

**VILLAGE OF HILLBURN**

Financial Statements  
Year Ended  
May 31, 2024

## VILLAGE OF HILLBURN

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May 31, 2024

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**Berard & Associates** CPA'S P.C.  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Village Board  
Village of Hillburn  
Hillburn, New York:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Hillburn, New York, as of May 31, 2024, 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 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 of Hillburn, New York 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 of Hillburn, New York'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.

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### ***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 generally accepted auditing standards 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.

In performing an audit in accordance with generally accepted auditing standards 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 of Hillburn, New York'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 of Hillburn, New York'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 management's discussion and analysis and budgetary comparison information on pages 59-72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hillburn, New York's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are 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 by us. In our opinion, based on our audit the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2024, on our consideration of the Village of Hillburn, New York'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 of Hillburn, New York'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 Village of Hillburn, New York's internal control over financial reporting and compliance.

*Berard + Associates CPAs PC*

Berard & Associates CPAs, P.C.  
Suffern, New York  
September 22, 2024



**Berard & Associates** CPA'S P.C.  
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and  
Village Board of the Village of Hillburn, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Hillburn as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the Village of Hillburn's basic financial statements, and have issued our report thereon dated September 22, 2024.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Hillburn's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Hillburn's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Hillburn's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Hillburn's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of the report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Berard & Associates CPA's PC".

Berard & Associates CPA's P.C.  
September 22, 2024

**VILLAGE OF HILLBURN, NEW YORK**  
Management's Discussion and Analysis (MD&A)  
May 31, 2024

Introduction

This management's discussion and analysis ("MD&A") of the Village of Hillburn, New York ("Village") financial statements provides an overview of the financial activities of the Village for the fiscal year ended May 31, 2024 ("fiscal year 2024" and "current fiscal year"). Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this MD&A.

Executive Overview

On the government-wide financial statements, the assets and deferred outflows of resources of the Village were exceeded by its liabilities and deferred inflows at the close of fiscal year 2024 by \$1,652,125.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$3,644,111, an increase of \$359,539 from fiscal year 2023.

At the end of the current fiscal year, the General Fund with LOSAP reported an ending unassigned fund balance of \$2,017,612, which represents an increase of \$284,909 from fiscal year 2023.

During the current fiscal year, the Village had maturities of \$90,000 of general obligation debt. The Village's total outstanding general obligation bonds payable at May 31, 2024 totaled \$-0-.

Overview of the Financial Statements

The Village's financial statements are composed of this Management Discussion and Analysis (MD&A) and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides analysis and overview of the Village's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also includes other supplementary information as listed in the table of contents.

Government-Wide Financial Statements

The government-wide financial statements are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: The Statement of Net Position and Statement of Activities.

**VILLAGE OF HILLBURN, NEW YORK**  
Management's Discussion and Analysis (MD&A)  
May 31, 2024

The Statement of Net Position presents the Village's total assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing the change in the Village's net position during the current fiscal year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as claims and earned but unused vacation and sick leave. The focus of this statement is on the net cost of providing various services to the citizens of the Village.

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village include general government support, public safety, health, transportation, culture and recreation, home and community services and interest. The government-wide financial statements can be found immediately following this discussion and analysis.

#### Fund Financial Statements

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets; deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures/expenses. Government resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Most of the basic services provided by the Village are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the Village's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

**VILLAGE OF HILLBURN, NEW YORK**  
Management's Discussion and Analysis (MD&A)  
May 31, 2024

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

The Village maintains three individual funds: General Fund, Water Fund, and the Capital Projects Fund. The Village adopts annual budgets for the General and Water funds. A budgetary comparison statement is provided for the General and Water funds within the basic financial statements to demonstrate compliance with their respective budgets.

#### Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Village programs. The Village has adopted GASB No. 84 for the reporting and classification of its fiduciary activities. Fiduciary reporting focus is on net position and changes in net position and are reported using the accrual basis of accounting.

The Village maintains one type of fiduciary fund, known as the Custodial Fund. Resources are held in the Custodial Fund by the Village purely in a custodial capacity. The activity in the Custodial Fund is limited to the receipt, temporary investment and remittance of resources to the appropriate individual, organization or governments. The financial statements for the Fiduciary Funds can be found in the basic financial statements section of this report.

#### Notes to Financial Statements

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

#### Other Information

Additional schedules and information can be found immediately following the notes to the financial statements. These include required supplementary information ("RSI") and comparative governmental fund financial statements.

**VILLAGE OF HILLBURN, NEW YORK**  
Management's Discussion and Analysis (MD&A)  
May 31, 2024

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Village's financial position. In the case of the Village of Hillburn, assets exceeded liabilities by \$1,652,125 at the end of fiscal year 2024.

The following table reflects the condensed Statement of Net Position for fiscal years ended May 31, 2024 and 2023.

<u>Statement of Net Position</u>		
	<u>May 31,</u>	
	<u>2024</u>	<u>2023</u>
Current Assets	\$4,397,445	\$3,581,023
Capital Assets, Net	<u>1,181,699</u>	<u>978,492</u>
Total Assets	<u>\$5,579,144</u>	<u>\$4,559,515</u>
Deferred Outflows of Resources	<u>887,833</u>	<u>904,213</u>
Current Liabilities	1,184,205	771,117
Long-Term Liabilities	<u>2,460,424</u>	<u>2,501,910</u>
Total Liabilities	<u>3,644,629</u>	<u>3,273,027</u>
Deferred Inflows of Resources	<u>1,170,223</u>	<u>1,148,155</u>
Net Investment in Capital Assets	1,181,699	878,192
Restricted	989,501	856,525
Unrestricted	<u>(519,075)</u>	<u>(692,471)</u>
Total Net Position	<u>\$ 1,652,125</u>	<u>\$ 1,042,246</u>

The largest component of the Village's net position is its \$1,181,699 net investment in capital assets, which reflects its investment in capital assets, less any related accumulated depreciation and debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The restricted net position of \$989,501 represents resources that are subject to external restrictions on their use. The restrictions are for unemployment benefits of \$3,783, equipment purchases of \$69,488, Water Fund of \$326,515 and pension benefits of \$589,351.

**VILLAGE OF HILLBURN, NEW YORK**  
Management's Discussion and Analysis (MD&A)  
May 31, 2024

Changes in Net Position

	<u>2024</u>	<u>May 31,</u> <u>2023</u>
Revenues		
Program Revenues		
Charges for Services	\$ 661,128	\$ 689,309
Operating Grants and Contributions	39,188	48,925
Capital Grants and Contributions	131,626	171,526
General Revenues		
Real Property Taxes	1,253,060	1,247,630
Other Tax Items	8,347	7,504
Non-Property	59,515	86,222
Unrestricted Use of Money and Property	54,901	11,954
Sale of Property and Compensation for loss	10,125	50,407
Unrestricted State Aid	43,417	38,688
Miscellaneous	<u>1,052</u>	<u>9,730</u>
Total Revenues	<u>\$ 2,262,356</u>	<u>\$ 2,361,895</u>
Expenses		
Program Expenses		
General Government	\$ 697,465	\$ 696,200
Public Safety	122,877	230,967
Health	-	-
Transportation	300,394	350,513
Culture and Recreation	37,942	58,611
Home and Community Services	485,244	469,952
Debt Services	8,555	11,808
Total Expenses	<u>1,652,477</u>	<u>1,818,051</u>
Change in Net Position	<u>609,879</u>	<u>543,844</u>
Net Position- Beginning as Reported	<u>1,042,246</u>	<u>498,402</u>
Net Position- Ending	<u>\$ 1,652,125</u>	<u>\$ 1,042,246</u>

Governmental activities increased the Village's net position by \$605,160 from the prior fiscal year.

**VILLAGE OF HILLBURN, NEW YORK**  
Management's Discussion and Analysis (MD&A)  
May 31, 2024

For the fiscal year ended May 31, 2024, revenues from governmental activities totaled \$2,262,356. Tax revenues of \$1,320,919 comprised of real property taxes, other tax items and non-property taxes represented the largest revenue source at 58,39%. The largest components of governmental activities' expenses are general government support (42,41%), transportation (17,78%), and home and community services (29.51%).

Total governmental activities expenses decreased by \$173,574 from the prior fiscal year amount.

Financial Analysis of the Governmental Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$3,644,111 an increase of \$359,539 in comparison with the prior year. The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the total fund balance of the General Fund was \$2,829,604.

Capital Assets

The Village's investment in capital assets for its governmental activities as of May 31, 2024, amounted to \$978,192 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure.

Capital Assets (Net of Depreciation)

	May 31,	
	2024	2023
Land	\$ 327,677	\$ 327,677
Construction in Progress	320,139	188,513
Buildings & Improvements	122,844	125,378
Machinery & Equipment	384,685	309,417
Infrastructure	26,354	27,207
Total	\$ 1,181,699	\$ 978,192

Additional information on the Village's capital assets can be found in Note 3B of this report.

**VILLAGE OF HILLBURN, NEW YORK**  
Management's Discussion and Analysis (MD&A)  
May 31, 2024

Debt Administration

Long-term Debt: At the end of the current fiscal year, the Village had total bonded indebtedness of \$0. The Village's general obligation bonded debt decreased by \$90,000 due to the Village's payment of \$90,000 of debt principal. As required by New York State law, all bonds issued by the Village are general obligation (GO) bonds backed by the full faith and credit of the Village. Additional information on the Village's long-term debt can be found in Note 3G of this report.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Robin Miele, Treasurer, Village of Hillburn, 31 Mountain Avenue, Hillburn, New York 10931 or [rmiele@hillburn.org](mailto:rmiele@hillburn.org).

**VILLAGE OF HILLBURN**  
Statement of Net Position  
As of May 31, 2024

	<u>Primary Government</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,917,272
Investments	1,248,268
Accounts receivable	103,133
Water rents	58,999
Due from state and federal governments	20,078
Due from other governments	29,128
Prepaid expenses	20,567
Capital assets	
Not being depreciated	647,816
Being depreciated, net	533,883
Total assets	5,579,144
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	576,977
Other post employment benefits	310,856
Total deferred outflows of resources	887,833
 <b>LIABILITIES</b>	
Accounts payable	155,837
Accrued liabilities	11,416
Payroll liabilities	10,985
Bond anticipation notes payable	443,000
Guarantee & bid deposits	19,355
Unearned revenues	539,182
Accrued interest payable	4,430
Non-current liabilities	
Due within one year	187,773
Due in more than one year	2,272,651
Total liabilities	3,644,629
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	663,705
Other post employment benefits	506,518
Total deferred outflows of resources	1,170,223
 <b>NET POSITION</b>	
Net investment in capital assets	1,181,699
Restricted	
Unemployment benefits	3,783
Equipment purchases	69,852
Water fund	326,515
Pension benefits	589,351
Unrestricted	(519,075)
Total net position	\$ 1,652,125

See notes to financial statements.

**VILLAGE OF HILLBURN**  
Statement of Activities  
For the Year Ended May 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contribution	Revenue and Changes in Net Position
					Primary Government
Government activities					
General government support	\$ 697,465	\$ 37,688	\$ 450	\$ -	\$ (659,327)
Public safety	122,877	238,102	-	-	115,225
Health	-	-	-	-	-
Transportation	300,394	-	38,738	51,961	(209,695)
Culture and recreation	37,942	-	-	-	(37,942)
Home and community services	485,244	385,338	-	79,665	(20,241)
Debt service	8,555	-	-	-	(8,555)
Total primary government	<u>\$ 1,652,477</u>	<u>\$ 661,128</u>	<u>\$ 39,188</u>	<u>\$ 131,626</u>	<u>\$ (820,535)</u>

**GENERAL REVENUES**

Real property taxes	\$ 1,253,060
Other tax items	
Interest and penalties on real property taxes	8,347
Non - property taxes	
Utilities gross receipts taxes	23,374
Non - property tax distribution from county	24,638
Franchise fees	11,500
Unrestricted use of money and property	54,901
Sale of property and compensation for loss	10,125
Unrestricted state aid	43,417
Miscellaneous	<u>1,052</u>
 Total general revenues	 \$ 1,430,414
 <b>Change in net position</b>	 609,879
 Net position - beginning of year	 <u>1,042,246</u>
 Net position - end of year	 <u>\$ 1,652,125</u>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
Balance Sheet - Governmental Funds  
As of May 31, 2024

	General Fund (with LOSAP)	Water Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments				
Cash and cash equivalents	\$ 2,688,209	\$ 229,063	\$ -	\$ 2,917,272
Investments	1,248,268		-	1,248,268
Total cash and investments	<u>3,936,477</u>	<u>229,063</u>	<u>-</u>	<u>4,165,540</u>
Receivables				
Accounts receivable	103,133	-	-	103,133
Due from other funds	53,376	55,677	930,992	1,040,045
Water rents	-	58,999	-	58,999
Due from state and federal governments	20,078	-	-	20,078
Due from other governments	29,128	-	-	29,128
Total receivables	<u>205,715</u>	<u>114,676</u>	<u>930,992</u>	<u>1,251,383</u>
Other assets				
Prepaid expenditures	20,567	-	-	20,567
Total other assets	<u>20,567</u>	<u>-</u>	<u>-</u>	<u>20,567</u>
 Total assets	 <u>\$ 4,162,759</u>	 <u>\$ 343,739</u>	 <u>\$ 930,992</u>	 <u>\$ 5,437,490</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities				
Accounts payable	\$ 144,309	\$ 11,528	\$ -	\$ 155,837
Payroll liabilities	10,985			10,985
Accrued liabilities	11,416	-	-	11,416
Due to other funds	1,034,349	5,696	-	1,040,045
guarantee & bid deposits	19,355			19,355
Bond anticipation notes payable	-	-	443,000	443,000
Unearned revenues	112,741	-	-	112,741
Total liabilities	<u>1,333,155</u>	<u>17,224</u>	<u>443,000</u>	<u>1,793,379</u>
Fund equity				
Fund balance				
Nonspendable	20,567	-	-	20,567
Restricted for:				
Unemployment benefits	3,783	-	-	3,783
Fire service awards program	589,351	-	-	589,351
Equipment purchases	48,291	21,561	-	69,852
Assigned to:				
Subsequent year's expenditures	150,000	67,000	-	217,000
Water	-	237,954	-	237,954
Unassigned	2,017,612	-	487,992	2,505,604
Total fund equity	<u>2,829,604</u>	<u>326,515</u>	<u>487,992</u>	<u>3,644,111</u>
 Total liabilities and fund equity	 <u>\$ 4,162,759</u>	 <u>\$ 343,739</u>	 <u>\$ 930,992</u>	 <u>\$ 5,437,490</u>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
 Reconciliation of Governmental Funds Balance Sheet to  
 The Government-Wide Statement of Net Position - Government Activities  
 As of May 31, 2024

Amounts reported for the governmental activities are different because:

Fund balance - total governmental funds	\$	3,644,111
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,181,699
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Deferred amounts on pensions		576,977
Deferred amounts on post employment benefits		310,856
		887,833
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable		(4,430)
Bond payable		-
Net LOSAP benefits payable		(921,461)
Installment purchase debt payable		-
Compensated absences		(88,570)
Deferred Grants		(426,441)
Net pension liability		(264,503)
Other post employment benefit obligation payable		(1,185,890)
		(2,891,295)
Governmental funds report the effects of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.		
Deferred amounts on pensions		(663,705)
Deferred amounts on post employment benefits		(506,518)
		(1,170,223)
Net position of governmental activities	\$	1,652,125

See notes to financial statements.

**VILLAGE OF HILLBURN**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year ended May 31, 2024

	General (with LOSAP)	Water	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Real property taxes	\$ 1,253,060	\$ -	\$ -	\$ 1,253,060
Other tax items	8,347	-	-	8,347
Non-property taxes	59,512	-	-	59,512
Departmental income	374,032	252,737	-	626,769
Use of money and property	59,899	1,048	-	60,947
Net change in fair value of investments	11,954	-	-	11,954
Fines and forfeitures	34,359	-	-	34,359
Sales of property and compensation for loss	10,125	-	-	10,125
Federal aid	-	-	4,561	4,561
State aid	82,155	-	79,665	161,820
Miscellaneous	1,052	-	-	1,052
Total revenues	<u>\$ 1,894,495</u>	<u>\$ 253,785</u>	<u>\$ 84,226</u>	<u>\$ 2,232,506</u>
<b>EXPENDITURES</b>				
Current				
General government support	\$ 514,720	\$ 85	\$ -	\$ 514,805
Public safety	69,906	-	-	69,906
Health	-	-	-	-
Transportation	293,715	-	-	293,715
Culture and recreation	36,293	-	-	36,293
Home and community services	209,083	164,042	-	373,125
Employee benefits	357,002	1,265	-	358,267
Debt service				
Principal	90,000	-	-	90,000
Interest	4,950	-	-	4,950
Capital outlay	-	-	131,906	131,906
Total expenditures	<u>1,575,669</u>	<u>165,392</u>	<u>131,906</u>	<u>1,872,967</u>
Excess / (deficiency) of revenues over expenditures	<u>318,826</u>	<u>88,393</u>	<u>(47,680)</u>	<u>359,539</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from:				
Operating transfers in	25,000	-	-	25,000
Proceeds from debt	-	-	-	-
BANs redeemed from appropriations	-	-	-	-
Operating transfers out	-	(25,000)	-	(25,000)
Total other financing sources (used)	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>				
	343,826	63,393	(47,680)	359,539
Fund balance at beginning of year	2,485,778	263,122	535,672	3,284,572
Fund balance at end of year	<u>\$ 2,829,604</u>	<u>\$ 326,515</u>	<u>\$ 487,992</u>	<u>\$ 3,644,111</u>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
 Reconciliation of Governmental Funds Revenues, Expenditures, and  
 Changes in Fund Balance to the Statement of Activities - Government Activities  
 As of May 31, 2024

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

Net changes in fund balances - total government funds	\$ 359,539
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Federal grants	47,400
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Governmental fund report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Governmental funds also report the gross proceeds from the sale of capital assets in revenues. In the statement of net activities, only the gain or loss from the disposal of the asset is reported.

Capital outlay expenditures	311,560
Proceeds from sales	(8,000)
Gain / (loss) on disposal of assets	8,000
Depreciation	(108,053)
	203,507

Bond and Installment Purchase proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal paid on serial bonds	90,000
	90,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	(3,605)
Changes in LOSAP liabilities and related deferred outflows and inflows of resources	(37,315)
Compensated absences	14,869
Changes in Pension Liabilities and related deferred outflows and inflows of resources	(51,575)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(12,941)
	(90,567)

Change in net position of governmental activities	\$ 609,879
	\$ -

See notes to financial statements.

**VILLAGE OF HILLBURN**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - General (without LOSAP) and Water Fund  
For the Year Ended May 31, 2024

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 1,253,060	\$ 1,253,060	\$ 1,253,060	\$ -
Other tax items	10,000	10,000	8,347	(1,653)
Non-property taxes	25,000	25,000	59,512	34,512
Departmental income	372,100	372,100	374,032	1,932
Use of money and property	18,000	18,000	42,349	24,349
Net change in fair value of investments	-	-	-	-
Licenses and permits	100	100	-	(100)
Fines and forfeitures	37,000	37,000	34,359	(2,641)
Sales of property and compensation for loss	-	-	10,125	10,125
State aid	40,914	62,914	82,155	19,241
Miscellaneous	-	-	1,052	1,052
Total revenues	<u>\$ 1,756,174</u>	<u>\$ 1,778,174</u>	<u>\$ 1,864,991</u>	<u>\$ 86,817</u>
<b>EXPENDITURES</b>				
Current				
General government support	\$ 718,303	\$ 691,325	\$ 514,720	\$ 176,605
Public safety	86,400	86,400	69,906	16,494
Health	200	200	-	200
Transportation	282,796	306,001	293,715	12,286
Culture and recreation	96,500	96,500	36,293	60,207
Home and community services	234,596	248,530	209,083	39,447
Employee benefits	415,954	427,793	376,626	51,167
Debt service				
Principal	95,475	95,475	90,000	5,475
Interest	4,950	4,950	4,950	-
Total expenditures	<u>1,935,174</u>	<u>1,957,174</u>	<u>1,595,293</u>	<u>361,881</u>
Excess /(deficiency) of revenues over expenditures	<u>(179,000)</u>	<u>(179,000)</u>	<u>269,698</u>	<u>(448,698)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from:				
Transfers in	25,000	25,000	25,000	-
Transfers out	(60,500)	(60,500)	-	60,500
Total other financing Sources (uses)	<u>(35,500)</u>	<u>(35,500)</u>	<u>25,000</u>	<u>60,500</u>
Excess (deficiency) of revenues and other Financing sources over expenditures and other uses	(214,500)	(214,500)	294,698	509,198
Fund balance at beginning of year	214,500	214,500	1,945,555	1,731,055
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,240,253</u>	<u>\$ 2,240,253</u>

See notes to financial statements.

For the Year Ended May 31, 2024

Water Fund

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
303,000	303,000	252,737	(50,263)
-	-	1,048	1,048
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 303,000</u>	<u>\$ 303,000</u>	<u>\$ 253,785</u>	<u>\$ (49,215)</u>
\$ 3,100	\$ 12,500	\$ 85	\$ 12,415
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
264,400	266,000	164,042	101,958
9,500	9,500	1,265	8,235
-	-	-	-
-	-	-	-
<u>277,000</u>	<u>288,000</u>	<u>165,392</u>	<u>122,608</u>
<u>26,000</u>	<u>15,000</u>	<u>88,393</u>	<u>73,393</u>
-	-	-	-
<u>(15,000)</u>	<u>(15,000)</u>	<u>(25,000)</u>	<u>(10,000)</u>
<u>(15,000)</u>	<u>(15,000)</u>	<u>(25,000)</u>	<u>(10,000)</u>
11,000	-	63,393	63,393
<u>(11,000)</u>	<u>-</u>	<u>263,122</u>	<u>263,122</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,515</u>	<u>\$ 326,515</u>

**VILLAGE OF HILLBURN**  
Statement of Net Position  
Fiduciary Fund  
As of May 31, 2024

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 146,960
Total assets	146,960
<b>LIABILITIES</b>	
Accounts payable	\$ 59,164.52
Deposits	<u>146,960</u>
Total liabilities	<u>\$ 206,125</u>

See notes to financial statements.

## VILLAGE OF HILLBURN, NEW YORK

Notes to Financial Statements

May 31, 2024

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Hillburn, New York (Village) was established in 1893 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Mayor serves as the chief executive officer and the Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Village's more significant accounting policies:

#### A. FINANCIAL REPORTING ENTITY

The financial reporting entity consists of a) the primary government, which is the Village, b) organizations for which the Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

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 Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities that would be included in the financial statements.

#### B. GOVERNMENT-WIDE 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, except for interfund services provided and used. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Position presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are 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 or services, or privileges provided by a given function or segment; 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Village does not allocate indirect expenses to functions in the Statement of Activities.

## VILLAGE OF HILLBURN, NEW YORK

Notes to Financial Statements

May 31, 2024

### B. GOVERNMENT-WIDE FINANCIAL STATEMENTS – Continued

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

### C. BASIC FINANCIAL STATEMENTS -FUND FINANCIAL STATEMENTS

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following the governmental funds statements, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activity's column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two broad fund categories, governmental funds and fiduciary funds, in accordance with generally accepted accounting principles.

#### Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds as follows:

General Fund - The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for certain defined purposes other than debt service or capital projects. The major special revenue fund of the Village is as follows:

Water Fund - The Water Fund is used to record the water utility operations of the Village, the costs of which are recovered primarily through water rents billed to customers on a user charge basis to the general public.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

## VILLAGE OF HILLBURN, NEW YORK

### Notes to Financial Statements

May 31, 2024

#### C. FUND FINANCIAL STATEMENTS – Continued

Fiduciary Fund: Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Village programs. The Village has adopted GASB No. 84 for the reporting and classification of its fiduciary activities. Fiduciary reporting focus is on net position and changes in net position and are reported using the accrual basis of accounting.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose and custodial). Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. As of the year end the Village did not have any Fiduciary funds.

#### D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets and current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Custodial Fund has no measurement focus but utilizes 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported 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. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety-day availability period is generally used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, compensated absences, net pension liability and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION**

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Village's investment policies are governed by State statutes. The Village has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school Village subdivisions.

The Village's aggregate bank balances, included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Village's name		\$3,749,195

Investments

Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Village follows the provisions of GASB Statement No. 72, "Fair Value Measurements and Application", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs related to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 input are unobservable inputs and are used to the extent that observable inputs do not exist.

The Village participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION – Continued**

investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission (“SEC”) and is subject to all the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30<sup>th</sup>. At June 30, 2024, the percentage of fair values to total pool assets by investment type are as follows:

<u>Asset Category</u>	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Other (Cost)
Cash	16.0%	100%	0%	0%	.124%
Repurchase Agreements	16.0%	0%	100%	0%	.124%
U.S. Governmental Treasury Securities	<u>68.0%</u>	<u>0%</u>	<u>100%</u>	<u>0%</u>	.124%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	

The maximum maturity for any specific investment in the portfolio is 762 days. CLASS is rated AAAM by Standard & Poor’s on the June 30, 2024 financial report. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high-quality portfolio of investments legally permissible for municipalities and school Villages in the State.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC 999 18<sup>th</sup> Street, Suite 1230, Denver, CO 80202.

Risk Disclosure

**Interest Rate Risk** – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Village does not invest in any long-term investment obligations.

**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution’s trust department but not in the Village’s name. The Village’s aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2024.

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION – Continued**

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the Entity’s complete failure. The Village does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

**Concentration of Credit Risk** – Concentration of credit risk is the risk attributed to the magnitude of a government’s investments in a single issuer. The Village’s investment policy limits the amount on deposit at each of its banking institutions.

**Taxes Receivable** - Property taxes attach as an enforceable lien on real property as of June 1<sup>st</sup> and are payable without penalty through June 30<sup>th</sup>. The Village is responsible for the billing and collection of its taxes through November 1<sup>st</sup> of the tax year, at which time the responsibility for uncollected taxes is transferred to the County of Rockland, New York (County). On or about April 1<sup>st</sup>, the County remits to the Village the balance of all uncollected taxes. The County has the responsibility for conducting in-rem foreclosure proceedings.

**Other Receivables** - Other receivables include amounts due from other governments and individuals for services provided by the Village. Receivables are recorded, and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

**Due To/From Other Funds** - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2024, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Prepaid Expenditures** – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year but represent items which have been provided for in the subsequent year’s budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activity’s column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$15,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except intangible right-to-use leased assets, which are discussed below). Donated capital assets are recorded at estimated fair market value at the date of donation.

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION – Continued**

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Village chose to include certain items regardless of their acquisition date or amount. The Village was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that does not significantly add to the value of the asset or materially extend the life of the asset are not capitalized.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the Village are depreciated using the straight-line method over the following estimated useful lives.

<u>Class</u>	<u>Life (Years)</u>
Buildings and improvements	20-50
Right-to-use leased buildings	20-50
Machinery and equipment	5-20
Right-to-use leased equipment	3

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Leases - The Village is a lessee for several noncancellable leases of equipment. The Village recognizes a lease liability and an intangible right-to-use asset ("lease asset") in the government wide financial statements. Lease assets are defined by the Village as assets with an initial, individual present value of \$10,000 or more and an estimated useful life in excess of one year. The Village recognizes a lease liability and an intangible right-to-use asset ("lease asset") in the government wide financial statements. At the commencement of a lease, the Village initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period for the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and purchase option price that the Village is reasonably certain to exercise. The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION – Continued**

Statement of Net Position. As of May 31, 2023, The Village had no noncancellable leases of equipment or buildings that needed to be reported under GASB 87, *Leases*.

SBITA's -GASB Statement No. 96, "Subscription-Based Information Technology Arrangements (SBITA's)", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right to use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the Town's fiscal year May 31, 2024. The Village has completed its evaluation of the financial impact of GASB statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned revenues consist of amounts received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues in the General Fund of \$111,139 for fire protection services. Such amounts have been deemed to be measurable but not available pursuant to generally accepted accounting principles.

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

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

The Village has reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations, the Fire Service Awards Program (LOSAP), and its post employment benefits (OPEB). These amounts are detailed in the discussion of the Village's long-term liabilities in Note G.

Note, as permitted under GASB Statement No. 75, the Village utilized the alternative Measurement Method for its valuation in the Total Pension Liability for its other post employment benefits (OPEB). As such, there are no deferred inflows or outflows related to this liability.

## VILLAGE OF HILLBURN, NEW YORK

Notes to Financial Statements

May 31, 2024

### E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION – Continued

Short-Term Debt - The Village may issue Bond Anticipation Notes, in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. However, Bond Anticipation Notes issued for assessed improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Village. Purchases of inventory items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Compensated Absences - The Board of Trustees has authorized the payment of accumulated vacation and sick leave upon separation of service. The liability for such accumulated time is reflected in the government-wide financial Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability - The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Employees' Retirement. The financial reporting of these amounts is presented in accordance with the provisions of GASB Statement No. 82, *Pension Issues – an amendment of GASB Statement No. 67, 68 and GASB Statement No. 73, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

Other Benefits - Village employees participate in the New York State Employees' Retirement System. Village employees may choose to participate in the Village's elective deferred compensation plan established under Internal Revenue Code 403(b) and 457.

In addition to providing pension benefits, the Village provides health insurance coverage and survivor benefits for retired employees and their survivors. Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as expenditure.

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION – Continued**

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted and unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balance of bonds and other debt that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted* net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Village includes restricted for capital projects, special purposes, debt service water fund, and pension benefits.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (e.g., inventories, prepaid amounts, long-term receivables) or are legally or contractually required to be maintained intact (e.g., the corpus of an endowment).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision-making authority. The Village Board of Trustees is the highest level of decision-making authority for the Village that can, by adoption of a resolution prior to the end of the fiscal year,

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION – Continued**

commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Trustees.

Assigned fund balance in the General Fund, represents amounts constrained either by policies of Village Board of Trustees for amounts assigned for balancing the subsequent year's budget or the Village Treasurer for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted and committed fund balance amounts.

Unassigned fund balance in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order: committed, assigned and unassigned.

**F. ENCUMBRANCES**

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Water funds. Encumbrances outstanding at year-end are generally reported as assigned or unassigned fund balance since they do not constitute expenditures or liabilities.

**G. USE OF ESTIMATES**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## **VILLAGE OF HILLBURN, NEW YORK**

### Notes to Financial Statements

May 31, 2024

#### **H. SUBSEQUENT EVENTS EVALUATED BY MANAGEMENT**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 22, 2024.

#### **I. NEW ACCOUNTING STANDARDS**

The Village is compliant with all Governmental Accounting Standards Board (GASB) statements that are applicable as of May 31, 2024.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements (SBITA's)", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right to use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the Town's fiscal year May 31, 2024. The Village has completed its evaluation of the financial impact of GASB statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

#### **J. FUTURE CHANGES IN ACCOUNTING STANDARDS**

The Governmental Accounting Standards Board's (GASB) Statement No. 101, Compensated Absences, became effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The Governmental Accounting Standards Board's (GASB) Statement No. 102, Certain Risk Disclosures, became effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

#### **K. RECLASSIFICATIONS**

Certain prior year data has been reclassified to conform to the current year's presentation.

## VILLAGE OF HILLBURN, NEW YORK

Notes to Financial Statements

May 31, 2024

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. BUDGETARY DATA

The Village generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) On or before March 20<sup>th</sup>, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1<sup>st</sup>. The tentative budget includes the proposed expenditures and the means of financing.
- b) On or before March 31<sup>st</sup>, the Board of Trustees meets to discuss and review the tentative budget.
- c) On or before April 15<sup>th</sup>, the Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments.
- d) After the public hearing and on or before May 1<sup>st</sup>, the Board of Trustees meets to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for the General and Water funds.
- f) Budgets for General and Water funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis.
- g) The Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in the General and Water funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-appropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.
- i) Budgeted amounts are as originally adopted, or as amended by the Board of Trustees.

#### B. PROPERTY TAX LIMITATION

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five-year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2023- 2024 fiscal year was \$3,305,688. The Village of Hillburn levied \$1,353,583 exhausting 27.01% of this tax limit with a constitutional tax margin of \$2,412,815.

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 (Tax Levy Limitation Law). This applies to all local governments. The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extended the Tax Levy Limitation Law through June 2021. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. This summary is not complete, and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementation thereof.

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the Allowable Levy Growth Factor, which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor, provided, however, that in no case shall the levy growth factor be less than one. The Inflation Factor is the quotient of: (i) the average of the National Consumer Price Indexes (CPI) determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the CPI for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the CPI with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board of Trustees first enacts, by a vote of at least sixty percent of the total voting power of the Village Board of Trustees, a local law to override the limit.

**C. CAPITAL PROJECTS FUND DEFICIT**

The Capital Projects Fund may have a deficit balance arising because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as a revenue or other financing source. Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund and recognized as revenue only to the extent that they are redeemed. This deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. At May 31, 2024 there was not a deficit balance.

**NOTE 3 - DETAILED NOTES ON ALL FUNDS**

**A. DUE FROM/TO OTHER FUNDS**

The balances reflected as due from/to other funds at May 31, 2024 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 53,376	\$ 1,034,349
Trust & Agency	-	-
Water	55,677	5,696
Capital Project	930,992	-
	<u>\$ 1,040,045</u>	<u>\$ 1,040,045</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**B. CAPITAL ASSETS**

Changes in the Village's capital assets are as follows:

	<u>Balance</u> <u>May 31, 2023</u>	<u>Additions</u>	<u>Reclasses /</u> <u>Deletions</u>	<u>Balance</u> <u>05/31/2024</u>
<u>Non-depreciable Capital Assets</u>				
Land	327,677	-	-	327,677
Construction in Progress	<u>188,513</u>	<u>131,626</u>	-	<u>320,139</u>
	<u>516,190</u>	<u>131,626</u>	-	<u>647,816</u>
<u>Depreciable Capital Assets</u>				
Buildings and Improvements	1,650,902	23,584	-	1,674,486
Machinery & Equipment	2,256,425	156,350	(47,301)	2,365,474
Infrastructure	<u>42,632</u>	-	-	<u>42,632</u>
	<u>3,949,959</u>	<u>179,934</u>	<u>(47,301)</u>	<u>4,082,592</u>
<u>Accumulated Depreciation</u>				
Buildings and Improvements	1,525,524	26,118	-	1,551,642
Machinery & Equipment	1,947,008	81,082	(47,301)	1,980,789
Infrastructure	<u>15,425</u>	<u>853</u>	-	<u>16,278</u>
Total accumulated Depreciation	<u>3,487,957</u>	<u>108,053</u>	<u>(47,301)</u>	<u>3,548,709</u>
Capital Assets Being Depreciated, Net	<u>462,002</u>	<u>71,881</u>	-	<u>533,883</u>
Summary of additions, deletion & reclasses:	<u>978,192</u>	<u>203,507</u>	-	<u>1,181,699</u>

Depreciation expense was charged to the Village's functions and programs as follows:

General Government	\$ 2,359
Public Safety	27,691
Transportation	63,120
Culture and Recreation	14,883
Home and Community Services	-
	<u>\$ 108,053</u>

**C. ACCRUED LIABILITIES**

Accrued payroll and employee benefits at May 31, 2024 were \$10,985 for the General Fund and \$0 for the Water Fund.

## VILLAGE OF HILLBURN, NEW YORK

Notes to Financial Statements

May 31, 2024

### D. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

The Village of Hillburn financial statements are for the fiscal year ended May 31, 2024. The information contained in this note is based on information for the Hillburn Fire Department Service Award Program for the Program year ended December 31, 2023 which is the most recent information available.

The Village of Hillburn established a defined benefit Service Award Program (referred to as a "LOSAP" – Length of Service Award Program – under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 2005 for the active volunteer firefighter members of the Hillburn Fire Department. The Program was established pursuant of Article 11-A of the General Municipal law of the State of New York. The Program provides municipally funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village of Hillburn is the Sponsor of the Program and the Program Administrator.

#### Participation, Vesting and Service credit

In a defined benefit LOSAP, participating volunteers begin to be paid a service award upon attainment of the LOSAP's entitlement age. An eligible LOSAP participant is defined by the Program Sponsor to be an active volunteer firefighter who is at least 16 years of age and has earned one year of LOSAP service credit. The amount of the service award paid to a participant is based upon the number of years of service credit the volunteer earned under the Program for performing active volunteer firefighter activities.

Participants acquire a non-forfeitable right to be paid a service award after earning five years of service credit or upon attaining the entitlement age while an active volunteer. The LOSAP's entitlement age is age 65. An active volunteer firefighter earns a year of service credit for each calendar year after the establishment of the LOSAP in which he or she accumulates 50 points. Points are granted for the performance of certain firefighter 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 service credit for five years of active volunteer firefighting service rendered prior to the establishment of the LOSAP as an active volunteer firefighter member of the Hillburn Fire Department.

#### Benefits

A participant's service award benefit is paid as a ten-year certain and continuous monthly payment life annuity. The amount payable each month equals \$30.00 multiplied by the total number of years of service credit earned by the participant under the point system. The maximum number of years of service credit a participant may earn under the Program is 40 years. Currently, there are no other forms of payment of a volunteer's earned service award under the LOSAP.

Except in the case of pre-entitlement age death or total and permanent disablement, a participant's service award will not be paid until he or she attains the entitlement age. Volunteers who are active after attaining the entitlement age and who may have commenced receiving a service award have the opportunity to earn service credit and thereby increase their service award payments.

## VILLAGE OF HILLBURN, NEW YORK

Notes to Financial Statements

May 31, 2024

### D. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) – Continued

The pre-entitlement age death and disability benefits are equal to the actuarial value of the participant's earned service award at the time of death or disablement. The pre-entitlement age death benefit is only applicable for participants who have achieved vested status. The LOSAP does not provide extra line-of-duty death or disability benefits. All death and disability benefits are self-insured and are paid from the LOSAP Trust Fund.

For a complete explanation of the Program, see the Program document, a copy of which is available from the Village.

#### Fiduciary Investment and Control

After the end of each calendar year, the Fire Department prepares and certifies a list of names of all persons who were active volunteer members of the Fire Department during the year indicating which volunteers earned fifty points. The certified list is delivered to the Village Board for the Board's review and approval. The Fire Department must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Village Board.

The Village has retained Penflex, Inc. to assist in the administration of the Program. The services provided by Penflex, Inc. are described in an agreement between Penflex, Inc. and the Village of Hillburn.

Based on the certified calendar year volunteer firefighter listings Penflex determines and certifies in writing to the Village Board the amount of the Service Award to be paid to a participant or to a Participant's designated beneficiary. The person(s) authorized by the Village Board then authorizes, in writing, the custodian of the Village of Hillburn LOSAP Trust Funds to pay the Service Award. No service Award benefit payment is made without the written certification and confirmation from Penflex and the written directive from an authorized representative of the Village Board.

Penflex bills the Village of Hillburn for the services it provides. Penflex invoices are authorized for payment by the Village Board in the same manner as any other invoice presented to the Village for payment. The Village pays Penflex invoices from its General Fund.

Program assets are required to be held in trust by Article 11-A 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. The Village Board created a Service Award Trust Fund through the adoption of a Trust document, a copy of which is available from the Village Secretary. The Village Board is the Program Trustee.

Authority to invest the Program assets is vested in the Program Trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Village Board.

The Board of Trustees has retained RBC Wealth Management to provide investment management and custodial services as well as to act as paying agent (i.e., to pay benefits to participants).

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**D. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) – Continued**

The Village Board is required to retain an actuary to determine the amount of the Village’s contributions to the program. The actuarial firm retained by the Village for this purpose is Penflex, Inc. Portions of the following information are derived from the January 1, 2024 Annual Report prepared by the actuary.

**E. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) – MEASUREMENT OF TOTAL PENSION LIABILITY**

*Participants covered by the benefit terms* - At the December 31, 2023 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	5
Inactive participants entitled to but not yet receiving benefit payments	9
Active Participants	18
Total	<u>32</u>

Contributions - New York State General Municipal Law §219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village.

Trust Assets - Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2023 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions - The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Male Mortality Table without projection for mortality improvement.

Discount Rate - The discount rate used to measure the total pension liability was 4%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2023. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody’s Investors Service’s, AA by Fitch, or AA by Standard & Poor’s Rating Services.

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**E. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) – MEASUREMENT OF TOTAL PENSION LIABILITY – Continued**

Changes in the Total Pension Liability

Balance as of 12/31/22 Measurement Date	<u>\$ 873,705</u>
Service Cost	25,766
Interest	38,308
Changes of Assumptions or Other Inputs	48,020
Differences Between Expected and Actual Experience	(43,008)
Benefit Payments	<u>(21,330)</u>
Net Changes	<u>47,756</u>
Balance as of 12/31/23 Measurement Date	<u>\$ 921,461</u>

Sensitivity of the Total Pension Liability to changes in the discount rate - The following presents the total pension liability of the Village as of the December 31, 2023 measurement date, calculated using the discount rate of 4.00 percent, 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 (3.00 percent) or 1-percentage point higher (5.0 percent) than the current rate:

	One Percent Decrease <u>(3%)</u>	Current Discount Rate <u>(4.0%)</u>	One Percent Increase <u>(5.0%)</u>
Total Pension Liability (TPL)	\$1,102,015	\$921,461	\$777,911

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended May 31, 2024, the Village recognized pension expense of \$68,534.

Components of Pension Expense

Service Cost	\$25,766
Interest on Total Pension Liability	38,308
Changes of Assumptions or Other Inputs	(1,962)
Differences Between Expected and Actual Experience	(2,297)
Pension Plan Administrative Expenses	<u>8,719</u>
Total Pension expense	<u>\$68,534</u>

At May 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 40,765	\$ 77,135
Changes of Assumptions	322,401	446,349
Benefit Payments & Administrative Expenses Subsequent to the Measurement Date	<u>9,570</u>	<u>-</u>
Total	<u>\$372,736</u>	<u>\$ 524,484</u>

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**E. Length of Service Awards Program (LOSAP) – Measurement of Total Pension Liability – Continued**

Deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended May 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>May 31:</u>	<u>LOSAP</u>
2024	\$(4,259)
2025	(4,259)
2026	(4,259)
2027	(4,259)
2028	(4,259)
Thereafter	(139,023)

**F. SHORT-TERM CAPITAL BORROWINGS – BOND ANTICIPATION NOTE**

The schedule below details the changes in short-term capital borrowings:

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 1, 2023</u>	<u>Redeem</u>	<u>Issue</u>	<u>Balance May 31, 2024</u>
<u>Capital Fund</u>							
Various Capital Projects	2024	3/6/2025	4.0%	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 443,000</u>	<u>\$ 443,000</u>
Total				<u>\$0</u>	<u>\$0</u>	<u>\$ 443,000</u>	<u>\$ 443,000</u>

Liabilities for bond anticipation notes issued for capital acquisitions or construction are accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are accounted for in the fund paying the judgment or claim. State law requires that principal payments on bond anticipation notes must be made annually, starting within two years of the original issue date, and that bond anticipation notes be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$0 were recorded in the General Fund. Interest expense of \$4,430 was recorded in the government-wide financial statements for governmental activities.

**VILLAGE OF HILLBURN, NEW YORK**  
Notes to Financial Statements  
May 31, 2024

**G. LONG-TERM LIABILITIES**

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2024:

	Balance May 31, 2023	Net Issues/ Additions	Maturities and/or Payments	Balance May 31, 2024	Due Within One Year
Bonds Payable	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ -
Lease Payables	-	-	-	-	-
Compensated Absences	103,439	(14,868)	-	88,570	44,285
OPEB (GASB 75)	1,066,461	168,276	48,847	1,185,890	43,059
Net Pension Liability (ERS) GASB 68	368,305	(103,802)	-	264,503	70,233
LOSAP (GASB 73)	873,705	64,074	16,318	921,461	25,766
	<u>\$ 2,496,910</u>	<u>\$ 113,680</u>	<u>\$ 155,165</u>	<u>\$ 2,460,424</u>	<u>\$ 183,343</u>

The Village's indebtedness for bonds, installment debt, claims, compensated absences, net pension liability and other post-employment benefit obligations is satisfied by the General and Water Funds.

Bonds Payable

Bonds payable at May 31, 2024 are comprised of the individual issues as follows:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding May 31, 2024</u>
Purchase of Fire Truck	2009	\$1,015,000	April, 2014	5.125-5.50%	<u>\$ 0</u>

Interest expenditures of \$4,950 were recorded in the fund financial statements in the General Fund. Interest expense of \$4,125 was recorded in the government-wide financial statements for governmental activities.

The above general obligation bonds and installment purchase debt are direct obligations of the Village for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Village.

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**G. LONG-TERM LIABILITIES – Continued**

Compensated Absences

Under the terms of the existing Village policy, the Village is required to compensate retiring employees for accumulated vacation time. Employees earn vacation after the completion of one year of service. As a result, these employees are owed vacation time for the previous year. Unused vacation time can be carried over to the following year with Board approval. Upon separation of service, these employees are compensated for any unused vacation time earned in previous years. The value of the compensated absences has been reflected in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Village participates in the New York State and Local Employees' Retirement System (ERS) which is collectively referred to as the New York State and Local Retirement System (System). These are cost-sharing multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the sole 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. Obligations of employers and employees to contribute and benefits to employees are governed by 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 Village also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. ERS 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 at <https://www.osc.state.ny.us/pension/cafr.htm>.

ERS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31<sup>st</sup>. The employer contribution rates for the plan's year ending in 2023 are as follows:

System	Tier	Plan	Rate
ERS	1	75i	17.5%
ERS	3	A14	13.0%
ERS	4	A15	13.0%
ERS	5	A15	11.1%
ERS	6	A15	8.2%

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**G. LONG-TERM LIABILITIES – Continued**

For the year ended May 31, 2024, the Village recognized pension expense of \$121,757 in the government-wide financial statements. Pension expenditures of \$70,233 as recorded in the fund financial statements in the General Fund.

The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation paid by the Village to its employees relative to the total of all participating plan members. Information concerning the Village's allocated percentage, measurement date, actuarial valuation date, net pension liability, deferred outflows, deferred inflows and pension expense is presented on the following page.

	<u>ERS 2024</u>
Allocation Percentage	0.0017964%
Measurement Date	3/31/2024
Actuarial Date	4/1/2023
Net Pension Liability- Ending	<u>\$264,503</u>
 Deferred Outflows:	
Differences Between Expected and Actual Investment	\$85,196
Changes of Assumptions	100,003
Net Difference Between Projected and Actual Investment	
Earnings on Pension Plan Investments	-
Changes in Proportion and Differences Between Employer	
Contributions and Proportions Share of Contributions	19,042
Employer Contributions Subsequent to the Measurement	
Date	-
Total Deferred Outflows	<u>\$ 204,241</u>
 Deferred Inflows:	
Differences Between Expected and Actual Experience	\$ 7,212
Changes of Assumptions	0
Net Difference Between Projected and Actual Investment	
Earnings on Pension Plan Investments	129,208
Changes in Proportion and Differences Between Employer	
Contributions and Proportions Share of Contributions	<u>3,801</u>
Total Deferred Inflows	<u>\$ 140,221</u>

Other amounts reported as deferred outflows and deferred inflows of resources related to ERS will be recognized in pension expense are presented on the following page.

Year Ending	
<u>March 31</u>	<u>ERS</u>
2025	\$ (42,477)
2026	\$ 55,764
2027	\$ 77,745
2028	\$ (27,013)
2029	\$ -

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

Thereafter                      \$                      -

**G. LONG-TERM LIABILITIES – Continued**

The total pension liability for the March 31, 2024 measurement date was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liabilities to March 31, 2024. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>
Inflation	2.9%
Salary Increases	4.4%
Investment Rate of Return, Net of Investment Expense, Including Inflation	5.9%
Cost-of-Living Adjustments	1.4%

Annuitant mortality rates are based on the April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014. The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32.00%	4.00%
International Equity	15.00%	6.65%
Private Equity	10.00%	7.25%
Real Estate	9.00%	4.60%
Opportunistic/ARS Portfolio	3.00%	5.25%
Credit	4.00%	5.4%
Real Assets	3.00%	5.79%
Fixed Income	23.00%	1.5%
Cash	<u>1.00%</u>	0.25%
	<u>100.00%</u>	

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

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**G. LONG-TERM LIABILITIES – Continued**

The following presents the Village’s current-period net pension liability calculated using the current period discount rate assumption of 5.9 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (4.9 percent) or one percentage-point higher (6.9 percent) than the current assumption:

	One Percent Decrease	Current Assumption	One Percent Increase
<u>Village’s Proportionate Share</u>	<u>(4.9%)</u>	<u>(5.9%)</u>	<u>(6.9%)</u>
ERS Net Pension Liability (Asset)	\$ 831,624	\$264,503	\$ (209,161)

The components of the collective net pension liability as of the March 31, 2024 measurement date were as follows:

	(Dollars in Thousands)
	<u>ERS</u>
Employers’ Total Pension Liability	\$240,696,851
Fiduciary Net Position	<u>225,972,801</u>
Employers’ Net Pension Liability	<u>\$ 14,724,050</u>
 Ratio of Fiduciary Net Pension to the Employers’ Total Pension Liability	 93.88%

Employer contributions to ERS are paid annually and cover the period through the end of the System's fiscal year, which is March 31<sup>st</sup>. Retirement contributions as of May 31, 2024 represent the employer contribution for the period of April 1, 2022 through May 31, 2023 based on paid ERS wages multiplied by the employers' contribution rate, by tier.

Other Post Employment Benefit Obligations

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 length of service. The cost of providing post-employment health care benefits is shared between the Village and the retired employee. Substantially all of the Village's full-time employees may become eligible for these benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid, in the fund financial statements. There were 5 active employees and 3 retirees participating in the plan as of May 31, 2024. The Village’s total OPEB liability of \$1,185,890 was measured as of May 31, 2024, and was determined by an actuarial valuation as of that date.

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

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**G. LONG-TERM LIABILITIES – Continued**

Inflation	3.00%
Salary Increases	3.00%
Discount Rate	4.4%
Healthcare Cost Trend Rates	8% decreasing to 5% ultimate

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of May 31, 2024. Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2016.

The actuarial assumptions used in the valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.

The changes in the Total OPEB liability are as presented below:

Balance as of May 31, 2023	<u>\$1,066,461</u>
<u>Changes for the year:</u>	
Service Cost	43,059
Interest	44,716
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	80,501
Changes in Assumptions	(25,147)
Benefit Payments	<u>(23,700)</u>
Net Change in Total OPEB Liability	<u>119,429</u>
Balance as of May 31, 2024	<u>\$1,185,890</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.4%) or 1 percentage point higher (5.4%) than the current discount rate:

	1% decrease <u>(3.4%)</u>	Discount Rate <u>(4.4%)</u>	1% increase <u>(5.4%)</u>
Total OPEB Liability	\$1,376,218	\$1,185,890	\$1,032,382

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**G. LONG-TERM LIABILITIES – Continued**

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.0%) or 1 percentage point higher (6.0%) than the current discount rate:

	1% Decrease (7.0% Decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% Decreasing to 5.0%)	1% Increase (9.0% Decreasing to 6.0%)
Total OPEB Liability	\$1,019,601	\$1,185,890	\$1,396,498

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended May 31, 2024, the Village recognized OPEB expense/(income) of \$36,641. At May 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and Actual Experience	\$ 214,392	\$ 243,152
Changes of Assumptions	96,464	263,366
Net Difference Between Projected And Actual Earnings of OPEB Plan Investments	<u>-</u>	<u>-</u>
Total	<u>\$ 310,856</u>	<u>\$ 506,518</u>

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

Year ended May 31:	
2025	\$ (51,134)
2026	\$ (51,137)
2027	\$ (34,700)
2028	\$ (33,212)
2029	\$ (25,479)

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**H. INTERFUND REVENUS, EXPENDITURES, PAYABLES AND RECEIVABLES**

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers.

Fund	Transfers In	Transfers Out
General Fund	\$25,000	\$ -
Capital Projects Fund	-	-
Water Fund	-	25,000
Total	<u>\$ 25,000</u>	<u>\$ 25,000</u>

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for other operating fund expenditures.

**I. NET POSITION**

The components of net position are detailed below:

Net investment in capital assets – the component of net position that reports capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended debt proceeds, which is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Unemployment Benefits – the component of net position that represents funds set aside to be used for a specific purpose in accordance with Section 6-m of the General Municipal Law of the State of New York.

Restricted for Equipment Purchases – the component of net position that has been established pursuant to Section 6g of the General Municipal Law to pay the cost of construction, reconstruction or acquisition of a specific type of capital improvement or a specific item or type of equipment.

Restricted for Water Fund – the component of net position that represent funds restricted for specific purposes under New York State law.

Restricted for Pension Benefits – the component of net position that has been set aside to be used for LOSAP pension benefits in accordance with Article 11-A and Article 11-AAA of the General Municipal Law of the State of New York.

Unrestricted - all other amounts that do not meet the definition of net investment in capital assets or restricted net position.

**VILLAGE OF HILLBURN, NEW YORK**

Notes to Financial Statements

May 31, 2024

**J. FUND BALANCES**

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below:

Prepaid Expenditures – have been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that fund is not “available” for appropriation or expenditure even though they are a component of current assets.

Subsequent year’s expenditures – reflect that at May 31, 2024, the Village Board has assigned the above amounts to be appropriated for the ensuing year’s budget.

Unassigned fund balance – in the General Fund represents amounts not classified as nonspendable, restricted, or assigned. The unassigned fund balance in the Capital Projects Fund represents the deficits in the projects.

**NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**A. LITIGATION**

The Village, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Village if adversely settled.

**B. RISK MANAGEMENT**

The Village purchases various insurance coverages to reduce its exposure to loss. The Village maintains workers' compensation and general liability policies of \$1 million per occurrence and \$3 million in the aggregate for general liability. The Village also has an umbrella policy which provides an additional \$4 million in coverage. The Village purchases conventional workers' compensation insurance with coverage at statutory limits. The Village also purchases health insurance from New York State Health Insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

**C. CONTINGENCIES**

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. The number of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Village anticipates such amounts, if any, to be material.

**NOTE 5 - SUBSEQUENT EVENTS**

The Village was awarded \$100,820 in American Rescue Plan Act of 2021 of the Federal government. These funds can be spent over the next four years in various areas as approved by the federal government. The Village has appropriated the entire funds to the Veterans Memorial Park Pond Restoration on 4/26/2022. As of 5/31/2024, \$4562 of expenditures were made.

**VILLAGE OF HILLBURN**  
 Required Supplementary Information - Schedule of Changes in  
 The Village's Total Pension Liability - Fire Service Awards Program  
 Last Ten Fiscal Years

Measurement date as of December 31st	2023	2022
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 25,766	\$ 55,736
Interest	38,308	27,922
Changes of assumptions or other inputs	48,020	(392,916)
Differences between expected and actual experience	(43,008)	2,537
Benefit payments	(21,330)	(20,700)
Net change in total pension liability	47,756	(327,421)
Total pension liability - beginning	873,705	1,201,126
Total pension liability - ending	\$ 921,461	\$ 873,705
Covered-employee payroll	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A

Notes to required supplementary information

*Changes of assumptions or other inputs.* The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31st	4.31%	4.31%
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*Trust Assets.* There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

See notes to financial statements.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 62,593	\$ 48,680	\$ 39,958	\$ 42,144	\$ 27,257	N/A	N/A	N/A
24,580	28,966	27,465	25,521	24,757	N/A	N/A	N/A
(72,989)	274,106	57,400	(66,440)	73,426	N/A	N/A	N/A
(18,823)	30,480	12,482	(36,799)	16,234	N/A	N/A	N/A
<u>(10,440)</u>	<u>(11,760)</u>	<u>(12,270)</u>	<u>(18,409)</u>	<u>(14,040)</u>	N/A	N/A	N/A
(15,079)	370,472	125,035	(53,983)	127,634	N/A	N/A	N/A
<u>1,216,205</u>	<u>845,733</u>	<u>720,698</u>	<u>774,681</u>	<u>647,047</u>	N/A	N/A	N/A
<u>\$ 1,201,126</u>	<u>\$ 1,216,205</u>	<u>\$ 845,733</u>	<u>\$ 720,698</u>	<u>\$ 774,681</u>	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2.24%	1.93%	3.26%	3.64%	3.16%	N/A	N/A	N/A

**VILLAGE OF HILLBURN**  
Required Supplementary Information - Schedule of the Village's  
Proportionate Share of the Net Pension Liability  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years

March 31,	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Village's proportion of the net pension liability	<u>0.1796400%</u>	<u>0.1717500%</u>	<u>0.1716100%</u>	<u>0.1405900%</u>
Village's proportionate share of the net pension liability	<u>\$ 264,503</u>	<u>\$ 136,242</u>	<u>\$ (140,281)</u>	<u>\$ 32,507</u>
Village's covered - employee payroll	<u>\$ 554,143</u>	<u>\$ 508,098</u>	<u>\$ 443,549</u>	<u>\$ 406,764</u>
Villages proportionate share of the net pension liability as a percentage of its covered - employee payroll	<u>47.73%</u>	<u>26.81%</u>	<u>-31.63%</u>	<u>7.99%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.88%</u>	<u>90.78%</u>	<u>99.95%</u>	<u>99.95%</u>

Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No 68, *Accounting and Financial Reporting for Pensions* .

See notes to financial statements.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>0.1359700%</u>	<u>0.0014408%</u>	<u>0.0014446%</u>	<u>0.0013283%</u>	<u>0.0013722%</u>	<u>N/A</u>
<u>\$ 122,231</u>	<u>\$ 102,082</u>	<u>\$ 46,623</u>	<u>\$ 124,812</u>	<u>\$ 220,247</u>	<u>N/A</u>
<u>\$ 404,777</u>	<u>\$ 442,180</u>	<u>\$ 408,407</u>	<u>\$ 422,789</u>	<u>\$ 368,133</u>	<u>N/A</u>
<u>30.20%</u>	<u>23.09%</u>	<u>11.42%</u>	<u>29.52%</u>	<u>59.83%</u>	<u>N/A</u>
<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>N/A</u>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
Required Supplementary Information -  
Schedule of the Village's Contributions  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 121,757	\$ 69,085	\$ 56,529
Contributions in relation to the contractually required contribution	<u>(121,757)</u>	<u>(69,085)</u>	<u>(56,529)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 554,143</u>	<u>\$ 443,549</u>	<u>\$ 406,764</u>
Contributions as a percentage of covered payroll	<u>21.97%</u>	<u>15.58%</u>	<u>13.90%</u>

Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards E Statement No 68, *Accounting and Financial Reporting for Pensions*.

See notes to financial statements.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 64,164	\$ 62,094	\$ 58,363	\$ 52,511	\$ 57,522	N/A
<u>(64,164)</u>	<u>(62,094)</u>	<u>(58,363)</u>	<u>(52,511)</u>	<u>(57,522)</u>	<u>N/A</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/A</u>
<u>\$ 404,777</u>	<u>\$ 442,180</u>	<u>\$ 408,407</u>	<u>\$ 422,789</u>	<u>\$ 368,133</u>	<u>N/A</u>
<u>15.85%</u>	<u>14.04%</u>	<u>14.29%</u>	<u>12.42%</u>	<u>15.63%</u>	<u>N/A</u>

board

**VILLAGE OF HILLBURN**  
Required Supplementary Information -  
Schedule of Changes  
Other Post Employment Benefits Total Liability  
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	5/31/2024	5/31/2023	5/31/2022
Total OPEB liability			
Service cost	\$ 43,059	\$ 35,456	\$ 51,693
Interest	44,716	32,966	17,798
Changes in benefit terms			
Differences between expected and actual experience in the measurement of the total OPEB liability	80,501	204,552	17,504
Changes of assumptions	(25,147)	(86,951)	(295,107)
Benefit payments	<u>(23,700)</u>	<u>(21,084)</u>	<u>(19,434)</u>
Net change in total OPEB liability	119,429	164,939	(227,546)
Total OPEB liability - beginning	<u>1,066,461</u>	<u>901,522</u>	<u>1,129,068</u>
Total OPEB liability - ending	<u>\$ 1,185,890</u>	<u>\$ 1,066,461</u>	<u>\$ 901,522</u>
Covered payroll	\$ 397,680	\$ 381,947	\$ 326,688
Total OPEB liability as a % of covered payroll	298.20%	279.22%	275.96%

See notes to financial statements.

2021	2020	2019	2018	2017	2016	2015
5/31/2021	5/31/2020	5/31/2019	N/A	N/A	N/A	N/A
\$ 44,404	\$ 42,276	\$ 45,826	N/A	N/A	N/A	N/A
33,645	37,534	39,553	N/A	N/A	N/A	N/A
-	-	-	N/A	N/A	N/A	N/A
(353,344)	(89,668)	(131,419)	N/A	N/A	N/A	N/A
134,618	77,739	-	N/A	N/A	N/A	N/A
(19,085)	(19,376)	(20,940)	N/A	N/A	N/A	N/A
(159,762)	48,505	(66,980)	N/A	N/A	N/A	N/A
1,288,830	1,240,325	1,307,305	N/A	N/A	N/A	N/A
<u>\$ 1,129,068</u>	<u>\$ 1,288,830</u>	<u>\$ 1,240,325</u>	N/A	N/A	N/A	N/A
\$ 311,424	\$ 282,515	\$ 293,808	N/A	N/A	N/A	N/A
362.55%	456.20%	422.15%	N/A	N/A	N/A	N/A

**VILLAGE OF HILLBURN**  
General Fund  
Combining Balance Sheet  
May 31, 2024 and 2023

	General	Fire Service Awards Program	Total	
			2024	2023
<b>ASSETS</b>				
Cash and investments				
Cash and cash equivalents	\$ 2,688,209	\$ -	\$ 2,688,209	\$ 2,578,684
Investments	658,917	589,351	1,248,268	574,937
Total cash and investments	<u>3,347,126</u>	<u>589,351</u>	<u>3,936,477</u>	<u>3,153,621</u>
Receivables				
Receivable	103,133	-	103,133	110,213
Due from other funds	53,376	-	53,376	5,696
Due from state and federal governments	20,078	-	20,078	18,553
Due from other governments	29,128	-	29,128	26,013
Total receivables	<u>205,715</u>	<u>-</u>	<u>205,715</u>	<u>160,475</u>
Other assets				
Prepaid expenditures	20,567	-	20,567	16,262
Total other assets	<u>20,567</u>	<u>-</u>	<u>20,567</u>	<u>16,262</u>
<b>Total assets</b>	<u><b>\$ 3,573,408</b></u>	<u><b>\$ 589,351</b></u>	<u><b>\$ 4,162,759</b></u>	<u><b>\$ 3,330,358</b></u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Accounts payable	\$ 144,309	\$ -	\$ 144,309	\$ 127,293
Accrued liabilities	11,416	-	11,416	16,396
Payroll liabilities	10,985	-	10,985	8,695
Due to other funds	1,034,349	-	1,034,349	561,172
Guarantee & bid deposits	19,355	-	19,355	19,775
Retainage payable	-	-	-	-
Unearned revenues	112,741	-	112,741	111,249
Total liabilities	<u>1,333,155</u>	<u>-</u>	<u>1,333,155</u>	<u>844,580</u>
Fund balance				
Nonspendable	20,567	-	20,567	16,233
Restricted for:				
Unemployment benefits	3,783	-	3,783	3,692
Fire service awards program	-	589,351	589,351	540,223
Equipment purchases	48,291	-	48,291	27,927
Assigned to:				
Subsequent year's expenditures	150,000	-	150,000	165,000
Unassigned	2,017,612	-	2,017,612	1,732,703
Total fund balance	<u>2,240,253</u>	<u>589,351</u>	<u>2,829,604</u>	<u>2,485,778</u>
<b>Total liabilities and fund balance</b>	<u><b>\$ 3,573,408</b></u>	<u><b>\$ 589,351</b></u>	<u><b>\$ 4,162,759</b></u>	<u><b>\$ 3,330,358</b></u>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
General Fund Only- without LOSAP  
Comparative Statement of Revenues, Expenditures and Changes In Fund Balance  
Budget and Actual  
For The Years Ended May 31, 2024 and 2023

	2024			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 1,253,060	\$ 1,253,060	\$ 1,253,060	\$ -
Other tax items	10,000	10,000	8,347	(1,653)
Non-property taxes	25,000	25,000	59,512	34,512
Departmental income	372,100	372,100	374,032	1,932
Use of money and property	18,000	18,000	42,349	24,349
Licenses and permits	100	100	-	(100)
Fines and forfeitures	37,000	37,000	34,359	(2,641)
Sales of property and compensation for loss	-	-	10,125	10,125
State aid	40,914	62,914	82,155	19,241
Miscellaneous	-	-	1,052	1,052
Total revenue	<u>\$ 1,756,174</u>	<u>\$ 1,778,174</u>	<u>\$ 1,864,991</u>	<u>\$ 86,817</u>
<b>EXPENDITURES</b>				
General government support	\$ 718,303	\$ 691,325	\$ 514,720	\$ 176,605
Public safety	86,400	86,400	69,906	16,494
Health	200	200	-	200
Transportation	282,796	306,001	293,715	12,286
Culture and recreation	96,500	96,500	36,293	60,207
Home and community services	234,596	248,530	209,083	39,447
Employee benefits	415,954	427,793	376,626	51,167
Debt service				
Principal	95,475	95,475	90,000	5,475
Interest	4,950	4,950	4,950	-
Total Expenditures	<u>1,935,174</u>	<u>1,957,174</u>	<u>1,595,293</u>	<u>361,881</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	25,000	25,000	25,000	-
Transfers out	(60,500)	(60,500)	-	60,500
Total sources (uses)	<u>(35,500)</u>	<u>(35,500)</u>	<u>25,000</u>	<u>60,500</u>
Excess (deficiency) of revenues and other financing sources over (under) Expenditures and other financing uses	(214,500)	(214,500)	294,698	509,198
Fund balance at beginning of year	<u>214,500</u>	<u>214,500</u>	<u>1,945,555</u>	<u>1,731,055</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,240,253</u>	<u>\$ 2,240,253</u>

See notes to financial statements.

2023

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,247,630	\$ 1,247,630	\$ 1,247,630	\$ -
10,000	10,000	7,504	(2,496)
13,500	13,500	86,222	72,722
371,100	371,100	374,259	3,159
1,000	1,000	12,734	11,734
100	100	-	(100)
37,000	37,000	40,864	3,864
-	-	50,407	50,407
44,500	69,500	168,209	98,709
-	-	9,730	9,730
<u>\$ 1,724,830</u>	<u>\$ 1,749,830</u>	<u>\$ 1,997,559</u>	<u>\$ 247,729</u>
\$ 676,433	\$ 659,554	\$ 524,610	\$ 134,944
77,900	80,123	69,579	10,544
200	200	-	200
279,656	304,656	390,394	(85,738)
96,500	96,500	44,605	51,895
230,956	236,943	184,202	52,741
423,090	431,759	372,784	58,975
89,813	85,000	85,000	-
4,813	9,625	12,587	(2,962)
<u>1,879,361</u>	<u>1,904,360</u>	<u>1,683,761</u>	<u>220,599</u>
15,000	15,000	15,000	-
(60,500)	(60,500)	(100,000)	(39,500)
<u>(45,500)</u>	<u>(45,500)</u>	<u>(85,000)</u>	<u>(39,500)</u>
(200,031)	(200,030)	228,798	428,828
200,031	200,030	1,716,757	1,516,727
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,945,555</u>	<u>\$ 1,945,555</u>

**VILLAGE OF HILLBURN**  
General Fund  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Years Ended May 31, 2024 and 2023

	General	Fire Service Award Program		Total	
			Program	Eliminations	2024
<b>REVENUES</b>					
Real property taxes	\$ 1,253,060	\$ -	\$ -	\$ 1,253,060	\$ 1,247,630
Other tax items	8,347	-	-	8,347	7,504
Non-property taxes	59,512	-	-	59,512	86,222
Departmental income	374,032	40,954	(40,954)	374,032	374,259
Use of money and property	42,349	17,550	-	59,899	29,626
Net change in fair values of investments	-	11,954	-	11,954	(92,614)
Licenses and permits	-	-	-	-	-
Fines and forfeitures	34,359	-	-	34,359	40,864
Sales of property and compensation for loss	10,125	-	-	10,125	50,407
State aid	82,155	-	-	82,155	168,209
Miscellaneous	1,052	-	-	1,052	9,730
Total revenue	<u>\$ 1,864,991</u>	<u>\$ 70,458</u>	<u>\$ (40,954)</u>	<u>\$ 1,894,495</u>	<u>\$ 1,921,837</u>
<b>EXPENDITURES</b>					
General government support	\$ 514,720	\$ -	\$ -	\$ 514,720	\$ 524,610
Public safety	69,906	-	-	69,906	69,579
Health	-	-	-	-	-
Transportation	293,715	-	-	293,715	390,394
Culture and recreation	36,293	-	-	36,293	44,605
Home and community services	209,083	-	-	209,083	184,202
Employee benefits	376,626	21,330	(40,954)	357,002	345,394
Debt service					
Principal - installment purchase debt	90,000	-	-	90,000	85,000
Interest	4,950	-	-	4,950	12,587
Total expenditures	<u>1,595,293</u>	<u>21,330</u>	<u>(40,954)</u>	<u>1,575,669</u>	<u>1,656,371</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	25,000	-	-	25,000	15,000
Operating transfer out	-	-	-	-	(100,000)
Total sources (uses)	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>(85,000)</u>
Excess (deficiency) of revenues and Other financing sources over (under) Expenditures and other financing uses	294,698	49,128	-	343,826	180,466
Fund balance at beginning of year	<u>1,945,555</u>	<u>540,223</u>	<u>-</u>	<u>2,485,778</u>	<u>2,305,312</u>
End of year	<u>\$ 2,240,253</u>	<u>\$ 589,351</u>	<u>\$ -</u>	<u>\$ 2,829,604</u>	<u>\$ 2,485,778</u>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
General Fund Only - without LOSAP  
Comparative Balance Sheet  
For the Years Ended May 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Cash and investments		
Cash and cash equivalents	\$ 2,688,209	\$ 2,578,684
Investments	658,917	34,714
Total cash and investments	3,347,126	2,613,398
Receivables		
Accounts receivable	103,133	110,213
Due from other funds	53,376	5,696
Due from state and federal governments	20,078	18,553
Due from other governments	29,128	26,013
Total receivables	205,715	160,475
Other assets		
Prepaid expenditures	20,567	16,262
Total other assets	20,567	16,262
Total assets	\$ 3,573,408	\$ 2,790,135
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 144,309	\$ 127,293
Accrued liabilities	11,416	16,396
Payroll liabilities	10,985	8,695
Due to other funds	1,034,349	561,172
Retainage payable	-	-
Guarantee & bid deposits	19,355	19,775
Unearned revenues	112,741	111,249
Total liabilities	1,333,155	844,580
Fund balance		
Nonspendable	20,567	16,233
Restricted for:		
Unemployment benefits	3,783	3,692
Equipment purchases	48,291	27,927
Restricted for Service Awards Program	-	-
Assigned To:		
Subsequent year's expenditures	150,000	165,000
Unassigned	2,017,612	1,732,703
Total fund balance	2,240,253	1,945,555
Total liabilities and fund balance	\$ 3,573,408	\$ 2,790,135

See notes to financial statements.

**VILLAGE OF HILLBURN**  
General Fund Only- without LOSAP  
Statement of Revenues and Other Financing Sources Compared to Budget  
For The Years Ended May 31, 2024 and 2023

	Original Budget	Final Budget	2024 Actual	Variance with Final Budget Positive (Negative)	2023 Actual
<b>REVENUES</b>					
Real property taxes	\$ 1,253,060	\$ 1,253,060	\$ 1,253,060	\$ -	\$ 1,247,630
Other tax items					
Interest and penalties on real property taxes	10,000	10,000	8,347	(1,653)	7,504
Non-property taxes					
Utilities gross receipts tax	15,000	15,000	23,374	8,374	49,094
Non-property tax distribution from county	-	-	24,638	24,638	25,401
Franchise fees	10,000	10,000	11,500	1,500	11,727
Total non-property taxes	25,000	25,000	59,512	34,512	86,222
Departmental income					
Treasurer fees	100	100	1,689	1,589	1
Interstate waste services host fees	125,000	125,000	128,000	3,000	128,000
Safety inspection fees	45,000	45,000	47,578	2,578	47,633
Refuse removal	3,000	3,000	2,601	(399)	2,258
Planning board fees	3,000	3,000	2,000	(1,000)	5,050
Community service charge	1,000	1,000	1,639	639	792
Parks and recreation charges	5,000	5,000	-	(5,000)	-
Fire protection services for other governments	190,000	190,000	190,525	525	190,525
Total departmental income	372,100	372,100	374,032	1,932	374,259
Use of money and property					
Earnings on investments	6,000	6,000	41,899	35,899	11,954
Use of property	12,000	12,000	450	(11,550)	780
Total use of money and property	18,000	18,000	42,349	24,349	12,734
Licenses and permits					
Business and occupational licenses	100	100	-	(100)	-
Fines and forfeitures					
Fines and forfeited bail	37,000	37,000	34,359	(2,641)	40,864
Sale of property and compensation for loss					
Sale of equipment	-	-	10,125	10,125	50,407
State aid					
Per capita	4,914	4,914	4,914	-	-
Grants	-	-	-	-	81,925
Mortgage tax	16,000	16,000	38,503	22,503	38,688
Consolidated highway improvement program	20,000	42,000	38,738	(3,262)	47,596
Total state aid	40,914	62,914	82,155	19,241	168,209
Miscellaneous					
Unclassified	-	-	1,052	1,052	9,730
Total miscellaneous	-	-	1,052	1,052	9,730
<b>Total revenues</b>	<b>1,756,174</b>	<b>1,778,174</b>	<b>1,864,991</b>	<b>86,817</b>	<b>1,997,559</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers in					
Capital projects fund	-	-	-	-	-
Water fund	25,000	25,000	25,000	-	15,000
Total other financing sources	25,000	25,000	25,000	-	15,000
<b>Total revenues and other financing sources</b>	<b>\$ 1,781,174</b>	<b>\$ 1,803,174</b>	<b>\$ 1,889,991</b>	<b>\$ 86,817</b>	<b>\$ 2,012,559</b>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
General Fund - without LOSAP  
Statement Of Expenditures And Other Financing Uses Compared To Budget  
For The Years Ended May 31, 2024 and 2023

	Original Budget	Final Budget	2024 Actual	Variance with Final Budget Positive (Negative)	2023 Actual
<b>EXPENDITURES</b>					
General support					
Board of Trustees	\$ 22,000	\$ 23,663	\$ 23,663	\$ -	\$ 20,779
Village Justice	71,700	71,700	67,436	4,264	63,973
Mayor	23,250	23,250	21,850	1,400	19,554
Auditor	30,500	30,500	29,717	783	26,165
Finance Advisory/Bond Counsel	-	-	4,339	(4,339)	-
Treasurer	232,500	236,262	215,398	20,864	208,175
Budget	500	500	241	259	164
Assessment	21,000	21,000	14,929	6,071	14,491
Law	52,000	54,858	54,858	-	39,996
Engineer	22,000	22,000	4,882	17,118	21,279
Elections	4,800	4,800	2,606	2,194	2,456
Records management	-	-	-	-	-
Buildings	42,000	42,000	11,614	30,386	41,204
Central communication system	12,000	12,000	7,373	4,627	7,527
Central printing and mailing	1,000	1,000	-	1,000	-
Unallocated insurance	50,500	50,500	35,192	15,308	48,314
Municipal association dues	1,400	1,400	1,107	293	967
Taxes and assessment on property	12,000	12,000	10,197	1,803	9,566
Judgements and claims	-	9,318	9,318	-	-
Contingency	119,153	74,574	-	74,574	-
Total general support	<u>718,303</u>	<u>691,325</u>	<u>514,720</u>	<u>176,605</u>	<u>524,610</u>
Public safety					
Fire department	57,900	57,900	52,092	5,808	51,123
Control of animals	-	-	-	-	-
Safety inspection	28,500	28,500	17,814	10,686	18,456
Total public safety	<u>86,400</u>	<u>86,400</u>	<u>69,906</u>	<u>16,494</u>	<u>69,579</u>
Health					
Registrar of vital statistics	200	200	-	200	-
Transportation					
Street maintenance	213,296	219,543	225,049	(5,506)	319,756
Road construction	15,000	37,000	36,641	359	44,783
Snow removal	16,500	11,458	4,351	7,107	436
Street lighting	38,000	38,000	27,674	10,326	25,419
Total transportation	<u>282,796</u>	<u>306,001</u>	<u>293,715</u>	<u>12,286</u>	<u>390,394</u>
Culture and recreation					
Parks and playgrounds	19,000	19,000	1,442	17,558	11,764
Youth recreation	64,500	64,500	26,460	38,040	24,228
Library	-	-	-	-	-
Programs for the aging	3,000	3,000	715	2,285	614
Historian	-	-	-	-	-
Celebrations	10,000	10,000	7,676	2,324	7,999
Total culture and recreation	<u>96,500</u>	<u>96,500</u>	<u>36,293</u>	<u>60,207</u>	<u>44,605</u>
Balance carried forward	<u>\$ 1,184,199</u>	<u>\$ 1,180,426</u>	<u>\$ 914,634</u>	<u>\$ 265,792</u>	<u>\$ 1,029,188</u>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
General Fund - without LOSAP  
Statement of Expenditures and Other Financing Uses Compared to Budget  
May 31, 2024

	Original Budget	Final Budget	2024 Actual	Variance with Final Budget Positive (Negative)	2023 Actual
Balance brought forward	\$ 1,184,199	\$ 1,180,426	\$ 914,634	\$ 265,792	\$ 1,029,188
Home and community services					
Community room	8,500	22,434	22,433	1	7,783
Zoning room	4,600	4,600	4,151	449	3,612
Planning	18,700	18,700	15,864	2,836	13,650
Storm sewers	4,000	4,000	2,101	1,899	2,536
Refuse and garbage	57,000	57,000	38,660	18,340	31,038
Street cleaning	135,296	135,296	125,408	9,888	124,662
Shade trees	6,500	6,500	466	6,034	921
Special Services	-	-	-	-	-
Total home and community services	<u>234,596</u>	<u>248,530</u>	<u>209,083</u>	<u>39,447</u>	<u>184,202</u>
Employee benefits					
State retirement	65,000	70,233	70,233	-	56,389
Social security and Medicare	46,000	49,478	49,478	-	47,697
Service award program	40,954	47,560	47,560	-	56,759
Workers' compensation benefits	73,000	69,522	31,279	38,243	30,670
Unemployment benefits	8,000	8,000	13	7,987	26
Hospitalization insurance	175,000	175,000	173,576	1,424	176,706
Dental/optical insurance	4,000	4,000	1,634	2,366	2,275
Disability insurance	4,000	4,000	2,853	1,147	2,262
Total employee benefits	<u>415,954</u>	<u>427,793</u>	<u>376,626</u>	<u>51,167</u>	<u>372,784</u>
Debt service					
Principal					
Serial bonds	95,475	95,475	90,000	5,475	85,000
Installment purchase debt	-	-	-	-	-
Total principal	<u>95,475</u>	<u>95,475</u>	<u>90,000</u>	<u>5,475</u>	<u>85,000</u>
Interest					
Serial bonds	4,950	4,950	4,950	-	9,625
Bond anticipation notes	-	-	-	-	2,962
Total interest	<u>4,950</u>	<u>4,950</u>	<u>4,950</u>	<u>-</u>	<u>12,587</u>
Total debt service	<u>100,425</u>	<u>100,425</u>	<u>94,950</u>	<u>5,475</u>	<u>97,587</u>
Total expenditures	<u>1,935,174</u>	<u>1,957,174</u>	<u>1,595,293</u>	<u>361,881</u>	<u>1,683,761</u>
Miscellaneous Expense					
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer out					
Capital Projects Fund	55,000	55,000	-	55,000	100,000
Water Fund	5,500	5,500	-	5,500	-
Total other financing sources (uses)	<u>60,500</u>	<u>60,500</u>	<u>-</u>	<u>60,500</u>	<u>100,000</u>
Total expenditures and other financing sources (uses)	<u>\$ 1,995,674</u>	<u>\$ 2,017,674</u>	<u>\$ 1,595,293</u>	<u>\$ 422,381</u>	<u>\$ 1,783,761</u>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
Water Fund  
Comparative Balance Fund  
May 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Cash		
Cash and cash equivalents	\$ 229,063	\$ 188,034
Total cash	229,063	188,034
Receivables		
Accounts	-	10,286
Due from other funds	55,677	25,500
Water rents	58,999	58,041
Total receivables	114,676	93,827
Total assets	\$ 343,739	\$ 281,861
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 11,528	\$ 13,043
Due to other funds	5,696	5,696
Total liabilities	17,224	18,739
Fund balance		
Restricted	21,561	21,561
Assigned to:		
Subsequent year's expenditures	67,000	-
Water	237,954	241,561
Total fund balance	326,515	263,122
Total liabilities and fund balance	\$ 343,739	\$ 281,861

See notes to financial statements

**VILLAGE OF HILLBURN**  
Water Fund  
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance  
For The Years Ended May 31, 2024 and 2023

	2024			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Departmental Income				
Metered water sales	\$ 256,000	\$ 256,000	\$ 218,604	\$ (37,396)
Water services charges	40,000	40,000	27,582	(12,418)
Interest and penalties on water rents	7,000	7,000	6,551	(449)
Miscellaneous	-	-	-	-
Use of money and property	-	-	1,048	1,048
Total revenues	<u>\$ 303,000</u>	<u>\$ 303,000</u>	<u>\$ 253,785</u>	<u>\$ (49,215)</u>
<b>EXPENDITURES</b>				
General government support	\$ 3,100	\$ 12,500	\$ 85	\$ (12,415)
Home and community services	264,400	266,000	164,042	(101,958)
Employee benefits	<u>9,500</u>	<u>9,500</u>	<u>1,265</u>	<u>(8,235)</u>
Total expenditures	<u>277,000</u>	<u>288,000</u>	<u>165,392</u>	<u>(122,608)</u>
Excess (deficiency) of revenues over expenditures	26,000	15,000	88,393	73,393
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(25,000)</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(25,000)</u>	<u>(10,000)</u>
<b>Net change in fund balance</b>	11,000	-	63,393	63,393
Fund balance, beginning	<u>(11,000)</u>	<u>-</u>	<u>263,122</u>	<u>263,122</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,515</u>	<u>\$ 326,515</u>

See notes to financial statements.

2023

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 256,000	\$ 256,000	\$ 224,660	\$ (31,340)
40,000	40,000	40,616	616
7,000	7,000	8,910	1,910
-	-	-	-
-	-	549	549
<u>\$ 303,000</u>	<u>\$ 303,000</u>	<u>\$ 274,735</u>	<u>\$ (28,265)</u>
\$ 3,100	\$ 12,500	\$ 30	\$ 12,470
264,400	266,000	159,984	106,016.0
9,500	9,500	8,093	1,407
<u>277,000</u>	<u>288,000</u>	<u>168,107</u>	<u>119,893</u>
26,000	15,000	106,628	91,628
(15,000)	(15,000)	(15,000)	-
(15,000)	(15,000)	(15,000)	-
11,000	-	91,628	91,628
(11,000)	-	171,494	171,494
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,122</u>	<u>\$ 263,122</u>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
Water Fund  
Statement of Expenditures and Other Financing Uses Compared to Budget  
For The Years Ended May 31, 2024 and 2023

	Original Budget	Final Budget	2024 Actual	Variance with Final Budget Positive (Negative)	2023 Actual
<b>EXPENDITURES</b>					
General Government					
Unallocated insurance	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ -
Municipal association dues	100	100	85	15	30
Contingency	-	9,400	-	9,400	-
Total general government	<u>3,100</u>	<u>12,500</u>	<u>85</u>	<u>12,415</u>	<u>30</u>
Home and community services					
Water administration	12,910	14,010	13,868	142	11,158
Source of supply, power, and pumping	212,200	212,200	143,196	69,004	137,323
Transmission and distribution	39,290	39,790	6,978	32,812	11,503
Total home and community services	<u>264,400</u>	<u>266,000</u>	<u>164,042</u>	<u>101,958</u>	<u>159,984</u>
Employee benefits					
Social security	2,000	2,000	1,265	735	1,093
Workers' compensation benefits	500	500	-	500	-
Hospitalization insurance	7,000	7,000	-	7,000	7,000
Total employee benefits	<u>9,500</u>	<u>9,500</u>	<u>1,265</u>	<u>8,235</u>	<u>8,093</u>
Total expenditures	<u>277,000</u>	<u>288,000</u>	<u>165,392</u>	<u>122,608</u>	<u>168,107</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers out					
General fund	15,000	15,000	25,000	(10,000)	15,000
Total expenditures and other financing sources (uses)	<u>\$ 292,000</u>	<u>\$ 303,000</u>	<u>\$ 190,392</u>	<u>\$ 112,608</u>	<u>\$ 183,107</u>

See notes to financial statements.

**VILLAGE OF HILLBURN**  
 Capital Project Fund  
 Comparative Balance Sheet  
 May 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Due from other funds	\$ 930,992	\$ 535,672
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Bond anticipation note payable	\$ 443,000	\$ -
Fund balance		
Unassigned	487,992	535,672
Total liabilities and fund balance	\$ 930,992	\$ 535,672

See notes to financial statements

**VILLAGE OF HILLBURN**  
 Capital Project Fund  
 Comparative Statement of Revenues, Expenditures  
 And Changes In Fund Balance  
 For The Years Ended May 31, 2024 and 2023

	2024	2023
<b>REVENUES</b>		
Departmental Income	\$ -	\$ -
Federal & State aid	84,226	563,442
Total revenues	84,226	563,442
<b>EXPENDITURES</b>		
Capital outlay	131,906	112,780
Total expenditures	131,906	112,780
Excess (deficiency) of revenues over expenditures	(47,680)	450,662
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	-
Proceeds from debt	-	-
BANs redeemed from appropriations	-	100,000
Transfers out	-	-
Total other financing sources (uses)	-	100,000
<b>Net change in fund balance</b>	(47,680)	550,662
Fund balance, beginning	535,672	(14,990)
Fund balance, ending	\$ 487,992	\$ 535,672

See notes to financial statements.

**VILLAGE OF HILLBURN**  
 Capital Projects Fund  
 Project-Length Schedule  
 Inception of Project Through May 31, 2024

Project	Authorization	Expenditures and Transfers to Date	Unexpended Balance	Total Revenues	Fund Balance (Deficit) at May 31, 2024	Bond Anticipation Notes Outstanding at May 31, 2024
6th Street Culvert	\$ 562,931	\$ 109,684	\$ 453,247	\$ 536,125	\$ 426,441	\$ -
Master plan preparation	125,000	98,912	26,088	125,463	26,551	-
Veterans Memorial Pond	175,820	75,942	99,878	75,942	-	-
Pre-Fab Building	546,510	35,601	510,909	70,601	35,000	443,000
Office equipment	15,000	15,000	-	15,000	-	-
<b>Totals</b>	<b>\$ 1,425,261</b>	<b>\$ 335,139</b>	<b>\$ 1,090,122</b>	<b>\$ 823,131</b>	<b>\$ 487,992</b>	<b>\$ 443,000</b>

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See notes to financial statements.