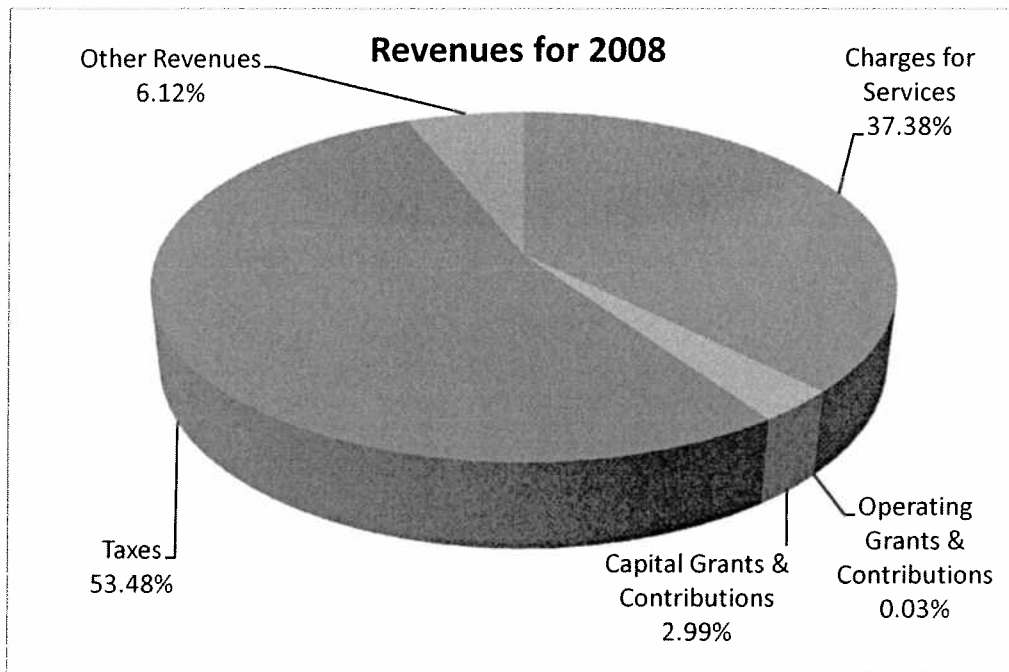
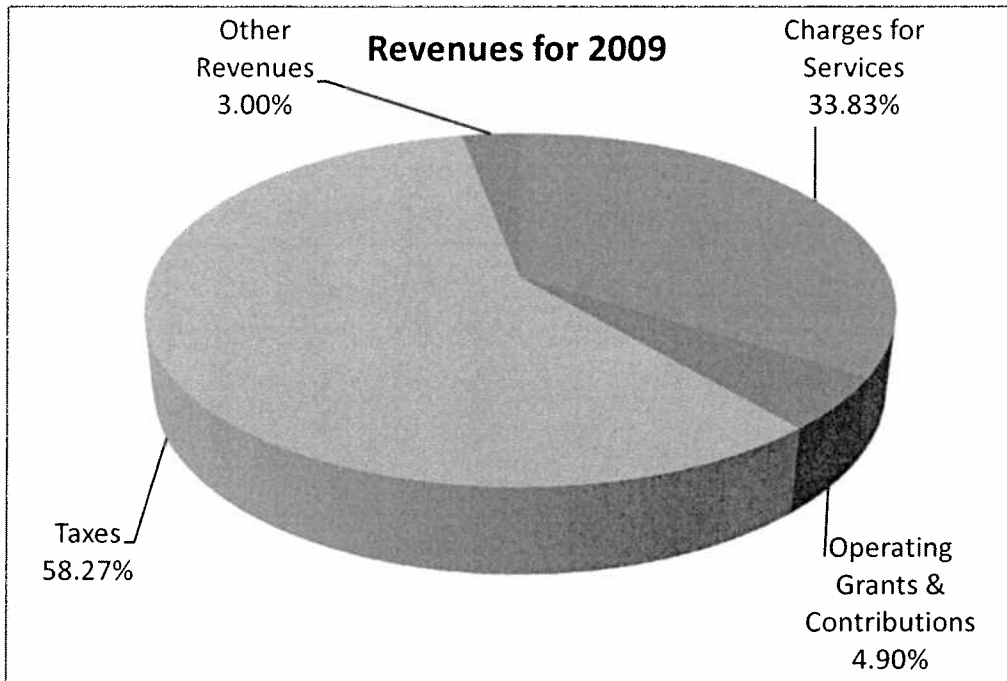
By far, the largest component of the Village's net assets (84%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to the residents and consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

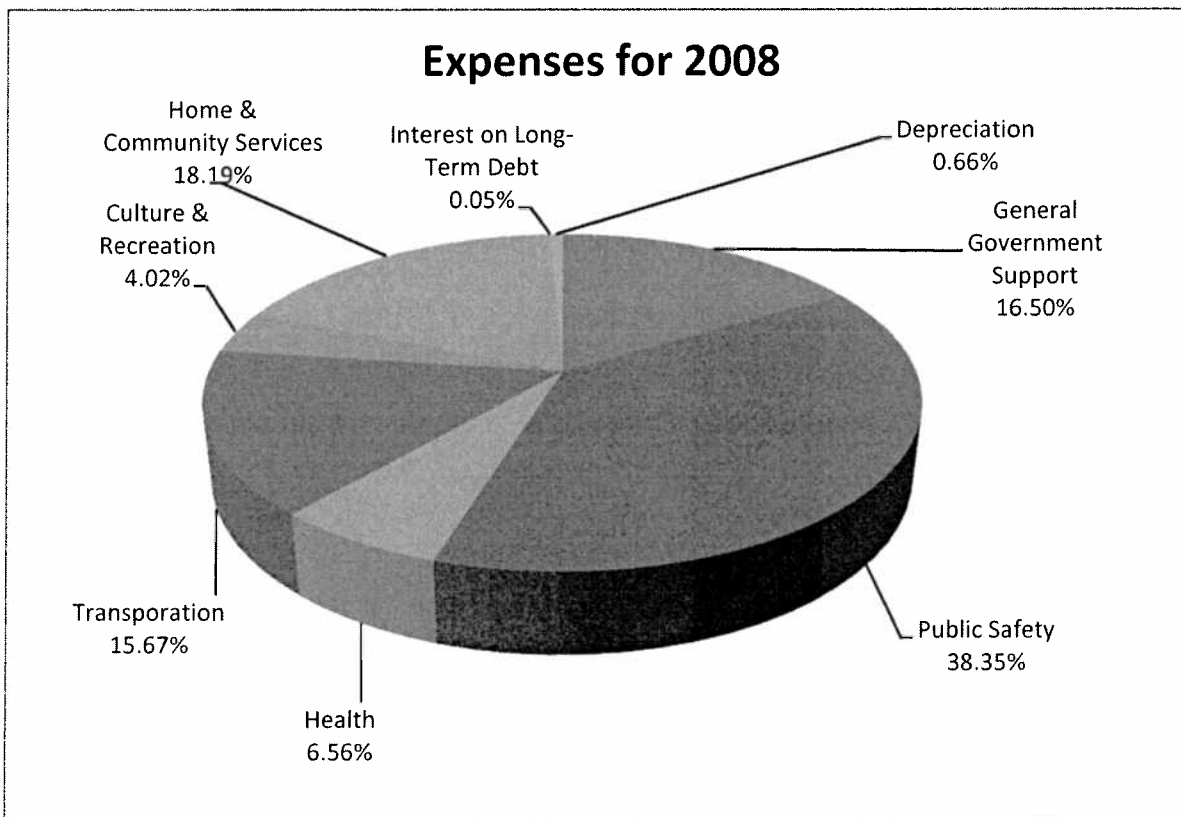
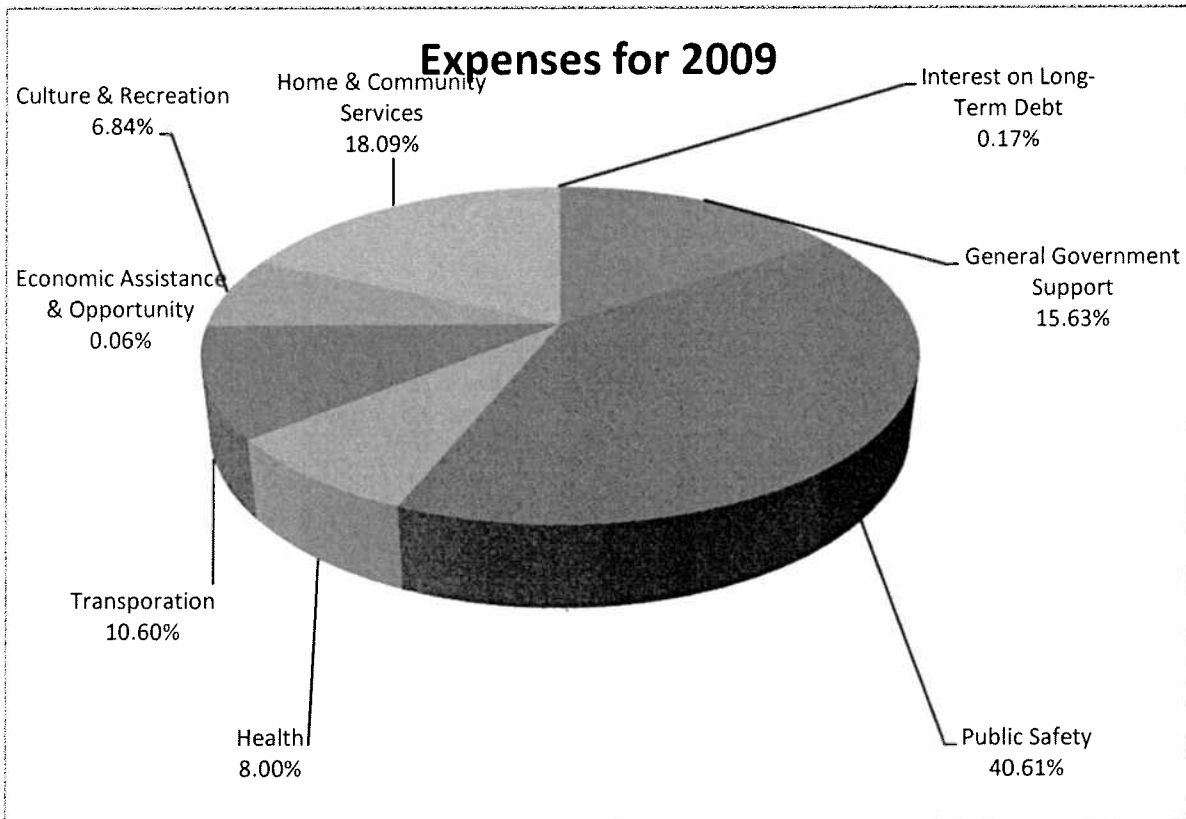
There are restricted net asset balances in Capital Reserves and Special Districts, which constitutes 16% of total net assets. The remaining balance of unrestricted net assets, which is (\$11,816).

Changes in Net Assets

<u>Revenues:</u>	<u>2009</u>	<u>2008</u>	<u>Variance</u>
Charges for Services	\$ 2,023,294	\$ 2,378,413	\$ (355,119)
Operating Grants & Contributions	293,030	1,797	291,233
Capital Grants & Contributions	-	190,239	(190,239)
Taxes	3,484,726	3,402,373	82,353
Other Revenues	179,418	389,631	(210,213)
Total Revenues	\$ 5,980,468	\$ 6,362,453	\$ (381,985)
<u>Expenditures:</u>			
General Government Support	\$ 997,397	\$ 1,073,197	\$ (75,800)
Public Safety	2,590,959	2,495,207	95,752
Health	510,493	426,756	83,737
Transportation	676,242	1,019,594	(343,352)
Economic Assistance & Opportunity	3,767	-	3,767
Culture & Recreation	436,183	261,741	174,442
Home & Community Services	1,154,070	1,183,085	(29,015)
Interest on Long-Term Debt	11,498	2,956	8,542
Depreciation	-	43,069	(43,069)
Total Expenditures	\$ 6,380,609	\$ 6,505,605	\$ (124,996)
Change in Net Assets	\$ (400,141)	\$ (143,152)	\$ (256,989)

Governmental activities decreased the Village's net assets by \$530,948. As previously indicated and shown on the following graphs, the Village relies upon taxes, charges for services, and operating grants as their primary revenue sources. Expenditures are evenly distributed dependent on the Village's services.





Financial Analysis of the Village 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, *unreserved 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 years fund balance.

As of the end of the current year, the Village's combined governmental fund balances are \$691,687. Of this amount \$162,898 is primarily for providing cash and for future spending needs and \$528,789 is reserved for capital expenditures.

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 \$528,180, of which \$167,130 was unreserved and undesignated.

Budgetary Highlights

The key budget variances for the General Fund and Water Fund are listed below.

<u>Revenue Items</u>	Budget Variance Amended Vs Actual	<u>Explanation for Budget Variance</u>
General Fund-Departmental Income	\$98,275	Ambulance revenue exceeded budget
General Fund-State and County Aid	\$154,313	Chips aid and other state aid exceeded budget
General Fund-Operating Transfers-In	(\$200,340)	Budgeted transfers not made
Water Fund-Departmental Income	(\$190,949)	Water revenues below budget
<u>Expense Items</u>	Budget Variance	<u>Explanation for Budget Variance</u>
General Fund-General Government Support	(\$134,423)	Various codes exceeded budget
General Fund-Public Safety	(\$153,561)	Various codes exceeded budget
General Fund-Health	(\$109,730)	Various codes exceeded budget
General Fund-Operating Transfers-Out	(\$288,195)	Reserve expenditures exceed budget
Water Fund-Operating Transfers-Out	(\$148,237)	Reserve expenditures exceed budget

Capital Assets

At May 31, 2009 the Village of Brockport, Monroe County, New York had \$3,540,756 , net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment, and infrastructure. The capital assets, net of accumulated depreciation, are below:

<u>Class</u>	<u>2009</u>	<u>2008</u>
Land	\$ 178,950	\$ 178,950
Land Improvements	140,082	42,382
Infrastructure	400,495	449,224
Buildings and Improvements	1,520,574	1,536,589
Machinery and Equipment	1,202,253	719,697
Work in Progress	98,402	-
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,540,756</u>	<u>\$ 2,926,842</u>

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

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

The Village of Brockport
Attn: Ms. Gina M. Tojek, Village Treasurer
49 State Street
Brockport, New York 14420

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Statement of Net Assets

May 31, 2009

ASSETS	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 646,125
Accounts receivable, net	189,142
Due from other governments, net	228,868
Capital assets, net of accumulated depreciation:	
Land	178,950
Land improvements	140,082
Buildings	1,520,574
Equipment	1,202,253
Infrastructure	400,495
Work in progress	98,402
TOTAL ASSETS	<u><u>\$ 4,604,891</u></u>
 LIABILITIES	
Accounts payable and other current liabilities	\$ 78,395
Accrued liabilities	99,233
Bond anticipation note	195,000
Due in one year	41,226
Noncurrent liabilities:	
Due in more than one year	123,676
TOTAL LIABILITIES	<u><u>\$ 537,530</u></u>
 NET ASSETS	
Invested in capital assets, net of related debt	\$ 3,431,242
Restricted for:	
Capital reserves	528,789
Special districts	119,146
Unrestricted	(11,816)
TOTAL NET ASSETS	<u><u>\$ 4,067,361</u></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, 2009

	<u>Major</u>			<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Route 19</u>	<u>Water</u>		
	<u>Fund</u>	<u>Main Street</u>	<u>Fund</u>	<u>Fund</u>	<u>Governmental</u>
		<u>Project</u>			<u>Funds</u>
Assets					
Cash and cash equivalents	\$ 364,809	\$ 85,486	\$ 217,673	(21,843)	\$ 646,125
Receivables, net	71,404	-	117,738	-	189,142
Due from other funds	-	-	913	7,981	8,894
Due from other governments, net	228,868	-	-	-	228,868
Total Assets	<u>\$ 665,081</u>	<u>\$ 85,486</u>	<u>336,324</u>	<u>\$ (13,862)</u>	<u>\$ 1,073,029</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts payable and other current liabilities	\$ 44,753	\$ -	\$ 38,942	\$ -	\$ 83,695
Accrued wages and benefits	46,111	-	5,253	-	51,364
Bond anticipation note payable	-	195,000	-	-	195,000
Due to other funds	8,894	-	-	-	8,894
Due to retirement system	37,143	-	5,246	-	42,389
Total Liabilities	<u>\$ 136,901</u>	<u>\$ 195,000</u>	<u>\$ 49,441</u>	<u>\$ -</u>	<u>\$ 381,342</u>
Fund Balances:					
Reserved for:					
Capital reserve	\$ 361,050	\$ -	\$ 167,739	\$ -	\$ 528,789
Unreserved:					
Appropriated - ensuing fiscal year	20,000	-	184,748	-	204,748
Unappropriated	147,130	(109,514)	(65,604)	(13,862)	(41,850)
Total Fund Balances	<u>\$ 528,180</u>	<u>\$ (109,514)</u>	<u>\$ 286,883</u>	<u>\$ (13,862)</u>	<u>\$ 691,687</u>
Total Liabilities and Fund Balances	<u>\$ 665,081</u>	<u>\$ 85,486</u>	<u>\$ 336,324</u>	<u>\$ (13,862)</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 3,540,756

Long-term liabilities, including serial bonds payable, are not due in the current period and therefore are not reported in the funds.

Compensated Absences (164,902)

Accrued Interest (180)

Net Assets of Governmental Activities \$ 4,067,361

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

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For Year Ended May 31, 2009

	Major			Nonmajor Governmental Fund	Total Governmental Funds
	General Fund	Route 19 Main Street Project	Water Fund		
Revenues:					
Real property and tax items	\$ 1,895,056	\$ -	\$ -	\$ -	\$ 1,895,056
Non-property taxes	1,555,695	-	-	-	1,555,695
Departmental income	502,625	-	853,445	-	1,356,070
Intergovernmental charges	667,224	-	-	-	667,224
Use of money and property	7,728	-	3,483	1,678	12,889
Licenses and permits	5,125	-	-	-	5,125
Fines and forfeitures	38,153	-	-	-	38,153
Sale of property and compensation for loss	53,575	-	25,175	-	78,750
Miscellaneous	38,176	-	5,780	542	44,498
State and county aid	327,005	-	-	-	327,005
Total Revenues	\$ 5,090,362	\$ -	\$ 887,883	\$ 2,220	\$ 5,980,465
Expenditures:					
Current:					
General government support	\$ 716,498	\$ -	\$ 72,980	\$ 38,821	\$ 828,299
Public safety	2,005,984	-	-	351,956	2,357,940
Health	394,817	-	-	132,409	527,226
Transportation	572,721	98,402	-	141,416	812,539
Economic assistance and opportunity	3,767	-	-	-	3,767
Culture and recreation	235,464	-	-	57,716	293,180
Home and community services	162,408	-	747,326	148,374	1,058,108
Employee benefits	904,627	-	166,607	-	1,071,234
Debt Service:					
Debt service - principal	3,000	-	2,000	-	5,000
Debt service - interest and other charges	6,862	-	4,456	-	11,318
Total Expenditures	\$ 5,006,148	\$ 98,402	\$ 993,369	\$ 870,692	\$ 6,968,611
Excess (deficiency) of revenue over expenditures	\$ 84,214	\$ (98,402)	\$ (105,486)	\$ (868,472)	\$ (988,146)
Other Financing Sources and Uses:					
Operating transfers - in	\$ 30,210	\$ -	\$ -	\$ 850,473	\$ 880,683
Operating transfers - out	(702,236)	-	(168,237)	(10,210)	(880,683)
BAN's redeemed from appropriations	-	5,000	-	-	5,000
Total Other Financing Sources and Uses	\$ (672,026)	\$ 5,000	\$ (168,237)	\$ 840,263	\$ 5,000
Net change in fund balances	\$ (587,812)	\$ (93,402)	\$ (273,723)	\$ (28,209)	\$ (983,146)
Fund Balance - Beginning	1,115,992	(16,112)	560,606	14,347	1,674,833
Fund Balance - Ending	\$ 528,180	\$ (109,514)	\$ 286,883	\$ (13,862)	\$ 691,687

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, 2009

Net Change in Fund Balances - Total Governmental Funds	\$ (983,146)
Amounts reported for governmental activities in the statement of activities are different because:	
<p>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.</p>	
Capital Outlay	\$ 98,402
Addition of Assets	1,011,066
Depreciation	<u>(495,554)</u>
	613,914
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal and lease payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayment.</p>	
	5,000
<p>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.</p>	
	(30,732)
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>	
	(180)
<p>Bond anticipation note redemption is not included in the statement of activities, but is recognized as an other financing source in the governmental funds.</p>	
	<u>(5,000)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ (400,144)</u></u>

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

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General and Major Special Revenue Fund Types
For the Year Ended May 31, 2009

	GENERAL FUND			
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Variance
Revenues:				
Real property and tax items	\$ 1,824,899	\$ 1,824,899	\$ 1,895,056	\$ 70,157
Non-property taxes	1,612,360	1,612,360	1,555,695	(56,665)
Departmental income	404,350	404,350	502,625	98,275
Intergovernmental charges	671,535	671,535	667,224	(4,311)
Use of money and property	35,400	35,400	7,728	(27,672)
Licenses and permits	5,700	5,700	5,125	(575)
Fines and forfeitures	75,000	75,000	38,153	(36,847)
Sale of property and compensation for loss	25,948	25,948	53,575	27,627
Miscellaneous	15,600	15,600	38,176	22,576
State and county aid	172,692	172,692	327,005	154,313
Total Revenues	\$ 4,843,484	\$ 4,843,484	\$ 5,090,362	\$ 246,878
Expenditures:				
Current:				
General government support	\$ 582,075	\$ 582,075	\$ 716,498	\$ (134,423)
Public safety	1,852,423	1,852,423	2,005,984	(153,561)
Health	285,087	285,087	394,817	(109,730)
Transportation	666,772	666,772	572,721	94,051
Economic assistance and opportunity	5,000	5,000	3,767	1,233
Culture and recreation	228,916	228,916	235,464	(6,548)
Home and community services	132,644	132,644	162,408	(29,764)
Employee benefits	908,407	908,407	904,627	3,780
Debt Service:				
Debt service - principal	3,000	3,000	3,000	-
Debt service - interest and other charges	3,413	3,413	6,862	(3,449)
Total Expenditures	\$ 4,667,737	\$ 4,667,737	\$ 5,006,148	\$ (338,411)
Excess (deficiency) of revenue over expenditures	\$ 175,747	\$ 175,747	\$ 84,214	\$ (91,533)
Other Financing Sources and Uses:				
Operating transfers - in	\$ 230,550	\$ 230,550	\$ 30,210	\$ (200,340)
Operating transfers - out	(414,041)	(414,041)	(702,236)	(288,195)
Total Other Financing Sources and Uses	\$ (183,491)	\$ (183,491)	\$ (672,026)	\$ (488,535)
Net change in fund balances	\$ (7,744)	\$ (7,744)	\$ (587,812)	\$ (580,068)
Fund Balance - Beginning (restated)	1,299,880	1,299,880	1,115,992	183,888
Fund Balance - Ending	\$ 1,292,136	\$ 1,292,136	\$ 528,180	\$ (396,180)

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

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General and Major Special Revenue Fund Types
For the Year Ended May 31, 2009

	WATER FUND			
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Variance
Revenues:				
Departmental income	\$ 1,044,394	\$ 1,044,394	\$ 853,445	\$ (190,949)
Use of money and property	8,000	8,000	3,483	(4,517)
Sale of property and compensation for loss	-	-	25,175	25,175
Miscellaneous	500	500	5,780	5,280
Total Revenues	\$ 1,052,894	\$ 1,052,894	\$ 887,883	\$ (165,011)
Expenditures:				
Current:				
General government support	\$ 107,103	\$ 107,103	\$ 72,980	\$ 34,123
Home and community services	778,139	778,139	747,326	30,813
Employee benefits	142,437	142,437	166,607	(24,170)
Debt Service:				
Debt service - principal	2,000	2,000	2,000	-
Debt service - interest and other charges	2,275	2,275	4,456	(2,181)
Total Expenditures	\$ 1,031,954	\$ 1,031,954	\$ 993,369	\$ 38,585
Excess (deficiency) of revenue over expenditures	\$ 20,940	\$ 20,940	\$ (105,486)	\$ (126,426)
Other Financing Sources and Uses:				
Operating transfers - out	\$ (20,000)	\$ (20,000)	\$ (168,237)	\$ (148,237)
Total Other Financing Sources and Uses	\$ (20,000)	\$ (20,000)	\$ (168,237)	\$ (148,237)
Net change in fund balances	\$ 940	\$ 940	\$ (273,723)	\$ (274,663)
Fund Balance - Beginning (as restated)	560,606	560,606	560,606	-
Fund Balance - Ending	\$ 561,546	\$ 561,546	\$ 286,883	\$ (274,663)

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

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Statement of Fiduciary Net Assets

Fiduciary Funds

May 31, 2009

	<u>Expendable Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 119,700	\$ 89,769
TOTAL ASSETS	<u>\$ 119,700</u>	<u>\$ 89,769</u>
LIABILITIES		
Other liabilities	\$ -	\$ 89,769
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 89,769</u>
NET ASSETS		
Unreserved	\$ 119,700	
TOTAL NET ASSETS	<u>\$ 119,700</u>	

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

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

For the Year Ended May 31, 2009

	<u>Expendable Trust</u>
Additions	
Investment earnings	<u>\$ 2,789</u>
Total Additions	<u>\$ 2,789</u>
Deductions	
Interfund Transfer - Out	<u>\$ -</u>
Total Deductions	<u>\$ -</u>
Change in net assets	\$ 2,789
Net Assets - Beginning	<u>116,911</u>
Net Assets - Ending	<u><u>\$ 119,700</u></u>

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

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Notes To Basic Financial Statements

May 31, 2009

I. Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity

The Village of Brockport, Monroe County, New York is governed by Village Law and other general laws of the State of New York. The Board of Trustees is the legislative body responsible for the overall operations, the Mayor serves as chief executive officer, and the Village Treasurer serves as chief fiscal officer.

The following basic services are provided: Police & law Enforcement, Fire Protection, Ambulance, Street Maintenance, Sewer and Water Facilities and Community Development.

All governmental activities and functions performed for the Village of Brockport, Monroe County, 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, as set forth in GASB Statement 14 as amended by GASB Statement 39:

1. The primary government which is the Village of Brockport, Monroe County, 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 set forth in GASB Statement 14 as amended by GASB Statement 39 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, Monroe County, New York.

(I.) (Continued)

1. **Excluded From the Reporting Entity**

Although the following organizations, functions or activities are related to the Village they are not included in the Village reporting entity because of the reasons noted:

- a. The *Seymour Library* – The Village participates with the Town of Clarkson and Sweden in the joint operations of the Library. The net cost of operating this joint activity is distributed among the participating municipalities on the basis of population, with the Village of Brockport contributing 41% of the government contributions.

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 Assets, 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 assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. 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’s fiduciary funds are presented in the fiduciary fund financial statements by type (restricted purposes, and agency). Since by definition these assets are being held for the benefit of a third party and can not be used to address activities or obligations of the Government, these funds are not incorporated into the government-wide financial statements.

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the Village’s special district 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 assets 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 sets 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 General Fund and Water Fund are reported as major funds in the basic 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 - to account for taxes, user fees or other revenues which are raised or received to provide water transmission.

Route 19 Main Street Capital Project - used to account for financial resources to be used for the acquisition, construction or renovation of capital facilities; or the acquisition of equipment.

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.

All Other Capital Projects - used to account for financial resources to be used for the acquisition, construction or renovation of capital facilities, or the acquisition of equipment.

Sewer Fund - a special revenue fund used to account for user fees or other revenues which are raised to provide sewer services to Village residents.

3. **Fiduciary Funds**

Fiduciary funds are used to account for assets held by the local government in a trustee or custodial capacity.

(I.) (Continued)

Agency Fund - is custodial in nature and does not present results of operations or have measurement focus. The Agency Fund is accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

Private Purpose Trust Funds - are used to report certain trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

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.

1. **Measurement Focus**

On the government-wide Statement of Net Assets 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 assets (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 assets.

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 Assets 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.

(I.) (Continued)

3. Future Changes in Accounting Standards

GASB has issued Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The Village is currently studying the statement and plans on adoption if and when required, which will be for the May 31, 2010 financial statements.

GASB has issued Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Village is currently studying the statement and plans on adoption if and when required, which will be for the May 31, 2010 financial statements.

GASB has issued Statement 52, *Land and Other Real Estate Held as Investment by Endowments*, which establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. The Village is currently studying the statement and plans on adoption if and when required, which will be for the May 31, 2010 financial statements.

GASB has issued Statement 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The Village is currently studying the statement and plans on adoption if and when required, which will be for the May 31, 2011 financial statements.

GASB has issued Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The Village is currently studying the statement and plans on adoption if and when required, which will be for the May 31, 2012 financial statements.

D. Assets, Liabilities, and Equity

1. Cash and Investments

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

State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Investments are stated at cost, which approximates market value.

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 and water fees.

(I.) (Continued)

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 Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$2,500 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Life in Years</u>
Buildings	20-40 Years
Machinery and Equipment	3-20 Years
Improvements	10-40 Years
Infrastructure	25-50 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.

4. Due To/From Other Funds

The amounts reported on the Governmental Funds Balance Sheet for due to and due from other funds represents amounts due between different fund types (general, water and non-major funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

5. Long-Term Debt

The accounting treatment of long-term debt depends on whether the related assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists of bonds payable, installment purchase debt and compensated absences.

6. Compensatory Absences

Village employees are entitled to accrue 260 days of sick leave and 30 days of vacation. 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. No cash payments are made for non-police employees' unused sick leave, however, an employee who retires may receive up to 165 days as additional service credit. Police personnel are allowed to cash in any unused sick time at a rate of two for one for the first sixty days and four for one in excess. Full time police officers may accumulate at any one time 160 hours of compensatory time. Each full time employee receives 5 personal days each June 1st. Personal leave days are not cumulative, however, any unused personal leave days at the end of the fiscal year are added to an employee's vacation time.

7. Equity Classifications

a. Government-Wide Statements

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

- 1. Invested in capital assets, net of related debt** - 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 assets** - consists of net assets with constraints placed on their 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 enable legislation.
- 3. Unrestricted net assets** - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

b. Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

(I.) (Continued)

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 Assets, 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.

II. **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.

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.

(I.) (Continued)

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.

B. **Deficit Fund Balance**

1. **Capital Project Funds** - The Capital Projects Fund had a deficit undesignated fund balance of \$123,378 at May 31, 2009, which is a result of bond anticipation notes which are used as a temporary means of financing capital projects. These proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit which will remain until the notes are replaced by permanent financing (i.e. bonds, grants-in-aid, or redemption from current appropriations).

III. **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.

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		682,884
Total	\$	682,884

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end included \$63,641 within the governmental funds and \$119,700 in the fiduciary funds.

B. **Receivables**

Receivables at May 31, 2009 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>Amount</u>
General Fund - Sales Tax (estimated)	\$ 228,868
General Fund - Miscellaneous	71,404
Water Fund - Miscellaneous	117,738
Total Receivables	\$ 418,010

(III.) (Continued)

C. **Interfund Receivables, Payables, Revenues and Expenditures**

Interfund receivables, payables, revenues and expenditures at May 31, 2008 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Fund	\$ -	\$ 8,894	\$ 30,210	\$ 702,236
Water Fund	913	-	-	168,237
Sewer Fund	-	-	-	10,210
Capital Fund	7,981	-	850,473	-
Total government activities	<u>\$ 8,894</u>	<u>\$ 8,894</u>	<u>\$ 880,683</u>	<u>\$ 880,683</u>

D. **Changes In Capital Assets**

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance 06/01/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 5/31/09</u>
<u>Capital assets not being depreciated:</u>				
Land	\$ 178,950	\$ -	\$ -	\$ 178,950
Work in progress	-	98,402	-	98,402
<i>Total capital assets not being depreciated</i>	<u>\$ 178,950</u>	<u>\$ 98,402</u>	<u>\$ -</u>	<u>\$ 277,352</u>
<u>Other capital assets:</u>				
Buildings and improvements	\$ 2,434,733	\$ 96,209	\$ -	\$ 2,530,942
Land improvements	110,947	115,698	-	226,645
Machinery and equipment	4,508,062	799,159	-	5,307,221
Infrastructure	848,590	-	-	848,590
<i>Total other capital assets at historical cost</i>	<u>\$ 7,902,332</u>	<u>\$ 1,011,066</u>	<u>\$ -</u>	<u>\$ 8,913,398</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	\$ 898,144	\$ 112,224	\$ -	\$ 1,010,368
Land improvements	68,565	17,998	-	86,563
Machinery and equipment	3,788,365	316,603	-	4,104,968
Infrastructure	399,366	48,729	-	448,095
<i>Total accumulated depreciation</i>	<u>\$ 5,154,440</u>	<u>\$ 495,554</u>	<u>\$ -</u>	<u>\$ 5,649,994</u>
<i>Other capital assets, net Governmental activities capital assets, net</i>	<u>\$ 2,747,892</u>	<u>\$ 515,512</u>	<u>\$ -</u>	<u>\$ 3,263,404</u>
	<u>\$ 2,926,842</u>	<u>\$ 613,914</u>	<u>\$ -</u>	<u>\$ 3,540,756</u>

(III.) (Continued)

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

<u>Governmental Activities</u>	<u>Amount</u>
General Government	\$ 4,567
Transportation	14,832
Health	63,947
Culture and Recreation	29,304
Public Safety	193,730
Home and Community Services	189,174
Total	<u>\$ 495,554</u>

E. Short-Term Debt

1. Bond Anticipation Notes

Liabilities for bond anticipation notes (BAN's) are generally accounted for in the capital project funds. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12 month period thereafter.

State law requires that BANs issued for capital purposes be retired or converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

2. Interest Expense

The short-term interest expense as of May 31, 2009 is \$4,343.

3. Transactions in short-term debt for the year are summarized below:

	<u>Balance</u> <u>6/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>5/31/2009</u>
BAN maturing 5/27/09 at 3.56%	\$ 200,000	\$ -	\$ 200,000	\$ -
BAN maturing 5/27/10 at 1.85%	-	195,000	-	195,000
Total Short-Term Debt	<u>\$ 200,000</u>	<u>\$ 195,000</u>	<u>\$ 200,000</u>	<u>\$ 195,000</u>

4. Summary of Debt

The following is a summary of the short-term debt outstanding at May 31, 2009:

<u>Purpose</u>	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>
Water and Sewer System Capital Improvements	5/27/2009	5/27/2010	1.85%	<u>\$ 195,000</u>

(III.) (Continued)

F. **Fund Equity**

1. **Net Assets – Restricted for Other Purposes**

The following table shows the net assets restricted for other purposes as shown on the Statement of Net Assets:

<u>Description</u>	<u>Restricted By</u>	<u>Amount</u>
Capital Reserve - Fire Equipment-22	Law	\$ 284,089
Capital Reserve - Ambulance-26	Law	81
Capital Reserve - Communication Equipment-30	Law	5,629
Capital Reserve - Fire Truck Rehab-33	Law	37
Capital Reserve - Rescue Truck Replacement-38	Law	228
Capital Reserve - Fire Chief Vehicle Replacement-39	Law	24,500
Capital Reserve - Building Inspector's Vehicle Replacement-40	Law	13,162
Capital Reserve - Parks and Playgrounds-41	Law	9,727
Capital Reserve - Buildings-43	Law	21,415
Capital Reserve - Computer Replacement-50	Law	2,182
Capital - Water Fund	Law	167,739
Total Restricted Net Assets		\$ 528,789

2. **Fund Equity – Reserved**

Reserve funds have been established for the following purposes:

- a. **Capital Reserve** - The Village maintains multiple Capital Reserve Funds, recorded in the General Fund and Water Fund, which had a balance of \$361,050, and \$167,739, respectively at May 31, 2009.

IV. **Other Notes:**

A. **Employee Pension and Other Benefit Plans**

1. **Pension Plans**

Plan Description

The Village of Brockport, Monroe County, New York participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). These are cost sharing multiple employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

(IV.) (Continued)

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Village of Brockport, Monroe County, New York is required to contribute at an actuarially determined rate. The required contributions for the current year and the preceding year were:

	<u>ERS</u>	<u>PFRS</u>
2009	\$ 114,303	\$ 166,778
2008	\$ 102,703	\$ 155,454

The Village contributions made to the System were equal to 100 percent of the contributions required for each year.

2. Deferred Compensation Plan

In October 1997 the Governmental Accounting Standards Board issued Statement No. 32 Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. This statement established accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governments.

On October 1, 1997, the New York State Deferred Compensation Board (Board) created a Trust and Custody agreement making J.P. Morgan Chase Bank the Trustee and Custodian of the Plan.

Consequently, Statement No. 32 became effective for the New York State Deferred Compensation Plan as of October 1, 1997. Since the Board is no longer the trustee of the Plan, the Plan no longer meets the criteria for inclusion in New York State's financial statements. Therefore, municipalities which participate in New York State's Deferred Compensation Plan are no longer required to record the value of the Plan assets.

At May 31, 2009, the market value of the Plan assets totaled \$1,170,802.

3. Compensated Absences

As of May 31, 2009 the liability for accrued vacation/compensatory time was \$154,459 and the potential liability for unpaid sick leave as of the same date amounted to approximately \$10,443. On the Statement of Net Assets, this total liability is reflected as due in one year \$41,226 and due in more than one year \$123,676.

4. Postemployment Benefits

Currently, 27 retirees meet the eligibility requirements. The Village recognized the cost of providing benefits for the 2008-09 fiscal year by recording \$204,531, its' share of insurance premiums for currently enrolled retirees as an expenditure.

(IV.) (Continued)

B. Risk Management

1. 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.

C. Commitments and Contingencies

1. Litigation

There is no outstanding litigation against the Village at year end.

D. 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.

V. Restatement of Fund Balance:

A. Fund balances have been restated at June 1, 2008 as follows:

	<u>Entity-Wide as of 5/31/08</u>	<u>Water Billing Accrual</u>	<u>Reclass- ification of BAN</u>	<u>Reclass- ification of BAN from LTD</u>	<u>Reclass- ification of Trust & Agency</u>	<u>Entity-Wide Restated as of 6/1/08</u>
Entity-Wide Statements restated as of May 31, 2008						
General Fund	\$ 1,299,880	\$ -	\$ (183,888)	\$ -	\$ -	\$ 1,115,992
Water Fund	462,359	98,244	-	-	-	560,603
Sewer Fund	10,162	-	-	-	-	10,162
Capital Fund	4,185	-	(16,112)	-	-	(11,927)
Trust and Agency Fund	116,911	-	-	-	(116,911)	-
Long-Term Debt	(334,170)	-	-	200,000	-	(134,170)
Capital Assets	2,926,842	-	-	-	-	2,926,842
Entity-Wide Statements restated as of May 31, 2009	<u><u>\$ 4,486,169</u></u>	<u><u>\$ 98,244</u></u>	<u><u>\$ (200,000)</u></u>	<u><u>\$ 200,000</u></u>	<u><u>\$ (116,911)</u></u>	<u><u>\$ 4,467,502</u></u>

VI. Subsequent Event

Subsequent to year-end, the Village issued a \$2,400,000 bond anticipation note for the Route 19/Main Street capital project. The note dated July 29, 2009 matures on May 27, 2010 at an interest rate of 1.71%.

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Combining Balance Sheet
 Nonmajor Governmental Funds

May 31, 2009

	<u>Other Capital Projects</u>	<u>Sewer Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ (21,845)	\$ 2	\$ (21,843)
Due from other funds	7,981	-	7,981
Total Assets	<u>\$ (13,864)</u>	<u>\$ 2</u>	<u>\$ (13,862)</u>
Fund Balances:			
Unreserved:			
Unappropriated	\$ (13,864)	\$ 2	\$ (13,862)
Total Fund Balances	<u>\$ (13,864)</u>	<u>\$ 2</u>	<u>\$ (13,862)</u>
Total Liabilities and Fund Balances	<u>\$ (13,864)</u>	<u>\$ 2</u>	<u>\$ (13,862)</u>

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For Year Ended May 31, 2009

	<u>Other Capital Projects</u>	<u>Sewer Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Use of money and property	\$ 1,628	\$ 50	\$ 1,678
Miscellaneous	542	-	542
Total Revenues	<u>\$ 2,170</u>	<u>\$ 50</u>	<u>\$ 2,220</u>
Expenditures:			
Current:			
General government support	\$ 38,821	\$ -	\$ 38,821
Public safety	351,956	-	351,956
Health	132,409	-	132,409
Transportation	141,416	-	141,416
Culture and recreation	57,716	-	57,716
Home and community services	148,374	-	148,374
Total Expenditures	<u>\$ 870,692</u>	<u>\$ -</u>	<u>\$ 870,692</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (868,522)</u>	<u>\$ 50</u>	<u>\$ (868,472)</u>
Other Financing Sources and Uses:			
Operating transfers - in	\$ 850,473	\$ -	\$ 850,473
Operating transfers - out	<u>-</u>	<u>(10,210)</u>	<u>(10,210)</u>
Total Other Financing Sources and Uses	<u>\$ 850,473</u>	<u>\$ (10,210)</u>	<u>\$ 840,263</u>
Net change in fund balances	\$ (18,049)	\$ (10,160)	\$ (28,209)
Fund Balance - Beginning	<u>4,185</u>	<u>10,162</u>	<u>14,347</u>
Fund Balance - Ending	<u><u>\$ (13,864)</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ (13,862)</u></u>

VILLAGE OF BROCKPORT, MONROE COUNTY, NEW YORK

Schedule of Investment in Capital Assets, Net of Related Debt

For Year Ended May 31, 2009

Capital assets, net		\$ 3,540,756
Deduct:		
Assets purchased with short-term financing	\$ 109,514	
		<u>109,514</u>
Investment in capital assets, net of related debt		<u>\$ 3,431,242</u>