

Village of Buchanan, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2016

Village of Buchanan, New York

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Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Village of Buchanan, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Buchanan, New York ("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 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 from 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 Village'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 the Village's internal control. Accordingly, we express no such opinion. An audit also 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, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2016, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Water funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2D and Note 3F in the notes to the financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board Statement Nos. 68 "Accounting and Financial Reporting for Pensions" and 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

January 30, 2017

Village of Buchanan

Management's Discussion and Analysis May 31, 2016

The Village of Buchanan, New York ("Village"), presents this Management's Discussion and Analysis ("MD&A") as an overview of the Village's financial activities for the fiscal year ended May 31, 2016. This MD&A focuses on current year activities, resulting changes, and currently known facts and should be read in conjunction with the basic financial statements and the notes to the Village's financial statements which immediately follow this section.

Financial Highlights

- On the government-wide financial statements, the assets of the Village exceeded liabilities at the close of the most recent fiscal year by \$46,898.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$1,639,349. This amount is inclusive of the Capital Projects Fund balance of \$361,821.
- The Village's total net position decreased by \$171,375. Total revenues amounted to \$9,352,626 and were \$1,778,894 greater than 2015. The majority of this increase was in Charges for Services \$501,511 and Other Tax Items \$655,994 (see next highlight).
- For the 2015-2016 fiscal year, the Village signed a new Payment in Lieu of Taxes ("PILOT") agreement with Entergy Nuclear Indian Point 2, LLC and Entergy Nuclear Indian Point 3, LLC. The new PILOT agreement is for ten years with payments starting at \$2,624,000, with slight increases each year.
- Total expenses amounted to \$9,413,940 and were \$1,043,754 greater than 2015. The majority of the increase was in Public Safety \$390,963 and Home and Community Services \$564,794.

Overview of 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements present the Village as a single, unified entity and are intended to give the reader a broad perspective of the Village's financial condition. These statements closely resemble the financial statements of a private sector entity.

The statement of net assets presents financial 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 as to whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information indicating how the Village's net position changed during the fiscal year. All changes in net position 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the Village include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds but not the Village as a whole. Some funds are required to be established by state law and by bond covenants. However, the Village has other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. All of the funds of the Village of Buchanan can be divided into two categories, government funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing 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 impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains four individual 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, Water Fund, Special Purpose Fund and Capital Projects Fund which are considered major funds. The Village has no non-major funds.

Budgetary comparison statements have been provided for the General Fund and Water Fund within the basic financial statements to demonstrate compliance with the respective budgets. In the Capital Projects Fund, budgets are established on an individual project basis.

Fiduciary Fund

The Village is the trustee, or fiduciary, for its Fire Service Awards Program, as well as certain amounts held on behalf of others. All of the Village's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. These resources are held by the Village purely in a custodial capacity.

Notes to Financial Statements

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

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements and include individual fund financial statements and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$46,898 at the close of the most recent fiscal year.

The largest portion of the Village's net position, \$3,019,946, is its net investment in capital assets (land, buildings and improvements, infrastructure and machinery and equipment), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to its citizens and as a result these assets are not available for future spending. Although the Village's net 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 following table provides a summary of the Village's net position as of:

	May 31,	
	2016	2015
Current Assets	\$ 2,919,125	\$ 2,043,818
Capital Assets, net	<u>3,894,294</u>	<u>3,581,382</u>
Total Assets	<u>6,813,419</u>	<u>5,625,200</u>
Deferred Outflows of Resources	<u>1,652,612</u>	<u>-</u>
Current Liabilities	1,208,406	1,599,173
Non-Current Liabilities	<u>6,957,451</u>	<u>3,807,754</u>
Total Liabilities	<u>8,165,857</u>	<u>5,406,927</u>
Deferred Inflows of Resources	<u>253,276</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	3,019,946	2,820,882
Restricted	1,030,785	1,077,087
Unrestricted	<u>(4,003,833)</u>	<u>(3,679,696)</u>
Total Net Position	<u>\$ 46,898</u>	<u>\$ 218,273</u>

Change in Net Position

The following table provides a summary of the Village's changes in net position as of:

	May 31,	
	2016	2015
REVENUES		
Program Revenues		
Charges for Services	\$ 3,608,853	\$ 3,107,342
Operating Grants and Contributions	6,472	2,937
Capital Grants and Contributions	106,818	67,473
	3,722,143	3,177,752
Total Program Revenues		
General Revenues		
Real Property Taxes	1,794,052	1,963,335
Other Tax Items	2,631,936	1,975,942
Non-Property Taxes	342,992	339,253
Unrestricted Use of Money and Property	548	1,381
Sale of Property and Compensation for Loss	64,590	34,664
Unrestricted State Aid	60,576	54,346
Miscellaneous	10,789	27,059
Sale of Easement	725,000	-
	5,630,483	4,395,980
Total General Revenues		
Total Revenues	9,352,626	7,573,732
EXPENSES		
Program Expenses		
General Government Support	1,251,082	1,103,644
Public Safety	2,316,933	1,925,970
Health	2,500	2,500
Transportation	1,246,276	1,352,987
Economic Opportunity and Development	2,850	2,850
Culture and Recreation	450,108	412,016
Home and Community Services	4,125,862	3,561,068
Interest	18,329	9,151
	9,413,940	8,370,186
Total Expenses		
Change in Net Position	(61,314)	(796,454)
Net Position		
Beginning, as reported	218,273	1,014,727
Cumulative Effect of Change in Accounting Principle	(110,061)	-
Beginning, as restated	108,212	1,014,727
Ending	\$ 46,898	\$ 218,273

Governmental Activities

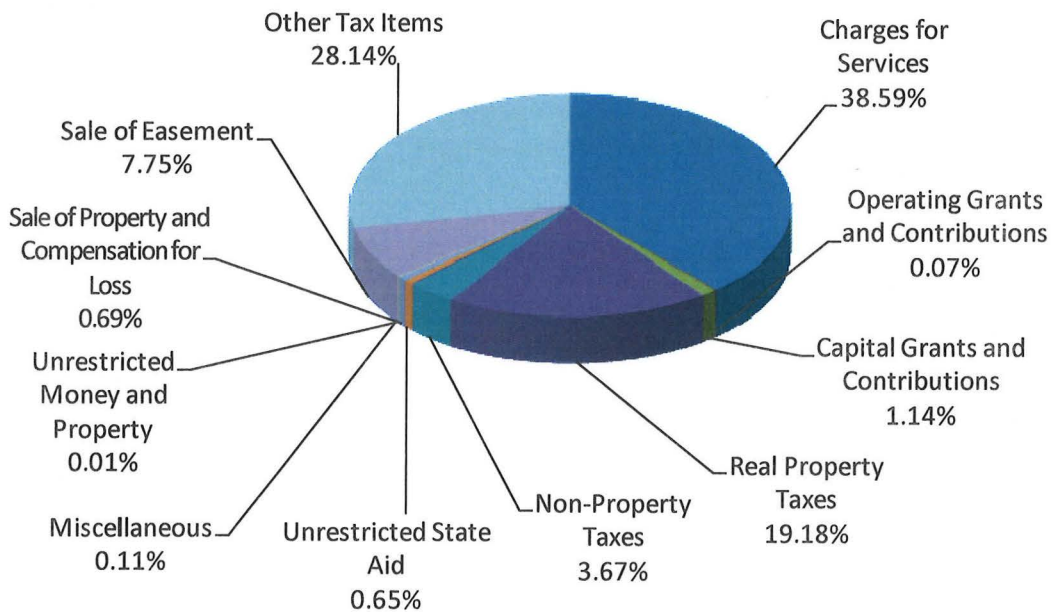
Governmental activities decreased the Village's net position by \$61,314.

For the year ending May 31, 2016, the Village's OPEB obligations of \$3,930,000 reflected as a liability on the government-wide financial statements and accordingly was the prime factor in the decrease in total net position.

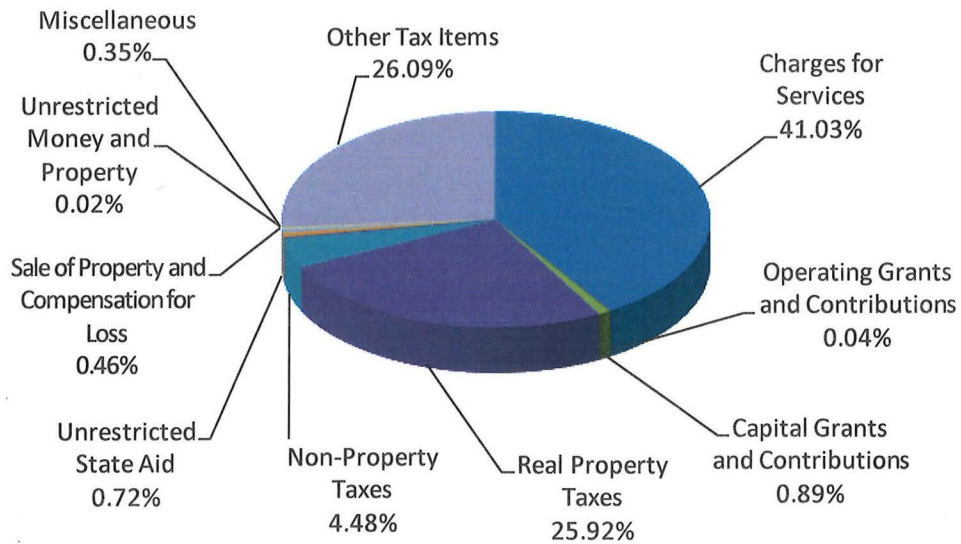
For the fiscal year ended May 31, 2016, revenues from governmental activities totaled \$9,352,626. Program revenues are 38.6% of this total and 51.0% is attributable to taxes and other sources. The major changes are as follows:

- Real property tax revenues decreased by \$169,283. This was the result of the new PILOT agreement with Entergy.
- Charges for service increased by \$501,511. This was due mainly to an increase in water rates and fluctuations in the demand for water.

**Sources of Revenue for Fiscal Year 2016
Governmental Activities**



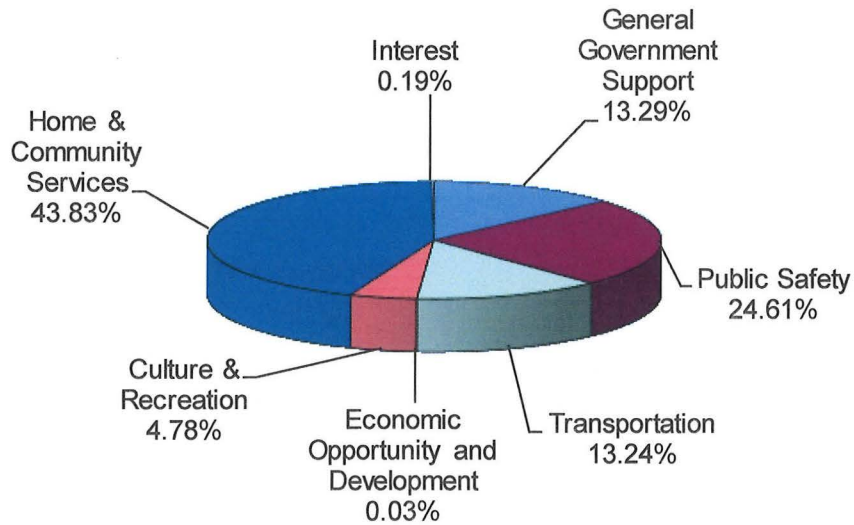
**Sources of Revenue for Fiscal Year 2015
Governmental Activities**



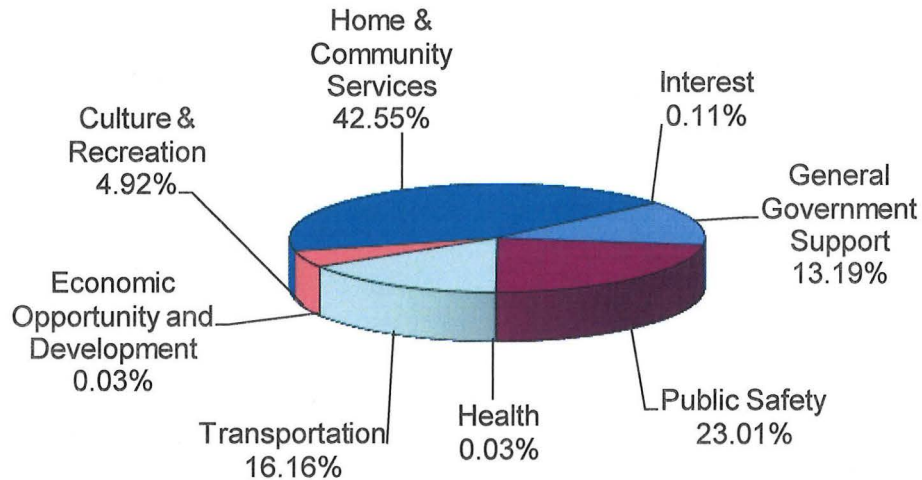
For the fiscal year ended May 31, 2016, expenses for governmental activities totaled \$8,370,186. The major changes are as follows:

- Increases in General Government Support and Public Safety are due to rising costs for Health Insurance.

**Sources of Expenses for Fiscal Year 2016
Governmental Activities**



Sources of Expenses for Fiscal Year 2015 Governmental Activities



Financial Analysis of the Village's Funds

Fund Balance Reporting

It is noteworthy to report that the Governmental Accounting Standards Board ("GASB") issued its' Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 are effective for financial statements for periods ending May 31, 2011 and moving forward. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government’s General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

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 be 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 fund balances of \$1,639,349. Of the total, \$1,030,785 is restricted, \$17,336 is assigned (\$591,228) is unassigned.

General Fund Budgetary Highlights

There was no change between the original adopted budget and the final budget. Actual expenditures and other financing uses were \$161,464 more than the final budget. Actual revenues and other financing sources were more than the final budget by \$216,685. The major area where revenues were more than the final budgetary estimates was in Departmental Income.

Capital Asset and Debt Administration

Capital Assets

The Village has invested in a broad range of capital assets, including police and sanitation equipment, buildings, park facilities, roads, and water and sewer lines. For the Village’s governmental activities its capital assets, net of accumulated depreciation was \$3,894,294.

The following table represents a summary of the Village's capital assets as of:

<u>Asset</u>	May 31,	
	2016	2015
Land	\$ 478,000	\$ 478,000
Buildings	226,679	162,758
Infrastructure	2,785,655	2,605,862
Machinery and Equipment	403,960	334,762
Total (net of depreciation)	<u>\$ 3,894,294</u>	<u>\$ 3,581,382</u>

Long Term Debt/Short-Term Debt

At the end of the current fiscal year, the Village had total outstanding serial bonds of \$700,000 and installment purchase debt of \$169,038.

At the end of the fiscal year, the Village had total loans outstanding of \$5,310. This amount is a combination of two loans, a NYS Emergency Loan Note and NYS Retirement System Loan.

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 Kevin Hay, Village of Buchanan, 236 Tate Avenue, Buchanan, New York 10511.

Village of Buchanan, New York

Statement of Net Position
May 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 2,160,172
Receivables	
Taxes, net	75,245
Accounts	290,954
Water rents	291,089
Due from other governments	101,665
Capital assets	
Not being depreciated	478,000
Being depreciated, net	<u>3,416,294</u>
 Total Assets	 <u>6,813,419</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>1,652,612</u>
 LIABILITIES	
Accounts payable	887,623
Accrued liabilities	73,073
Due to retirement systems	72,565
Unearned revenues	171,314
Accrued interest payable	3,831
Non-current liabilities	
Due within one year	120,436
Due in more than one year	<u>6,837,015</u>
 Total Liabilities	 <u>8,165,857</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>253,276</u>
 NET POSITION	 3,019,946
Net investment in capital assets	
Restricted for	
Capital projects	361,821
Repairs	440,969
Parklands	227,995
Unrestricted	<u>(4,003,833)</u>
 Total Net Position	 <u>\$ 46,898</u>

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

Village of Buchanan, New York

Statement of Activities
Year Ended May 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 1,251,082	\$ 126,266	\$ 3,501	\$ -
Public safety	2,316,933	176,616	1,210	-
Health	2,500	-	-	-
Transportation	1,246,276	-	-	49,801
Economic opportunity and development	2,850	-	-	-
Culture and recreation	450,108	141,927	138	-
Home and community services	4,125,862	3,164,044	1,623	57,017
Interest	18,329	-	-	-
Total Governmental Activities	\$ 9,413,940	\$ 3,608,853	\$ 6,472	\$ 106,818

General Revenues

- Real property taxes
- Other tax items
- Payments in lieu of taxes
- Interest and penalties on real property taxes
- Non-property taxes
- Non-property tax distribution from County
- Franchise fees - Cable TV
- Unrestricted use of money and property
- Sale of property and compensation for loss
- Unrestricted State aid
- Miscellaneous
- Sale of easement

Total General Revenues

Change in Net Position

NET POSITION

Beginning, as reported

Cumulative Effect of Change in Accounting Principle

Beginning, as restated

Ending

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

<u>Net (Expense)</u>	
<u>Revenue and</u>	
<u>Changes in</u>	
<u>Net Position</u>	
\$	(1,121,315)
	(2,139,107)
	(2,500)
	(1,196,475)
	(2,850)
	(308,043)
	(903,178)
	<u>(18,329)</u>
	<u>(5,691,797)</u>
	1,794,052
	2,624,000
	7,936
	324,753
	18,239
	548
	64,590
	60,576
	10,789
	<u>725,000</u>
	<u>5,630,483</u>
	<u>(61,314)</u>
	218,273
	<u>(110,061)</u>
	<u>108,212</u>
\$	<u><u>46,898</u></u>

Village of Buchanan, New York

Balance Sheet
 Governmental Funds
 May 31, 2016

	General	Water	Special Purpose
ASSETS			
Cash and equivalents	\$ 96,561	\$ 1,522,870	\$ 227,995
Taxes receivable, net of allowance for uncollectible taxes	75,245	-	-
Other receivables			
Accounts	290,954	-	-
Water rents	-	291,089	-
Due from other governments	101,665	-	-
Due from other funds	541,497	-	-
	934,116	291,089	-
Total Assets	<u>\$ 1,105,922</u>	<u>\$ 1,813,959</u>	<u>\$ 227,995</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 72,212	\$ 786,748	\$ -
Accrued liabilities	72,292	781	-
Due to retirement systems	72,565	-	-
Unearned revenues	171,314	-	-
Due to other funds	-	619,235	-
Total Liabilities	388,383	1,406,764	-
Deferred inflows of resources			
Real property taxes	75,201	-	-
Total Liabilities and Deferred Inflows of Resources	463,584	1,406,764	-
Fund balances			
Restricted	51,110	389,859	227,995
Assigned	-	17,336	-
Unassigned	591,228	-	-
Total Fund Balances	642,338	407,195	227,995
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,105,922</u>	<u>\$ 1,813,959</u>	<u>\$ 227,995</u>

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

<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ 312,746	\$ 2,160,172
-	75,245
-	290,954
-	291,089
-	101,665
77,738	619,235
77,738	1,302,943
<u>\$ 390,484</u>	<u>\$ 3,538,360</u>
\$ 28,663	\$ 887,623
-	73,073
-	72,565
-	171,314
-	619,235
28,663	1,823,810
-	75,201
28,663	1,899,011
361,821	1,030,785
-	17,336
-	591,228
361,821	1,639,349
<u>\$ 390,484</u>	<u>\$ 3,538,360</u>

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Village of Buchanan, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
May 31, 2016

Fund Balances - Total Governmental Funds	\$ 1,639,349
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>3,894,294</u>
Governmental funds do not report the effect of assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension assets (liabilities)	<u>1,399,336</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>75,201</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(3,831)
Bonds payable	(700,000)
Installment purchase debt payable	(169,038)
Loans payable	(5,310)
Compensated absences	(462,075)
Net pension liability	(1,691,028)
Other post employment benefit obligations payable	<u>(3,930,000)</u>
	<u>(6,961,282)</u>
Net Position of Governmental Activities	<u>\$ 46,898</u>

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

Village of Buchanan, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended May 31, 2016

	General	Water	Special Purpose
REVENUES			
Real property taxes	\$ 1,787,758	\$ -	\$ -
Other tax items	2,631,936	-	-
Non-property taxes	342,992	-	-
Departmental income	807,721	2,736,307	-
Use of money and property	802	974	138
Licenses and permits	42,219	-	-
Fines and forfeitures	22,606	-	-
Sale of property and compensation for loss	64,590	-	-
State aid	64,077	-	-
Miscellaneous	11,999	395	-
Total Revenues	5,776,700	2,737,676	138
EXPENDITURES			
Current			
General government support	908,951	-	-
Public safety	1,345,676	-	-
Health	2,500	-	-
Transportation	703,167	-	-
Economic opportunity and development	2,850	-	-
Culture and recreation	287,296	-	-
Home and community services	1,048,588	2,571,179	-
Employee benefits	1,643,872	6,705	-
Debt service			
Principal	48,488	-	-
Interest	20,091	-	-
Capital outlay	-	-	-
Total Expenditures	6,011,479	2,577,884	-
Excess (Deficiency) of Revenues Over Expenditures	(234,779)	159,792	138
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Installment purchase debt issued	-	-	-
Sale of easement	725,000	-	-
Transfers in	325,000	-	-
Transfers out	(335,000)	(325,000)	-
Total Other Financing Sources (Uses)	715,000	(325,000)	-
Net Change in Fund Balances	480,221	(165,208)	138
FUND BALANCES (DEFICITS)			
Beginning of Year	162,117	572,403	227,857
End of Year	\$ 642,338	\$ 407,195	\$ 227,995

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

Capital Projects	Total Governmental Funds
\$ -	\$ 1,787,758
-	2,631,936
-	342,992
-	3,544,028
-	1,914
-	42,219
-	22,606
-	64,590
49,801	113,878
57,017	69,411
106,818	8,621,332
-	908,951
-	1,345,676
-	2,500
-	703,167
-	2,850
-	287,296
-	3,619,767
-	1,650,577
-	48,488
-	20,091
405,989	405,989
405,989	8,995,352
(299,171)	(374,020)
700,000	700,000
207,038	207,038
-	725,000
335,000	660,000
-	(660,000)
1,242,038	1,632,038
942,867	1,258,018
(581,046)	381,331
\$ 361,821	\$ 1,639,349

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Village of Buchanan, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended May 31, 2016

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds \$ 1,258,018

Governmental funds 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.

Capital outlay expenditures	530,165
Depreciation expense	<u>(217,253)</u>
	<u>312,912</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	<u>6,294</u>
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds issued	(700,000)
Installment purchase debt issued	(207,038)
Principal paid on installment purchase debt	38,000
Principal paid on loans	<u>10,488</u>
	<u>(858,550)</u>

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	1,762
Pension assets (obligations)	(181,631)
Compensated absences	(70,119)
Other post employment benefit obligations	<u>(530,000)</u>
	<u>(779,988)</u>

Change in Net Position of Governmental Activities \$ (61,314)

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

Village of Buchanan, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Water Funds
Year Ended May 31, 2016

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,794,065	\$ 1,794,065	\$ 1,787,758	\$ (6,307)
Other tax items	2,632,000	2,632,000	2,631,936	(64)
Non-property taxes	344,200	344,200	342,992	(1,208)
Departmental income	658,900	658,900	807,721	148,821
Use of money and property	5,000	5,000	802	(4,198)
Licenses and permits	20,450	20,450	42,219	21,769
Fines and forfeitures	25,000	25,000	22,606	(2,394)
Sale of property and compensation for loss	16,400	16,400	64,590	48,190
State aid	52,000	52,000	64,077	12,077
Miscellaneous	12,000	12,000	11,999	(1)
Total Revenues	5,560,015	5,560,015	5,776,700	216,685
EXPENDITURES				
Current				
General government support	834,922	797,037	908,951	(111,914)
Public safety	1,199,250	1,342,545	1,345,676	(3,131)
Health	2,500	2,500	2,500	-
Transportation	764,400	705,353	703,167	2,186
Economic opportunity and development	3,000	2,850	2,850	-
Culture and recreation	272,995	287,557	287,296	261
Home and community services	1,104,425	1,050,903	1,048,588	2,315
Employee benefits	1,647,500	1,636,255	1,643,872	(7,617)
Debt service				
Principal	5,190	5,190	48,488	(43,298)
Interest	15,833	19,825	20,091	(266)
Total Expenditures	5,850,015	5,850,015	6,011,479	(161,464)
Excess (Deficiency) of Revenues Over Expenditures	(290,000)	(290,000)	(234,779)	55,221
OTHER FINANCING SOURCES (USES)				
Sale of easement	-	-	725,000	725,000
Transfers in	625,000	625,000	325,000	(300,000)
Transfers out	(335,000)	(335,000)	(335,000)	-
Total Other Financing Sources (Uses)	290,000	290,000	715,000	425,000
Net Change in Fund Balances	-	-	480,221	480,221
FUND BALANCES				
Beginning of Year	-	-	162,117	162,117
End of Year	\$ -	\$ -	\$ 642,338	\$ 642,338

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

Water Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
2,775,840	2,775,840	2,736,307	(39,533)
15,000	15,000	974	(14,026)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	395	395
<u>2,790,840</u>	<u>2,790,840</u>	<u>2,737,676</u>	<u>(53,164)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,121,840	2,159,105	2,571,179	(412,074)
44,000	6,735	6,705	30
-	-	-	-
-	-	-	-
<u>2,165,840</u>	<u>2,165,840</u>	<u>2,577,884</u>	<u>(412,044)</u>
<u>625,000</u>	<u>625,000</u>	<u>159,792</u>	<u>(465,208)</u>
-	-	-	-
-	-	-	-
<u>(625,000)</u>	<u>(625,000)</u>	<u>(325,000)</u>	<u>300,000</u>
<u>(625,000)</u>	<u>(625,000)</u>	<u>(325,000)</u>	<u>300,000</u>
-	-	(165,208)	(165,208)
-	-	572,403	572,403
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,195</u>	<u>\$ 407,195</u>

Village of Buchanan, New York

Statement of Assets and Liabilities
Fiduciary Fund
May 31, 2016

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 114,235
Investments	
Group annuities	<u>636,659</u>
Total Assets	<u>750,894</u>
LIABILITIES	
Accounts payable	58,097
Deposits	56,138
Service awards program payable	<u>636,659</u>
Total Liabilities	<u>\$ 750,894</u>

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

Village of Buchanan, New York

Notes to Financial Statements
May 31, 2016

Note 1 - Summary of Significant Accounting Policies

The Village of Buchanan, New York ("Village") was established in 1928 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 Village Manager serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village conform to generally accepted accounting principles for local 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 which 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. For the most part, the effect of interfund activity has been removed from these statements, except for the interfund services provided and used.

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. 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/expenses. 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, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

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. The following are the Village's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the Village and is used to account for and report all financial resources not accounted for and reported in another fund.

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

Water Fund - The Water Fund is used to record the water utility operations of the Village, which renders services on a user charge basis to the general public.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Village in accordance with the terms of trust agreements.

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.

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. The Agency Fund is used to account for employee payroll tax withholdings, service awards programs and various other deposits that are payable to other jurisdictions.

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less 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 Agency 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. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to 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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 district subdivisions.

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, 2016.

The Village was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Investments - Investments of the Agency Fund are held with an insurance company. The funds are invested along with the company's other assets in a variety of instruments. These investments are not subject to risk categorization.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in two installments due in June and December. The Village has the responsibility for the billing and collection of Village taxes and also has the responsibility for conducting tax lien sales and 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 From/To 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, 2016, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Capital Assets - Capital assets, which include property, plant and equipment are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$1,000 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. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Village chose to include all such 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

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Land is 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 in Years</u>
Buildings and improvements	5-40
Infrastructure	10-60
Machinery and equipment	5-10

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 funds balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In government-wide financial statements, unearned revenues consist of revenue received in advance or revenue from grants 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 of \$147,376 for the unexpended portion of a prior year donation for recreational purposes, \$13,043 for New York State aid for clock maintenance and \$10,895 for other revenues received in advance in the General Fund. 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 reported deferred inflows of resources of \$75,201 for uncollected taxes in the General Fund. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Village also reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Town's pension plans in Note 3F.

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 expended 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 Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation of service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities, as applicable. 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 Position - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its 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. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for capital projects, repairs and parklands. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets, deferred outflows of resources, 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 (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

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

Note 1 - Summary of Significant Accounting Policies (Continued)

restricted for debt service obligations and for other items contained in the 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, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Village 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 Village Board of Trustees.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the 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 or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represent 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 all budgeted governmental funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities. The Village has not implemented an encumbrance system.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

H. Subsequent Events Evaluation 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 January 30, 2017.

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 31st, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for 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. An annual budget is not adopted by the Board for the Special Purpose Fund.
- g) The Village Board 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 of Trustees. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2016

Note 2 - Stewardship, Compliance and Accountability (Continued)

- h) Appropriations in General and Water funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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 2015-2016 was \$5,902,439 which exceeded the actual levy by \$4,108,374.

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 (Town, School District, City, etc.) 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 extends the Tax Levy Limitation Law through June 2020.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

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 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 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States 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 such limit for such coming fiscal year.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Expenditures in Excess of Budget

The following categories of expenditures exceeded their budgetary provisions by the amounts indicated:

	<u>Variance with Final Budget Positive (Negative)</u>
General Fund	
General Government Support	
Engineer	\$ 36,515
Buildings	76,138
Public Safety	
Police	3,131
Employee Benefits	
Hospitalization, medical and dental benefits	13,429
Debt Service	
Loans - Principal	5,298
Installment purchase debt - Principal	38,000
Loans - Interest	266
Bond anticipation notes - Interest	600
Water Fund	
Home and Community Services	
Pumping, supply and power	409,354
Transmission and distribution	2,720

In addition the General Fund and Water Fund exceeded their entire budgets by \$161,464 and \$112,044, respectively.

D. Cumulative Effect of Change in Accounting Principle

For the year ended May 31, 2016, the Village implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$110,061.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2016

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable consisted of the following:

Village taxes - Current year	\$ 20,412
Tax liens and overdue taxes	<u>55,510</u>
Total Taxes	75,922
Less - Allowance for uncollectible taxes	<u>(677)</u>
Taxes Receivable	<u>\$ 75,245</u>

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2016 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 541,497	\$ -
Water	-	619,235
Capital Projects	<u>77,738</u>	<u>-</u>
	<u>\$ 619,235</u>	<u>\$ 619,235</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.

C. Capital Assets

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

	<u>Balance June 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance May 31, 2016</u>
Capital assets, not being depreciated				
Land	<u>\$ 478,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,000</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 1,819,712	\$ 88,415	\$ -	\$ 1,908,127
Infrastructure	7,008,607	338,950	-	7,347,557
Machinery and equipment	<u>1,229,429</u>	<u>102,800</u>	<u>16,683</u>	<u>1,315,546</u>
Total Capital Assets, being depreciated	<u>10,057,748</u>	<u>530,165</u>	<u>16,683</u>	<u>10,571,230</u>

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

	Balance June 1, 2015	Additions	Deletions	Balance May 31, 2016
Less accumulated depreciation for				
Buildings and improvements	\$ 1,656,954	\$ 24,494	\$ -	\$ 1,681,448
Infrastructure	4,402,745	159,157	-	4,561,902
Machinery and equipment	894,667	33,602	16,683	911,586
	<u>6,954,366</u>	<u>217,253</u>	<u>16,683</u>	<u>7,154,936</u>
Total Accumulated Depreciation				
	<u>\$ 3,103,382</u>	<u>\$ 312,912</u>	<u>\$ -</u>	<u>\$ 3,416,294</u>
Total Capital Assets, being depreciated, net				
Capital assets, net	<u>\$ 3,581,382</u>	<u>\$ 312,912</u>	<u>\$ -</u>	<u>\$ 3,894,294</u>

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

General Government Support	\$ 10,516
Public Safety	10,564
Transportation	162,545
Culture and Recreation	16,242
Home and Community Services	<u>17,386</u>
Total Depreciation Expense	<u>\$ 217,253</u>

D. Pension Trust - Service Awards Program

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Awards Program ("Program") for volunteer firefighters. This Program is a single employer defined benefit plan established as a grantor/rabbi trust and, as such, the assets are subject to the claims of the Village's general creditors. The Program is accounted for in the Village's financial statements within the Agency Fund.

Active volunteer firefighters, upon attainment of age 18 and upon earning 50 or more points in a calendar year after 1990 under the provisions of the Program point system, are eligible to become participants in the Program. Points are granted for the performance of certain activities in accordance with a system established by the Village on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 65 or the participant's age after earning 50 program points), shall be able to receive their service award, payable in the form of a lifetime annuity. The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Village's Board, are authorized to invest the funds in authorized investment vehicles. Administrative costs are paid by the Village from the Pension Trust Fund. Separate financial statements are not issued by the program.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>February 29, 2016</u>
Retirees and beneficiaries	
currently receiving benefits	1
Terminated members entitled to	
but not yet receiving benefits	1
Active - non-vested	13
Active - vested	23

The Village has retained and designated VFIS to assist in the administration of the Program. Based on the certified calendar year volunteer firefighter listings, VFIS determines and certifies in writing the amount of the service award to be paid to a participant or to a participant's designated beneficiary. As authorized by the Village, VFIS then directs the paying agent to pay the service award. No service award benefit payment is made without the written certification from VFIS and written confirmation to the Village.

Program assets are required to be held in trust by Article 11-A of the General Municipal Law of the State of New York, 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. Authority to invest the Program's assets is vested in the Village. Program assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Village.

The Village is required to retain an actuary to determine the amount of the Village's contributions to the Program. The actuarial firm retained for this purpose is VFIS. Portions of the following information are derived from a report prepared by the actuary dated March 1, 2016.

Actuarial Present Value of Benefits at February 29, 2016	<u>\$ (790,404)</u>
Less: Assets Available for Benefits	
	<u>% of total</u>
Group annuities	<u>100.00 %</u>
	<u>588,569</u>
Total Assets Available for Benefits	<u>588,569 *</u>
Total Unfunded Benefits	<u>\$ (201,835)</u>

*These amounts are reflected as of the actuarial valuation date of February 29, 2016. The amounts reported in the Agency Fund are reflected as of May 31, 2016.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The Village is required to contribute the amounts necessary to finance the plan as actuarially determined using the attained age normal frozen initial liability cost method. The net pension obligation is not amortized on a separate basis. The asset valuation method is fair value. The assumed investment rate of return is 4.75% and there are no cost of living adjustments. In addition, projected salary increases are not applicable since members are volunteers and there are no assumptions regarding post-retirement benefit increases since post-retirement aged members are not projected to earn service credits.

The Village's annual Program cost, the percentage of the annual Program cost contributed to the plan and the net pension obligation for the current and two preceding fiscal years were as follows:

Fiscal Year Ended May 31,	Annual Required Contribution	Actual Contribution	Percentage of Annual Program Cost Contributed	Net Pension Obligation
2016	\$ 43,946	\$ 46,618	106.08 %	\$ -
2015	36,988	40,517	109.54	-
2014	33,480	35,472	105.95	-

The following is a summary of the financial information for the Fire Service Awards Program for the Village's year ended May 31, 2016:

ASSETS

Investments, at fair value:
 Group Annuities \$ 636,659

LIABILITIES

Service awards program payable \$ 636,659

ADDITIONS

Earnings on investments \$ 17,453
 Pension contributions 46,618

Total Additions 64,071

DEDUCTIONS

Life Insurance premiums 1,693
 Administrative costs 1,380

Total Deductions 3,073

Change in Net Position 60,998

SERVICE AWARDS PAYABLE

Beginning of Year 575,661

End of Year \$ 636,659

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

E. Short-Term Capital Borrowings

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

Purpose	Issue Date	Interest Rate	Balance June 1, 2015	Redemptions	Balance May 31, 2016
Reconstruction and resurfacing of various roads	10/9/14	- %	\$ 750,000	\$ 750,000	\$ -

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments 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 \$8,437 were recorded in the fund financial statements in the General Fund. Interest expense of \$2,999 was recorded in the government-wide financial statements.

F. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2016:

	Balance June 1, 2015 As Reported	Cumulative Effect of Change in Accounting Principle	Balance June 1, 2015 As Restated	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2016	Due Within One-Year
Bonds Payable	\$ -	\$ -	\$ -	\$ 700,000	\$ -	\$ 700,000	\$ 60,000
Installment Purchase Debt	-	-	-	207,038	38,000	169,038	9,126
Loans Payable	15,798	-	15,798	-	10,488	5,310	5,310
Compensated Absences	391,956	-	391,956	109,119	39,000	462,075	46,000
Net Pension Liability	-	266,514	266,514	1,424,514	-	1,691,028	-
Other Post Employment Benefit Obligations Payable	3,400,000	-	3,400,000	890,000	360,000	3,930,000	-
	<u>\$ 3,807,754</u>	<u>266,514</u>	<u>4,074,268</u>	<u>\$ 3,330,671</u>	<u>\$ 447,488</u>	<u>\$ 6,957,451</u>	<u>\$ 120,436</u>

Each governmental fund's liability for bonds payable, installment purchase debt payable, loans payable, compensated absences, net pension liability and other post employment benefit obligations are liquidated by the General Fund.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at May 31, 2016 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at May 31, 2016</u>
Public Improvements	2016	700,000	October, 2025	3.0 - 3.5 %	<u>\$ 700,000</u>

Interest expenditures of \$11,125 were recorded in the fund financial statements in the General Fund. Interest expense of \$14,920 was recorded in the government-wide financial statements.

New York State Emergency Services Loan

On February 21, 1997, funds were issued, in the amount of \$85,000, to the Village under a loan agreement with the NYS Department of Emergency Services Revolving Loan Fund. Under this agreement, the Village will use these funds to purchase firefighting apparatus. The Village will be required to make annual installments of interest and principal totaling \$5,453 on the anniversary date (February 21) of the loan. The loan is for a term of 20 years and carries an annual interest rate of 2.50%.

The outstanding balance of the loan as of May 31, 2016 was \$5,310.

Interest expenditures of \$529 were recorded in the fund financial statements in the General Fund. Interest expense of \$410 was recorded in the government-wide financial statements.

Installment Purchase Debt Payable

The Village entered into a lease agreement to finance the costs of two police vehicles. The terms of this agreement provided for the repayment of the principal amount of \$67,038, in annual installments of \$10,853 through July 2018, including interest at 5.95%.

The Village entered into a lease agreement to finance the costs of various energy efficient equipment. The terms of this agreement provided for the repayment of the principal amount of \$140,000, in annual installments of \$28,000 through August 2021, with no interest.

Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all debt outstanding as of May 31, 2016 including interest payments of \$129,915 are as follows:

Year Ending May 31,	Bonds		New York State Loan - Emergency Services	
	Principal	Interest	Principal	Interest
2017	\$ 60,000	\$ 22,250	\$ 5,310	\$ 143
2018	60,000	20,450	-	-
2019	65,000	18,575	-	-
2020	65,000	16,544	-	-
2021	70,000	14,350	-	-
2022-2026	380,000	34,081	-	-
	<u>\$ 700,000</u>	<u>\$ 126,250</u>	<u>\$ 5,310</u>	<u>\$ 143</u>

Year Ending May 31,	Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest
2017	\$ 9,126	\$ 1,728	\$ 74,436	\$ 24,121
2018	37,668	1,185	97,668	21,635
2019	38,244	609	103,244	19,184
2020	28,000	-	93,000	16,544
2021	28,000	-	98,000	14,350
2022-2026	28,000	-	408,000	34,081
	<u>\$ 169,038</u>	<u>\$ 3,522</u>	<u>\$ 874,348</u>	<u>\$ 129,915</u>

Compensated Absences

Pursuant to collective bargaining agreements, employees covered by the Local 456 International Brotherhood of Teamsters contract may accumulate an unlimited amount of sick time. Upon retirement, these employees will be compensated for a sliding scale percentage of unused sick time at their current salary level up to a maximum of 180 days. Employees covered under the Police Association contract can accumulate sick leave up to a maximum of 185 days and are also paid on a sliding scale percentage of unused sick time at their current salary level. Vacation time for all employees can be accumulated to a maximum of 10 days.

Pension Plans

New York State and Local Retirement System

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as 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

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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 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. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System 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. The employer contribution rates for the plan's year ending in 2016 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	18.6%
	4 A15	18.6
	5 A15	15.3
	6 A15	10.4
PFRS	2 384D	24.7

At May 31, 2016, the Village reported a liability of \$903,964 for its proportionate shares of the net pension liabilities of ERS and a liability of \$787,064 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2016, the Village's proportion was 0.0056321% for ERS and 0.0265829% for PFRS, which was an increase of 0.0001610% for ERS and an increase of 0.0008585% for PFRS from its proportion measured as of March 31, 2015.

For the year ended May 31, 2016, the Village recognized pension expense in the government-wide financial statements of \$317,306 for ERS and \$291,184 for PFRS. Pension expenditures of \$219,147 for ERS and \$207,712 for PFRS were recorded in the fund financial statements and were charged to the General Fund.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

At May 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,568	\$ 107,150	\$ 7,059	\$ 118,995
Changes of assumptions	241,060	-	339,301	-
Net difference between projected and actual earnings on pension plan investments	536,281	-	441,086	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	-	22,453	10,691	4,678
Village contributions subsequent to the measurement date	35,115	-	37,451	-
	<u>\$ 817,024</u>	<u>\$ 129,603</u>	<u>\$ 835,588</u>	<u>\$ 123,673</u>

The amounts reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2017	\$ 165,516	\$ 159,316
2018	165,516	159,316
2019	165,516	159,316
2020	155,758	153,175
2021	-	43,341

The total pension liability for the March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liabilities to March 31, 2016. The total pension liabilities for the March 31, 2015 measurement date were determined by using an actuarial valuation as of April 1, 2015. Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary scale	3.8% in ERS, 4.5% in PFRS indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

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, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.0%. 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 determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,038,374</u>	<u>\$ 903,964</u>	<u>\$ (54,563)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 1,757,990</u>	<u>\$ 787,064</u>	<u>\$ (26,783)</u>

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2016 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 172,303,544,000	\$ 30,347,727,000	\$ 202,651,271,000
Fiduciary net position	156,253,265,000	27,386,940,000	183,640,205,000
Employers' net pension liability	<u>\$ 16,050,279,000</u>	<u>\$ 2,960,787,000</u>	<u>\$ 19,011,066,000</u>
Fiduciary net position as a percentage of total pension liability	<u>90.68%</u>	<u>90.24%</u>	<u>90.62%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2016 represent the employer contribution for the period of April 1, 2016 through May 31, 2016 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS and PFRS within the General Fund as of May 31, 2016 were \$35,115 and \$37,451 respectively.

Voluntary Defined Contribution Plan

The Village also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Village will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

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 employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements.

The Village's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Village is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the Village's general assets. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is as follows:

<u>Year Ended</u> <u>May 31,</u>	
2017	8.0 %
2018	7.5
2019	7.0
2020	6.5
2021	6.0
2022	5.5
2023+	5.0

The amortization basis is the level of percentage of payroll method with a closed amortization approach with 24 years remaining in the amortization period. The actuarial assumptions include a 4.5% investment rate of return. The Village currently has no assets set aside for the purpose of paying post employment benefits. The projected unit credit method utilized was the entry age method.

The number of participants as of May 31, 2016 was as follows:

Active Employees	21
Retired Employees	<u>23</u>
	<u><u>44</u></u>

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2015	\$ 12,090,000
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 12,090,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 2,290,000</u>
UAAL as a Percentage of Covered Payroll	<u>527.95%</u>
Annual Required Contribution	\$ 940,000
Interest on Net OPEB Obligation	150,000
Adjustment to Annual Required Contribution	<u>(200,000)</u>
Annual OPEB Cost	890,000
Contributions Made	<u>(360,000)</u>
Increase in Net OPEB Obligation	530,000
Net OPEB Obligation - Beginning of Year	<u>3,400,000</u>
Net OPEB Obligation - End of Year	<u>\$ 3,930,000</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current year and two preceding years is as follows:

Fiscal Year Ended May 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 930,000	36.56 %	\$ 2,790,000
2015	960,000	36.46	3,400,000
2016	890,000	40.45	3,930,000

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

G. Revenues and Expenditures

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.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
General Fund	\$ -	\$ 335,000	\$ 335,000
Water Fund	325,000	-	325,000
	<u>\$ 325,000</u>	<u>\$ 335,000</u>	<u>\$ 660,000</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 2) move funds from the Water Fund to fulfill commitments for General Fund expenditures.

H. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

Restricted for Repairs - the component of net position that has been established pursuant to Section 6d of General Municipal Law to pay the cost of major repairs to Village assets.

Restricted for Parklands - the component of net position that has been established pursuant to New York State law. This amount represents funds received by the Village in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreational purposes.

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

Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2016					2015				
	General Fund	Water Fund	Special Purpose Fund	Capital Projects Fund	Total	General Fund	Water Fund	Special Purpose Fund	Capital Projects Fund	Total
Restricted										
Repairs	\$ 51,110	\$ 389,859	\$ -	\$ -	\$ 440,969	\$ 50,856	\$ 389,623	\$ -	\$ -	\$ 440,479
Parklands	-	-	227,995	-	227,995	-	-	227,857	-	227,857
Capital projects	-	-	-	361,821	361,821	-	-	-	-	-
Total Restricted	51,110	389,859	227,995	361,821	1,030,785	50,856	389,623	227,857	-	668,336
Assigned	-	17,336	-	-	17,336	-	182,780	-	-	182,780
Unassigned	591,228	-	-	-	591,228	111,261	-	-	(581,046)	(469,785)
Total Fund Balances (Deficits)	\$ 642,338	\$ 407,195	\$ 227,995	\$ 361,821	\$ 1,639,349	\$ 162,117	\$ 572,403	\$ 227,857	\$ (581,046)	\$ 381,331

Village of Buchanan, New York

Notes to Financial Statements (Concluded)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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.

Unassigned fund balance in the General Fund represents amounts not classified as restricted or assigned.

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.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Village, if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year in which the payment is made.

B. Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Village's compliance with applicable grant requirements may be established at a future date. The amount 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 immaterial.

C. Risk Management

The Village purchases various conventional insurance coverages to reduce its exposure to loss. The Village maintains general liability insurance coverage with a policy limit of \$3 million. The personal and advertising limit policies provide coverage up to \$1 million. The Village also participates in a workers' compensation public entity pool through the New York State Municipal Workers' Compensation Alliance.

Note 5 - Subsequent Event

The Village entered into a capital lease for a dump truck on October 18, 2016, for a total of \$69,131 which includes principal and interest payable through October 18, 2020.

Village of Buchanan, New York

Required Supplementary Information
 Other Post Employment Benefits
 Schedule of Funding Progress
 Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
June 1, 2013	\$ -	\$ 12,410,000	\$ 12,410,000	- %	\$ 2,290,000	541.92 %
June 1, 2014	-	12,790,000	12,790,000	-	2,140,000	597.66
June 1, 2015	-	12,090,000	12,090,000	-	2,290,000	527.95

Village of Buchanan

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 (1)

	<u>2016</u>
Village's proportion of the net pension liability (asset)	<u>0.0056321%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 903,964</u>
Village's covered-employee payroll	<u>\$ 1,406,385</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>64.28%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.68%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

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

Village of Buchanan

Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2016</u>
Contractually required contribution	\$ 223,059
Contributions in relation to the contractually required contribution	<u>(223,059)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	<u>\$ 1,416,980</u>
Contributions as a percentage of covered-employee payroll	<u>15.74%</u>

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

Village of Buchanan

Required Supplementary Information - Schedule of the
Village's Proportionate Share of the Net Pension Liability
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	<u>2016</u>
Village's proportion of the net pension liability (asset)	<u>0.0265829%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 787,064</u>
Village's covered-employee payroll	<u>\$ 942,526</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>83.51%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.24%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

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

Village of Buchanan

Required Supplementary Information - Schedule of Contributions
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	<u>2016</u>
Contractually required contribution	\$ 208,770
Contributions in relation to the contractually required contribution	<u>(208,770)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	<u>\$ 940,301</u>
Contributions as a percentage of covered-employee payroll	<u>22.20%</u>

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

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Village of Buchanan, New York

General Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 96,561	\$ 153,915
Taxes receivable, net of allowance for uncollectible taxes of \$677 in 2016 and 2015	<u>75,245</u>	<u>76,343</u>
Other receivables		
Accounts	290,954	172,469
Due from other governments	101,665	98,711
Due from other funds	<u>541,497</u>	<u>86,461</u>
	<u>934,116</u>	<u>357,641</u>
Total Assets	<u>\$ 1,105,922</u>	<u>\$ 587,899</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 72,212	\$ 105,747
Accrued liabilities	72,292	11,861
Due to retirement systems	72,565	71,971
Unearned revenues	<u>171,314</u>	<u>167,296</u>
Total Liabilities	388,383	356,875
Deferred inflows of resources		
Real property taxes	<u>75,201</u>	<u>68,907</u>
Total Liabilities and Deferred Inflows of Resources	<u>463,584</u>	<u>425,782</u>
Fund balance		
Restricted	51,110	50,856
Unassigned	<u>591,228</u>	<u>111,261</u>
Total Fund Balance	<u>642,338</u>	<u>162,117</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,105,922</u>	<u>\$ 587,899</u>

Village of Buchanan, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Years Ended May 31,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,794,065	\$ 1,794,065	\$ 1,787,758	\$ (6,307)
Other tax items	2,632,000	2,632,000	2,631,936	(64)
Non-property taxes	344,200	344,200	342,992	(1,208)
Departmental income	658,900	658,900	807,721	148,821
Use of money and property	5,000	5,000	802	(4,198)
Licenses and permits	20,450	20,450	42,219	21,769
Fines and forfeitures	25,000	25,000	22,606	(2,394)
Sale of property and compensation for loss	16,400	16,400	64,590	48,190
State aid	52,000	52,000	64,077	12,077
Federal aid	-	-	-	-
Miscellaneous	12,000	12,000	11,999	(1)
Total Revenues	5,560,015	5,560,015	5,776,700	216,685
EXPENDITURES				
Current				
General government support	834,922	797,037	908,951	(111,914)
Public safety	1,199,250	1,342,545	1,345,676	(3,131)
Health	2,500	2,500	2,500	-
Transportation	764,400	705,353	703,167	2,186
Economic opportunity and development	3,000	2,850	2,850	-
Culture and recreation	272,995	287,557	287,296	261
Home and community services	1,104,425	1,050,903	1,048,588	2,315
Employee benefits	1,647,500	1,636,255	1,643,872	(7,617)
Debt service				
Principal	5,190	5,190	48,488	(43,298)
Interest	15,833	19,825	20,091	(266)
Total Expenditures	5,850,015	5,850,015	6,011,479	(161,464)
Deficiency of Revenues Over Expenditures	(290,000)	(290,000)	(234,779)	55,221
OTHER FINANCING SOURCES (USES)				
Sale of easement	-	-	725,000	725,000
Transfers in	625,000	625,000	325,000	(300,000)
Transfers out	(335,000)	(335,000)	(335,000)	-
Total Other Financing Sources	290,000	290,000	715,000	425,000
Net Change in Fund Balance	-	-	480,221	480,221
FUND BALANCE				
Beginning of Year	-	-	162,117	162,117
End of Year	\$ -	\$ -	\$ 642,338	\$ 642,338

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,963,367	\$ 1,963,367	\$ 1,963,379	\$ 12
1,972,500	1,972,500	1,975,942	3,442
332,000	332,000	339,253	7,253
408,000	408,000	314,785	(93,215)
12,000	12,000	1,634	(10,366)
22,450	22,450	28,795	6,345
25,000	25,000	33,516	8,516
13,900	13,900	34,664	20,764
48,000	48,000	55,316	7,316
300	300	-	(300)
11,100	11,100	27,159	16,059
<u>4,808,617</u>	<u>4,808,617</u>	<u>4,774,443</u>	<u>(34,174)</u>
693,499	662,293	713,411	(51,118)
1,099,100	1,118,898	1,123,951	(5,053)
2,500	2,500	2,500	-
697,300	688,492	690,677	(2,185)
3,000	2,850	2,850	-
254,545	240,948	241,260	(312)
973,150	966,555	942,274	24,281
1,639,500	1,688,428	1,694,824	(6,396)
5,064	5,064	18,549	(13,485)
15,959	7,589	8,528	(939)
<u>5,383,617</u>	<u>5,383,617</u>	<u>5,438,824</u>	<u>(55,207)</u>
<u>(575,000)</u>	<u>(575,000)</u>	<u>(664,381)</u>	<u>(89,381)</u>
-	-	-	-
640,000	640,000	625,000	(15,000)
<u>(65,000)</u>	<u>(65,000)</u>	<u>(50,000)</u>	<u>15,000</u>
<u>575,000</u>	<u>575,000</u>	<u>575,000</u>	<u>-</u>
-	-	(89,381)	(89,381)
-	-	251,498	251,498
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,117</u>	<u>\$ 162,117</u>

Village of Buchanan, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
REAL PROPERTY TAXES	\$ 1,794,065	\$ 1,794,065	\$ 1,787,758	\$ (6,307)	\$ 1,963,379
OTHER TAX ITEMS					
Payments in lieu of taxes	2,624,000	2,624,000	2,624,000	-	1,964,500
Interest and penalties on real property taxes	8,000	8,000	7,936	(64)	11,442
	<u>2,632,000</u>	<u>2,632,000</u>	<u>2,631,936</u>	<u>(64)</u>	<u>1,975,942</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	325,200	325,200	324,753	(447)	319,053
Franchise fees - Cable TV	19,000	19,000	18,239	(761)	20,200
	<u>344,200</u>	<u>344,200</u>	<u>342,992</u>	<u>(1,208)</u>	<u>339,253</u>
DEPARTMENTAL INCOME					
Town Clerk fees	500	500	160	(340)	450
Engineering fees	30,000	30,000	83,637	53,637	-
Police fees	5,000	5,000	510	(4,490)	150
Planning Board fees	3,000	3,000	600	(2,400)	-
Park and recreation charges	98,400	98,400	141,927	43,527	89,471
Zoning fees	2,000	2,000	450	(1,550)	600
Inspection fees	4,000	4,000	-	(4,000)	-
Sewer charges	185,000	185,000	153,755	(31,245)	161,145
Traffic control	60,000	60,000	153,750	93,750	42,450
DWI charges	3,000	3,000	-	(3,000)	-
Indian Point agreement	250,000	250,000	250,000	-	-
Sewer services	18,000	18,000	22,932	4,932	20,519
	<u>658,900</u>	<u>658,900</u>	<u>807,721</u>	<u>148,821</u>	<u>314,785</u>

USE OF MONEY AND PROPERTY

Earnings on investments	5,000	5,000	802	(4,198)	1,634
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LICENSES AND PERMITS

Business and occupational licenses	200	200	-	(200)	-
Dog licenses	250	250	295	45	348
Building and alteration permits	20,000	20,000	41,924	21,924	28,447
	<u>20,450</u>	<u>20,450</u>	<u>42,219</u>	<u>21,769</u>	<u>28,795</u>

FINES AND FORFEITURES

Fines and forfeited bail	25,000	25,000	22,356	(2,644)	32,966
Forfeiture of deposits	-	-	250	250	550
	<u>25,000</u>	<u>25,000</u>	<u>22,606</u>	<u>(2,394)</u>	<u>33,516</u>

**SALE OF PROPERTY AND
COMPENSATION FOR LOSS**

Sale of equipment	1,000	1,000	400	(600)	900
Insurance recoveries	15,000	15,000	64,190	49,190	33,764
Other	400	400	-	(400)	-
	<u>16,400</u>	<u>16,400</u>	<u>64,590</u>	<u>48,190</u>	<u>34,664</u>

STATE AID

Per capita	18,000	18,000	20,241	2,241	20,238
Mortgage tax	30,000	30,000	40,335	10,335	34,108
Police - Stop DWI and Dare programs	1,000	1,000	-	(1,000)	-
Other	3,000	3,000	3,501	501	970
	<u>52,000</u>	<u>52,000</u>	<u>64,077</u>	<u>12,077</u>	<u>55,316</u>

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Village of Buchanan, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
MISCELLANEOUS					
Refund of prior year's expenditures	\$ -	\$ -	\$ 1,181	\$ 1,181	\$ 14
Gifts and donations	-	-	1,210	1,210	100
Other	12,000	12,000	9,608	(2,392)	27,045
	<u>12,000</u>	<u>12,000</u>	<u>11,999</u>	<u>(1)</u>	<u>27,159</u>
TOTAL REVENUES	<u>5,560,015</u>	<u>5,560,015</u>	<u>5,776,700</u>	<u>216,685</u>	<u>4,774,443</u>
OTHER FINANCING SOURCES					
Sale of easement	-	-	725,000	725,000	-
Transfers in					
Water Fund	625,000	625,000	325,000	(300,000)	625,000
TOTAL OTHER FINANCING SOURCES	<u>625,000</u>	<u>625,000</u>	<u>1,050,000</u>	<u>425,000</u>	<u>625,000</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 6,185,015</u>	<u>\$ 6,185,015</u>	<u>\$ 6,826,700</u>	<u>\$ 641,685</u>	<u>\$ 5,399,443</u>

Village of Buchanan, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 30,500	\$ 29,640	\$ 29,608	\$ 32	\$ 31,576
Town Justice	44,325	48,826	48,826	-	51,199
Manager	89,700	90,439	90,194	245	87,079
Mayor	7,230	7,024	7,024	-	7,884
Independent audit	31,000	29,442	29,442	-	26,963
Treasurer	136,900	168,308	167,885	423	138,737
Assessor	2,000	434	434	-	434
Town Attorney	61,575	82,208	82,208	-	55,949
Engineer	75,000	85,995	122,510	(36,515)	117,138
Elections	4,300	2,329	2,329	-	2,330
Buildings	199,492	223,968	300,106	(76,138)	154,660
Central garage	43,200	19,042	19,042	-	28,070
Municipal association dues	3,200	2,782	2,782	-	2,933
Judgments and claims	-	100	100	-	-
Metropolitan Transportation Authority payroll tax	6,500	6,500	6,461	39	8,459
Contingency	100,000	-	-	-	-
	<u>834,922</u>	<u>797,037</u>	<u>908,951</u>	<u>(111,914)</u>	<u>713,411</u>
PUBLIC SAFETY					
Police	931,000	1,075,693	1,078,824	(3,131)	886,165
Fire protection	268,250	266,852	266,852	-	237,786
	<u>1,199,250</u>	<u>1,342,545</u>	<u>1,345,676</u>	<u>(3,131)</u>	<u>1,123,951</u>
HEALTH					
Nursing services	2,500	2,500	2,500	-	2,500

TRANSPORTATION

Street maintenance	646,400	603,410	601,224	2,186	510,409
Snow removal	78,000	43,813	43,813	-	99,473
Street lighting	40,000	58,130	58,130	-	80,795
	<u>764,400</u>	<u>705,353</u>	<u>703,167</u>	<u>2,186</u>	<u>690,677</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Publicity	<u>3,000</u>	<u>2,850</u>	<u>2,850</u>	<u>-</u>	<u>2,850</u>
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CULTURE AND RECREATION

Parks	68,900	80,764	80,557	207	61,935
Community center	136,820	142,134	142,080	54	123,924
Municipal pool	65,800	63,958	63,958	-	55,251
Town historian	1,475	701	701	-	150
	<u>272,995</u>	<u>287,557</u>	<u>287,296</u>	<u>261</u>	<u>241,260</u>

HOME AND COMMUNITY SERVICES

Zoning Board of Appeals	119,300	132,468	132,131	337	66,265
Planning Board	17,450	51,207	51,074	133	24,463
Sewer system	94,600	75,800	75,659	141	97,332
Sewage treatment and disposal	560,950	539,833	538,929	904	510,266
Refuse and garbage	312,125	251,595	250,795	800	243,948
	<u>1,104,425</u>	<u>1,050,903</u>	<u>1,048,588</u>	<u>2,315</u>	<u>942,274</u>

EMPLOYEE BENEFITS

Employees' retirement	255,000	223,059	219,147	3,912	273,493
Police retirement	210,000	208,770	207,712	1,058	238,091
Service awards program	40,000	46,618	46,618	-	40,517
Social security benefits	190,000	182,474	181,632	842	169,028
Workers' compensation benefits	152,000	166,721	166,721	-	160,624
Life insurance	26,000	21,382	21,382	-	20,963
Unemployment benefits	5,000	22	22	-	2,305
Hospitalization, medical and dental benefits	769,500	787,209	800,638	(13,429)	750,989
Other	-	-	-	-	38,814
	<u>1,647,500</u>	<u>1,636,255</u>	<u>1,643,872</u>	<u>(7,617)</u>	<u>1,694,824</u>

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Village of Buchanan, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
DEBT SERVICE					
Principal					
Loans	\$ 5,190	\$ 5,190	\$ 10,488	\$ (5,298)	\$ 18,549
Installment purchase debt	-	-	38,000	(38,000)	-
	<u>5,190</u>	<u>5,190</u>	<u>48,488</u>	<u>(43,298)</u>	<u>18,549</u>
Interest					
Bonds	11,725	11,725	11,125	600	-
Loans	263	263	529	(266)	1,328
Bond anticipation notes	3,845	7,837	8,437	(600)	7,200
	<u>15,833</u>	<u>19,825</u>	<u>20,091</u>	<u>(266)</u>	<u>8,528</u>
	<u>21,023</u>	<u>25,015</u>	<u>68,579</u>	<u>(43,564)</u>	<u>27,077</u>
TOTAL EXPENDITURES	5,850,015	5,850,015	6,011,479	(161,464)	5,438,824
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	335,000	335,000	335,000	-	50,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 6,185,015</u>	<u>\$ 6,185,015</u>	<u>\$ 6,346,479</u>	<u>\$ (161,464)</u>	<u>\$ 5,488,824</u>

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Village of Buchanan, New York

Water Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 1,522,870	\$ 853,753
Water rents receivable	<u>291,089</u>	<u>312,950</u>
Total Assets	<u>\$ 1,813,959</u>	<u>\$ 1,166,703</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 786,748	\$ 429,256
Accrued liabilities	781	432
Due to other funds	<u>619,235</u>	<u>164,612</u>
Total Liabilities	<u>1,406,764</u>	<u>594,300</u>
Fund balance		
Restricted	389,859	389,623
Assigned	<u>17,336</u>	<u>182,780</u>
Total Fund Balance	<u>407,195</u>	<u>572,403</u>
Total Liabilities and Fund Balance	<u>\$ 1,813,959</u>	<u>\$ 1,166,703</u>

Village of Buchanan, New York

Water Fund

Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended May 31,

	2016			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 2,775,840	\$ 2,775,840	\$ 2,736,307	\$ (39,533)
Use of money and property	15,000	15,000	974	(14,026)
Miscellaneous	-	-	395	395
Total Revenues	<u>2,790,840</u>	<u>2,790,840</u>	<u>2,737,676</u>	<u>(53,164)</u>
EXPENDITURES				
Current				
Home and community services	2,121,840	2,159,105	2,571,179	(412,074)
Employee benefits	44,000	6,735	6,705	30
Total Expenditures	<u>2,165,840</u>	<u>2,165,840</u>	<u>2,577,884</u>	<u>(412,044)</u>
Excess of Revenues Over Expenditures	625,000	625,000	159,792	(465,208)
OTHER FINANCING USES				
Transfers out	(625,000)	(625,000)	(325,000)	300,000
Net Change in Fund Balance	-	-	(165,208)	(165,208)
FUND BALANCE				
Beginning of Year	-	-	572,403	572,403
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,195</u>	<u>\$ 407,195</u>

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,738,340	\$ 2,738,340	\$ 2,730,246	\$ (8,094)
15,000	15,000	839	(14,161)
-	-	610	610
<u>2,753,340</u>	<u>2,753,340</u>	<u>2,731,695</u>	<u>(21,645)</u>
2,121,840	2,121,840	2,109,583	12,257
6,500	6,500	6,489	11
<u>2,128,340</u>	<u>2,128,340</u>	<u>2,116,072</u>	<u>12,268</u>
625,000	625,000	615,623	(9,377)
<u>(625,000)</u>	<u>(625,000)</u>	<u>(625,000)</u>	<u>-</u>
-	-	(9,377)	(9,377)
-	-	581,780	581,780
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572,403</u>	<u>\$ 572,403</u>

Village of Buchanan, New York

Water Fund

Schedule of Revenues Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
DEPARTMENTAL INCOME					
Metered water sales	\$ 2,762,500	\$ 2,762,500	\$ 2,733,441	\$ (29,059)	\$ 2,728,097
Water service charges	13,340	13,340	2,866	(10,474)	2,149
	<u>2,775,840</u>	<u>2,775,840</u>	<u>2,736,307</u>	<u>(39,533)</u>	<u>2,730,246</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	15,000	15,000	974	(14,026)	839
MISCELLANEOUS					
Other	-	-	395	395	610
TOTAL REVENUES	<u>\$ 2,790,840</u>	<u>\$ 2,790,840</u>	<u>\$ 2,737,676</u>	<u>\$ (53,164)</u>	<u>\$ 2,731,695</u>

Village of Buchanan, New York

Water Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
HOME AND COMMUNITY SERVICES					
Pumping, supply and power	\$ 1,950,000	\$ 2,008,332	\$ 2,417,686	\$ (409,354)	\$ 1,942,500
Transmission and distribution	171,840	150,773	153,493	(2,720)	167,083
	<u>2,121,840</u>	<u>2,159,105</u>	<u>2,571,179</u>	<u>(412,074)</u>	<u>2,109,583</u>
EMPLOYEE BENEFITS					
Employees' retirement	10,000	-	-	-	-
Social security benefits	13,000	6,735	6,705	30	6,489
Hospitalization, medical and dental benefits	21,000	-	-	-	-
	<u>44,000</u>	<u>6,735</u>	<u>6,705</u>	<u>30</u>	<u>6,489</u>
TOTAL EXPENDITURES	2,165,840	2,165,840	2,577,884	(412,044)	2,116,072
OTHER FINANCING USES					
Transfers out					
General Fund	625,000	625,000	325,000	300,000	625,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 2,790,840</u>	<u>\$ 2,790,840</u>	<u>\$ 2,902,884</u>	<u>\$ (112,044)</u>	<u>\$ 2,741,072</u>

Village of Buchanan, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	<u>\$ 227,995</u>	<u>\$ 227,857</u>
FUND BALANCE		
Restricted	<u>\$ 227,995</u>	<u>\$ 227,857</u>

Village of Buchanan, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended May 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 138	\$ 165
EXPENDITURES		
	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	138	165
FUND BALANCE		
Beginning of Year	<u>227,857</u>	<u>227,692</u>
End of Year	<u>\$ 227,995</u>	<u>\$ 227,857</u>

Village of Buchanan, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 312,746	\$ 85,947
Receivables		
State and Federal aid	-	61,873
Due from other funds	77,738	78,151
	<u>77,738</u>	<u>140,024</u>
 Total Assets	 <u>\$ 390,484</u>	 <u>\$ 225,971</u>
 LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 28,663	\$ -
Unearned revenues	-	57,017
Bond anticipation notes payable	-	750,000
	<u>28,663</u>	<u>807,017</u>
 Fund balance (deficit)		
Restricted	361,821	-
Unassigned	-	(581,046)
	<u>361,821</u>	<u>(581,046)</u>
 Total Fund Balance (Deficit)	 <u>361,821</u>	 <u>(581,046)</u>
 Total Liabilities and Fund Balance (Deficit)	 <u>\$ 390,484</u>	 <u>\$ 225,971</u>

Village of Buchanan, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended May 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
State aid	\$ 49,801	\$ 61,873
Miscellaneous	<u>57,017</u>	<u>5,600</u>
Total Revenues	106,818	67,473
EXPENDITURES		
Capital outlay	<u>405,989</u>	<u>67,473</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(299,171)</u>	<u>-</u>
OTHER FINANCING SOURCES		
Bonds issued	700,000	-
Installment purchase debt issued	207,038	-
Transfers in	<u>335,000</u>	<u>50,000</u>
Total Other Financing Sources	<u>1,242,038</u>	<u>50,000</u>
Net Change in Fund Balance	942,867	50,000
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(581,046)</u>	<u>(631,046)</u>
End of Year	<u>\$ 361,821</u>	<u>\$ (581,046)</u>

Village of Buchanan, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project through May 31, 2016

Project	Authorization	Expenditures and Transfers	Unexpended Balance
Reconstruction and resurfacing of various roads	\$ 1,542,420	\$ 1,272,616	\$ 269,804
Sludge tank roof repairs	98,574	5,600	92,974
Decorative lights	35,000	-	35,000
Installment Purchase Contract	207,038	207,038	-
	<u>\$ 1,883,032</u>	<u>\$ 1,485,254</u>	<u>\$ 397,778</u>

<u>Total</u> <u>Revenues</u>	<u>Fund Balance</u> <u>at</u> <u>May 31, 2016</u>
\$ 1,542,420	\$ 269,804
62,617	57,017
35,000	35,000
207,038	-
<u>\$ 1,847,075</u>	<u>\$ 361,821</u>