

Village of Buchanan, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2017

Village of Buchanan, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Reconciliation of Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Water Funds	23
Statement of Assets and Liabilities - Fiduciary Fund	25
Statement of Changes in Plan Net Position - Pension Trust Fund	26
Notes to Financial Statements	27
Required Supplementary Information	
Service Awards program	
Schedule of Funding Progress	
Other Post Employment Benefits	53
Schedule of Funding Progress - Last Three Fiscal Years	54
New York State and Local Employees' Retirement System	
Schedule of the Village's Proportionate Share of the Net Pension Liability	55
Schedule of Contributions	56
New York State and Local Police and Fire Retirement System	
Schedule of the Village's Proportionate Share of the Net Pension Liability	57
Schedule of Contributions	58
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Combining Balance Sheet – Sub-Funds	59
Combining Schedules of Revenues, Expenditures and Changes in Fund Balances – Sub-Funds6	61
Comparative Balance Sheet – Sub-Fund	63
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Sub-Fund	64
Schedule of Revenues and Other Financing Sources Compared to Budget – Sub-Fund	66
Schedule of Expenditures and Other Financing Uses Compared to Budget – Sub-Fund	69
Water Fund	
Comparative Balance Sheet	72
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	73
Schedule of Revenues Compared to Budget	75
Schedule of Expenditures and Other Financing Uses Compared to Budget	76

Village of Buchanan, New York

Table of Contents (Concluded)

	<u>Page No.</u>
Special Purpose Fund	
Comparative Balance Sheet	77
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	78
Capital Projects Fund	
Comparative Balance Sheet	79
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	80
Project-Length Schedule	81

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, 2017, 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, 2017, and the respective changes in financial position 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 Notes 2D and 3E 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 No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the basic financial statements of the Village as of and for the year ended May 31, 2016 (not presented herein), and have issued our report thereon dated January 30, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information.

The combining and individual fund financial statements and schedules for the year ended May 31, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the May 31, 2016 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the May 31, 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 for the year ended May 31, 2016.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

December 20, 2017

(This page intentionally left blank)

Village of Buchanan

Management's Discussion and Analysis May 31, 2017

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, 2017. 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 liabilities of the Village exceeded assets at the close of the most recent fiscal year by \$210,274.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$1,826,397. This amount is inclusive of the Capital Projects Fund balance of \$408,898.
- The Village's total net position decreased by \$257,622. Total revenues amounted to \$8,709,100 and were \$643,526 less than 2016. The majority of this decrease was due to the fact that in 2016 the Village had revenue of \$725,000 for the sale of an easement.
- Total expenses amounted to \$9,603,381 and were \$189,441 greater than 2016. The majority of the increase was in Home and Community Services \$219,359.

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, liabilities exceeded assets by \$210,724 at the close of the most recent fiscal year.

The largest portion of the Village's net position, \$3,384,635, 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,	
	2017	2016
Current Assets	\$ 2,944,831	\$ 2,919,125
Capital Assets, net	<u>4,236,274</u>	<u>3,894,294</u>
Total Assets	<u>7,181,105</u>	<u>6,813,419</u>
Deferred Outflows of Resources	<u>846,699</u>	<u>1,652,612</u>
Current Liabilities	1,056,458	1,208,406
Non-Current Liabilities	<u>6,959,078</u>	<u>6,957,451</u>
Total Liabilities	<u>8,015,536</u>	<u>8,165,857</u>
Deferred Inflows of Resources	<u>222,992</u>	<u>253,276</u>
Net Position		
Net Investment in Capital Assets	3,384,635	3,019,946
Restricted	1,767,232	1,030,785
Unrestricted	<u>(5,362,591)</u>	<u>(4,003,833)</u>
Total Net Position	<u>\$ (210,724)</u>	<u>\$ 46,898</u>

Change in Net Position

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

	May 31,	
	2017	2016
REVENUES		
Program Revenues		
Charges for Services	\$ 3,633,952	\$ 3,608,853
Operating Grants and Contributions	6,111	6,472
Capital Grants and Contributions	193,264	106,818
Total Program Revenues	3,833,327	3,722,143
General Revenues		
Real Property Taxes	1,772,212	1,794,052
Other Tax Items	2,639,966	2,631,936
Non-Property Taxes	342,759	342,992
Unrestricted Use of Money and Property	20,323	548
Sale of Property and Compensation for Loss	22,953	64,590
Unrestricted State Aid	63,383	60,576
Miscellaneous	14,177	10,789
Sale of Easement	-	725,000
Total General Revenues	4,875,773	5,630,483
Total Revenues	8,709,100	9,352,626
EXPENSES		
Program Expenses		
General Government Support	1,229,354	1,251,082
Public Safety	2,356,737	2,316,933
Health	2,500	2,500
Transportation	1,139,865	1,246,276
Economic Opportunity and Development	2,850	2,850
Culture and Recreation	502,564	450,108
Home and Community Services	4,345,221	4,125,862
Interest	24,290	18,329
Total Expenses	9,603,381	9,413,940
Change in Net Position	(894,281)	(61,314)
Net Position		
Beginning, as reported	46,898	218,273
Cumulative Effect of Change in Accounting Principle	636,659	(110,061)
Beginning, as restated	683,557	108,212
Ending	\$ (210,724)	\$ 46,898

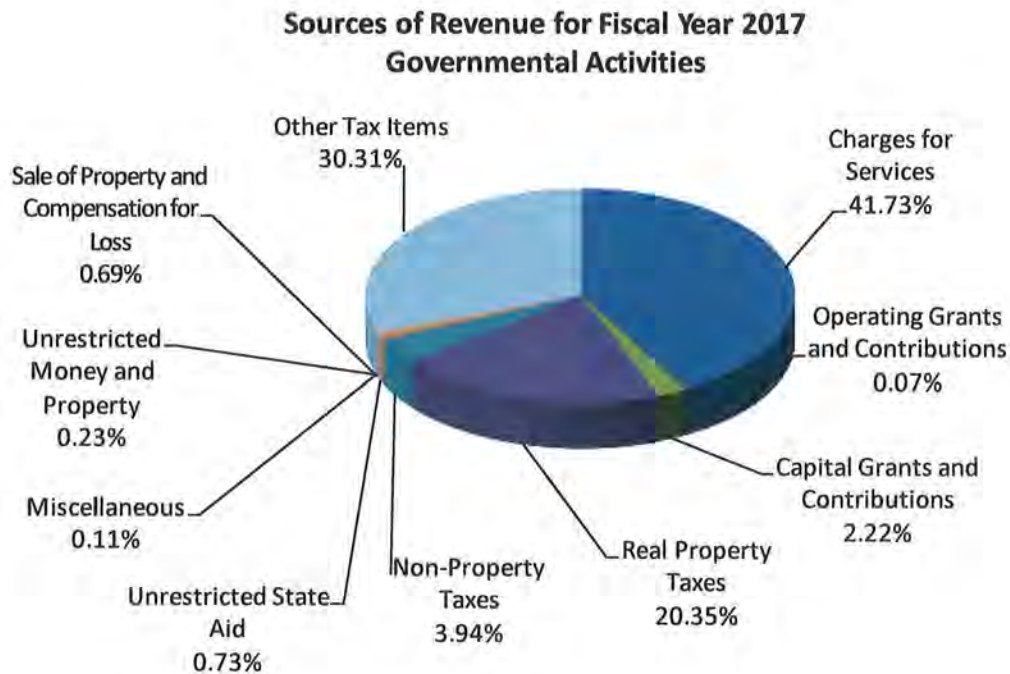
Governmental Activities

Governmental activities decreased the Village's net position by \$894,281.

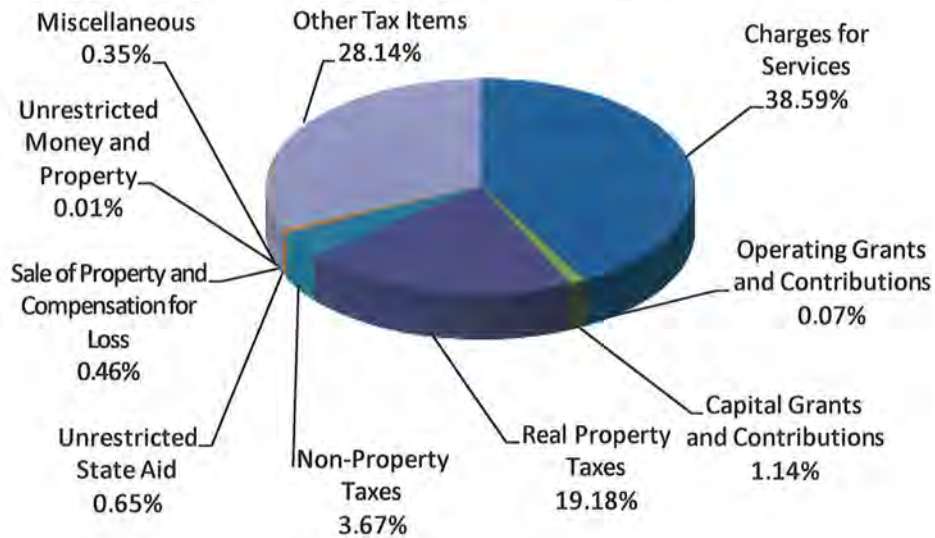
For the year ending May 31, 2017, the Village's OPEB obligations of \$4,470,000 reflected as a liability on the government-wide financial statements and accordingly was the prime factor in the decrease in total net position.

For the fiscal year ended May 31, 2017, revenues from governmental activities totaled \$8,709,100. Program revenues are 41.73% of this total and 54.60% is attributable to taxes and other sources. The major changes are as follows:

- Sale of easement decreased by \$725,000 since this was a non-recurring revenue.



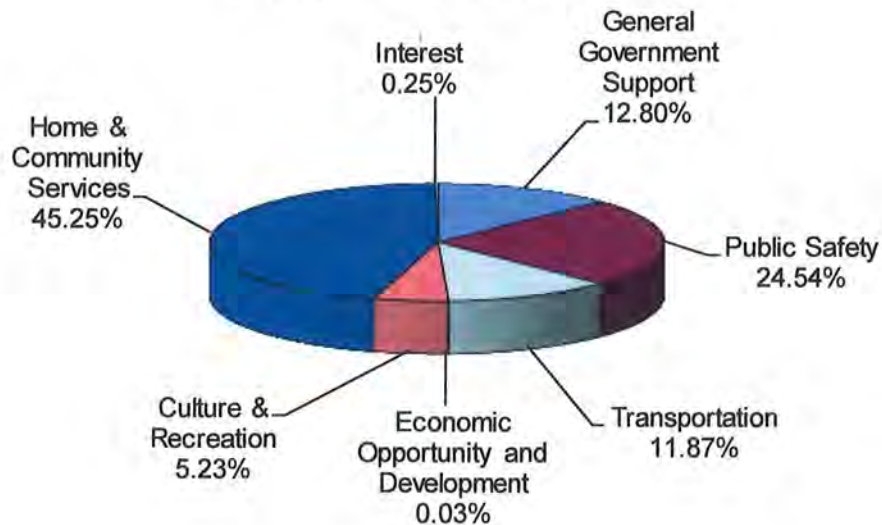
**Sources of Revenue for Fiscal Year 2016
Governmental Activities**



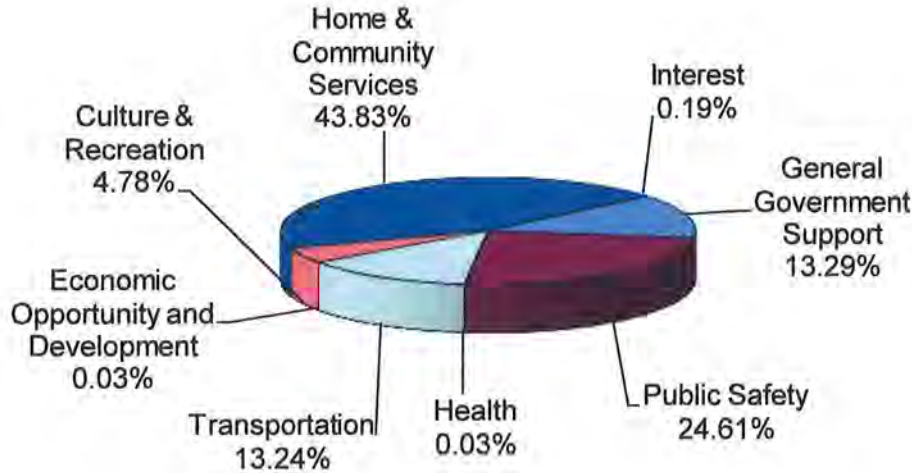
For the fiscal year ended May 31, 2017, expenses for governmental activities totaled \$9,603,381. The major changes are as follows:

- Increases in General Government Support and Public Safety are due to rising costs for Health Insurance.
- Decrease in Home and Community Services was due to reductions in the purchase of water.

**Sources of Expenses for Fiscal Year 2017
Governmental Activities**



**Sources of Expenses for Fiscal Year 2016
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 \$1,826,397. Of the total, \$1,767,232 is restricted, \$59,165 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 \$330,306 more than the final budget. Actual revenues and other financing sources were more than the final budget by \$119,711. Actual transfers in were \$321,212 less than the adopted budget. 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 \$4,236,274.

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

<u>Asset</u>	<u>May 31,</u>	
	<u>2017</u>	<u>2016</u>
Land	\$ 478,000	\$ 478,000
Construction-in-progress	68,557	-
Buildings	281,846	226,679
Infrastructure	2,896,413	2,785,655
Machinery and Equipment	511,458	403,960
Total (net of depreciation)	<u>\$ 4,236,274</u>	<u>\$ 3,894,294</u>

Long Term Debt/Short-Term Debt

At the end of the current fiscal year, the Village had total outstanding serial bonds of \$640,000 and installment purchase debt of \$211,369.

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, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 1,598,913
Investments	688,740
Receivables	
Taxes, net	68,680
Accounts	170,499
Water rents	312,891
Due from other governments	105,108
Capital assets	
Not being depreciated	546,557
Being depreciated, net	<u>3,689,717</u>
Total Assets	<u>7,181,105</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>846,699</u>
LIABILITIES	
Accounts payable	792,194
Accrued liabilities	11,016
Due to retirement systems	76,898
Unearned revenues	172,339
Accrued interest payable	4,011
Non-current liabilities	
Due within one year	134,082
Due in more than one year	<u>6,824,996</u>
Total Liabilities	<u>8,015,536</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>222,992</u>
NET POSITION	
Net investment in capital assets	3,384,635
Restricted for	
Capital projects	408,898
Repairs	441,461
Pension benefits	688,740
Parklands	228,133
Unrestricted	<u>(5,362,591)</u>
Total Net Position	<u>\$ (210,724)</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, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 1,229,354	\$ 359,617	\$ 2,380	\$ -
Public safety	2,356,737	94,563	1,061	-
Health	2,500	-	-	-
Transportation	1,139,865	-	-	61,018
Economic opportunity and development	2,850	-	-	-
Culture and recreation	502,564	174,263	138	-
Home and community services	4,345,221	3,005,509	2,532	132,246
Interest	24,290	-	-	-
Total Governmental Activities	\$ 9,603,381	\$ 3,633,952	\$ 6,111	\$ 193,264

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

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>	
\$	(867,357)
	(2,261,113)
	(2,500)
	(1,078,847)
	(2,850)
	(328,163)
	(1,204,934)
	(24,290)
	<u>(5,770,054)</u>
	1,772,212
	2,627,149
	12,817
	329,236
	13,523
	20,323
	22,953
	63,383
	14,177
	<u>4,875,773</u>
	<u>(894,281)</u>
	46,898
	<u>636,659</u>
	<u>683,557</u>
\$	<u><u>(210,724)</u></u>

Village of Buchanan, New York

Balance Sheet
 Governmental Funds
 May 31, 2017

	General	Water	Special Purpose
ASSETS			
Cash and equivalents	\$ 100,242	\$ 945,000	\$ 190,188
Investments	688,740	-	-
	<u>788,982</u>	<u>945,000</u>	<u>190,188</u>
Taxes receivable, net of allowance for uncollectible taxes	68,680	-	-
Other receivables			
Accounts	170,499	-	-
Water rents	-	312,891	-
Due from other governments	105,108	-	-
Due from other funds	129,404	-	37,945
	<u>405,011</u>	<u>312,891</u>	<u>37,945</u>
Total Assets	<u>\$ 1,262,673</u>	<u>\$ 1,257,891</u>	<u>\$ 228,133</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 137,466	\$ 654,728	\$ -
Accrued liabilities	10,712	304	-
Due to retirement systems	76,898	-	-
Unearned revenues	172,339	-	-
Due to other funds	-	212,764	-
Total Liabilities	397,415	867,796	-
Deferred inflows of resources			
Real property taxes	65,987	-	-
Total Liabilities and Deferred Inflows of Resources	<u>463,402</u>	<u>867,796</u>	<u>-</u>
Fund balances			
Restricted	740,106	390,095	228,133
Unassigned	59,165	-	-
Total Fund Balances	<u>799,271</u>	<u>390,095</u>	<u>228,133</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,262,673</u>	<u>\$ 1,257,891</u>	<u>\$ 228,133</u>

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

Capital Projects	Total Governmental Funds
\$ 363,483	\$ 1,598,913
-	688,740
<u>363,483</u>	<u>2,287,653</u>
-	68,680
-	170,499
-	312,891
-	105,108
45,415	212,764
<u>45,415</u>	<u>801,262</u>
<u>\$ 408,898</u>	<u>\$ 3,157,595</u>
\$ -	\$ 792,194
-	11,016
-	76,898
-	172,339
-	212,764
-	1,265,211
-	65,987
-	1,331,198
408,898	1,767,232
-	59,165
<u>408,898</u>	<u>1,826,397</u>
<u>\$ 408,898</u>	<u>\$ 3,157,595</u>

(This page intentionally left blank)

Village of Buchanan, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
May 31, 2017

Fund Balances - Total Governmental Funds	<u>\$ 1,826,397</u>
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>4,236,274</u>
Governmental funds do not report the effect of assets or liabilities related to net pension liabilities whereas these amounts are deferred and amortized in the statement of activities. Deferred amounts on net pension assets (liabilities)	<u>623,707</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>65,987</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(4,011)
Bonds payable	(640,000)
Installment purchase debt payable	(211,639)
Compensated absences	(518,900)
Net pension liability	(1,118,539)
Other post employment benefit obligations payable	<u>(4,470,000)</u>
	<u>(6,963,089)</u>
Net Position of Governmental Activities	<u><u>\$ (210,724)</u></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, 2017

	General	Water	Special Purpose
REVENUES			
Real property taxes	\$ 1,781,426	\$ -	\$ -
Other tax items	2,639,966	-	-
Non-property taxes	342,759	-	-
Departmental income	754,761	2,832,209	-
Use of money and property	20,579	734	138
Licenses and permits	24,854	-	-
Fines and forfeitures	22,128	-	-
Sale of property and compensation for loss	22,953	-	-
State aid	66,824	-	-
Miscellaneous	14,177	1,542	-
Total Revenues	5,690,427	2,834,485	138
EXPENDITURES			
Current			
General government support	925,930	-	-
Public safety	1,368,224	-	-
Health	2,500	-	-
Transportation	658,369	-	-
Economic opportunity and development	2,850	-	-
Culture and recreation	315,932	-	-
Home and community services	1,139,621	2,575,392	-
Employee benefits	1,663,143	42,405	-
Debt service			
Principal	88,262	-	-
Interest	24,110	-	-
Capital outlay	-	-	-
Total Expenditures	6,188,941	2,617,797	-
Excess (Deficiency) of Revenues Over Expenditures	(498,514)	216,688	138
OTHER FINANCING SOURCES (USES)			
Installment purchase debt issued	-	-	-
Transfers in	303,788	-	-
Transfers out	(285,000)	(233,788)	-
Total Other Financing Sources (Uses)	18,788	(233,788)	-
Net Change in Fund Balances	(479,726)	(17,100)	138
FUND BALANCES			
Beginning of year, as reported	642,338	407,195	227,995
Cumulative Effect of Change in Accounting Principle	636,659	-	-
Beginning of year, as restated	1,278,997	407,195	227,995
End of Year	\$ 799,271	\$ 390,095	\$ 228,133

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

Capital Projects	Total Governmental Funds
\$ -	\$ 1,781,426
-	2,639,966
-	342,759
-	3,586,970
-	21,451
-	24,854
-	22,128
-	22,953
61,018	127,842
132,246	147,965
<u>193,264</u>	<u>8,718,314</u>
-	925,930
-	1,368,224
-	2,500
-	658,369
-	2,850
-	315,932
-	3,715,013
-	1,705,548
-	88,262
-	24,110
426,740	426,740
<u>426,740</u>	<u>9,233,478</u>
<u>(233,476)</u>	<u>(515,164)</u>
65,553	65,553
285,000	588,788
(70,000)	(588,788)
<u>280,553</u>	<u>65,553</u>
<u>47,077</u>	<u>(449,611)</u>
361,821	1,639,349
-	636,659
<u>361,821</u>	<u>2,276,008</u>
<u>\$ 408,898</u>	<u>\$ 1,826,397</u>

(This page intentionally left blank)

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, 2017

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (449,611)</u>
<p>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.</p>	
Capital outlay expenditures	605,288
Depreciation expense	<u>(263,308)</u>
	<u>341,980</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>(9,214)</u>
<p>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.</p>	
Installment purchase debt issued	(65,553)
Principal paid on bonds	60,000
Principal paid on installment purchase debt	22,952
Principal paid on loans	<u>5,310</u>
	<u>22,709</u>
<p>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.</p>	
Accrued interest	(180)
Pension obligations	(203,140)
Compensated absences	(56,825)
Other post employment benefit obligations	<u>(540,000)</u>
	<u>(800,145)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (894,281)</u></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 - Budget and Actual
General and Water Funds
Year Ended May 31, 2017

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,772,176	\$ 1,772,176	\$ 1,781,426	\$ 9,250
Other tax items	2,637,140	2,637,140	2,639,966	2,826
Non-property taxes	344,200	344,200	342,759	(1,441)
Departmental income	408,900	663,900	754,761	90,861
Use of money and property	5,000	5,000	20,579	15,579
Licenses and permits	20,650	20,650	24,854	4,204
Fines and forfeitures	28,000	28,000	22,128	(5,872)
Sale of property and compensation for loss	16,400	16,400	22,953	6,553
State aid	52,000	52,000	66,824	14,824
Miscellaneous	267,000	12,000	14,177	2,177
Total Revenues	5,551,466	5,551,466	5,690,427	138,961
EXPENDITURES				
Current				
General government support	856,818	756,818	925,930	(169,112)
Public safety	1,236,400	1,224,721	1,368,224	(143,503)
Health	2,500	2,500	2,500	-
Transportation	735,000	657,299	658,369	(1,070)
Economic opportunity and development	3,000	2,850	2,850	-
Culture and recreation	306,695	315,725	315,932	(207)
Home and community services	1,039,975	1,087,072	1,139,621	(52,549)
Employee benefits	1,620,500	1,732,111	1,663,143	68,968
Debt service				
Principal	5,320	88,260	88,262	(2)
Interest	12,133	24,110	24,110	-
Total Expenditures	5,818,341	5,891,466	6,188,941	(297,475)
Excess (Deficiency) of Rev- enues Over Expenditures	(266,875)	(340,000)	(498,514)	(158,514)
OTHER FINANCING SOURCES (USES)				
Transfers in	625,000	625,000	303,788	(321,212)
Transfers out	(358,125)	(285,000)	(285,000)	-
Total Other Financing Sources (Uses)	266,875	340,000	18,788	(321,212)
Net Change in Fund Balances	-	-	(479,726)	(479,726)
FUND BALANCES				
Beginning of Year, as reported	-	-	642,338	642,338
Cumulative Effect of Change in Accounting Principle	-	-	636,659	636,659
Beginning of Year, as restated	-	-	1,278,997	1,278,997
End of Year	\$ -	\$ -	\$ 799,271	\$ 799,271

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	2,832,209	56,369
15,000	15,000	734	(14,266)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1,542	1,542
<u>2,790,840</u>	<u>2,790,840</u>	<u>2,834,485</u>	<u>43,645</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,121,840	2,158,697	2,575,392	(416,695)
44,000	7,143	42,405	(35,262)
-	-	-	-
-	-	-	-
<u>2,165,840</u>	<u>2,165,840</u>	<u>2,617,797</u>	<u>(451,957)</u>
<u>625,000</u>	<u>625,000</u>	<u>216,688</u>	<u>(408,312)</u>
-	-	-	-
(625,000)	(625,000)	(233,788)	391,212
(625,000)	(625,000)	(233,788)	391,212
-	-	(17,100)	(17,100)
-	-	407,195	407,195
-	-	-	-
-	-	407,195	407,195
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,095</u>	<u>\$ 390,095</u>

Village of Buchanan, New York

Statement of Assets and Liabilities

Fiduciary Fund

May 31, 2017

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ <u>95,491</u>
LIABILITIES	
Accounts payable	\$ 6,979
Deposits	<u>88,512</u>
Total Liabilities	<u>\$ 95,491</u>

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

Village of Buchanan, New York

Statement of Changes in Plan Net Position
Pension Trust Fund - Service Awards Program
Year Ended May 31, 2017

ADDITIONS	\$ -
DEDUCTIONS	-
Change in Net Position	-
NET POSITION	
Beginning of Year, as reported	636,659
Cumulative Effect of Change in Accounting Principle	<u>(636,659)</u>
Beginning of Year, as restated	-
End of Year	<u><u>\$ -</u></u>

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

(This page intentionally left blank)

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 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. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. 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

Cash and Equivalents, Investments and Risk Disclosure

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

The Village's 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.

Investments - Investments of the Fire Service Awards Program 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.

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2017.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Property 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, 2017, 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 acquisition 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 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 and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the Village are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 \$172,339 which includes \$147,376 for the unexpended portion of a prior year donation for recreational purposes, \$12,887 for New York State aid for clock maintenance and \$12,076 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 \$65,987 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.

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 3E.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position - Net position represents 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, pension benefits 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 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 December 20, 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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 the General and Water funds.
- f) Budgets for the 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 requires a majority vote by the Board.
- h) Appropriations in the General and Water funds lapse at the end of the fiscal year, except that outstanding encumbrances are 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 2016-2017 was \$6,853,729 which exceeded the actual levy by \$5,081,553.

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

Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2017

Note 2 - Stewardship, Compliance and Accountability (Continued)

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.

C. Expenditures in Excess of Budget

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

General Fund	
General Government Support	
Manager	\$ 190
Treasurer	961
Engineer	169,301
Buildings	273
Public Safety	
Police	129,478
Fire protection	30
Transportation	
Street maintenance	1,077
Culture and Recreation	
Parks	1,766
Home and Community Services	
Planning Board	15,212
Sewage treatment and disposal	38,810
Refuse and garbage	608
Employee Benefits	
Police retirement	14,113
Debt Service	
Loans - Principal	2
Water Fund	
Home and Community Services	
Pumping, supply and power	421,410
Employee Benefits	
Employees' retirement	14,410
Social security benefits	21
Hospitalization, medical and dental benefits	20,831

In addition, the General Fund and Water Fund exceeded their entire budgets by \$330,306 and \$60,745, respectively.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2017

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. Cumulative Effect of Change in Accounting Principle

For the year ended May 31, 2017, the Village implemented the requirements of GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68" that address financial reporting for assets accumulated for purposes of providing the Length of Service Awards Program ("LOSAP") pensions. As a result of adopting this standard, a cumulative effect for the change in accounting principle of \$636,659 was recorded in the Pension Trust Fund, General Fund, and the government-wide financial statements.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable consisted of the following:

Village taxes - Current year	\$	12,817
Tax liens and overdue taxes		<u>56,540</u>
Total Taxes		69,357
Less - Allowance for uncollectible taxes		<u>(677)</u>
Taxes Receivable	\$	<u>68,680</u>

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2017 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 129,404	\$ -
Water	-	212,764
Special Purpose	37,945	-
Capital Projects	45,415	-
	<u>\$ 212,764</u>	<u>\$ 212,764</u>

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

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

C. Capital Assets

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

	Balance June 1, 2016	Additions	Deletions	Balance May 31, 2017
Capital assets, not being depreciated				
Land	\$ 478,000	\$ -	\$ -	\$ 478,000
Construction-in-progress	-	68,557	-	68,557
Total Capital Assets, not being depreciated	\$ 478,000	\$ 68,557	\$ -	\$ 546,557
Capital assets, being depreciated				
Buildings and improvements	\$ 1,908,127	\$ 82,746	\$ -	\$ 1,990,873
Infrastructure	7,347,557	292,630	-	7,640,187
Machinery and equipment	1,315,546	161,355	42,398	1,434,503
Total Capital Assets, being depreciated	10,571,230	536,731	42,398	11,065,563
Less accumulated depreciation for				
Buildings and improvements	1,681,448	27,579	-	1,709,027
Infrastructure	4,561,902	181,872	-	4,743,774
Machinery and equipment	911,586	53,857	42,398	923,045
Total Accumulated Depreciation	7,154,936	263,308	42,398	7,375,846
Total Capital Assets, being depreciated, net	\$ 3,416,294	\$ 273,423	\$ -	\$ 3,689,717
Capital assets, net	\$ 3,894,294	\$ 341,980	\$ -	\$ 4,236,274

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

General Government Support	\$ 10,882
Public Safety	12,536
Transportation	205,467
Culture and Recreation	16,353
Home and Community Services	18,070
Total Depreciation Expense	\$ 263,308

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

D. Accrued Liabilities

Accrued liabilities at May 31, 2017 were as follows:

	<u>General Fund</u>	<u>Water Fund</u>	<u>Total</u>
Payroll and Employee Benefits	<u>\$ 10,712</u>	<u>\$ 304</u>	<u>\$ 11,016</u>

E. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2017:

	<u>Balance June 1, 2016</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance May 31, 2017</u>	<u>Due Within One-Year</u>
Bonds Payable	\$ 700,000	\$ -	\$ 60,000	\$ 640,000	\$ 60,000
Installment Purchase Debt	169,038	65,553	22,952	211,639	22,082
Loans Payable	5,310	-	5,310	-	-
Compensated Absences	462,075	102,825	46,000	518,900	52,000
Net Pension Liability	1,691,028	-	572,489	1,118,539	-
Other Post Employment Benefit Obligations Payable	<u>3,930,000</u>	<u>930,000</u>	<u>390,000</u>	<u>4,470,000</u>	<u>-</u>
	<u>6,957,451</u>	<u>\$ 1,098,378</u>	<u>\$ 1,096,751</u>	<u>\$ 6,959,078</u>	<u>\$ 134,082</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.

Bonds Payable

Bonds payable at May 31, 2017 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, 2017</u>
Public Improvements	2016	\$ 700,000	October, 2025	3.0 - 3.5 %	<u>\$ 640,000</u>

Interest expenditures of \$22,250 were recorded in the fund financial statements in the General Fund. Interest expense of \$21,955 was recorded in the government-wide financial statements.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

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 cost of a dump truck. The terms of this agreement provided for the repayment of the principal amount of \$65,553 in annual installments of \$13,826 through October 2020 including 2.73% interest.

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 2022 with no interest.

Payments to Maturity

The annual requirements to amortize all debt outstanding as of May 31, 2017 including interest payments of \$109,371 are as follows:

Year Ending May 31,	Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 60,000	\$ 20,450	\$ 22,082	\$ 2,597	\$ 82,082	\$ 23,047
2019	65,000	18,575	50,997	1,682	115,997	20,257
2020	65,000	16,544	41,101	725	106,101	17,269
2021	70,000	14,350	41,459	367	111,459	14,717
2022	70,000	12,031	28,000	-	98,000	12,031
2023-2026	310,000	22,050	28,000	-	338,000	22,050
	<u>\$ 640,000</u>	<u>\$ 104,000</u>	<u>\$ 211,639</u>	<u>\$ 5,371</u>	<u>\$ 851,639</u>	<u>\$ 109,371</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

Note 3 - Detailed Notes on All Funds (Continued)

benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the 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 2017 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	15.8%
	4 A15	15.8
	5 A15	13.0
	6 A15	9.2
PFRS	2 384D	24.1

At May 31, 2017, the Village reported a liability of \$543,865 for its proportionate shares of the net pension liabilities of ERS and a liability of \$574,674 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2017, 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, 2017, the Village's proportion was 0.0057881% for ERS and 0.0277265% for PFRS, which was an increase of 0.000156% for ERS and an increase of 0.0011436% for PFRS from its proportion measured as of March 31, 2016.

For the year ended May 31, 2017, the Village recognized pension expense in the government-wide financial statements of \$289,104 for ERS and \$339,355 for PFRS. Pension expenditures of \$195,269 for ERS and \$230,050 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, 2017

Note 3 - Detailed Notes on All Funds (Continued)

At May 31, 2017, 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	\$ 13,629	\$ 82,589	\$ 75,387	\$ 99,291
Changes of assumptions	185,804	-	283,118	-
Net difference between projected and actual earnings on pension plan investments	108,632	-	85,827	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	5,080	31,172	12,324	9,940
Village contributions subsequent to the measurement date	34,103	-	42,795	-
	<u>\$ 347,248</u>	<u>\$ 113,761</u>	<u>\$ 499,451</u>	<u>\$ 109,231</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, 2018. 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
2018	\$ 94,917	\$ 115,277
2019	94,917	115,277
2020	84,890	108,872
2021	(75,340)	(5,585)
2022	-	13,584

The total pension liability for the March 31, 2017 measurement date was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liabilities to March 31, 2017. Significant actuarial assumptions used in the April 1, 2016 valuation were as follows:

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, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Assets	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100 %</u>	

*The real rate of return is net of the long-term inflation assumption of 2.5%.

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:

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 1,736,997</u>	<u>\$ 543,865</u>	<u>\$ (464,926)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 1,629,167</u>	<u>\$ 574,674</u>	<u>\$ (309,788)</u>

The components of the collective net pension liability as of the March 31, 2017 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 177,400,586,000	\$ 31,670,483,000	\$ 209,071,069,000
Fiduciary net position	<u>168,004,363,000</u>	<u>29,597,831,000</u>	<u>197,602,194,000</u>
Employers' net pension liability	<u>\$ 9,396,223,000</u>	<u>\$ 2,072,652,000</u>	<u>\$ 11,468,875,000</u>
Fiduciary net position as a percentage of total pension liability	<u>94.70%</u>	<u>93.46%</u>	<u>94.51%</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, 2017 represent the employer contribution for the period of April 1, 2017 through May 31, 2017 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, 2017 were \$34,103 and \$42,795 respectively.

Voluntary Defined Contribution Plan

The Village can offer 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.

Pension Trust – Fire 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 General 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

Note 3 - Detailed Notes on All Funds (Continued)

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 General Fund. Separate financial statements are not issued by the program.

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>February 28, 2017</u>
Retirees and beneficiaries	
currently receiving benefits	1
Terminated members entitled to	
but not yet receiving benefits	1
Active - non-vested	15
Active - vested	26

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, 2017.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Present Value of Benefits at February 28, 2017		\$ (846,506)
Less: Assets Available for Benefits		
	<u>% of total</u>	
Group annuities	<u>100.00 %</u>	<u>639,874</u>
Total Assets Available for Benefits		<u>639,874 *</u>
Total Unfunded Benefits		<u>\$ (206,632)</u>

*These amounts are reflected as of the actuarial valuation date of February 28, 2017. The amounts reported in the General Fund are reflected as of May 31, 2017.

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:

<u>Fiscal Year Ended May 31,</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage of Annual Program Cost Contributed</u>
2017	\$ 48,799	\$ 46,826	95.96 %
2016	43,946	46,618	106.08
2015	36,988	40,517	109.54

Since the net pension obligation is not separately amortized, the annual contribution is equal to the annual pension costs.

The schedule of funding progress for the defined benefit pension 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. The current contributions were charged to the General Fund. Administrative fees of \$1,380 were also charged to the General Fund in connection with the administration of the Program.

Note 3 - Detailed Notes on All Funds (Continued)

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.

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:

Year Ended May 31,	
2018	8.0 %
2019	7.5
2020	7.0
2021	6.5
2022	6.0
2023	5.5
2024+	5.0

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

The amortization basis is the level of percentage of payroll method with a closed amortization approach with 23 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, 2017 was as follows:

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

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2016	\$ 12,460,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 12,460,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 2,370,000</u>
UAAL as a Percentage of Covered Payroll	<u>525.74%</u>
Annual Required Contribution	\$ 980,000
Interest on Net OPEB Obligation	180,000
Adjustment to Annual Required Contribution	<u>(230,000)</u>
Annual OPEB Cost	930,000
Contributions Made	<u>(390,000)</u>
Increase in Net OPEB Obligation	540,000
Net OPEB Obligation - Beginning of Year	<u>3,930,000</u>
Net OPEB Obligation - End of Year	<u>\$ 4,470,000</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
2015	\$ 960,000	36.46 %	\$ 3,400,000
2016	890,000	40.45	3,930,000
2017	930,000	41.94	4,470,000

Note 3 - Detailed Notes on All Funds (Continued)

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.

Transfers Out	Transfers In		Total
	General Fund	Capital Projects Fund	
General Fund	\$ -	\$ 285,000	\$ 285,000
Water Fund	233,788	-	233,788
Capital Projects Fund	70,000	-	70,000
	<u>\$ 303,788</u>	<u>\$ 285,000</u>	<u>\$ 588,788</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 Pension Benefits - The component of net position that has been set aside to be used for LOSAP pension benefits in accordance with Article 11-A of the General Municipal Law of the State of New York.

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, 2017

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2017					2016				
	General Fund	Water Fund	Special Purpose Fund	Capital Projects Fund	Total	General Fund	Water Fund	Special Purpose Fund	Capital Projects Fund	Total
Restricted										
Repairs	\$ 51,366	\$ 390,095	\$ -	\$ -	\$ 441,461	\$ 51,110	\$ 389,859	\$ -	\$ -	\$ 440,969
Pension benefits	688,740	-	-	-	688,740	-	-	-	-	-
Parklands	-	-	228,133	-	228,133	-	-	227,995	-	227,995
Capital projects	-	-	-	408,898	408,898	-	-	-	361,821	361,821
Total Restricted	740,106	390,095	228,133	408,898	1,767,232	51,110	389,859	227,995	361,821	1,030,785
Assigned	-	-	-	-	-	-	17,336	-	-	17,336
Unassigned	59,165	-	-	-	59,165	591,228	-	-	-	591,228
Total Fund Balances	\$ 799,271	\$ 390,095	\$ 228,133	\$ 408,898	\$ 1,826,397	\$ 642,338	\$ 407,195	\$ 227,995	\$ 361,821	\$ 1,639,349

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 - Tax Abatement

The Village has a real property tax abatement pursuant to New York Real Property Tax Section 485 which permits the exemption from taxation of nuclear powered electric generating facilities upon the adoption of a local law or resolution by any tax jurisdiction.

The Village received a PILOT from Entergy in the amount of \$26,240,000 over ten years with additional inflation payments in accordance with the Allowable Levy Growth Factor determined annually by the New York State Office of the State Comptroller. The PILOT contract contains a contingency for a step down in payments in case of plant closure which is currently being discussed as a possibility in 2021.

Village of Buchanan, New York

Notes to Financial Statements (Concluded)

May 31, 2017

Note 5 - Tax Abatement (Continued)

In addition, the Village has a water/sewer infrastructure agreement with Entergy to compensate the Village for costs related to Entergy's industrial-level use of the Village water supply, distribution system, sewer system and sewage treatment facilities. The Village does not levy taxes or assessments for water and sewer purposes. Entergy makes these annual payments distinct from and in addition to its obligation to make PILOT payments to the Village. The 2016-17 infrastructure payment was \$255,000.

Village of Buchanan, New York

Required Supplementary Information - Schedule of Funding Progress
Service Awards Program
Last Six Fiscal Years

<u>Actuarial Valuation Date March 1,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded (Overfunded) Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
2012	\$ 395,775	\$ 212,692	\$ (183,083)	186.08 %
2013	441,361	246,278	(195,083)	179.21
2014	489,713	320,386	(169,327)	152.85
2015	534,998	693,976 (1)	158,978	77.09
2016	588,569	790,404	201,835	74.46
2017	639,874	846,506	206,632	75.59

(1) In 2015, the methodology used by the actuary changed from the present value of the accrued liability to the full actuarial accrued liability.

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, 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
June 1, 2016	-	12,460,000	12,460,000	-	2,370,000	525.74

See independent auditors' report.

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>2017</u>	<u>2016</u>
Village's proportion of the net pension liability (asset)	<u>0.0057881%</u>	<u>0.0056321%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 543,865</u>	<u>\$ 903,964</u>
Village's covered payroll	<u>\$ 1,400,911</u>	<u>\$ 1,406,385</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>38.82%</u>	<u>64.28%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.70%</u>	<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>2017</u>	<u>2016</u>
Contractually required contribution	\$ 210,691	\$ 223,059
Contributions in relation to the contractually required contribution	<u>(210,691)</u>	<u>(223,059)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 1,413,626</u>	<u>\$ 1,416,980</u>
Contributions as a percentage of covered payroll	<u>14.90%</u>	<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>2017</u>	<u>2016</u>
Village's proportion of the net pension liability (asset)	<u>0.0277265%</u>	<u>0.0265829%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 574,674</u>	<u>\$ 787,064</u>
Village's covered payroll	<u>\$ 1,052,655</u>	<u>\$ 942,526</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>54.59%</u>	<u>83.51%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.46%</u>	<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*.

(This page intentionally left blank)

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>2017</u>	<u>2016</u>
Contractually required contribution	\$ 224,705	\$ 208,770
Contributions in relation to the contractually required contribution	<u>(224,705)</u>	<u>(208,770)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 1,055,021</u>	<u>\$ 940,301</u>
Contributions as a percentage of covered payroll	<u>21.30%</u>	<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*.

Village of Buchanan, New York

General Fund
 Combining Balance Sheet - Sub-Funds
 May 31, 2017
 (With Comparative Totals for 2016)

	General	Fire Service Awards Program
ASSETS		
Cash and equivalents	\$ 100,242	\$ -
Investments	-	688,740
Taxes receivable, net of allowance for uncollectible taxes of \$677 in 2017 and 2016	68,680	-
Accounts receivable	170,499	-
Due from other governments	105,108	-
Due from other funds	129,404	-
Total Assets	\$ 573,933	\$ 688,740
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 137,466	\$ -
Accrued liabilities	10,712	-
Due to retirement systems	76,898	-
Unearned revenues	172,339	-
Total Liabilities	397,415	-
Deferred inflows of resources		
Real property taxes	65,987	-
Total Liabilities and Deferred Inflows of Resources	463,402	-
Fund balances		
Restricted	51,366	688,740
Unassigned	59,165	-
Total Fund Balances	110,531	688,740
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 573,933	\$ 688,740

See independent auditors' report.

Totals

2017

2016

\$	100,242	\$	96,561
	688,740		-
	68,680		75,245
	170,499		290,954
	105,108		101,665
	129,404		541,497
\$	<u>1,262,673</u>	\$	<u>1,105,922</u>

\$	137,466	\$	72,212
	10,712		72,292
	76,898		72,565
	172,339		171,314

397,415 388,383

65,987 75,201

463,402 463,584

740,106 51,110

59,165 591,228

799,271 642,338

\$	<u>1,262,673</u>	\$	<u>1,105,922</u>
----	------------------	----	------------------

Village of Buchanan, New York

General Fund

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Sub-Funds

Year Ended May 31, 2017

(With Comparative Totals for 2016)

	General	Fire Service Awards Program	Eliminations
REVENUES			
Real property taxes	\$ 1,781,426	\$ -	\$ -
Other tax items	2,639,966	-	-
Non-property taxes	342,759	-	-
Departmental income	754,761	46,826	(46,826)
Use of money and property	1,329	19,250	-
Licenses and permits	24,854	-	-
Fines and forfeitures	22,128	-	-
Sale of property and compensation for loss	22,953	-	-
State aid	66,824	-	-
Miscellaneous	14,177	-	-
Total Revenues	<u>5,671,177</u>	<u>66,076</u>	<u>(46,826)</u>
EXPENDITURES			
Current			
General government support	925,930	-	-
Public safety	1,354,229	13,995	-
Health	2,500	-	-
Transportation	658,369	-	-
Economic opportunity and development	2,850	-	-
Culture and recreation	315,932	-	-
Home and community services	1,139,621	-	-
Employee benefits	1,709,969	-	(46,826)
Debt service			
Principal	88,262	-	-
Interest	24,110	-	-
Total Expenditures	<u>6,221,772</u>	<u>13,995</u>	<u>(46,826)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(550,595)</u>	<u>52,081</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Sale of easement	-	-	-
Transfers in	303,788	-	-
Transfers out	(285,000)	-	-
Total Other Financing Sources	<u>18,788</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(531,807)</u>	<u>52,081</u>	<u>-</u>
FUND BALANCES			
Beginning of Year, as reported	642,338	-	-
Cumulative Effect of Change in Accounting Principle	-	636,659	-
Beginning of Year, as restated	<u>642,338</u>	<u>688,740</u>	<u>-</u>
End of Year	<u>\$ 110,531</u>	<u>\$ 688,740</u>	<u>\$ -</u>

See independent auditors' report.

Totals	
2017	2016
\$ 1,781,426	\$ 1,787,758
2,639,966	2,631,936
342,759	342,992
754,761	807,721
20,579	802
24,854	42,219
22,128	22,606
22,953	64,590
66,824	64,077
14,177	11,999
<u>5,690,427</u>	<u>5,776,700</u>
925,930	908,951
1,368,224	1,345,676
2,500	2,500
658,369	703,167
2,850	2,850
315,932	287,296
1,139,621	1,048,588
1,663,143	1,643,872
88,262	48,488
24,110	20,091
<u>6,188,941</u>	<u>6,011,479</u>
<u>(498,514)</u>	<u>(234,779)</u>
-	725,000
303,788	325,000
<u>(285,000)</u>	<u>(335,000)</u>
18,788	715,000
<u>(479,726)</u>	<u>480,221</u>
642,338	162,117
636,659	-
<u>1,278,997</u>	<u>162,117</u>
<u>\$ 799,271</u>	<u>\$ 642,338</u>

(This page intentionally left blank)

Village of Buchanan, New York

General Fund
 Comparative Balance Sheet - Sub-Fund
 May 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 100,242	\$ 96,561
Taxes receivable, net of allowance for uncollectible taxes of \$677 in 2017 and 2016	<u>68,680</u>	<u>75,245</u>
Other receivables		
Accounts	170,499	290,954
Due from other governments	105,108	101,665
Due from other funds	<u>129,404</u>	<u>541,497</u>
	<u>405,011</u>	<u>934,116</u>
Total Assets	<u>\$ 573,933</u>	<u>\$ 1,105,922</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 137,466	\$ 72,212
Accrued liabilities	10,712	72,292
Due to retirement systems	76,898	72,565
Unearned revenues	<u>172,339</u>	<u>171,314</u>
Total Liabilities	397,415	388,383
Deferred inflows of resources		
Real property taxes	<u>65,987</u>	<u>75,201</u>
Total Liabilities and Deferred Inflows of Resources	<u>463,402</u>	<u>463,584</u>
Fund balance		
Restricted	51,366	51,110
Unassigned	<u>59,165</u>	<u>591,228</u>
Total Fund Balance	<u>110,531</u>	<u>642,338</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 573,933</u>	<u>\$ 1,105,922</u>

See independent auditors' report.

Village of Buchanan, New York

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

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,772,176	\$ 1,772,176	\$ 1,781,426	\$ 9,250
Other tax items	2,637,140	2,637,140	2,639,966	2,826
Non-property taxes	344,200	344,200	342,759	(1,441)
Departmental income	408,900	663,900	754,761	90,861
Use of money and property	5,000	5,000	1,329	(3,671)
Licenses and permits	20,650	20,650	24,854	4,204
Fines and forfeitures	28,000	28,000	22,128	(5,872)
Sale of property and compensation for loss	16,400	16,400	22,953	6,553
State aid	52,000	52,000	66,824	14,824
Miscellaneous	267,000	12,000	14,177	2,177
Total Revenues	5,551,466	5,551,466	5,671,177	119,711
EXPENDITURES				
Current				
General government support	856,818	756,818	925,930	(169,112)
Public safety	1,236,400	1,224,721	1,354,229	(129,508)
Health	2,500	2,500	2,500	-
Transportation	735,000	657,299	658,369	(1,070)
Economic opportunity and development	3,000	2,850	2,850	-
Culture and recreation	306,695	315,725	315,932	(207)
Home and community services	1,039,975	1,087,072	1,139,621	(52,549)
Employee benefits	1,620,500	1,732,111	1,709,969	22,142
Debt service				
Principal	5,320	88,260	88,262	(2)
Interest	12,133	24,110	24,110	-
Total Expenditures	5,818,341	5,891,466	6,221,772	(330,306)
Deficiency of Revenues Over Expenditures	(266,875)	(340,000)	(550,595)	(210,595)
OTHER FINANCING SOURCES (USES)				
Sale of easement	-	-	-	-
Transfers in	625,000	625,000	303,788	(321,212)
Transfers out	(358,125)	(285,000)	(285,000)	-
Total Other Financing Sources	266,875	340,000	18,788	(321,212)
Net Change in Fund Balance	-	-	(531,807)	(531,807)
FUND BALANCE				
Beginning of Year	-	-	642,338	642,338
End of Year	\$ -	\$ -	\$ 110,531	\$ 110,531

See independent auditors' report.

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,794,065	\$ 1,794,065	\$ 1,787,758	\$ (6,307)
2,632,000	2,632,000	2,631,936	(64)
344,200	344,200	342,992	(1,208)
658,900	658,900	807,721	148,821
5,000	5,000	802	(4,198)
20,450	20,450	42,219	21,769
25,000	25,000	22,606	(2,394)
16,400	16,400	64,590	48,190
52,000	52,000	64,077	12,077
12,000	12,000	11,999	(1)
<u>5,560,015</u>	<u>5,560,015</u>	<u>5,776,700</u>	<u>216,685</u>
834,922	797,037	908,951	(111,914)
1,199,250	1,342,545	1,345,676	(3,131)
2,500	2,500	2,500	-
764,400	705,353	703,167	2,186
3,000	2,850	2,850	-
272,995	287,557	287,296	261
1,104,425	1,050,903	1,048,588	2,315
1,647,500	1,636,255	1,643,872	(7,617)
5,190	5,190	48,488	(43,298)
15,833	19,825	20,091	(266)
<u>5,850,015</u>	<u>5,850,015</u>	<u>6,011,479</u>	<u>(161,464)</u>
<u>(290,000)</u>	<u>(290,000)</u>	<u>(234,779)</u>	<u>55,221</u>
-	-	725,000	725,000
625,000	625,000	325,000	(300,000)
<u>(335,000)</u>	<u>(335,000)</u>	<u>(335,000)</u>	<u>-</u>
<u>290,000</u>	<u>290,000</u>	<u>715,000</u>	<u>425,000</u>
-	-	480,221	480,221
-	-	162,117	162,117
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642,338</u>	<u>\$ 642,338</u>

Village of Buchanan, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget - Sub-Fund

Year Ended May 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
REAL PROPERTY TAXES	\$ 1,772,176	\$ 1,772,176	\$ 1,781,426	\$ 9,250	\$ 1,787,758
OTHER TAX ITEMS					
Payments in lieu of taxes	2,627,140	2,627,140	2,627,149	9	2,624,000
Interest and penalties on real property taxes	10,000	10,000	12,817	2,817	7,936
	<u>2,637,140</u>	<u>2,637,140</u>	<u>2,639,966</u>	<u>2,826</u>	<u>2,631,936</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	325,200	325,200	329,236	4,036	324,753
Franchise fees - Cable TV	19,000	19,000	13,523	(5,477)	18,239
	<u>344,200</u>	<u>344,200</u>	<u>342,759</u>	<u>(1,441)</u>	<u>342,992</u>
DEPARTMENTAL INCOME					
Town Clerk fees	500	500	190	(310)	160
Engineering fees	30,000	30,000	79,323	49,323	83,637
Police fees	5,000	5,000	360	(4,640)	510
Planning Board fees	3,000	3,000	2,100	(900)	600
Park and recreation charges	98,400	98,400	174,263	75,863	141,927
Zoning fees	2,000	2,000	150	(1,850)	450
Inspection fees	4,000	4,000	-	(4,000)	-
Sewer charges	185,000	185,000	152,029	(32,971)	153,755
Traffic control	60,000	60,000	72,325	12,325	153,750
DWI charges	3,000	3,000	-	(3,000)	-
Indian Point agreement	-	255,000	255,000	-	250,000
Sewer services	18,000	18,000	19,021	1,021	22,932
	<u>408,900</u>	<u>663,900</u>	<u>754,761</u>	<u>90,861</u>	<u>807,721</u>

USE OF MONEY AND PROPERTY

Earnings on investments	5,000	5,000	1,329	(3,671)	802
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

LICENSES AND PERMITS

Business and occupational licenses	200	200	-	(200)	-
Dog licenses	250	250	340	90	295
Building and alteration permits	20,200	20,200	24,514	4,314	41,924
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	20,650	20,650	24,854	4,204	42,219
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

FINES AND FORFEITURES

Fines and forfeited bail	28,000	28,000	21,878	(6,122)	22,356
Forfeiture of deposits	-	-	250	250	250
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	28,000	28,000	22,128	(5,872)	22,606
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**SALE OF PROPERTY AND
COMPENSATION FOR LOSS**

Sale of equipment	1,000	1,000	-	(1,000)	400
Insurance recoveries	15,000	15,000	22,953	7,953	64,190
Other	400	400	-	(400)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	16,400	16,400	22,953	6,553	64,590
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

STATE AID

Per capita	18,000	18,000	17,867	(133)	20,241
Mortgage tax	30,000	30,000	45,516	15,516	40,335
Police - Stop DWI and Dare programs	1,000	1,000	1,061	61	-
Other	3,000	3,000	2,380	(620)	3,501
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	52,000	52,000	66,824	14,824	64,077
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

(This page intentionally left blank)

Village of Buchanan, New York

General Fund

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

Year Ended May 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
MISCELLANEOUS					
Refund of prior year's expenditures	\$ -	\$ -	\$ -	\$ -	\$ 1,181
Gifts and donations	255,000	-	-	-	1,210
Other	12,000	12,000	14,177	2,177	9,608
	<u>267,000</u>	<u>12,000</u>	<u>14,177</u>	<u>2,177</u>	<u>11,999</u>
TOTAL REVENUES	<u>5,551,466</u>	<u>5,551,466</u>	<u>5,671,177</u>	<u>119,711</u>	<u>5,776,700</u>
OTHER FINANCING SOURCES					
Sale of easement	-	-	-	-	725,000
Transfers in					
Capital Projects Fund	-	-	70,000	70,000	-
Water Fund	625,000	625,000	233,788	(391,212)	325,000
	<u>625,000</u>	<u>625,000</u>	<u>303,788</u>	<u>(321,212)</u>	<u>1,050,000</u>
TOTAL OTHER FINANCING SOURCES	<u>625,000</u>	<u>625,000</u>	<u>303,788</u>	<u>(321,212)</u>	<u>1,050,000</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 6,176,466</u>	<u>\$ 6,176,466</u>	<u>\$ 5,974,965</u>	<u>\$ (201,501)</u>	<u>\$ 6,826,700</u>

See independent auditors' report.

Village of Buchanan, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund

Year Ended May 31, 2017

(With Comparative Actuals for 2016)

69

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 37,300	\$ 34,857	\$ 34,857	\$ -	\$ 29,608
Town Justice	45,625	41,267	41,267	-	48,826
Manager	92,395	91,675	91,865	(190)	90,194
Mayor	7,100	7,936	7,936	-	7,024
Independent audit	31,500	34,595	34,595	-	29,442
Treasurer	162,800	161,020	161,981	(961)	167,885
Assessor	1,000	1,000	315	685	434
Town Attorney	66,575	74,626	74,625	1	82,208
Engineer	75,000	82,291	251,592	(169,301)	122,510
Elections	3,300	3,300	2,373	927	2,329
Buildings	174,723	191,424	191,697	(273)	300,106
Central garage	50,000	18,602	18,602	-	19,042
Municipal association dues	4,000	2,925	2,925	-	2,782
Judgments and claims	-	1,900	1,900	-	100
Metropolitan Transportation Authority payroll tax	5,500	9,400	9,400	-	6,461
Contingency	100,000	-	-	-	-
	<u>856,818</u>	<u>756,818</u>	<u>925,930</u>	<u>(169,112)</u>	<u>908,951</u>
PUBLIC SAFETY					
Police	959,650	955,380	1,084,858	(129,478)	1,078,824
Fire protection	276,750	269,341	269,371	(30)	266,852
	<u>1,236,400</u>	<u>1,224,721</u>	<u>1,354,229</u>	<u>(129,508)</u>	<u>1,345,676</u>
HEALTH					
Nursing services	2,500	2,500	2,500	-	2,500

TRANSPORTATION

Street maintenance	612,000	556,683	557,760	(1,077)	601,224
Snow removal	80,000	67,563	67,563	-	43,813
Street lighting	43,000	33,053	33,046	7	58,130
	<u>735,000</u>	<u>657,299</u>	<u>658,369</u>	<u>(1,070)</u>	<u>703,167</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Publicity	<u>3,000</u>	<u>2,850</u>	<u>2,850</u>	<u>-</u>	<u>2,850</u>
-----------	--------------	--------------	--------------	----------	--------------

CULTURE AND RECREATION

Parks	72,900	103,273	105,039	(1,766)	80,557
Community center	165,020	138,939	137,426	1,513	142,080
Municipal pool	67,300	73,223	73,177	46	63,958
Town historian	1,475	290	290	-	701
	<u>306,695</u>	<u>315,725</u>	<u>315,932</u>	<u>(207)</u>	<u>287,296</u>

HOME AND COMMUNITY SERVICES

Zoning Board of Appeals	124,100	132,908	132,908	-	132,131
Planning Board	17,200	66,538	81,750	(15,212)	51,074
Sewer system	96,500	73,255	71,174	2,081	75,659
Sewage treatment and disposal	505,950	526,578	565,388	(38,810)	538,929
Refuse and garbage	296,225	287,793	288,401	(608)	250,795
	<u>1,039,975</u>	<u>1,087,072</u>	<u>1,139,621</u>	<u>(52,549)</u>	<u>1,048,588</u>

EMPLOYEE BENEFITS

Employees' retirement	207,000	210,691	195,269	15,422	219,147
Police retirement	205,000	215,937	230,050	(14,113)	207,712
Service awards program	46,000	46,826	46,826	-	46,618
Social security benefits	190,000	179,144	179,144	-	181,632
Workers' compensation benefits	160,000	167,885	167,885	-	166,721
Life insurance	25,000	19,996	19,996	-	21,382
Unemployment benefits	5,000	-	-	-	22
Hospitalization, medical and dental benefits	782,500	891,632	870,799	20,833	800,638
	<u>1,620,500</u>	<u>1,732,111</u>	<u>1,709,969</u>	<u>22,142</u>	<u>1,643,872</u>

(Continued)

Village of Buchanan, New York

General Fund

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

Year Ended May 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
DEBT SERVICE					
Principal					
Bonds	\$ -	\$ 60,000	\$ 60,000	\$ -	\$ -
Loans	5,320	5,308	5,310	(2)	10,488
Installment purchase debt	-	22,952	22,952	-	38,000
	<u>5,320</u>	<u>88,260</u>	<u>88,262</u>	<u>(2)</u>	<u>48,488</u>
Interest					
Bonds	-	22,250	22,250	-	11,125
Loans	133	133	133	-	529
Installment purchase debt	12,000	1,727	1,727	-	8,437
	<u>12,133</u>	<u>24,110</u>	<u>24,110</u>	<u>-</u>	<u>20,091</u>
	<u>17,453</u>	<u>112,370</u>	<u>112,372</u>	<u>(2)</u>	<u>68,579</u>
TOTAL EXPENDITURES	5,818,341	5,891,466	6,221,772	(330,306)	6,011,479
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	358,125	285,000	285,000	-	335,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 6,176,466</u>	<u>\$ 6,176,466</u>	<u>\$ 6,506,772</u>	<u>\$ (330,306)</u>	<u>\$ 6,346,479</u>

See independent auditors' report.

Village of Buchanan, New York

Water Fund
Comparative Balance Sheet
May 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 945,000	\$ 1,522,870
Water rents receivable	312,891	291,089
Total Assets	<u>\$ 1,257,891</u>	<u>\$ 1,813,959</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 654,728	\$ 786,748
Accrued liabilities	304	781
Due to other funds	212,764	619,235
Total Liabilities	<u>867,796</u>	<u>1,406,764</u>
Fund balance		
Restricted	390,095	389,859
Assigned	-	17,336
Total Fund Balance	<u>390,095</u>	<u>407,195</u>
Total Liabilities and Fund Balance	<u>\$ 1,257,891</u>	<u>\$ 1,813,959</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,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 2,775,840	\$ 2,775,840	\$ 2,832,209	\$ 56,369
Use of money and property	15,000	15,000	734	(14,266)
Miscellaneous	-	-	1,542	1,542
Total Revenues	2,790,840	2,790,840	2,834,485	43,645
EXPENDITURES				
Current				
Home and community services	2,121,840	2,158,697	2,575,392	(416,695)
Employee benefits	44,000	7,143	42,405	(35,262)
Total Expenditures	2,165,840	2,165,840	2,617,797	(451,957)
Excess of Revenues Over Expenditures	625,000	625,000	216,688	(408,312)
OTHER FINANCING USES				
Transfers out	(625,000)	(625,000)	(233,788)	391,212
Net Change in Fund Balance	-	-	(17,100)	(17,100)
FUND BALANCE				
Beginning of Year	-	-	407,195	407,195
End of Year	\$ -	\$ -	\$ 390,095	\$ 390,095

See independent auditors' report.

2016

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>
625,000	625,000	159,792	(465,208)
<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

Water Fund
 Schedule of Revenues Compared to Budget
 Year Ended May 31, 2017
 (With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
DEPARTMENTAL INCOME					
Metered water sales	\$ 2,762,500	\$ 2,762,500	\$ 2,829,062	\$ 66,562	\$ 2,733,441
Water service charges	13,340	13,340	3,147	(10,193)	2,866
	<u>2,775,840</u>	<u>2,775,840</u>	<u>2,832,209</u>	<u>56,369</u>	<u>2,736,307</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	15,000	15,000	734	(14,266)	974
MISCELLANEOUS					
Other	-	-	1,542	1,542	395
TOTAL REVENUES	<u>\$ 2,790,840</u>	<u>\$ 2,790,840</u>	<u>\$ 2,834,485</u>	<u>\$ 43,645</u>	<u>\$ 2,737,676</u>

75

See independent auditors' report.

Village of Buchanan, New York

Water Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
HOME AND COMMUNITY SERVICES					
Pumping, supply and power	\$ 1,950,000	\$ 1,993,293	\$ 2,414,703	\$ (421,410)	\$ 2,417,686
Transmission and distribution	171,840	165,404	160,689	4,715	153,493
	<u>2,121,840</u>	<u>2,158,697</u>	<u>2,575,392</u>	<u>(416,695)</u>	<u>2,571,179</u>
EMPLOYEE BENEFITS					
Employees' retirement	13,000	-	14,410	(14,410)	-
Social security benefits	6,500	7,143	7,164	(21)	6,705
Hospitalization, medical and dental benefits	24,500	-	20,831	(20,831)	-
	<u>44,000</u>	<u>7,143</u>	<u>42,405</u>	<u>(35,262)</u>	<u>6,705</u>
TOTAL EXPENDITURES	2,165,840	2,165,840	2,617,797	(451,957)	2,577,884
OTHER FINANCING USES					
Transfers out					
General Fund	625,000	625,000	233,788	391,212	325,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 2,790,840</u>	<u>\$ 2,790,840</u>	<u>\$ 2,851,585</u>	<u>\$ (60,745)</u>	<u>\$ 2,902,884</u>

See independent auditors' report.

Village of Buchanan, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 190,188	\$ 227,995
Due from other funds	<u>37,945</u>	<u>-</u>
Total Assets	<u>\$ 228,133</u>	<u>\$ 227,995</u>
FUND BALANCE		
Restricted	<u>\$ 228,133</u>	<u>\$ 227,995</u>

See independent auditors' report.

Village of Buchanan, New York

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

	<u>2017</u>	<u>2016</u>
REVENUES		
Use of money and property	\$ 138	\$ 138
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	138	138
FUND BALANCE		
Beginning of Year	<u>227,995</u>	<u>227,857</u>
End of Year	<u><u>\$ 228,133</u></u>	<u><u>\$ 227,995</u></u>

See independent auditors' report.

Village of Buchanan, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 363,483	\$ 312,746
Due from other funds	45,415	77,738
	<u>408,898</u>	<u>390,484</u>
Total Assets	<u>\$ 408,898</u>	<u>\$ 390,484</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 28,663
Fund balance		
Restricted	<u>408,898</u>	<u>361,821</u>
	<u>\$ 408,898</u>	<u>\$ 390,484</u>
Total Liabilities and Fund Balance	<u>\$ 408,898</u>	<u>\$ 390,484</u>

See independent auditors' report.

Village of Buchanan, New YorkCapital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended May 31,

	<u>2017</u>	<u>2016</u>
REVENUES		
State aid	\$ 61,018	\$ 49,801
Miscellaneous	<u>132,246</u>	<u>57,017</u>
Total Revenues	193,264	106,818
EXPENDITURES		
Capital outlay	<u>426,740</u>	<u>405,989</u>
Deficiency of Revenues Over Expenditures	<u>(233,476)</u>	<u>(299,171)</u>
OTHER FINANCING SOURCES		
Bonds issued	-	700,000
Installment purchase debt issued	65,553	207,038
Transfers in	285,000	335,000
Transfers out	<u>(70,000)</u>	<u>-</u>
Total Other Financing Sources	<u>280,553</u>	<u>1,242,038</u>
Net Change in Fund Balance	47,077	942,867
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>361,821</u>	<u>(581,046)</u>
End of Year	<u>\$ 408,898</u>	<u>\$ 361,821</u>

See independent auditors' report.

Village of Buchanan, New York

Capital Projects Fund
Project-Length Schedule
Inception of Project through May 31, 2017

<u>Project</u>	<u>Authorization</u>	<u>Expendi- tures and Transfers</u>	<u>Unexpended Balance</u>
Reconstruction and resurfacing of various roads	\$ 2,157,123	\$ 1,565,246	\$ 591,877
Sludge tank roof repairs	98,574	74,157	24,417
	<u>\$ 2,255,697</u>	<u>\$ 1,639,403</u>	<u>\$ 616,294</u>

See independent auditors' report.

<u>Total Revenues</u>	<u>Fund Balance at May 31, 2017</u>
\$ 1,973,188	\$ 407,942
75,113	956
<u>\$ 2,048,301</u>	<u>\$ 408,898</u>