



INCORPORATED VILLAGE OF  
**LYNBROOK**  
NEW YORK

Financial Report

Year Ended May 31, 2023

# Incorporated Village of Lynbrook, New York

## Financial Report

Year Ended May 31, 2023

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## Independent Auditor's Report

Mayor and Board of Trustees  
Incorporated Village of Lynbrook, New York  
Lynbrook, New York

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Incorporated Village of Lynbrook, New York (Village), as of and for the year ended May 31, 2023, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

#### *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 and *Government Auditing Standards* 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.

***Auditor's Responsibilities for the Audit of the Financial Statements - Continued***

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the accompanying table of contents 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

**BST+Co.CPAs, LLP**

Latham, New York  
February 29, 2024



# Incorporated Village of Lynbrook, New York

## Statement of Net Position

	May 31, 2023		
	Governmental Activities	Business-Type Activity	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,544,911	\$ 619	\$ 4,545,530
Cash and cash equivalents, restricted	2,831,101	-	2,831,101
Investments	12,048,246	-	12,048,246
Investments, restricted	5,590,691	-	5,590,691
Receivables			
Accounts	588,896	-	588,896
Taxes	683,199	-	683,199
Due from fiduciary fund	56,112	-	56,112
State and federal aid	1,077,427	-	1,077,427
Prepaid expenses	583,306	-	583,306
Capital assets			
Non-depreciable	16,069,758	-	16,069,758
Depreciable, net	<u>30,678,798</u>	<u>-</u>	<u>30,678,798</u>
Total assets	<u>74,752,445</u>	<u>619</u>	<u>74,753,064</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	11,730,998	-	11,730,998
LOSAP deferrals	3,649,897	-	3,649,897
OPEB deferrals	<u>9,694,570</u>	<u>-</u>	<u>9,694,570</u>
Total deferred outflows of resources	<u>25,075,465</u>	<u>-</u>	<u>25,075,465</u>
 Total assets and deferred outflows of resources	 <u>99,827,910</u>	 <u>619</u>	 <u>99,828,529</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	2,345,573	-	2,345,573
Interest payable	110,280	-	110,280
Unearned revenues	179,161	-	179,161
Judgments and claims	539,318	-	539,318
Bond anticipation notes payable	2,315,000	-	2,315,000
Due to fiduciary fund	38,516	-	38,516
Long-term liabilities			
Due within one year	3,149,453	-	3,149,453
Due in more than one year			
Compensated absences	4,414,677	-	4,414,677
Installment purchase debt	764,834	-	764,834
Bonds payable	11,590,899	-	11,590,899
Net pension liability	18,238,412	-	18,238,412
Length of service award program obligations	10,129,963	-	10,129,963
Other postemployment benefits	<u>61,082,483</u>	<u>-</u>	<u>61,082,483</u>
Total liabilities	<u>114,898,569</u>	<u>-</u>	<u>114,898,569</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes received in advance	3,973,613	-	3,973,613
Pension deferrals	658,782	-	658,782
LOSAP deferrals	4,016,505	-	4,016,505
OPEB deferrals	<u>9,837,117</u>	<u>-</u>	<u>9,837,117</u>
Total deferred inflow of resources	<u>18,486,017</u>	<u>-</u>	<u>18,486,017</u>
 Total liabilities and deferred inflows of resources	 <u>133,384,586</u>	 <u>-</u>	 <u>133,384,586</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	29,982,774	-	29,982,774
Restricted for			
Capital assets	18,816	-	18,816
Debt	903,351	-	903,351
Other	81,592	-	81,592
Unrestricted (deficit)	<u>(64,543,209)</u>	<u>619</u>	<u>(64,542,590)</u>
 Total net position (deficit)	 <u>\$ (33,556,676)</u>	 <u>\$ 619</u>	 <u>\$ (33,556,057)</u>

See accompanying Notes to Financial Statements.

# Incorporated Village of Lynbrook, New York

## Statement of Activities

Functions/Programs	Year Ended May 31, 2023				Net (Expense) Revenue and Change in Net Deficit
	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES</b>					
General government support	\$ 6,964,774	\$ 3,144,538	\$ 1,028,481	\$ -	\$ (2,791,755)
Public safety	26,563,278	122,111	15,640	-	(26,425,527)
Health	35,264	4,438	-	-	(30,826)
Transportation	4,862,645	387,864	-	147,515	(4,327,266)
Economic opportunity and development	110,270	-	-	-	(110,270)
Culture and recreation	5,668,018	645,294	-	150,000	(4,872,724)
Home and community services	4,551,811	264,174	415,586	892,357	(2,979,694)
Interest on long-term debt	352,094	-	-	-	(352,094)
Total governmental activities	\$ 49,108,154	\$ 4,568,419	\$ 1,459,707	\$ 1,189,872	(41,890,156)
General revenues					
Real property taxes					35,155,925
Other tax items					2,046,677
Nonproperty taxes					887,727
Use of money and property					759,755
Sale of property and compensation for loss					322,738
Miscellaneous local sources					506,872
Unrestricted State aid					580,961
Total general revenues					40,260,655
<b>CHANGE IN NET DEFICIT</b>					<b>(1,629,501)</b>
<b>NET DEFICIT, beginning of year</b>					<b>(31,927,176)</b>
<b>NET DEFICIT, end of year</b>					<b>\$ (33,556,677)</b>

See accompanying Notes to Financial Statements.

# Incorporated Village of Lynbrook, New York

## Balance Sheet - Governmental Funds

	May 31, 2023				
	Major Funds			Other	Total
	General	Capital Projects	Debt Service	Governmental Funds	Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,437,157	\$ 71,391	\$ -	\$ 36,363	\$ 4,544,911
Cash and cash equivalents, restricted	1,003,759	-	1,827,342	-	2,831,101
Investments	11,760,763	287,483	-	-	12,048,246
Investments, restricted	5,590,691	-	-	-	5,590,691
Receivables					
Accounts	535,302	7,742	-	45,852	588,896
Taxes	683,199	-	-	-	683,199
Due from other funds	2,872,140	5,836	122,604	-	3,000,580
State and Federal aid	-	967,271	-	110,156	1,077,427
Prepaid expenditures	559,104	-	-	24,202	583,306
<b>Total assets</b>	<b>\$ 27,442,115</b>	<b>\$ 1,339,723</b>	<b>\$ 1,949,946</b>	<b>\$ 216,573</b>	<b>\$ 30,948,357</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 398,742	\$ 293,240	\$ -	\$ 81,473	\$ 773,455
Accrued liabilities	2,101,523	-	-	34,669	2,136,192
Due to other funds	44,352	1,102,099	1,774,392	62,141	2,982,984
Bond anticipation notes payable	900,000	1,415,000	-	-	2,315,000
Unearned revenues	179,161	-	-	-	179,161
Judgments and claims	539,318	-	-	-	539,318
Total liabilities	4,163,096	2,810,339	1,774,392	178,283	8,926,110
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes received in advance	3,973,613	-	-	-	3,973,613
Unavailable property tax receivables	592,122	-	-	-	592,122
Total deferred inflows of resources	4,565,735	-	-	-	4,565,735
<b>FUND BALANCES</b>					
Nonspendable	559,105	-	-	24,202	583,307
Restricted	6,594,450	-	-	-	6,594,450
Assigned	2,516,538	-	175,554	14,088	2,706,180
Unassigned	9,043,191	(1,470,616)	-	-	7,572,575
Total fund balances	18,713,284	(1,470,616)	175,554	38,290	17,456,512
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 27,442,115</b>	<b>\$ 1,339,723</b>	<b>\$ 1,949,946</b>	<b>\$ 216,573</b>	<b>\$ 30,948,357</b>

See accompanying Notes to Financial Statements.



# Incorporated Village of Lynbrook, New York

## Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

	<u>May 31, 2023</u>
Total fund balances in the fund financial statements for the governmental funds	\$ 17,456,512
Amounts reported in governmental activities in the statement of net position are different because:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	46,748,556
Deferred inflows of resources related to the Village's revenues that will be collected after year-end but are not available soon enough to pay current period's expenditures are deferred in the funds.	592,122
Some liabilities are not due and payable or available in the current period and, therefore, are not reported in the funds:	
Interest payable	(110,280)
Compensated absences	(4,905,197)
Installment purchase debt	(1,005,782)
Bonds payable	(13,895,000)
Bond premium	(113,884)
Net pension liability, net of deferred amounts	(6,602,122)
Length of service award program, net of deferred amounts	(10,496,571)
Other post-employment benefits, net of deferred amounts	<u>(61,225,030)</u>
<b>Total net position - governmental activities</b>	<b><u>\$ (33,556,676)</u></b>

# Incorporated Village of Lynbrook, New York

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended May 31, 2023				
	Major Funds			Other	Total
	General	Capital Projects	Debt Service	Governmental Funds	Governmental Funds
<b>REVENUES</b>					
Real property taxes	\$ 35,221,352	\$ -	\$ -	\$ -	\$ 35,221,352
Other tax items	2,046,677	-	-	-	2,046,677
Nonproperty taxes	887,727	-	-	-	887,727
Departmental income	1,258,584	-	-	6,647	1,265,231
Intergovernmental charges	13,729	-	-	148,221	161,950
Use of money and property	680,065	25,000	77,328	2,762	785,155
Licenses and permits	1,141,144	-	-	-	1,141,144
Fines and forfeitures	2,000,194	-	-	-	2,000,194
Sale of property and compensation for loss	322,671	-	-	67	322,738
Miscellaneous	461,572	94,714	-	-	556,286
State aid	697,383	150,000	-	31,600	878,983
Federal aid	997,330	892,357	-	386,956	2,276,643
Total revenues	45,728,428	1,162,071	77,328	576,253	47,544,080
<b>EXPENDITURES</b>					
General governmental support	4,819,748	80,376	-	1,014	4,901,138
Public safety	14,683,626	99,267	-	-	14,782,893
Health	35,264	-	-	-	35,264
Transportation	2,515,863	3,514,846	-	-	6,030,709
Economic opportunity and development	58,527	-	-	-	58,527
Culture and recreation	2,068,228	27,070	-	1,279,002	3,374,300
Home and community services	2,784,307	-	-	386,956	3,171,263
Employee benefits	11,818,989	-	-	434,348	12,253,337
Debt service					
Principal	-	-	3,080,270	-	3,080,270
Interest	-	-	388,754	-	388,754
Total expenditures	38,784,552	3,721,559	3,469,024	2,101,320	48,076,455
<b>Excess (deficiency) of revenues over expenditures</b>	<b>6,943,876</b>	<b>(2,559,488)</b>	<b>(3,391,696)</b>	<b>(1,525,067)</b>	<b>(532,375)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	5,836	3,563,892	1,489,400	5,059,128
Operating transfers out	(4,964,261)	(94,867)	-	-	(5,059,128)
Total other financing sources (uses)	(4,964,261)	(89,031)	3,563,892	1,489,400	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>1,979,615</b>	<b>(2,648,519)</b>	<b>172,196</b>	<b>(35,667)</b>	<b>(532,375)</b>
<b>FUND BALANCES, beginning of year</b>	16,733,669	1,177,903	3,358	73,957	17,988,887
<b>FUND BALANCES, end of year</b>	<b>\$ 18,713,284</b>	<b>\$ (1,470,616)</b>	<b>\$ 175,554</b>	<b>\$ 38,290</b>	<b>\$ 17,456,512</b>

See accompanying Notes to Financial Statements.

## Incorporated Village of Lynbrook, New York

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

		<u>Year Ended May 31, 2023</u>
Net change in fund balances shown for total governmental funds		\$ (532,375)
Amounts reported in governmental activities in the statement of activities are difference because of the following:		
Capital outlays are reported as expenditures in the governmental funds, and the sale of capital assets is recorded as revenue in the governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these		
Capital expenditures	\$ 4,295,964	
Loss on disposal of capital assets, net	(2,904)	
Depreciation expense	<u>(2,914,749)</u>	1,378,311
Bond and installment purchase debt principal payments are shown as expenditures in the governmental funds. These payments are shown in the statement of net position as a reduction of the related liabilities, and not shown as expenses in the statement of activities:		
Bond and installment purchase debt payments	\$ 3,080,270	
Amortization of bond premiums	<u>12,985</u>	3,093,255
Real property taxes that do not provide current financial resources are reported as revenues in the statement of activities, but not in the fund financial statements.		(65,427)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Interest payable		23,674
Compensated absences		(239,399)
Net pension liability, net of deferred amounts		(2,705,551)
Length of service award program, net of deferred amounts		(30,588)
Other post-employment benefits, net of deferred amounts		<u>(2,551,401)</u>
<b>Change in net position of governmental activities</b>		<b><u><u>\$ (1,629,501)</u></u></b>

See accompanying Notes to Financial Statements.

# Incorporated Village of Lynbrook, New York

## Statement of Net Position - Proprietary Fund

	<u>May 31, 2023</u>
	<u>Gas Utility</u>
<b>ASSETS</b>	
Cash	<u>\$          619</u>
<b>NET POSITION</b>	
Unrestricted	<u>\$          619</u>

# Incorporated Village of Lynbrook, New York

## Statement of Net Position - Fiduciary Funds

	<u>May 31, 2023</u>	
	<u>Custodial Fund</u>	<u>Private Purpose Trust</u>
<b>ASSETS</b>		
Cash, restricted	\$ 222,946	\$ 127,065
Due from other funds	38,516	-
<b>Total assets</b>	<u>261,462</u>	<u>127,065</u>
<b>LIABILITIES</b>		
Accounts payable	8,573	-
Due to other funds	56,112	-
<b>Total liabilities</b>	<u>64,685</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted	<u>\$ 196,777</u>	<u>\$ 127,065</u>

# Incorporated Village of Lynbrook, New York

## Statement of Revenues, Expenses, and Changes in Net Position - Fiduciary Funds

	<b>Year Ended May 31, 2023</b>	
	<b>Custodial Fund</b>	<b>Private Purpose Trust</b>
<b>REVENUES</b>		
External trusts	\$ 1,072	\$ -
Guaranty and bid deposits	14,465	-
Gifts and donations	-	84,876
	15,537	84,876
<b>EXPENDITURES</b>		
Forfeited bail	13,139	-
Guaranty and bid deposits	16,670	-
Culture and recreation	-	50,142
	29,809	50,142
<b>Change in fiduciary net position</b>	<b>(14,272)</b>	<b>34,734</b>
<b>NET POSITION, <i>beginning of year</i></b>	211,049	92,331
<b>NET POSITION, <i>end of year</i></b>	<b>\$ 196,777</b>	<b>\$ 127,065</b>

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies

The accompanying basic financial statements of the Incorporated Village of Lynbrook, New York (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The basic financial statements have been prepared primarily from accounts maintained by the Village Treasurer. Additional data has been derived from Village departments on independent or subsidiary accounting systems maintained by them.

#### *a. Organization*

The Village 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 overall operations, the Mayor serves as Chief Executive Officer, and the Treasurer serves as Chief Fiscal Officer.

The Village provides its residents with general government support, police and fire protection, street maintenance, snow removal, code enforcement, parks and recreation, library services, and various other services.

All governmental activities and functions performed for the Village are the direct responsibility of the Board of Trustees. These responsibilities include, but are not limited to, financial independence, selection of governing authority, designation of management and the ability to significantly influence operations, and accountability for fiscal matters.

The following is a summary of the Village's significant accounting policies.

#### *b. Financial Reporting Entity*

The financial reporting entity consists of: (a) the primary government, which is the Village of Lynbrook; (b) organizations for which the primary government is financially accountable, and (c) 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.

In evaluating how to define the Village for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Village and is generally available to all its citizens. A third criterion used in evaluating potential component units is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities.

Based on the application of these criteria, the operations of the Lynbrook Public Library (Library) are included in these financial statements. The Village finances the operations of the Library through the transfer of funds appropriated for this purpose; has title to real property used by the Library; and issues all Library indebtedness which is supported by the full faith and credit of the Village. The Library is considered a blended component unit of the Village and is reported as a special revenue fund.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *c. Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the Village as a whole. The effect of interfund activity within the governmental and business-type activities has been eliminated from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the Village's activities at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The statement of activities identifies the net expense or revenue from each activity and identifies the amount of general revenues needed to help finance the specific activities.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

The Village uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types.

#### Governmental Funds

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds) and the acquisition or construction of general fixed assets (Capital Projects Funds). The General Fund is used to account for all activities of the general government not accounted for in another fund.

The following are the Village's major governmental funds:

- General Fund - is the principal operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. This fund operates within the financial limits of an annual budget adopted by the Board of Trustees.
- Capital Projects Fund - is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. Financing is generally provided from proceeds of bonds, notes, and/or federal and state grants.
- Debt Service Fund - is used to account for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.



# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *c. Government-Wide and Fund Financial Statements - Continued*

##### Governmental Funds - Continued

The Village's non-major funds include:

- Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds of the Village include the following:
  - Library Fund - is used to account for revenues and expenditures pertaining to the operations of the Village's public library.
  - Community Development Fund - is used to account for community development projects financed by funds received from the Federal government, which are passed through Nassau County.

##### Proprietary Funds

Enterprise Fund - is used by the Village to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net operating income, financial position, and changes in financial position. The Village reports a gas utility fund; however, operations are currently suspended.

##### Fiduciary Funds

The Village uses fiduciary funds to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village's Custodial Fund is generally used to account for assets that the government holds on behalf of others as their agent. The Private Purpose Trust Fund is used to account for resources held in trust for various special events located within the Village.

#### *d. Basis of Accounting and Measurement Focus*

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenue in the year in which they are earned. Grants, entitlements, and donations are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety-day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures and related liabilities are generally recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next twelve months, with the exception of certain items such as debt service, compensated absences, and claims and judgments that are recorded in the governmental fund statements only when they mature or become due for payment within the period. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met. Nonexchange grants and subsidies are recognized as revenues when all requirements of the grant and/or subsidy have been satisfied.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *d. Basis of Accounting and Measurement Focus - Continued*

The Village's proprietary fund and fiduciary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

#### *e. Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting year. Actual results could differ from those estimates.

#### *f. Cash, Cash Equivalents, and Investments*

Cash and cash equivalents consist of cash and time deposits, which mature no more than three months after the date purchased.

#### Cash

The Village is required to collateralize its cash deposits in excess of the Federal Depository Insurance Corporation (FDIC) limit. This collateral is in the form of government and government agencies' securities pledged by the bank, under a third-party trust agreement. As of May 31, 2023, the collateral was sufficient to secure the Village's deposits.

Restricted cash and cash equivalents in the General Fund are for capital and other reserve purposes, and restricted cash and cash equivalents in the Debt Service Fund, if any, are for retiring debt. Restricted cash in the Capital Projects Fund, if any, is restricted for various capital related activities in accordance with debt agreements. Restricted cash in the Private Purpose Trust Fund is restricted for various special events located within the Village.

#### Investments

The Village's investment policies are governed by State statutes. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Village Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Investments in marketable securities are reported at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date.

The Village has \$12,048,246 invested with the New York Cooperative Liquid Assets Securities System (NYCLASS) that is valued at Net Asset Value (NAV) as a practical expedient and, therefore, is excluded from the fair value hierarchy. NYCLASS is a short-term, highly liquid investment fund that operates like a money market mutual fund with each share valued at \$1.00, its NAV as reported by NYCLASS. The NAV, which is based on the fair value of the underlying investments held by NYCLASS less its liabilities, is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that NYCLASS will sell its investments for an amount different than the reported NAV. Participants can conduct transactions (deposits, withdrawal, or transfers) on a normal business day. There are no limits on the dollar amount or number of daily transactions, except that total daily withdrawals may not exceed the total balance on deposit.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *f. Cash, Cash Equivalents, and Investments - Continued*

##### Investments - Continued

The Village has also accumulated investments that are restricted for volunteer firefighters under a Length of Service Award Program benefit plan. Assets held under this plan are invested in an unallocated group annuity contract that is backed by the general assets of the issuer. The plan also maintains a checking account to pay benefits as they become due. These investments are reported at contract value, which may be different than liquidation value.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

#### *g. Accounts Receivable*

Accounts receivable are carried at original invoice amount, less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts, if any, by identifying troubled accounts and by using historical experience applied to an aging of accounts. At May 31, 2023, management has determined no allowance for doubtful accounts is necessary.

#### *h. Prepaid Expenses/Expenditures*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/expenditures.

#### *i. Capital Assets*

Capital assets are reported at historical cost where available. In certain cases, historical costs have been estimated based on appraisals conducted by an independent appraisal company. Donated assets are reported at estimated fair value at the time received. Depreciation of capital assets for governmental activities is computed using the straight-line method of depreciation over the useful lives of the asset, as the following schedule indicates:

Land improvements	5 - 50 years
Buildings and improvements	5 - 50 years
Machinery and equipment	5 - 50 years
Infrastructure	10 - 50 years
Other assets	5 - 10 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the operating property using the applicable depreciation methods.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *i. Capital Assets - Continued*

The Village maintains a capitalization threshold of \$5,000 for individual or in aggregate capital expenditures.

Management periodically reviews long-lived assets for impairment to determine whether any events or circumstances indicate the carrying value of the assets may not be recoverable. No impairment was identified for the year ended May 31, 2023.

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

The balance sheet reports accounts payable and accrued liabilities of the governmental funds to the extent that they are due and payable within the current period and are paid in a timely manner in full, from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability to the extent they are due for payment in the current year.

Long-term obligations represent the Village's future obligations or future economic outflows. The liabilities are reported in the statement of net position in the government-wide financial statements.

#### *k. Compensated Absences*

Vacation eligibility and accumulation are specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation are specified in collective bargaining agreements and in individual employment contracts. Upon retirement, resignation, or death, employees (or their beneficiaries upon death) may be eligible to receive the value of unused accumulated sick leave.

The compensated absences liability is recorded in the statement of net position in the government-wide financial statements. Compensated absences were not considered due and payable on the modified accrual basis of accounting as of May 31, 2023 and are, therefore, excluded from the governmental fund balance sheet.

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

A deferred outflow of resources is a consumption of net assets that applies to a future period(s), and as such, will not be recognized as an outflow of resources (expenses/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to a future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

The Village reports deferred inflows of resources on its governmental funds balance sheet when potential revenue does not meet both of the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received by the government before it has a legal claim to them, as when property taxes or grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferral is removed from the balance sheet, and revenue is recognized.

Pension, Length of Service Award Program (LOSAP), and Other Postemployment Benefits (OPEB) deferred outflows of resources and deferred inflows of resources are reported in the governmental activities. Further detail of the pension, LOSAP, and OPEB related deferred outflows of resources and deferred inflows of resources are disclosed in Notes 8, 9, and 10, respectively.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *m. Employee Benefits*

##### Net Pension Liability – New York State and Local Retirement System

The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Retirement System's State and Local Employees' Retirement System (ERS) and State and Local Police and Fire Retirement System (PFRS), respectively, as described in Note 8.

##### LOSAP

The Village sponsors a separate LOSAP plan for active volunteer firefighters of the Lynbrook Fire Department, as described in Note 9.

##### OPEB

The Village provides healthcare benefits for retired employees through a single employer defined benefit plan, as described in Note 10.

#### *n. Fund Balance and Net Position*

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

- Nonspendable - Amounts that cannot be spent because they are either: (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.
- Restricted - Amounts that have restraints that are either: (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.
- Assigned - Amounts that are constrained only by the government's intent to be used for a specific purpose but are not restricted or committed in any manner.
- Unassigned - The residual amount in the General Fund after all of the other classifications have been established. In a Special Revenue Fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

The Village's fund balance policy is set by the Village Board, the highest level of decision-making authority. The Village Board considers "formal action" for a committed fund balance to be the passing of a Board resolution. The Board has delegated the ability to assign fund balance to the Treasurer. The Village considers fund balance spent on the order of restricted, committed, assigned, and unassigned.

Note 7 provides further details regarding the Village's fund balance classifications.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *n. Fund Balance and Net Position - Continued*

The following categories are used for net position of the government-wide and proprietary funds financial statements:

- Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt, including bonds and bond anticipations notes, which are attributable to the acquisition, construction, or improvement of these assets, reduce the balance in this category.
- Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of the Village or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - This category represents net position of the Village not restricted for any project or other purpose.

#### *o. Property Taxes*

Real property taxes are levied annually no later than May 15 and become a lien on June 1. The Village collects its own taxes. Taxes are collected during the month of June without penalty. A 5% penalty is assessed on taxes paid after July 1, and an additional 1% is assessed each month on taxes paid after July. Unpaid Village taxes are collected through tax sales and are considered fully collectible by management. The Village received approximately \$3.97 million in property tax revenue in advance of the June 1, 2023 enforceable lien and has recorded this balance as a deferred inflow of resources. The Village has \$592,122 of property taxes receivable that were not collected within the availability period and has recorded this balance as a deferred inflow of resources, in the General Fund.

#### *p. Interfund Transactions*

The operations of the Village include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Village typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year and are classified as "due from other funds" and "due to other funds" on the statement of net position and balance sheet. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables are netted on the accompanying balance sheet when it is the Village's practice to settle these amounts at a net balance based upon the right of legal offset.

See Note 3 for a detailed disclosure by individual fund for interfund receivables, payables, and transfers.

#### *q. Subsequent Events*

The Village has evaluated subsequent events for potential recognition or disclosure through February 29, 2024, the date the financial statements were available to be issued.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 2 - Stewardship, Compliance, and Accountability

#### *Budgetary Information*

Budgets are adopted on the modified accrual basis. Annual appropriated budgets are adopted for the General and Special Revenue Funds. The Village's budget policy is as follows:

1. The Village's budget officer submits a tentative budget to the Board of Trustees on or before March 31. The tentative budget includes proposed expenditures and the proposed means of financing for the General Fund.
2. A public hearing is held on the tentative budget by April 15. After completion of the budget hearing, the Board of Trustees may further change the tentative budget. Such budget, as so revised, must be adopted by resolution no later than May 1.
3. All subsequent modifications of the budget must be approved by the Board of Trustees.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Trustees as a result of selected new revenue source not included in the original budget (when permitted by law). These supplementary appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. During the year, several supplementary appropriations were necessary.

### Note 3 - Interfund Transactions

Interfund balances as of May 31, 2023 are as follows:

	Due to Other Funds						Total
	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds	Custodial Fund	
Due from other funds							
Governmental funds							
General fund	\$ -	\$ 1,097,748	\$ 1,774,392	\$ -	\$ 2,872,140	\$ -	\$ 2,872,140
Capital projects fund	5,836	-	-	-	5,836	-	5,836
Debt service fund	-	4,351	-	62,141	66,492	56,112	122,604
<b>Total governmental funds</b>	<b>5,836</b>	<b>1,102,099</b>	<b>1,774,392</b>	<b>62,141</b>	<b>2,944,468</b>	<b>56,112</b>	<b>3,000,580</b>
Custodial Fund	38,516	-	-	-	38,516	-	38,516
<b>Total</b>	<b>\$ 44,352</b>	<b>\$ 1,102,099</b>	<b>\$ 1,774,392</b>	<b>\$ 62,141</b>	<b>\$ 2,982,984</b>	<b>\$ 56,112</b>	<b>\$ 3,039,096</b>

Interfund transfers for the year ended May 31, 2023 are as follows:

	Interfund Transfers Out		
	General Fund	Capital Projects Fund	Total
Interfund Transfers In			
Capital Projects Fund	\$ 5,836	\$ -	\$ 5,836
Debt Service Fund	3,563,892	-	3,563,892
Other Governmental Funds	1,394,533	94,867	1,489,400
<b>Total</b>	<b>\$ 4,964,261</b>	<b>\$ 94,867</b>	<b>\$ 5,059,128</b>

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 4 - Capital Assets

A summary of changes in the Village's capital assets is as follows:

	Balance May 31, 2022	Additions	Disposals	Balance May 31, 2023
Capital assets not being depreciated				
Land	\$ 15,208,023	\$ 861,735	\$ -	\$ 16,069,758
Depreciable capital assets				
Land improvements	9,158,568	252,810	-	9,411,378
Buildings and improvements	13,489,733	99,615	-	13,589,348
Machinery and equipment	20,100,334	585,010	(66,901)	20,618,443
Infrastructure	44,289,114	2,485,432	-	46,774,546
Other assets	1,976,786	11,362	-	1,988,148
Total depreciable capital assets	<u>89,014,535</u>	<u>3,434,229</u>	<u>(66,901)</u>	<u>92,381,863</u>
Less accumulated depreciation				
Land improvements	3,786,405	389,554	-	4,175,959
Buildings and improvements	7,985,511	421,267	-	8,406,778
Machinery and equipment	13,946,181	1,026,781	(63,997)	14,908,965
Infrastructure	31,306,233	1,040,210	-	32,346,443
Other assets	1,827,983	36,937	-	1,864,920
Total accumulated depreciation	<u>58,852,313</u>	<u>2,914,749</u>	<u>(63,997)</u>	<u>61,703,065</u>
Depreciable capital assets, net	<u>30,162,222</u>	<u>519,480</u>	<u>(2,904)</u>	<u>30,678,798</u>
Total capital assets	<u>\$ 45,370,245</u>	<u>\$ 1,381,215</u>	<u>\$ (2,904)</u>	<u>\$ 46,748,556</u>

Depreciation expense for 2023 was charged to functions of the primary government as follows:

General government support	\$ 376,693
Public safety	699,114
Transportation	1,481,723
Culture and recreation	320,946
Home and community services	<u>36,273</u>
Total depreciation expense	<u>\$ 2,914,749</u>

### Note 5 - Bond Anticipation Notes Payable

Bond anticipation notes payable balances and activity for the year are summarized below:

Issuance	Interest Rate	Maturity Date	Opening Balance	Issuances	Repayments	Ending Balance
May 16, 2023	4.50%	May 16, 2024	\$ -	\$ 1,415,000	\$ -	\$ 1,415,000
May 16, 2023	5.35%	May 16, 2024	-	900,000	-	900,000
			<u>\$ -</u>	<u>\$ 2,315,000</u>	<u>\$ -</u>	<u>\$ 2,315,000</u>



# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 6 - Long-Term Liabilities

Long-term liability balances and activity for the year are summarized below:

	Balance May 31, 2022	Additions	Reductions	Balance May 31, 2023	Amounts Due Within One Year
Compensated absences	\$ 4,665,798	\$ 705,979	\$ (466,580)	\$ 4,905,197	\$ 490,520
Installment purchase debt	1,240,052	-	(234,270)	1,005,782	240,948
Bonds payable - public improvements	16,141,000	-	\$ (2,696,000)	13,445,000	2,255,000
Bonds payable - separation payments	600,000	-	(150,000)	450,000	150,000
Net pension (asset) liability					
ERS	(2,391,331)	8,495,240	-	6,103,909	-
PFRS	1,270,447	10,864,056	-	12,134,503	-
Length of service award program obligations	9,429,904	999,231	(299,172)	10,129,963	-
Other postemployment benefits	67,288,130	4,198,271	(10,403,918)	61,082,483	-
	<u>98,244,000</u>	<u>25,262,777</u>	<u>(14,249,940)</u>	<u>109,256,837</u>	<u>3,136,468</u>
Unamortized premium	126,869	-	(12,985)	113,884	12,985
	<u>\$ 98,370,869</u>	<u>\$ 25,262,777</u>	<u>\$ (14,262,925)</u>	<u>\$ 109,370,721</u>	<u>\$ 3,149,453</u>

### Bonds Payable

A summary of the Village's bonds payable is as follows:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at May 31, 2023
Serial bond	2009	2023	2.000-4.000%	\$ 205,000
Serial bond	2011	2024	1.750-2.250%	375,000
Serial bond	2014	2028	2.000-2.750%	2,680,000
Serial bond - Series A	2016	2028	1.000-2.250%	450,000
Serial bond - Series B	2016	2025	1.100-2.900%	990,000
Serial bond - refunding	2016	2029	2.000-4.000%	675,000
Serial bond	2018	2032	2.000-4.000%	3,980,000
Serial bond - Series A	2020	2038	1.000-2.000%	3,965,000
Serial bond - Series B	2020	2029	2.000%	575,000
				<u>\$ 13,895,000</u>

A summary of aggregate minimum maturities of bonds payable is as follows:

	Principal	Interest	Total
Fiscal year ending May 31,			
2024	\$ 2,405,000	\$ 289,087	\$ 2,694,087
2025	1,780,000	242,226	2,022,226
2026	1,765,000	201,750	1,966,750
2027	1,600,000	162,025	1,762,025
2028	1,470,000	123,219	1,593,219
2029 - 2033	3,435,000	303,300	3,738,300
2034 - 2038	1,440,000	72,500	1,512,500
Total	<u>\$ 13,895,000</u>	<u>\$ 1,394,107</u>	<u>\$ 15,289,107</u>

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 6 - Long-Term Liabilities - Continued

#### *Installment Debt Payable*

The installment debt was issued at an interest rate of 2.85% to finance the acquisition of capital equipment related to energy efficiency projects throughout the Village.

A summary of aggregate minimum maturities of installment debt is as follows:

	Principal	Interest	Total
Fiscal year ending May 31,			
2024	\$ 240,948	\$ 28,665	\$ 269,613
2025	247,815	21,798	269,613
2026	254,877	14,735	269,612
2027	262,142	7,471	269,613
Total	\$ 1,005,782	\$ 72,669	\$ 1,078,451

### Note 7 - Fund Balances

The specific purposes that comprise the classifications of fund balances at May 31, 2023 are as follows:

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects	Debt Service		
Nonspendable					
Prepaid expenditures	\$ 559,105	\$ -	\$ -	\$ 24,202	\$ 583,307
Restricted for					
Length of service award program	5,590,691	-	-	-	5,590,691
Capital assets	18,816	-	-	-	18,816
Property seizure	76,603	-	-	-	76,603
Repairs	4,989	-	-	-	4,989
	6,594,450	-	-	-	6,594,450
Assigned					
Library services	-	-	-	7,005	7,005
Encumbrances	199,029	-	175,554	-	374,583
Appropriations	2,317,509	-	-	7,083	2,324,592
	2,516,538	-	175,554	14,088	2,706,180
Unassigned	9,043,191	(1,470,616)	-	-	7,572,575
Total fund balance	\$ 18,713,284	\$ (1,470,616)	\$ 175,554	\$ 38,290	\$ 17,456,512

### Note 8 - New York State Retirement Systems

#### *a. Plan Description and Benefits Provided*

The Village 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), which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing,

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 8 - New York State Retirement Systems - Continued

#### a. Plan Description and Benefits Provided - Continued

multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the Trustee of the Fund and is the administrative head of the System. 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 (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

#### b. Contributions

Most members of the System who joined on or before July 26, 1976 are enrolled in a noncontributory plan. Members of the System who joined after July 26, 1976 are enrolled in a contributory plan which requires a 3% contribution of their salary. As a result of Article 19 of the NYSRSSL, eligible Tier 3 and Tier 4 employees with a membership date after July 26, 1976 who have ten or more years of membership or credited service with the System are not required to contribute. Generally, members of the System may retire at 55; however, members of Tiers 2, 3, 4, and 5 will receive a reduced benefit if they retire before 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits, and employees with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. The full benefit age for Tier 6 is 63 for System members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. The contribution rate varies from 3% to 6% depending on salary. Members are required to contribute for all years of service. The average contribution rate for ERS and PFRS for the fiscal year ended March 31, 2023 was approximately 11.6% and 27.0% of payroll, respectively. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates expressed as proportions of payroll of members, which is be used in computing the contributions.

The required contributions for the current year and two preceding years were:

	<u>ERS</u>	<u>PFRS</u>
For the year ended May 31,		
2023	\$ 1,200,379	\$ 2,347,603
2022	1,339,335	2,187,684
2021	1,199,321	1,814,711

The Village's contribution made to the System was equal to 100% of the contribution required for the year.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 8 - New York State Retirement Systems - Continued

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

At May 31, 2023, the Village reported a net pension liability of \$6,103,909 and \$12,134,503 in the ERS and PFRS, respectively. The net pension liability was measured as of March 31, 2023, and the total pension asset/liability was determined by an actuarial valuation as of April 1, 2022. The Village's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to the System's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2023 measurement date, the Village's proportionate share in the ERS was 0.0284644% and the PFRS was 0.2202081%.

For the year ended May 31, 2023, the Village recognized pension expense of \$2,181,247 and \$3,839,088 related to ERS and PFRS, respectively, in the government-wide financial statements. At May 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources as follows:

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 650,114	\$ 171,421
Changes of assumptions	2,964,452	32,763
Net differences between projected and actual investment earnings on pension plan investments	-	35,860
Changes in proportion and differences between employer contributions and proportionate share of contributions	150,422	33,861
Pension contributions subsequent to the measurement date	196,743	-
Total	\$ 3,961,731	\$ 273,905

	PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,186,025	\$ -
Changes of assumptions	5,913,112	-
Net differences between projected and actual investment earnings on pension plan investments	21,452	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	281,347	384,877
Pension contributions subsequent to the measurement date	367,331	-
Total	\$ 7,769,267	\$ 384,877

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 8 - New York State Retirement Systems - Continued

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

Contributions subsequent to the measurement date will be recognized as an adjustment of the net pension liability in the year ending May 31, 2024. Other amounts recognized as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	PFRS	Total
Year ending May 31,			
2024	\$ 844,870	\$ 1,358,230	\$ 2,203,100
2025	(284,487)	(288,666)	(573,153)
2026	1,271,754	3,548,198	4,819,952
2027	1,658,946	2,192,845	3,851,791
2028	-	206,452	206,452
	\$ 3,491,083	\$ 7,017,059	\$ 10,508,142

*d. Actuarial Assumptions*

The total pension liability at March 31, 2023 was determined using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. These assumptions are:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.9%
Salary Scale	
ERS	4.4 %, indexed by service
PFRS	6.2 %, indexed by service
Investment rate of return, including inflation	5.9 % compounded annually, net of expenses
Cost of living adjustments	1.5% annually

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

*e. Investment Asset Allocation*

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

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 8 - New York State Retirement Systems - Continued

*e. Investment Asset Allocation - Continued*

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic/Absolute return strategies	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.00%
	100.00%	

*f. Discount Rate*

The discount rate used to calculate the net pension liability/asset was 5.9 percent. 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 on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*g. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption*

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 5.9% and the impact of using a discount rate that is 1% higher or lower than the current rate:

	ERS		
	1% Decrease (4.90)%	Current Discount (5.90)%	1% Increase (6.90)%
Village's proportionate share of the net pension liability (asset)	\$ 14,750,529	\$ 6,103,909	\$ (1,121,349)

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 8 - New York State Retirement Systems - Continued

*g. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption - Continued*

	PFRS		
	1% Decrease (4.90)%	Current Discount (5.90)%	1% Increase (6.90)%
Village's proportionate share of the net pension liability (asset)	\$ 25,294,940	\$ 12,134,503	\$ 1,236,871

*h. Pension Plan Fiduciary Net Position*

The components of the current year net pension liability of the New York State and Local Retirement System as of March 31, 2023 were as follows (amounts in thousands):

	(Dollars in Thousands)		
	Employees' Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 232,627,259	\$ 43,835,333	\$ 276,462,592
Plan net position	211,183,223	38,324,863	249,508,086
Employers' net pension liability	\$ 21,444,036	\$ 5,510,470	\$ 26,954,506
Ratio of plan net position to the employers' total pension liability	90.8%	87.4%	90.3%

### Note 9 - Length of Service Award Program (LOSAP)

The Village established a defined benefit LOSAP for the active volunteer firefighters of the Lynbrook Fire Department. The program took effect on January 1, 1993. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded, pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the program. The program is considered a non-qualified deferred compensation plan, which is designed such that contributions do not result in immediate taxation to program participants. Funds deposited into the program cannot be revoked by the Village; however, the funds may be subject to the claims made by the Village's general unsecured creditors.

*Participation, Vesting, and Service Credit*

Active volunteer firefighters who have reached the age of 18 and who are current active members on the Emergency Service organization's membership roster are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 65. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates points in accordance with the method used by the sponsor to determine active status. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 9 - Length of Service Award Program (LOSAP) - Continued

#### *Participation, Vesting, and Service Credit - Continued*

The number of employees covered under the program are as follows:

Retirees and beneficiaries currently receiving benefits	76
Active, non-vested	155
Terminated members entitled to but not yet receiving benefits	126

#### *Benefits*

A participant's benefit under the program is paid as a life annuity guaranteed for ten years, equal to \$20 multiplied by the firefighter's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 30 years. A participant's service award will not be paid until attaining the entitlement age, except in the case of pre-entitlement age death or total and permanent disablement. The program provides statutorily mandated death and disability benefits.

#### *Fiduciary Investment and Control*

Service credit is determined by the governing Board of the sponsor, based on information certified to the governing Board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

The governing Board has designated Hometown Firefighter Services (Hometown) to assist in the administration of the program. The designated program administrator's functions include those services listed in the service fee agreement. Disbursements of program assets for the payment of benefits or administrative expenses must be approved. The following is an explanation of the process for approving disbursements:

Payment of benefits:

- i. Entitlement benefits - Hometown prepares and submits to the Plan Administrator (Sponsor) a Verification of Benefits statement and an Annuity Enrollment form for participants active at entitlement age and for vested participants upon termination from the plan. Following review for accuracy, the Plan Administrator signs and returns the paperwork to Hometown authorizing Hometown to disburse entitlement benefits.
- ii. Death benefits - Upon notification from the Plan Administrator (Sponsor) of a participant's death, Hometown prepares a Verification of Benefits statement and a lump-sum death benefit form. Following review for accuracy, the Plan Administrator signs and returns the paperwork accompanied by a death certificate to Hometown authorizing Hometown to disburse a death benefit.
- iii. Disability benefits - Upon notification from the Plan Administrator (Sponsor) of a participant's total and permanent disability, Hometown prepares a Verification of Benefits statement, a physician statement form, and a lump-sum disability benefit form. Following review for accuracy, the Plan Administrator signs and returns the paperwork authorizing Hometown to disburse a disability benefit.



# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 9 - Length of Service Award Program (LOSAP) - Continued

#### *Fiduciary Investment and Control - Continued*

Payment of administrative expenses:

- Per the executed service fee agreement, the Plan Administrator agrees to payment as contracted.
- Program assets (investments, restricted) are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. Program assets are held in compliance with GML Article 11-A 217(j).
- Authority to invest program assets is vested in the First Security Benefit Life Insurance and Annuity Company. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule.

#### *Significant Assumptions and Other Inputs*

Significant actuarial assumptions used to estimate the program's pension liability are as follows:

Discount Rate	3.90%
Measurement Date	May 31, 2023
Post-Entitlement Age Mortality Table	RP 2014 Combined Table - Projected to 2023
Inflation	3.75%

#### *Measurement of Total Pension Liability*

The following table presents the changes in total pension liability for the program:

Beginning balance	\$ 9,429,904
Service cost	69,204
Interest	311,683
Change due to differences in experience	305,295
Changes of assumptions and other inputs	313,049
Benefit payments	(299,172)
Ending balance	<u>\$ 10,129,963</u>

The discount rate used to measure the total pension liability is 3.90%. The discount rate was based upon the Fidelity 20-Year GO AA Bond Index.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 9 - Length of Service Award Program (LOSAP) - Continued

#### *Sensitivity of the Total Pension Liability*

The following presents the total pension liability of the Village as of May 31, 2023 calculated using the discount rate of 3.90%, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.90%) or 1-percentage point higher (4.90%) than the current rate:

	1% Decrease 2.90%	Current Discount Rate 3.90%	1% Increase 4.90%
Total LOSAP pension liability	\$ 11,827,000	\$ 10,129,963	\$ 8,760,000

#### *Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended May 31, 2023, the Village recognized LOSAP pension expense of \$999,231 in the government-wide financial statements. The following table presents the components of pension expense:

Components of pension expense	
Service cost	\$ 69,204
Interest	311,683
Changes due to experience	305,295
Changes of assumptions or other inputs	313,049
	\$ 999,231

At May 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to the program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 914,375	\$ -
Changes of assumptions	2,735,522	4,016,505
Total	\$ 3,649,897	\$ 4,016,505

Amounts recognized as deferred outflows of resources and deferred inflows of resources related to the program will be recognized in pension expense as follows:

Year ending May 31,	
2024	\$ 6,219
2025	6,219
2026	6,219
2027	6,219
2028	6,219
Thereafter	(397,703)
	\$ (366,608)

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 10 - Other Postemployment Benefits

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to the length of service for each plan member.

A summary of active employees and retired employees covered under this benefit plan as of May 31, 2023 is as follows:

Actives	148
Retirees	<u>115</u>
Total	<u><u>263</u></u>

The Village contributes a percent of the cost of current year premiums for eligible retired plan members and their spouses. The Village is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the year ended May 31, 2023, the Village paid \$1,621,790 on behalf of plan members. The plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

At May 31, 2023, the Village reported a liability of \$61,082,483 for its OPEB liability. The plan liability was measured as of June 1, 2022 by an actuarial valuation as of that date. For the year ended May 31, 2023, the Village recognized OPEB plan expense of \$4,198,271. A summary of changes in the Village's OPEB liability is as follows:

June 1, 2022	<u>\$ 67,288,130</u>
Charges for the year	
Service cost	2,676,881
Interest	1,521,390
Changes in assumptions and other inputs	(8,782,128)
Benefit payments	<u>(1,621,790)</u>
Net changes	<u>(6,205,647)</u>
May 31, 2023	<u><u>\$ 61,082,483</u></u>

At May 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 655,442	\$ 550,354
Changes of assumptions or other inputs	7,304,141	9,286,763
Employer contributions subsequent to the measurement date	<u>1,734,987</u>	<u>-</u>
Total	<u><u>\$ 9,694,570</u></u>	<u><u>\$ 9,837,117</u></u>

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 10 - Other Postemployment Benefits - Continued

Employer contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending May 31, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending May 31,		
2024	\$	88,117
2025		269,558
2026		626,341
2027		(834,907)
2028		(1,351,097)
Thereafter		<u>(675,546)</u>
Total	\$	<u>(1,877,534)</u>

The OPEB liability was determined using the following actuarial assumptions:

Assumption	Factor
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Salary Scale	3.50%
Rate of Inflation	2.50%
Discount Rate	3.16%
Participant Percent	95% Retiree, 95% Spouse, 25% Surviving Spouse
Marriage Rate	70% of retirees will be married at the time of retirement.
Mortality Table	RPH-2014 SOA Mortality Table for Healthy Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and project forward with scale MP-2021.
Turnover Assumption	NYS Department of Civil Service actuarial consultant report titled, <u>Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (August 2020)</u> .

The expected rate of increase in healthcare cost trend rates is assumed as follows:

	Pre-65 Healthcare Cost Trend Rate %	Post-65 Healthcare Cost Trend Rate %
Year ending May 31,		
2024	6.00%	6.37%
2025	5.60%	5.64%
2026	5.30%	5.29%
2027	5.05%	5.10%
2032	4.50%	4.50%
2037	4.50%	4.50%

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 10 - Other Postemployment Benefits - Continued

	<u>Pre-65 Healthcare Cost Trend Rate %</u>	<u>Post-65 Healthcare Cost Trend Rate %</u>
Year ending May 31,		
2042	5.30%	4.74%
2052	5.10%	4.68%
2062	5.00%	4.65%
2072	4.90%	4.62%
2082	4.80%	4.59%
2092	4.70%	4.56%

The following presents the OPEB liability as of May 31, 2023 calculated using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates 1% lower or 1% higher than the current rates:

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
OPEB plan liability	<u>\$ 50,705,080</u>	<u>\$ 61,082,483</u>	<u>\$ 74,779,740</u>

The following presents the OPEB liability as of May 31, 2023 calculated using the current discount rate of 3.16%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease 2.16%</u>	<u>Current Rate 3.16%</u>	<u>1% Increase 4.16%</u>
OPEB plan liability	<u>\$ 72,151,335</u>	<u>\$ 61,082,483</u>	<u>\$ 52,329,642</u>

### Note 11 - Tax Abatements

Certain property values in the Village have been reduced as the result of payment in-lieu of tax (PILOT) agreements entered into by the Village of Lynbrook for the purpose of general economic development under Article 18-A of General Municipal Law (GML). These agreements reduce the assessed value of the properties for all taxing agencies in the Nassau County, including the Village. As a result of the agreement, the Village receives a PILOT payment, which is equal to the reduced assessed value times the Village's levied tax rate.

Information relevant to disclosure of these agreements for the year ended May 31, 2023 is as follows:

<u>Property Owner</u>	<u>Village Parcel ID (SBL)</u>	<u>Full Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>PILOT Amount</u>	<u>Taxes Abated</u>
Anastasia C. Pesola, Trustee 931 Sunrise Highway	25-4-1	<u>\$ 120,000</u>	\$ 112,719	0.2291	\$ 25,824	\$ 1,668
J.P.D. Burns Properties, LLC 635-639 Merrick Road	56-3-18.-20	<u>320,113</u>	193,185	0.2291	44,259	29,079
HP Lynbrook, LLC 444 Merrick Road	23-1-19 23-1-4-7	25,200 <u>864,475</u> <u>889,675</u>	646,186	0.2291	148,041	55,783

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 11 - Tax Abatements - Continued

Property Owner	Village Parcel ID (SBL)	Full Assessed Value	Taxable Assessed Value	Tax Rate	PILOT Amount	Taxes Abated
HSRE EB Lynbrook, LLC 8 Freer Street	28-2- 2.2B2C2D	758,800	758,800	0.2291	173,841	-
225 Merrick Road LLC 221-225 Merrick Road	7-9-4-8	129,855	96,012	0.2291	21,996	7,753
SLZM Realty, LLC 443 Sunrise Highway	31-2-4	284,456	109,560	0.2291	25,100	40,069
Regal Cinemas, Inc. Blake Avenue 44 Blake Avenue 48 Blake Avenue 317-321 Merrick Road 333 Merrick Road Merrick Road	61-3-6 61-3-7 61-3-8 61-3-13 61-3-15 61-3-16	7,100 7,900 8,580 410,491 21,600 5,700	461,371	0.2291	31,797	73,903
CMS Real Estate Holdings, LLC 266 Merrick Road	11-2-3-5	218,880	210,211	0.2291	48,159	1,986
Terwillger and Bartone 5 Freer Street	11-2-3-5	285,300	951,200	0.2291	87,232	130,688
PSEGLI Property 24 Broadway Broadway Horton Avenue Scranton Avenue Piccadilly Downs Special Franchise 208 Whitehall Street 151 Whitehall Street	24-2-5 24-2-6 25-2-3 28-5-1 38-3-7 127-40 47-1-2 47-3-18&A.15-17	319,600 19,600 12,500 15,800 11,200 1,003,107 1,162,200 3,600,500	6,144,507	0.2291	1,324,558	83,148
Total		<u>\$ 9,612,957</u>	<u>\$ 8,998,234</u>		<u>\$ 1,930,807</u>	<u>\$ 424,077</u>

### Note 12 - Contingencies, Risks, and Uncertainties

#### a. Grant Programs

The Village has received grants which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on past audits, the Village believes disallowances, if any, will be immaterial.

#### b. Tax Certiorari Proceedings

From time to time, the Village is involved in tax certiorari proceedings under which taxpayers seek reduction in the assessed value of property upon which taxes are measured. A reduction in assessed valuation may result in a refund of real property taxes previously paid by the claimant. A liability is recorded at the government-wide level when a refund for a claim is probable and estimable, and at the fund level when a refund for a claim is due and payable. At May 31, 2023, a liability has been recorded in the Governmental Activities and the General Fund in the amount of \$539,318.

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 13 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITA) including the definition of a SBITA, establishment of a right-to-use subscription asset and related liability, providing capitalization criteria, and requiring note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics. The requirements of this statement related to the extension of the sue of LIBOR, accounting for Supplement Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of the provisions of GASB Statement No. 34, *Basis Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended, and terminology updates related to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, were effective upon issuance of the statement in April 2022. The requirements of this statement related to leases, PPPs, and SBITAs are effective for reporting periods beginning after June 15, 2022. The requirements of this statement related to financial guarantees and the classification of reporting of derivative instruments within the scope of GASB 53 are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and change to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for (1) each type of accounting changes and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This statement requires disclosures in notes to financial statements of descriptive information about accounting changes and error corrections,

# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### Note 13 - Accounting Standards Issued But Not Yet Implemented - Continued

such as their nature. In addition, information about quantitative effects of beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. For periods that are earlier than those included in the basic financial statements, information presented as required supplementary information and supplementary information should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.



# Incorporated Village of Lynbrook, New York

## Notes to Financial Statements May 31, 2023

### **Note 13 - Accounting Standards Issued But Not Yet Implemented - Continued**

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The Statement are effective for fiscal years beginning after June 15, 2024, and all porting periods thereafter.

Management has not estimated the extent of the potential impact, if any, of these statements on the Village's financial statements.

# Incorporated Village of Lynbrook, New York

## Required Supplementary Information Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund

	Year Ended May 31, 2023			
	Original Budget	Modified Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Real property taxes	\$ 35,091,404	\$ 35,091,404	\$ 35,221,352	\$ 129,948
Other tax items	2,021,000	2,021,000	2,046,677	25,677
Nonproperty taxes	925,700	925,700	887,727	(37,973)
Departmental income	1,258,800	1,258,800	1,258,584	(216)
Intergovernmental charges	11,000	11,000	13,729	2,729
Use of money and property	126,200	126,200	680,065	553,865
Licenses and permits	538,900	538,900	1,141,144	602,244
Fines and forfeitures	1,750,000	1,750,000	2,000,194	250,194
Sale of property and compensation for loss	139,500	171,283	322,671	151,388
Miscellaneous	321,000	321,000	461,572	140,572
State aid	788,300	788,300	697,383	(90,917)
Federal aid	1,078,050	1,078,050	997,330	(80,720)
Total revenues	44,049,854	44,081,637	45,728,428	1,646,791
<b>EXPENDITURES</b>				
General governmental support	5,471,400	5,501,828	4,819,748	682,080
Public safety	14,956,200	15,147,077	14,683,626	463,451
Health	35,300	35,300	35,264	36
Transportation	2,813,500	2,968,807	2,515,863	452,944
Economic opportunity and development	64,000	64,000	58,527	5,473
Culture and recreation	2,254,000	2,321,950	2,068,228	253,722
Home and community services	2,874,300	2,874,300	2,784,307	89,993
Employee benefits	12,010,900	12,044,143	11,818,989	225,154
Total expenditures	40,479,600	40,957,405	38,784,552	2,172,853
<b>Excess of revenues over expenditures</b>	<b>3,570,254</b>	<b>3,124,232</b>	<b>6,943,876</b>	<b>3,819,644</b>
<b>OTHER FINANCING USES</b>				
Operating transfers out	(5,058,500)	(5,058,500)	(4,964,261)	94,239
<b>Appropriated fund balance / surplus</b>	<b>\$ (1,488,246)</b>	<b>\$ (1,934,268)</b>	<b>1,979,615</b>	<b>\$ 3,913,883</b>
<b>FUND BALANCES, beginning of year</b>			16,733,669	
<b>FUND BALANCES, end of year</b>			<b>\$ 18,713,284</b>	

## Incorporated Village of Lynbrook, New York

### Required Supplementary Information Schedule of Other Postemployment Benefits Liability

Measurement date as of May 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Beginning of year	\$ 67,288,130	\$ 64,952,780	\$ 50,310,272	\$ 50,928,872	\$ 50,197,860
Charges for the year					
Service cost	2,676,881	2,438,027	1,649,168	1,753,357	1,859,602
Interest	1,521,390	1,437,392	1,795,372	1,959,526	1,849,005
Differences between expected and actual experience	-	(831,146)	-	1,825,878	-
Changes in assumptions and other inputs	(8,782,128)	980,777	12,816,477	(4,471,543)	(1,330,566)
Benefit payments	<u>(1,621,790)</u>	<u>(1,689,700)</u>	<u>(1,618,509)</u>	<u>(1,685,818)</u>	<u>(1,617,029)</u>
Net changes	<u>(6,205,647)</u>	<u>2,335,350</u>	<u>14,642,508</u>	<u>(618,600)</u>	<u>761,012</u>
End of year	<u><b>\$ 61,082,483</b></u>	<u><b>\$ 67,288,130</b></u>	<u><b>\$ 64,952,780</b></u>	<u><b>\$ 50,310,272</b></u>	<u><b>\$ 50,958,872</b></u>
Covered payroll	\$ 18,231,810	\$ 16,427,770	\$ 17,355,618	\$ 16,748,162	\$ 15,079,468
OPEB liability as a percentage of covered payroll	335.03%	409.60%	374.25%	300.39%	337.94%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*

# Incorporated Village of Lynbrook, New York

## Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability/Asset

	May 31,							
	2023	2022	2021	2020	2019	2018	2017	2016
<b>New York State and Local Employees' Retirement System</b>								
Village's proportion of the net pension asset/liability	0.0284644%	0.0292532%	0.0279752%	0.0278647%	0.0278147%	0.0280194%	0.0259385%	0.0260916%
Village's proportionate share of the net pension (asset) liability	\$ 6,103,909	\$ (2,391,331)	\$ 27,856	\$ 7,378,732	\$ 1,970,756	\$ 904,311	\$ 2,437,239	\$ 4,187,778
Village's covered-employee payroll	8,644,070	8,510,400	8,463,365	7,901,215	7,696,697	7,349,052	6,993,444	6,928,317
Village's proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	70.61%	-28.10%	0.33%	93.39%	25.61%	12.31%	34.85%	60.44%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
<b>New York State and Local Police and Fire Retirement System</b>								
Village's proportion of the net pension liability	0.2202081%	0.2236526%	0.2142128%	0.2103579%	0.1930775%	0.1910564%	0.1795892%	0.1721537%
Village's proportionate share of the net pension liability	\$ 12,134,503	\$ 1,270,447	\$ 3,719,325	\$ 11,243,498	\$ 3,238,031	\$ 1,931,115	\$ 3,722,259	\$ 5,097,105
Village's covered-employee payroll	9,985,440	9,064,580	8,708,761	8,672,785	8,263,124	8,296,284	8,045,546	7,330,969
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll	121.52%	14.02%	42.71%	129.64%	39.19%	23.28%	46.26%	69.53%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*

# Incorporated Village of Lynbrook, New York

## Required Supplementary Information Schedule of Pension Contributions

	Year Ended May 31,							
	2023	2022	2021	2020	2019	2018	2017	2016
<b>New York State and Local Employees' Retirement System</b>								
Contractually required contribution	\$ 1,200,379	\$ 1,339,335	\$ 1,199,321	\$ 1,117,037	\$ 1,092,616	\$ 1,255,876	\$ 1,242,255	\$ 1,220,792
Contributions in relation to the contractually required contribution	1,200,379	1,339,335	1,199,321	1,117,037	1,092,616	1,255,876	1,220,792	1,220,792
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Village's covered-employee payroll	8,644,070	8,510,400	8,463,365	7,901,215	7,696,697	7,349,052	6,993,444	6,928,317
Contributions as a percentage of covered-employee payroll	13.89%	15.74%	14.17%	14.14%	14.20%	17.09%	17.62%	17.62%
	Year Ended May 31,							
	2023	2022	2021	2020	2019	2018	2017	2016
<b>New York State and Local Police and Fire Retirement System</b>								
Contractually required contribution	\$ 2,347,603	\$ 2,187,684	\$ 1,814,711	\$ 1,804,377	\$ 1,710,956	\$ 1,843,388	\$ 1,975,396	\$ 1,645,415
Contributions in relation to the contractually required contribution	2,347,603	2,187,684	1,814,711	1,804,377	1,710,956	1,843,388	1,645,415	1,645,415
Contribution deficiency (excess)	-	-	-	-	-	-	329,981	-
Village's covered-employee payroll	9,985,440	9,064,580	8,708,761	8,672,785	8,263,124	8,296,284	8,045,546	7,330,969
Contributions as a percentage of covered-employee payroll	23.51%	24.13%	20.84%	20.81%	20.71%	22.22%	22.44%	22.44%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*

## Incorporated Village of Lynbrook, New York

### Required Supplementary Information Schedule of Changes in Total Pension Liability – LOSAP

Measurement date as of May 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 69,204	\$ 247,423	\$ 285,688	\$ 222,449	\$ 160,240	\$ 195,724
Interest	311,683	259,263	300,097	325,750	307,457	302,665
Changes due to differences in experience	305,295	271,885	6,009	85,646	264,355	185,644
Changes of assumptions and other inputs	313,049	(4,144,137)	629,490	1,293,726	1,369,969	(381,395)
Benefit payments	<u>(299,172)</u>	<u>(312,116)</u>	<u>(343,709)</u>	<u>(263,627)</u>	<u>(257,259)</u>	<u>(262,388)</u>
Net change in total pension liability	<u>700,059</u>	<u>(3,677,682)</u>	<u>877,575</u>	<u>1,663,944</u>	<u>1,844,762</u>	<u>40,250</u>
<b>Total Pension Liability - Beginning</b>	<b><u>9,429,904</u></b>	<b><u>13,107,586</u></b>	<b><u>12,230,011</u></b>	<b><u>10,566,067</u></b>	<b><u>8,721,305</u></b>	<b><u>8,681,055</u></b>
<b>Total Pension Liability - Ending</b>	<b><u>\$ 10,129,963</u></b>	<b><u>\$ 9,429,904</u></b>	<b><u>\$ 13,107,586</u></b>	<b><u>\$ 12,230,011</u></b>	<b><u>\$ 10,566,067</u></b>	<b><u>\$ 8,721,305</u></b>
<b>Covered Payroll</b>	None	None	None	None	None	None
<b>Total Pension Liability as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.*

# Incorporated Village of Lynbrook, New York

## Supplementary Information Combining Balance Sheet – Non-Major Governmental Funds

	May 31, 2023		
	Community Development	Library	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16	\$ 36,347	\$ 36,363
Prepaid expenditures	-	24,202	24,202
Accounts receivable	-	45,852	45,852
State and Federal aid	110,156	-	110,156
<b>Total assets</b>	<b>\$ 110,172</b>	<b>\$ 106,401</b>	<b>\$ 216,573</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 48,031	\$ 33,442	\$ 81,473
Accrued liabilities	-	34,669	34,669
Due to other funds	62,141	-	62,141
Total liabilities	110,172	68,111	178,283
<b>FUND BALANCES</b>			
Nonspendable	-	24,202	24,202
Assigned	-	14,088	14,088
Total fund balances	-	38,290	38,290
<b>Total liabilities and fund balances</b>	<b>\$ 110,172</b>	<b>\$ 106,401</b>	<b>\$ 216,573</b>

# Incorporated Village of Lynbrook, New York

## Supplementary Information Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds

	Year Ended May 31, 2023		
	Community Development	Library	Total
<b>REVENUES</b>			
Departmental income	\$ -	\$ 6,647	\$ 6,647
Intergovernmental charges	-	148,221	148,221
Use of money and property	-	2,762	2,762
Sale of property and compensation for loss	-	67	67
State aid	-	31,600	31,600
Federal aid	386,956	-	386,956
	386,956	189,297	576,253
<b>Total revenues</b>	<b>386,956</b>	<b>189,297</b>	<b>576,253</b>
<b>EXPENDITURES</b>			
General governmental support	-	1,014	1,014
Culture and recreation	-	1,279,002	1,279,002
Home and community services	386,956	-	386,956
Employee benefits	-	434,348	434,348
	386,956	1,714,364	2,101,320
<b>Total expenditures</b>	<b>386,956</b>	<b>1,714,364</b>	<b>2,101,320</b>
<b>Deficiency of revenues over expenditures</b>	-	<b>(1,525,067)</b>	<b>(1,525,067)</b>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	1,489,400	1,489,400
	-	1,489,400	1,489,400
<b>Deficiency of revenues and other financing sources over expenditures</b>	-	<b>(35,667)</b>	<b>(35,667)</b>
<b>FUND BALANCES, beginning of year</b>	-	73,957	73,957
<b>FUND BALANCES, end of year</b>	\$ -	\$ 38,290	\$ 38,290