



COUNTY OF NASSAU - STATE OF NEW YORK

FINANCIAL STATEMENTS

Year Ended May 31, 2016

**INCORPORATED VILLAGE OF FLOWER HILL
COUNTY OF NASSAU - STATE OF NEW YORK
Year Ended May 31, 2016**

TABLE OF CONTENTS

	<u>Page</u>
Management's Discussion and Analysis (Unaudited)	1-6
Independent Auditors' Report	7-8
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Governmental Funds Balance Sheet	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	14
Statement of Fiduciary Net Position	15
Notes to Financial Statements	16-38
Required Supplementary Information Other Than Management's Discussion and Analysis:	
Schedule of Funding Progress Other Postemployment Benefits (Unaudited)	39
Budgetary Comparison Schedule – General Fund (Unaudited)	40
Schedule of the Village's Proportionate Share of the Net Pension Liability/(Asset) (Unaudited)	41
Schedule of the Village's Contributions (Unaudited)	42

**INCORPORATED VILLAGE OF FLOWER HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2016**

As management of the Incorporated Village of Flower Hill (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2016.

FINANCIAL HIGHLIGHTS

As reflected in the government-wide financial statements, the assets and deferred outflows of the Village exceeded its liabilities and deferred inflows at May 31, 2016 fiscal year by \$8,442,648 (net position), of which \$1,707,280 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the Village's fund designation and fiscal policies.

As reflected in the fund financial statements as of the close of the current fiscal year, the Village's government funds reported an ending fund balance of \$1,928,070 (an increase of \$128,881 in comparison with the prior year). Of this amount, \$164,232 is restricted, \$370,000 is assigned, and \$1,393,838 is unassigned.

In the current year, the Village adopted and implemented GASB Statement No. 68, amended by GASB Statement No. 71 *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27*. This standard required the Village to report as an asset or liability its portion of the collective net pension asset or liability in the New York State Employees Retirement System. As allowed by the standard, the Village has not retrospectively adjusted its financial statements, due to the fact that certain assumptions and estimates cannot be reasonably determined in the prior years. Thus only the net effect of the adoption is reflected in the opening net position. As of June 1, 2015 net position decreased \$32,242 for the net effect of this adoption. The details of the pronouncement have been discussed in Note 1V in the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

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

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

The Statement of Activities presents information showing how the Village's net position changed during the fiscal year. All changes in net position are reported when 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 only result in cash flows in future years.

See independent auditors' report and notes to the financial statements.

**INCORPORATED VILLAGE OF FLOWER HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2016**

Both of the government-wide financial statements distinguish function and programs of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from programs that are intended to recover all or a significant portion of their costs through user fees and charges.

The governmental activities of the Village include general government support, building department, justice court, contracted fire protection, parks and recreation, roads and highways, and sanitation.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same function and programs reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Village maintains 2 governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, and Capital Fund.

The Village adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 – 14 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the Village's own programs.

The fiduciary fund financial statement can be found on page 15 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 - 38 of this report.

**INCORPORATED VILLAGE OF FLOWER HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the Incorporated Village of Flower Hill assets and deferred outflows exceeded liabilities and deferred inflows by \$8,442,648 at the close of the most recent fiscal year.

The Village has an investment in capital assets, net of related debt totaling \$6,571,136 at May 31, 2016.

The remaining balance of unrestricted net position totaling \$1,707,280 may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE'S NET POSITION

	Governmental Activities		
	2016	2015	Change
Current and Other Assets	\$ 1,986,204	\$ 1,849,636	\$ 136,568
Capital Assets	6,571,136	6,612,857	(41,721)
Deferred Outflows	378,151	-	378,151
Total Assets and Deferred Outflows	<u>\$ 8,935,491</u>	<u>\$ 8,462,493</u>	<u>\$ 472,998</u>
Other Liabilities	\$ 36,399	\$ 34,703	\$ 1,696
Long Term Liabilities	408,074	-	408,074
Deferred Inflows	48,370	-	48,370
Total Liabilities and Deferred Inflows	<u>492,843</u>	<u>34,703</u>	<u>458,140</u>
Net Position:			
Net Investment in Capital Assets	6,571,136	6,612,857	(41,721)
Restricted	164,232	139,203	25,029
Unrestricted	1,707,280	1,675,730	31,550
Total Net Position	<u>\$ 8,442,648</u>	<u>\$ 8,427,790</u>	<u>\$ 14,858</u>

Currently, the largest portion of the Village's net position of \$6,571,136 reflects its investment in capital assets (e.g. land, buildings, improvements and machinery and equipment.) Capital assets are used to provide service to citizens; consequently these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The net investment in capital assets decreased over the prior year by \$41,721 primarily as a result of the offset of capital asset additions by current depreciation.

See independent auditors' report and notes to the financial statements.

**INCORPORATED VILLAGE OF FLOWER HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2016**

A portion of the Village's net position, \$164,232, represents resources that are subject to external restriction on how they may be used. Increases of \$25,029 were the result of interfund transfers from the general fund for capital repairs and interest earnings on reserve funds to be used for capital repairs.

The remaining balance of unrestricted net position totaling \$1,707,280 may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE'S CHANGES IN NET POSITION

	Governmental Activities		
	2016	2015	Increase (Decrease)
Revenues:			
Program Revenues/Charges for Services	\$ 771,815	\$ 703,795	\$ 68,020
Capital Grants	120,621	223,488	(102,867)
General Revenues:			
Property Taxes	1,977,051	1,985,425	(8,374)
Unrestricted Investment Earnings	5,003	5,340	(337)
State Aid	183,789	206,178	(22,389)
Federal Aid	27,842	-	27,842
Miscellaneous	255,384	248,840	6,544
(Loss) on Capital Asset Dispositions	-	(2,044)	2,044
Total Revenues	<u>3,341,505</u>	<u>3,371,022</u>	<u>(29,517)</u>
Expenses:			
General Government	1,437,200	1,388,517	48,683
Building Department	301,621	296,097	5,524
Justice Court	194,731	198,296	(3,565)
Fire Protection	539,497	553,317	(13,820)
Parks and Recreation	47,635	26,012	21,623
Roads and Highways	773,721	896,275	(122,554)
Total Expenses	<u>3,294,405</u>	<u>3,358,514</u>	<u>(64,109)</u>
Change in Net Position	47,100	12,508	34,592
Net Position - Beginning of Year (Restated)	<u>8,395,548</u>	<u>8,415,282</u>	<u>(19,734)</u>
Net Position - End of Year	<u>\$ 8,442,648</u>	<u>\$ 8,427,790</u>	<u>\$ 14,858</u>

Revenue Categories:

Program Revenues – includes charges for services which provide a direct benefit to the purchaser, including fees for recreational and community events and building permits. Revenue contributed by external governments that are restricted to supporting these types of programs are also classified as program grants.

See independent auditors' report and notes to the financial statements.

**INCORPORATED VILLAGE OF FLOWER HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2016**

General Revenues – includes revenues that are available to fund the overall government and to provide a benefit to all taxpayers in the Village. This includes real property taxes and miscellaneous funds that may be generated during the course of the year such as sales on excess equipment and insurance property loss claims received.

The Village's revenues decreased by \$29,517. This decrease is primarily due to less State Aid & Capital Grants received in the current year.

Expense Categories:

The Village's expenses decreased by \$64,109. This decrease is due to the decrease in contractual expenditures for roads and highways.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

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

At the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$1,928,070, an increase of \$128,881 in comparison to the prior year. Of this total amount \$1,393,838 constitutes unassigned fund balance, which is available for spending at the government's discretion.

General Fund – The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,393,838, while total fund balance reached \$1,763,838. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 43% of total fund expenditures, while total fund balance represents 54% of that total fund expenditures.

The fund balance of the Village's General Fund increased during the current fiscal year by \$103,852 to \$1,763,838. The key factor in this was revenues were significantly more than expenditures.

Capital Projects Fund – The fund balance in the Capital Projects Fund increased during the current fiscal year by \$25,029 to \$164,232. The key factor was interfund transfers from the general fund for capital repairs and interest earnings on reserve funds to be used for capital repairs

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village's General Fund adopted budget for the fiscal year ended May 31, 2016 was \$3,203,225. This amount was increased by appropriated fund balance of \$325,000 for a total budget of \$3,528,225.

The budget was funded through a combination of anticipated revenues. The major funding sources were real property taxes of \$1,964,998, non-property tax items \$195,000, licenses and permits \$558,500, State Aid \$293,827, and appropriated fund balance of \$325,000.

See independent auditors' report and notes to the financial statements.

**INCORPORATED VILLAGE OF FLOWER HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
MAY 31, 2016**

The General Fund performed favorably compared to budgeted revenues and expenditures.

Actual revenues of \$3,341,477 compared to the original budget of \$3,203,225 with a positive variance to budget of \$138,252. This variance consisted primarily of licenses and permits in excess of the original budget of \$65,034, and federal aid in excess of \$27,842.

Actual expenditures for the year were \$3,212,625 compared to the original budget of \$3,503,225 with a positive variance to budget of \$290,600. This variance is primarily the result of certain budgeted line items being less than projected, specifically general government.

CAPITAL ASSETS

Capital Assets - The Village's investment in capital assets for its governmental activities as of May 31, 2016, amounts to \$6,571,136 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, infrastructure, structures, vehicles and vehicle equipment, and machinery and equipment.

As of the year ended May 31,	Governmental Activities	
	2016	2015
Computer Equipment	\$ 5,111	\$ 5,111
Land Improvements	32,934	35,429
Infrastructure	3,943,494	3,916,026
Structures	2,240,544	2,234,192
Vehicle and Vehicle Equipment	202,259	254,182
Machinery and Equipment	146,794	167,917
Total	\$ 6,571,136	\$ 6,612,857

Additional information on the Village's capital assets is shown in Note 6 on page 25 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2017 budget appropriations are \$3,566,392 which is 1.08% more than the current year's adopted budget. Most of the appropriations budget is about equal to the prior year with the exception of licenses and permits have been increased by \$35,000 and appropriated fund balance has been increased by \$45,000. Property tax collections will increase by \$2,665, about .14%.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the Village's finances and to show the Village's accountability for the money it receives. Questions concerning any information provided in this report should be addressed to the Village at 1 Bonnie Heights Road, Flower Hill, NY 11030.

See independent auditors' report and notes to the financial statements.



SATTY, LEVINE & CIACCO, CPAS, P.C.

Certified Public Accountants & Business Advisors

Since 1949...People...Relationships...Results.

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees of the
Incorporated Village of Flower Hill:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Incorporated Village of Flower Hill (the "Village"), as of and for the year ended May 31, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Incorporated Village of Flower Hill, as of May 31, 2016, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1V to the financial statements, the Village has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The adoption of these statements resulted in a prior period adjustment. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 6, budgetary comparison information – general fund on page 40 and the schedule of funding progress – other post-employment benefits on page 39, Village's proportionate share of the net position liability/(asset) on page 41, and the Village's contributions on page 42, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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.



Satty, Levine & Ciacco, CPAs, P.C.
Jericho, New York
January 10, 2017.

INCORPORATED VILLAGE OF FLOWER HILL
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF NET POSITION
MAY 31, 2016

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>	
CURRENT ASSETS:	
Cash	\$ 1,751,252
Taxes receivable	26,504
Accounts receivable	49,450
Prepaid Expenses	21,735
Due from fiduciary fund	97,121
Due from other governments	40,142
	<hr/>
TOTAL CURRENT ASSETS	1,986,204
NON-CURRENT ASSETS:	
Land	5,111
Other capital assets, net of depreciation	6,566,025
	<hr/>
TOTAL ASSETS	8,557,340
DEFERRED OUTFLOWS OF RESOURCES:	
Pension	378,151
	<hr/>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	378,151
	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 8,935,491
	<hr/> <hr/>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>	
CURRENT LIABILITIES:	
Accounts payable	\$ 31,333
Unearned revenue	5,066
	<hr/>
TOTAL CURRENT LIABILITIES	36,399
NON-CURRENT LIABILITIES:	
Proportionate share of net pension liability	408,074
	<hr/>
TOTAL NON-CURRENT LIABILITIES	408,074
	<hr/>
TOTAL LIABILITIES	444,473
DEFERRED INFLOWS OF RESOURCES:	
Pension	48,370
	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	48,370
NET POSITION:	
Net investment in capital assets	6,571,136
Restricted for:	
Capital repairs	164,232
Unrestricted	1,707,280
	<hr/>
TOTAL NET POSITION	8,442,648
	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 8,935,491
	<hr/> <hr/>

See independent auditors' report and notes to the financial statements.

**INCORPORATED VILLAGE OF FLOWER HILL
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2016**

FUNCTIONS/PROGRAMS GOVERNMENTAL ACTIVITIES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS	GOVERNMENTAL ACTIVITIES
General government	\$ 1,437,200	\$ 73,187	\$ -	\$ (1,364,013)
Building department	301,621	632,784	-	331,163
Justice court	194,731	65,844	-	(128,887)
Fire protection	539,497	-	-	(539,497)
Parks and recreation	47,635	-	-	(47,635)
Roads and highways	773,721	-	120,621	(653,100)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,294,405	\$ 771,815	\$ 120,621	(2,401,969)

GENERAL REVENUES:

Property taxes-levied for general purposes	1,977,051
Unrestricted investment earnings	5,003
Federal Aid	27,842
State aid	183,789
Miscellaneous	255,384

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION - BEGINNING (RESTATED)

NET POSITION - ENDING

TOTAL GENERAL REVENUES	2,449,069
CHANGE IN NET POSITION	47,100
NET POSITION - BEGINNING (RESTATED)	8,395,548
NET POSITION - ENDING	\$ 8,442,648

See independent auditors' report and notes to the financial statements.

**INCORPORATED VILLAGE OF FLOWER HILL
COUNTY OF NASSAU - STATE OF NEW YORK
GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2016**

	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL	CAPITAL FUND	
ASSETS:			
Cash	\$ 1,587,020	\$ 164,232	\$ 1,751,252
Taxes receivable, overdue	26,433	-	26,433
Property acquired for taxes	71	-	71
Accounts receivable	49,450	-	49,450
Due from fiduciary fund	97,121	-	97,121
Due from other governments	40,142	-	40,142
TOTAL ASSETS	\$ 1,800,237	\$ 164,232	\$ 1,964,469
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable	\$ 31,333	\$ -	\$ 31,333
Deferred Revenue	5,066	-	5,066
TOTAL LIABILITIES	36,399	-	36,399
FUND BALANCES:			
Restricted:			
Capital Projects	-	164,232	164,232
Assigned Fund Balance:			
Appropriated fund balance	370,000	-	370,000
Unassigned	1,393,838	-	1,393,838
TOTAL FUND BALANCES	1,763,838	164,232	1,928,070
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,800,237	\$ 164,232	\$ 1,964,469

See independent auditors' report and notes to the financial statements.

**INCORPORATED VILLAGE OF FLOWER HILL
COUNTY OF NASSAU - STATE OF NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MAY 31, 2016**

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 1,928,070

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 6,571,136

Amounts for prepaid expenses are included in the government wide financial statements as assets and are added back in the funds. 21,735

Proportionate share of long term asset and liability, and deferred outflows and inflows associated with participation in the state retirement system and not current financial resources or obligations and are not reported in the funds.

Deferred outflows of resources	378,151
Deferred inflows of resources	(48,370)
Net pension liability - employees' retirement system	<u>(408,074)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 8,442,648

**INCORPORATED VILLAGE OF FLOWER HILL
COUNTY OF NASSAU - STATE OF NEW YORK
GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2016**

	GOVERNMENTAL FUND TYPES		TOTAL
	GENERAL FUND	CAPITAL FUND	
REVENUES:			
Real property taxes	\$ 1,964,928	\$ -	\$ 1,964,928
Interest and penalties on real property taxes	12,124	-	12,124
Non property tax items	188,241	-	188,241
Departmental income	82,437	-	82,437
Use of money and property	5,394	29	5,423
Licenses and permits	623,534	-	623,534
Fines and forfeitures	65,844	-	65,844
Miscellaneous local sources	66,723	-	66,723
Federal aid	27,842	-	27,842
State aid	304,410	-	304,410
TOTAL REVENUES	3,341,477	29	3,341,506
EXPENDITURES:			
General government	607,564	-	607,564
Public safety	800,710	-	800,710
Transportation	655,702	-	655,702
Culture and recreation	33,520	-	33,520
Home and community services	668,856	-	668,856
Employee benefits	446,273	-	446,273
TOTAL EXPENDITURES	3,212,625	-	3,212,625
EXCESS OF REVENUES OVER EXPENDITURES	128,852	29	128,881
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(25,000)	25,000	-
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	103,852	25,029	128,881
FUND BALANCE BEGINNING OF THE YEAR	1,659,986	139,203	1,799,189
FUND BALANCE END OF THE YEAR	\$ 1,763,838	\$ 164,232	\$ 1,928,070

See independent auditors' report and notes to the financial statements.

**INCORPORATED VILLAGE OF FLOWER HILL
COUNTY OF NASSAU - STATE OF NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2016**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 128,881
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	414,648
Depreciation expense on capital assets is reported in the government- wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(456,368)
On the statement of activities the actual and projected long term expenditures for postemployment benefits are reported whereas on the governmental funds only the actual expenditures are recorded for postemployment benefits.	5,990
Changes in the Village's proportionate share of pension liabilities have no effect on current financial resources and therefore are not reported in the governmental funds. In addition, changes in the Village's deferred outflows and inflows related to pensions do not affect current financial resources and are also not reported in the governmental funds.	
Deferred Outflows of Resources	378,151
Deferred inflows of resources	(48,370)
Net pension liability - employees retirement system	(408,074)
Net change from actuarial evaluation date to measurement date	<u>32,242</u>
 CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	 <u>\$ 47,100</u>

See independent auditors' report and notes to the financial statements.

INCORPORATED VILLAGE OF FLOWER HILL
COUNTY OF NASSAU - STATE OF NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
MAY 31, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 566,947
TOTAL ASSETS	<u>\$ 566,947</u>
<u>LIABILITIES</u>	
Due to governmental funds	\$ 97,121
Deposits held	<u>469,826</u>
TOTAL LIABILITIES	<u>\$ 566,947</u>

See independent auditors' report and notes to the financial statements.