

Village of Buchanan, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2018

Village of Buchanan, New York

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Buchanan, New York ("Village") as of and for the year ended May 31, 2018, 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, 2018, 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 3D in the notes to financial statements which disclose the effects of the Village's adoption of the provisions of Government Accounting Standards Board ("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 Nos. 67 and 68". Our opinion is not modified with respect to this matter.

Cumulative Effect of Change in Accounting Principle

The Village, for the year ended May 31, 2018, 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 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68. As a result of adopting this standard, a cumulative effect for the change in accounting principle of \$(1,073,280) was recorded in the Governmental Activities.

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, 2017 (not presented herein), and have issued our report thereon dated December 20, 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, 2017 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, 2017 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, 2017 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, 2017.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

February 14, 2019

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Village of Buchanan

Management's Discussion and Analysis May 31, 2018

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, 2018. 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 \$1,291,354.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$2,283,437. This amount is inclusive of the Capital Projects Fund balance of \$300,177.
- The Village's total net position decreased by \$1,080,630. Total revenues amounted to \$9,498,018 and were \$788,918 more than 2017. The majority of this increase was due to the fact that in 2017 the Village water sales increased by \$497,389.
- Total expenses amounted to \$9,505,368 and were \$98,013 less than 2017. The majority of the decrease was in Home and Community Services.
- The Village implemented GASB Statement No. 73 "*Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provision of GASB Statements No. 67 and 68.*" As a result of adopting this new standard, the Village had a reduction of \$1,073,280 to its net position.

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 position presents financial information on all of the Village's assets, deferred inflows/outflows of resources 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 and deferred inflows of resources exceeded assets and deferred outflows of resources by \$7,350 at the close of the most recent fiscal year.

The largest portion of the Village's net position, \$3,577,652, 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,	
	2018	2017
Current Assets	\$ 3,374,911	\$ 2,944,831
Capital Assets, net	4,391,543	4,236,274
Total Assets	<u>7,766,454</u>	<u>7,181,105</u>
Deferred Outflows of Resources	<u>1,190,337</u>	<u>846,699</u>
Current Liabilities	996,167	1,056,458
Non-Current Liabilities	<u>8,019,181</u>	<u>6,959,078</u>
Total Liabilities	<u>9,015,348</u>	<u>8,015,536</u>
Deferred Inflows of Resources	<u>1,232,797</u>	<u>222,992</u>
Net Position		
Net Investment in Capital Assets	3,577,652	3,384,635
Restricted	1,730,497	1,767,232
Unrestricted	<u>(6,599,503)</u>	<u>(5,362,591)</u>
Total Net Position	<u>\$ (1,291,354)</u>	<u>\$ (210,724)</u>

Change in Net Position

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

	May 31,	
	2018	2017
REVENUES		
Program Revenues		
Charges for Services	\$ 4,142,613	\$ 3,633,952
Operating Grants and Contributions	3,636	6,111
Capital Grants and Contributions	129,171	193,264
Total Program Revenues	4,275,420	3,833,327
General Revenues		
Real Property Taxes	2,005,749	1,772,212
Other Tax Items	2,660,439	2,639,966
Non-Property Taxes	371,942	342,759
Unrestricted Use of Money and Property	23,023	20,323
Sale of Property and Compensation for Loss	62,841	22,953
Unrestricted State Aid	66,633	63,383
Miscellaneous	31,971	14,177
Total General Revenues	5,222,598	4,875,773
Total Revenues	9,498,018	8,709,100
EXPENSES		
Program Expenses		
General Government Support	1,314,108	1,229,354
Public Safety	2,279,877	2,356,737
Health	5,000	2,500
Transportation	1,199,661	1,139,865
Economic Opportunity and Development	1,900	2,850
Culture and Recreation	499,659	502,564
Home and Community Services	4,181,116	4,345,221
Interest	24,047	24,290
Total Expenses	9,505,368	9,603,381
Change in Net Position	(7,350)	(894,281)
Net Position		
Beginning, as reported	(210,724)	46,898
Cumulative Effect of Change in Accounting Principle	(1,073,280)	636,659
Beginning, as restated	(1,284,004)	683,557
Ending	\$ (1,291,354)	\$ (210,724)

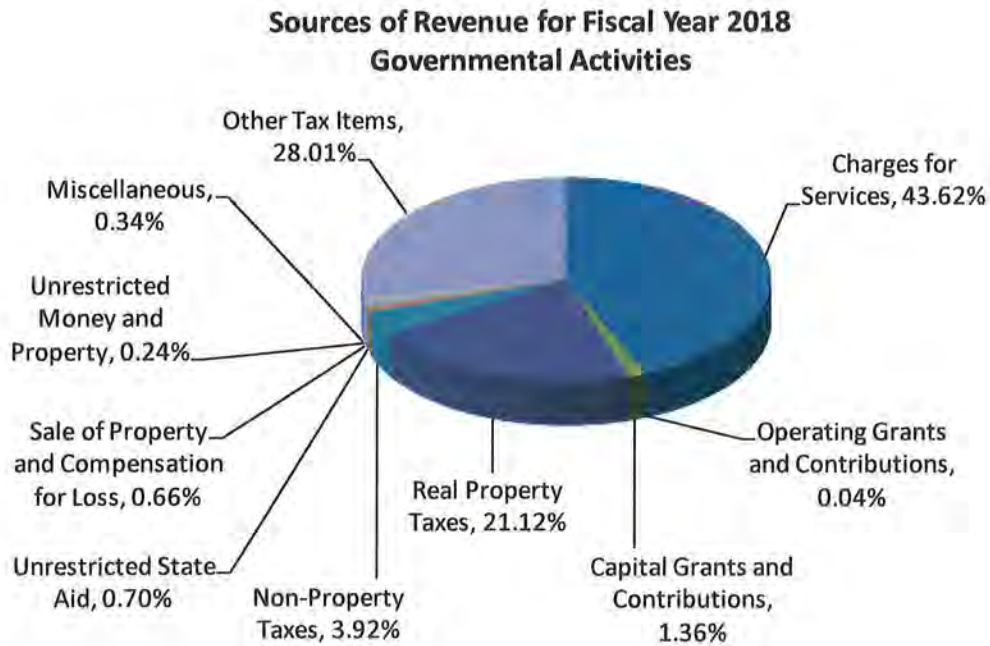
Governmental Activities

Governmental activities decreased the Village's net position by \$7,350 net of the impact of GASB Statement No. 73.

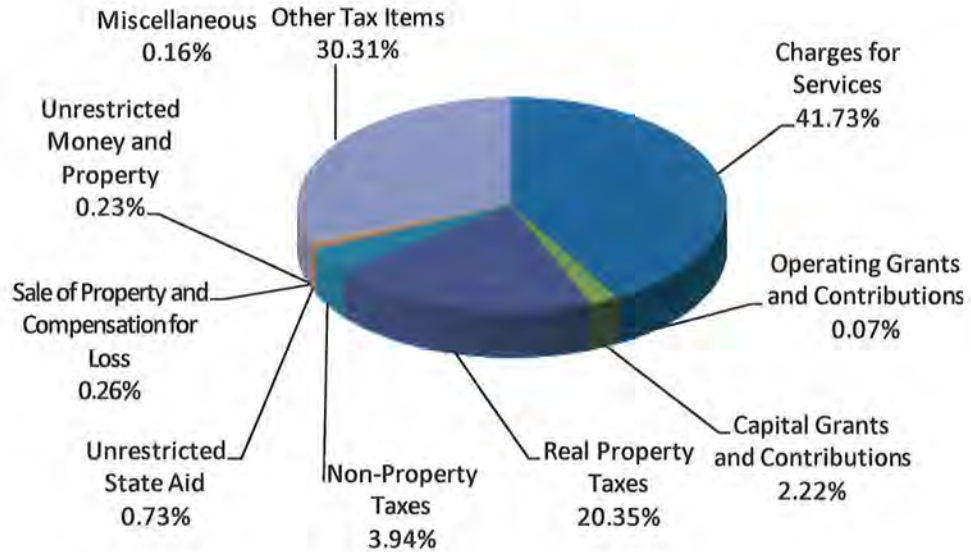
For the year ending May 31, 2018, the Village's OPEB obligations of \$5,020,000 reflected as a liability on the government-wide financial statements and accordingly was the prime factor in the decrease in total net position.

For the fiscal year ended May 31, 2018, revenues from governmental activities totaled \$9,498,018. Program revenues are 43.62% of this total and 53.04% is attributable to taxes and other sources. The major changes are as follows:

- Charges for services increased by \$508,661 mostly due to sales related to the Water Fund.



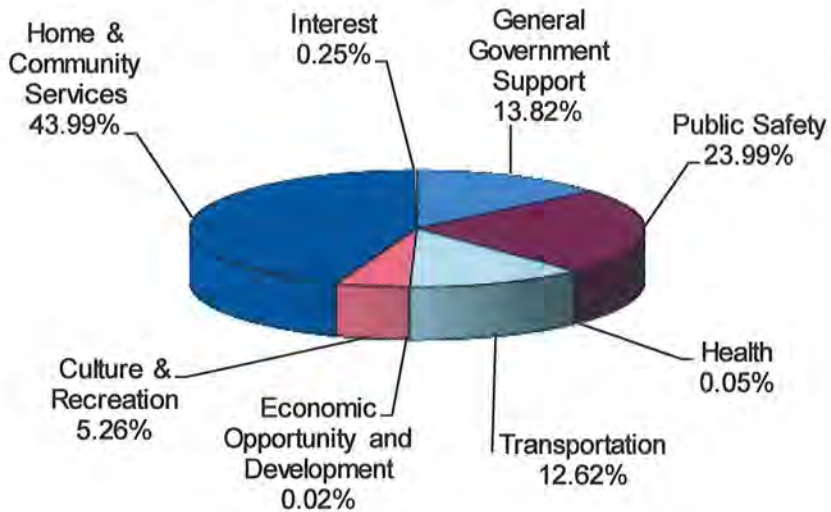
**Sources of Revenue for Fiscal Year 2017
Governmental Activities**



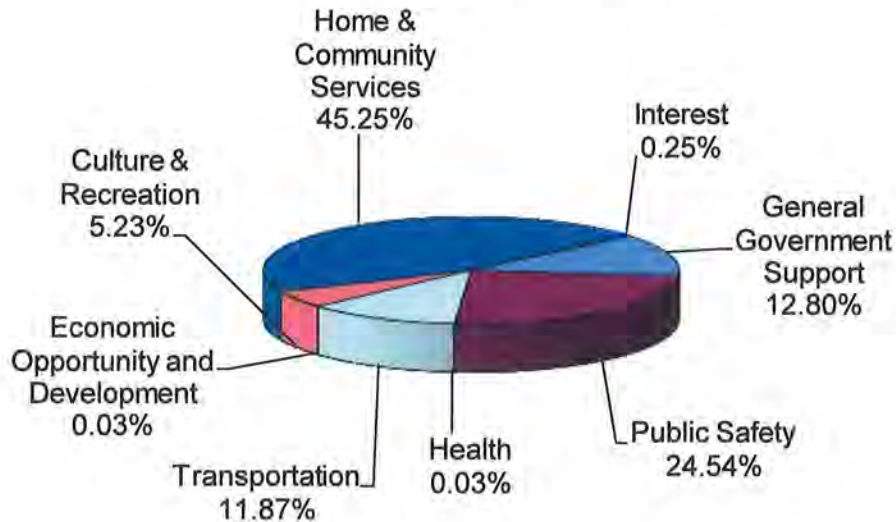
For the fiscal year ended May 31, 2018, expenses for governmental activities totaled \$9,505,368 or \$98,013 less than the major changes are as follows:

- 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 2018
Governmental Activities**



Sources of Expenses for Fiscal Year 2017 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 \$2,283,437. Of the total, \$1,730,497 is restricted, \$149,464 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 \$35,368 less than the final budget. Actual revenues and other financing sources were more than the final budget by \$161,821. The major area where revenues were more than the final budgetary estimates was in Departmental Income and non-property tax items.

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 \$4,391,543.

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

<u>Asset</u>	<u>May 31,</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 478,000	\$ 478,000
Construction-in-progress	-	68,557
Buildings	253,481	281,846
Infrastructure	3,155,880	2,896,413
Machinery and Equipment	504,182	511,458
	<u>504,182</u>	<u>511,458</u>
Total (net of depreciation)	<u>\$ 4,391,543</u>	<u>\$ 4,236,274</u>

Long Term Debt/Short-Term Debt

At the end of the current fiscal year, the Village had total outstanding serial bonds of \$580,000 and installment purchase debt of \$233,891.

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, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 1,663,261
Investments	760,005
Receivables	
Taxes, net	100,318
Accounts	317,989
Water rents	421,789
Due from other governments	111,549
Capital assets	
Not being depreciated	478,000
Being depreciated, net	<u>3,913,543</u>
Total Assets	<u>7,766,454</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>1,190,337</u>
LIABILITIES	
Accounts payable	749,850
Due to retirement systems	74,572
Unearned revenues	166,734
Accrued interest payable	5,011
Non-current liabilities	
Due within one year	182,929
Due in more than one year	<u>7,836,252</u>
Total Liabilities	<u>9,015,348</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>1,232,797</u>
NET POSITION	
Net investment in capital assets	3,577,652
Restricted for	
Capital projects	300,177
Repairs	442,028
Pension benefits	760,005
Parklands	228,287
Unrestricted	<u>(6,599,503)</u>
Total Net Position	<u>\$ (1,291,354)</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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 1,314,108	\$ 363,308	\$ 2,146	\$ -
Public safety	2,279,877	81,611	-	-
Health	5,000	-	-	-
Transportation	1,199,661	-	-	70,028
Economic opportunity and development	1,900	-	-	-
Culture and recreation	499,659	147,998	154	-
Home and community services	4,181,116	3,549,696	1,336	59,143
Interest	24,047	-	-	-
Total Governmental Activities	\$ 9,505,368	\$ 4,142,613	\$ 3,636	\$ 129,171

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>	
\$	(948,654)
	(2,198,266)
	(5,000)
	(1,129,633)
	(1,900)
	(351,507)
	(570,941)
	(24,047)
	<u>(5,229,948)</u>
	2,005,749
	2,657,361
	3,078
	351,850
	20,092
	23,023
	62,841
	66,633
	31,971
	<u>5,222,598</u>
	<u>(7,350)</u>
	(210,724)
	<u>(1,073,280)</u>
	<u>(1,284,004)</u>
\$	<u><u>(1,291,354)</u></u>

Village of Buchanan, New York

Balance Sheet
 Governmental Funds
 May 31, 2018

	General	Water	Special Purpose
ASSETS			
Cash and equivalents	\$ 118,250	\$ 1,099,355	\$ 190,342
Investments	760,005	-	-
	<u>878,255</u>	<u>1,099,355</u>	<u>190,342</u>
Taxes receivable, net of allowance for uncollectible taxes	100,318	-	-
Other receivables			
Accounts	317,989	-	-
Water rents	-	421,789	-
Due from other governments	111,549	-	-
Due from other funds	7,474	-	37,945
	<u>437,012</u>	<u>421,789</u>	<u>37,945</u>
Total Assets	<u>\$ 1,415,585</u>	<u>\$ 1,521,144</u>	<u>\$ 228,287</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 112,869	\$ 636,981	\$ -
Due to retirement systems	74,572	-	-
Unearned revenues	166,734	-	-
Due to other funds	-	90,282	-
Total Liabilities	<u>354,175</u>	<u>727,263</u>	<u>-</u>
Deferred inflows of resources			
Real property taxes	100,318	-	-
Total Liabilities and Deferred Inflows of Resources	<u>454,493</u>	<u>727,263</u>	<u>-</u>
Fund balances			
Restricted	811,628	390,405	228,287
Assigned	-	403,476	-
Unassigned	149,464	-	-
Total Fund Balances	<u>961,092</u>	<u>793,881</u>	<u>228,287</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,415,585</u>	<u>\$ 1,521,144</u>	<u>\$ 228,287</u>

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

Capital Projects	Total Governmental Funds
\$ 255,314	\$ 1,663,261
-	760,005
<u>255,314</u>	<u>2,423,266</u>
-	100,318
-	317,989
-	421,789
-	111,549
44,863	90,282
<u>44,863</u>	<u>941,609</u>
<u>\$ 300,177</u>	<u>\$ 3,465,193</u>
\$ -	\$ 749,850
-	74,572
-	166,734
-	90,282
-	1,081,438
-	100,318
-	1,181,756
300,177	1,730,497
-	403,476
-	149,464
<u>300,177</u>	<u>2,283,437</u>
<u>\$ 300,177</u>	<u>\$ 3,465,193</u>

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Village of Buchanan, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position May 31, 2018

Fund Balances - Total Governmental Funds	<u>\$ 2,283,437</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>4,391,543</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>(42,460)</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>100,318</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(5,011)
Bonds payable	(580,000)
Installment purchase debt payable	(233,891)
Compensated absences	(533,996)
Net pension liability	(491,718)
Total pension liability	(1,159,576)
Other post employment benefit obligations payable	<u>(5,020,000)</u>
	<u>(8,024,192)</u>
Net Position of Governmental Activities	<u>\$ (1,291,354)</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, 2018

	General	Water	Special Purpose
REVENUES			
Real property taxes	\$ 1,971,418	\$ -	\$ -
Other tax items	2,660,439	-	-
Non-property taxes	371,942	-	-
Departmental income	733,185	3,337,492	-
Use of money and property	22,766	887	154
Licenses and permits	40,634	-	-
Fines and forfeitures	31,302	-	-
Sale of property and compensation for loss	62,841	-	-
State aid	68,779	-	-
Miscellaneous	31,971	706	-
Total Revenues	5,995,277	3,339,085	154
EXPENDITURES			
Current			
General government support	835,286	-	-
Public safety	1,405,742	-	-
Health	5,000	-	-
Transportation	591,842	-	-
Economic opportunity and development	1,900	-	-
Culture and recreation	314,058	-	-
Home and community services	1,275,427	2,264,954	-
Employee benefits	1,757,501	45,345	-
Debt service			
Principal	98,653	-	-
Interest	23,047	-	-
Capital outlay	-	-	-
Total Expenditures	6,308,456	2,310,299	-
Excess (Deficiency) of Revenues Over Expenditures	(313,179)	1,028,786	154
OTHER FINANCING SOURCES (USES)			
Installment purchase debt issued	-	-	-
Transfers in	625,000	-	-
Transfers out	(150,000)	(625,000)	-
Total Other Financing Sources (Uses)	475,000	(625,000)	-
Net Change in Fund Balances	161,821	403,786	154
FUND BALANCES			
Beginning of year	799,271	390,095	228,133
End of Year	<u>\$ 961,092</u>	<u>\$ 793,881</u>	<u>\$ 228,287</u>

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

Capital Projects	Total Governmental Funds
\$ -	\$ 1,971,418
-	2,660,439
-	371,942
-	4,070,677
-	23,807
-	40,634
-	31,302
-	62,841
70,028	138,807
59,143	91,820
129,171	9,463,687
-	835,286
-	1,405,742
-	5,000
-	591,842
-	1,900
-	314,058
-	3,540,381
-	1,802,846
-	98,653
-	23,047
448,797	448,797
448,797	9,067,552
(319,626)	396,135
60,905	60,905
150,000	775,000
-	(775,000)
210,905	60,905
(108,721)	457,040
408,898	1,826,397
\$ 300,177	\$ 2,283,437

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Village of Buchanan, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended May 31, 2018

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 457,040</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	453,369
Depreciation expense	<u>(298,100)</u>
	<u>155,269</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>34,331</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	(60,905)
Principal paid on bonds	60,000
Principal paid on installment purchase debt	<u>38,653</u>
	<u>37,748</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	(1,000)
Pension obligations	(125,642)
Compensated absences	(15,096)
Other post employment benefit obligations	<u>(550,000)</u>
	<u>(691,738)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (7,350)</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, 2018

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,005,722	\$ 2,005,722	\$ 1,971,418	\$ (34,304)
Other tax items	2,667,352	2,667,352	2,660,439	(6,913)
Non-property taxes	349,000	349,000	371,942	22,942
Departmental income	436,900	696,900	733,185	36,285
Use of money and property	3,000	3,000	22,766	19,766
Licenses and permits	29,450	29,450	40,634	11,184
Fines and forfeitures	25,000	25,000	31,302	6,302
Sale of property and compensation for loss	27,400	27,400	62,841	35,441
State aid	53,000	53,000	68,779	15,779
Miscellaneous	272,000	12,000	31,971	19,971
Total Revenues	5,868,824	5,868,824	5,995,277	126,453
EXPENDITURES				
Current				
General government support	887,194	818,532	835,286	(16,754)
Public safety	1,367,635	1,401,717	1,405,742	(4,025)
Health	2,500	5,000	5,000	-
Transportation	674,600	591,843	591,842	1
Economic opportunity and development	3,000	1,900	1,900	-
Culture and recreation	327,095	314,058	314,058	-
Home and community services	1,183,125	1,274,746	1,275,427	(681)
Employee benefits	1,817,000	1,814,328	1,757,501	56,827
Debt service				
Principal	71,675	98,653	98,653	-
Interest	10,000	23,047	23,047	-
Total Expenditures	6,343,824	6,343,824	6,308,456	35,368
Excess (Deficiency) of Rev- enues Over Expenditures	(475,000)	(475,000)	(313,179)	161,821
OTHER FINANCING SOURCES (USES)				
Transfers in	625,000	625,000	625,000	-
Transfers out	(150,000)	(150,000)	(150,000)	-
Total Other Financing Sources (Uses)	475,000	475,000	475,000	-
Net Change in Fund Balances	-	-	161,821	161,821
FUND BALANCES				
Beginning of Year	-	-	799,271	799,271
End of Year	\$ -	\$ -	\$ 961,092	\$ 961,092

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)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
3,175,840	3,175,840	3,337,492	161,652
15,000	15,000	887	(14,113)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	706	706
<u>3,190,840</u>	<u>3,190,840</u>	<u>3,339,085</u>	<u>148,245</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,521,840	2,521,840	2,264,954	256,886
44,000	44,000	45,345	(1,345)
-	-	-	-
-	-	-	-
<u>2,565,840</u>	<u>2,565,840</u>	<u>2,310,299</u>	<u>255,541</u>
<u>625,000</u>	<u>625,000</u>	<u>1,028,786</u>	<u>403,786</u>
-	-	-	-
<u>(625,000)</u>	<u>(625,000)</u>	<u>(625,000)</u>	<u>-</u>
<u>(625,000)</u>	<u>(625,000)</u>	<u>(625,000)</u>	<u>-</u>
-	-	403,786	403,786
-	-	390,095	390,095
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 793,881</u>	<u>\$ 793,881</u>

Village of Buchanan, New York

Statement of Assets and Liabilities

Fiduciary Fund

May 31, 2018

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 145,314</u>
LIABILITIES	
Accounts payable	\$ 89,674
Deposits	<u>55,640</u>
Total Liabilities	<u>\$ 145,314</u>

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

Village of Buchanan, New York

Notes to Financial Statements

May 31, 2018

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. The major revenue of this fund is departmental income.

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 short-term investments with original maturities of less than three months from the date of acquisition.

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.

Length of Service Awards Program Investments

Fire Service Awards Program - The program allows investments in accordance with a prudent person rule. Investments consist of insurance contracts backed by an insurance company with a credit rating of Aa2. The investments are priced using level one inputs.

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, 2018.

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.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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, 2018, 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues of \$166,734 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 \$6,471 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.

Deferred Outflows and Inflows of Resources have been reported on the government-wide Statement of Net Position for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
New York State and Local Employees' Retirement System	\$ 525,073	\$ 657,870
New York State and Local Police and Fire Retirement System	651,528	574,927
Length of Service Awards Program - Fire	13,736	-
	<u>\$ 1,190,337</u>	<u>\$ 1,232,797</u>

The Village reported deferred inflows of resources of \$100,318 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 Village's pension plans in Note 3D.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Net Pension Liability - The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provision of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*".

Total Pension Liability - The total pension liability represents the Village's liability for its Length of Service Awards program ("LOSAP"). The financial reporting of this amount is presented in accordance with the provisions 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 Provision of GASB Statements 67 and 68*" that established requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68.

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).

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 February 14, 2019.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 31st, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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 2017-2018 was \$6,968,342 which exceeded the actual levy by \$4,962,620.

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village (Town, School District, City, etc.) in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

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

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

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 2 - Stewardship, Compliance and Accountability (Continued)

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	
Treasurer	\$ 1,049
Engineer	29,072
Buildings	7,877
MTA payroll tax	3,756
Home and Community Services	
Sewage treatment and disposal	681
Employee Benefits	
Employees' retirement	1,188
Water Fund	
Employee Benefits	
Employees' retirement	1,627
Social security benefits	1,087

In addition, the General Fund exceeded the entire appropriations budget by \$15,108.

D. Cumulative Effect of Change in Accounting Principle

The Village, for the year ended May 31, 2018, 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 No. 68, and Amendments to Certain Provisions of GASB Statements Nos. 67 and 68" that establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68. As a result of adopting this standard, a cumulative effect for the change in accounting principle of \$(1,073,280) was recorded in the Governmental Activities.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable consisted of the following:

Village taxes - Current year	\$ 34,698
Tax liens and overdue taxes	<u>66,297</u>
Total Taxes	100,995
Less - Allowance for uncollectible taxes	<u>(677)</u>
Taxes Receivable	<u>\$ 100,318</u>

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2018 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 7,474	\$ -
Water	-	90,282
Special Purpose	37,945	-
Capital Projects	44,863	-
	<u>\$ 90,282</u>	<u>\$ 90,282</u>

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

C. Capital Assets

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

	<u>Balance June 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance May 31, 2018</u>
Capital assets, not being depreciated				
Land	\$ 478,000	\$ -	\$ -	\$ 478,000
Construction-in-progress	68,557	-	68,557	-
Total Capital Assets, not being depreciated	<u>\$ 546,557</u>	<u>\$ -</u>	<u>\$ 68,557</u>	<u>\$ 478,000</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 1,990,873	\$ -	\$ -	\$ 1,990,873
Infrastructure	7,640,187	456,449	-	8,096,636
Machinery and equipment	1,434,503	65,477	35,363	1,464,617
Total Capital Assets, being depreciated	<u>11,065,563</u>	<u>521,926</u>	<u>35,363</u>	<u>11,552,126</u>
Less accumulated depreciation for				
Buildings and improvements	1,709,027	28,365	-	1,737,392
Infrastructure	4,743,774	196,982	-	4,940,756
Machinery and equipment	923,045	72,753	35,363	960,435
Total Accumulated Depreciation	<u>7,375,846</u>	<u>298,100</u>	<u>35,363</u>	<u>7,638,583</u>
Total Capital Assets, being depreciated, net	<u>\$ 3,689,717</u>	<u>\$ 223,826</u>	<u>\$ -</u>	<u>\$ 3,913,543</u>
Capital assets, net	<u>\$ 4,236,274</u>	<u>\$ 223,826</u>	<u>\$ 68,557</u>	<u>\$ 4,391,543</u>

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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

General Government Support	\$ 11,532
Public Safety	22,109
Transportation	228,140
Culture and Recreation	16,603
Home and Community Services	<u>19,716</u>
Total Depreciation Expense	<u>\$ 298,100</u>

D. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2018:

	Balance as Reported June 1, 2017	GASB 73 Cumulative Effect of Change in Accounting Principles*	Balance as Restated June 1, 2017	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2018	Due Within One-Year
Bonds Payable	\$ 640,000	\$ -	\$ 640,000	\$ -	\$ 60,000	\$ 580,000	\$ 65,000
Installment Purchase Debt	211,639	-	211,639	60,905	38,653	233,891	64,929
Compensated Absences	518,900	-	518,900	67,096	52,000	533,996	53,000
Net Pension Liability - ERS/PFRS	1,118,539	-	1,118,539	-	626,821	491,718	-
Total Pension Liability - Fire Length of Service Awards Program	-	1,073,280	1,073,280	89,369	3,073	1,159,576	-
Other Post Employment Benefit Obligations Payable	4,470,000	-	4,470,000	960,000	410,000	5,020,000	-
	<u>6,959,078</u>	<u>\$ 1,073,280</u>	<u>\$ 8,032,358</u>	<u>\$ 1,177,370</u>	<u>\$ 1,190,547</u>	<u>\$ 8,019,181</u>	<u>\$ 182,929</u>

*See Note 2D

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

Bonds Payable

Bonds payable at May 31, 2018 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2018
Public Improvements	2016	\$ 700,000	October, 2025	3.0 - 3.5 %	<u>\$ 580,000</u>

Interest expenditures of \$20,450 were recorded in the fund financial statements in the General Fund. Interest expense of \$20,155 was recorded in the government-wide financial statements.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2018

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 cost of one police vehicle and one general use vehicle. The terms of this agreement provided for the repayment of the principal amount of \$60,905 in annual installments of \$16,571 through November 2020 including 5.95% 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.

Interest expenditures of \$2,597 were recorded in the fund financial statements in the General Fund Interest expense of \$3,892 was recorded in the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all debt outstanding as of May 31, 2018 including interest payments of \$91,703 are as follows:

Year Ending May 31,	Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 65,000	\$ 18,575	\$ 64,929	\$ 4,321	\$ 129,929	\$ 22,896
2020	65,000	16,544	55,863	2,534	120,863	19,078
2021	70,000	14,350	57,099	1,298	127,099	15,648
2022	70,000	12,031	28,000	-	98,000	12,031
2023	75,000	9,538	28,000	-	103,000	9,538
2024-2026	235,000	12,512	-	-	235,000	12,512
	<u>\$ 580,000</u>	<u>\$ 83,550</u>	<u>\$ 233,891</u>	<u>\$ 8,153</u>	<u>\$ 813,891</u>	<u>\$ 91,703</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.

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held 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 2018 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	15.8%
	5 A15	13.0
	6 A15	9.2
PFRS	2 384D	24.6

At May 31, 2018, the Village reported a liability of \$193,105 for its proportionate shares of the net pension liabilities of ERS and a liability of \$298,613 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2018, 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, 2018, the Village's proportion was 0.0059832% for ERS and 0.0295435% for PFRS, which was an increase of 0.0001951% for ERS and an increase of 0.0018170% for PFRS from its proportion measured as of March 31, 2017.

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended May 31, 2018, the Village recognized pension expense in the government-wide financial statements of \$206,701 for ERS and \$290,816 for PFRS. Pension expenditures of \$191,177 for ERS and \$253,258 for PFRS were recorded in the fund financial statements and were charged to the General Fund.

At May 31, 2018, 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	\$ 68,874	\$ 56,915	\$ 122,906	\$ 79,348
Changes of assumptions	128,044	-	226,254	-
Net difference between projected and actual earnings on pension plan investments	280,469	553,618	241,692	486,755
Changes in proportion and differences between Village contributions and proportionate share of contributions	12,395	47,337	21,395	8,824
Village contributions subsequent to the measurement date	35,291	-	39,281	-
	<u>\$ 525,073</u>	<u>\$ 657,870</u>	<u>\$ 651,528</u>	<u>\$ 574,927</u>

The amounts of \$35,291 and \$39,281 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, 2019. 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
2019	\$ 29,212	\$ 66,709
2020	18,846	59,883
2021	(146,973)	(61,916)
2022	(69,173)	(41,538)
2023	-	14,182

The total pension liability for the March 31, 2018 measurement date was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liabilities to March 31, 2018. Significant actuarial assumptions used in the April 1, 2017 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

Village of Buchanan, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	<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, 2018

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>\$ 1,461,082</u>	<u>\$ 193,105</u>	<u>\$ (879,554)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 1,462,688</u>	<u>\$ 298,613</u>	<u>\$ (677,773)</u>

The components of the collective net pension liability as of the March 31, 2018 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 183,400,590,000	\$ 32,914,423,000	\$ 216,315,013,000
Fiduciary net position	<u>180,173,145,000</u>	<u>31,903,666,000</u>	<u>212,076,811,000</u>
Employers' net pension liability	<u>\$ 3,227,445,000</u>	<u>\$ 1,010,757,000</u>	<u>\$ 4,238,202,000</u>
Fiduciary net position as a percentage of total pension liability	<u>98.24%</u>	<u>96.93%</u>	<u>98.04%</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, 2018 represent the employer contribution for the period of April 1, 2018 through May 31, 2018 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, 2018 were \$35,291 and \$39,281 respectively.

Voluntary Defined Contribution Plan

The Village may 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.

Length of Service Award Program

The Village's financial statements are for the year ended May 31, 2018. However, the information contained in this note is based on information for the Length of Service Awards Program for the plan year ending on February 28, 2018, which is the most recent plan year for which complete information is available.

Plan Description

The Village established a defined benefit Service Awards Program (referred to as a "LOSAP" – length of service awards program – qualifying under Section 457(e)(11) of the Internal Revenue Code) effective October 1, 1991 for the active volunteer firefighter members of the Village. This is a single

Note 3 - Detailed Notes on All Funds (Continued)

employer defined benefit plan. The program was established pursuant to Article 11-A of General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the program.

Under the program, participating volunteers begin to be paid a service award upon attainment of the program "entitlement age". The amount of the service award paid to a volunteer is based upon the number of years of service credit the volunteer earned under the program for performing active volunteer firefighter activities.

Participation, Vesting and Service Credit

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age 65 with one year of Plan participation. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for 5 years of firefighting service rendered prior to the establishment of the program as an active volunteer firefighter member of the Village.

Benefits

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty years. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

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

The governing board of the sponsor has retained and designated VFIS to assist in the administration of the program. The designated program administrator's functions include installation assistance in the following areas: specimen adoption agreement, specimen master plan, insurance applications, participant enrollment forms, explanation of benefits and benefit certificates provided at enrollment and every three years thereafter. In addition, VFIS provides the following administrative assistance: reminder letter to the Village with census for current anniversary date, participant's benefit calculation at the time of termination or retirement for verification by the Village, schedule of benefits and costs, valuation and recommended deposit, summary of required contribution and actuarial review and recommended benefit enhancement.

Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Disbursements of program assets for the payment of benefits or administrative expenses must be approved.

<u>Group</u>	<u>May 31, 2018</u>
Inactive participants currently receiving benefit payments	1
Inactive participants entitled to but not yet receiving benefits payments	1
Active participants	<u>39</u>
	<u>41</u>

Contributions

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

Measurement of Total Pension Liability

The total pension liability at the February 28, 2018 measurement date was determined using an actuarial valuation as of March 1, 2017.

Actuarial Assumptions. The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal

Inflation: 0.00%

Salary Scale: None assumed

Mortality – No pre-retirement mortality, post retirement GAR 94 set back one year

Discount Rate. The discount rate used to measure the total pension liability was 3.72%, net of pension plan investment expense, including inflation, which is based on the 20-year AA general obligation bond rate as of the measurement date.

Trust Assets. Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73. The trust assets are recorded in the General Fund as investments and as a component of Restricted Fund Balance.

Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Total Pension Liability

Total Pension Liability - Beginning of Period	\$ 1,073,280
Service cost	34,562
Interest	39,926
Changes of assumptions or other inputs	14,881
Differences between expected and actual experience	-
Benefit payments	<u>(3,073)</u>
 Total Pension Liability - End of Period	 <u>\$ 1,159,576</u>

Sensitivity of the Total Pension Liability to changes in the discount rate. The following presents the total pension liability of the Village as of the February 28, 2018 measurement date, calculated using the discount rate of 3.72 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.72 percent) or 1-percentage point higher (4.72 percent) than the current rate:

	1% Decrease (2.72%)	Current Assumption (3.72%)	1% Increase (4.72%)
Total Pension Liability	<u>\$ 1,240,268</u>	<u>\$ 1,159,576</u>	<u>\$ 1,077,095</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended May 31, 2018, the Village recognized pension expense of \$127,061. At May 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	13,736	-
Benefit payments and administrative expenses subsequent to the measurement date	<u>-</u>	<u>-</u>
	<u>\$ 13,736</u>	<u>\$ -</u>

For the year ended May 31, 2018, the Village reported \$-0- as deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the plan year ended February 28, 2019.

Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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

	Year Ended May 31,	
2019	\$	1,145
2020		1,145
2021		1,145
2022		1,145
Thereafter		9,156

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:

Village of Buchanan, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Year Ended May 31,	
2019	8.0 %
2020	7.5
2021	7.0
2022	6.5
2023	6.0
2024	5.5
2025+	5.0

The amortization basis is the level of percentage of payroll method with a closed amortization approach with 22 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, 2018 was as follows:

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

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2017	\$ 12,870,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 12,870,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 2,410,000</u>
UAAL as a Percentage of Covered Payroll	<u>534.02%</u>
Annual Required Contribution	\$ 1,020,000
Interest on Net OPEB Obligation	200,000
Adjustment to Annual Required Contribution	<u>(260,000)</u>
Annual OPEB Cost	960,000
Contributions Made	<u>(410,000)</u>
Increase in Net OPEB Obligation	550,000
Net OPEB Obligation - Beginning of Year	<u>4,470,000</u>
Net OPEB Obligation - End of Year	<u>\$ 5,020,000</u>

Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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
2016	\$ 890,000	40.45 %	\$ 3,930,000
2017	930,000	41.94	4,470,000
2018	960,000	42.71	5,020,000

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

E. 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	\$ -	\$ 150,000	\$ 150,000
Water Fund	625,000	-	625,000
	<u>\$ 625,000</u>	<u>\$ 150,000</u>	<u>\$ 775,000</u>

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

F. 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.

Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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, 2018

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	2018					2017				
	General Fund	Water Fund	Special Purpose Fund	Capital Projects Fund	Total	General Fund	Water Fund	Special Purpose Fund	Capital Projects Fund	Total
Restricted										
Repairs	\$ 51,623	\$ 390,405	\$ -	\$ -	\$ 442,028	\$ 51,366	\$ 390,095	\$ -	\$ -	\$ 441,461
Pension benefits	760,005	-	-	-	760,005	688,740	-	-	-	688,740
Parklands	-	-	228,287	-	228,287	-	-	228,133	-	228,133
Capital projects	-	-	-	300,177	300,177	-	-	-	408,898	408,898
Total Restricted	811,628	390,405	228,287	300,177	1,730,497	740,106	390,095	228,133	408,898	1,767,232
Assigned	-	403,476	-	-	403,476	-	-	-	-	-
Unassigned	149,464	-	-	-	149,464	59,165	-	-	-	59,165
Total Fund Balances	\$ 961,092	\$ 793,881	\$ 228,287	\$ 300,177	\$ 2,283,437	\$ 799,271	\$ 390,095	\$ 228,133	\$ 408,898	\$ 1,826,397

Village of Buchanan, New York

Notes to Financial Statements (Concluded)

May 31, 2018

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. 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.

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 2017-18 infrastructure payment was \$260,100.

Village of Buchanan, New York

Required Supplementary Information - Schedule of Changes in the Village's Net Pension Liability - Service Awards Program Last Ten Fiscal Years (1)

	<u>2018*</u>
Total Pension Liability:	
Service Cost	\$ 34,562
Interest	39,926
Changes of assumptions or other inputs	14,881
Differences between expected and actual experience	-
Benefit payments	<u>(3,073)</u>
Net Change in Total Pension Liability	86,296
Total Pension Liability – Beginning of Year	<u>1,073,280</u>
Total Pension Liability – End of Year	<u>\$ 1,159,576</u>
Village's covered payroll	N/A
Total pension liability as a percentage of covered payroll	N/A

*Schedule is intended to show information for 10 years. Additional information will be displayed as it becomes available.

Notes to Schedule:

Changes in assumptions or other inputs. The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:
February 28, 2018: 3.72%

(1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements Nos. 67 and 68" to pay related benefits.

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, 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
June 1, 2017	-	12,870,000	12,870,000	-	2,410,000	534.02

Village of Buchanan, New York

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)

	2018	2017	2016
Village's proportion of the net pension liability	0.0059832%	0.0057881%	0.0056321%
Village's proportionate share of the net pension liability	\$ 193,105	\$ 543,865	\$ 903,964
Village's covered payroll	\$ 1,463,184	\$ 1,400,911	\$ 1,406,385
Village's proportionate share of the net pension liability as a percentage of its covered payroll	13.20%	38.82%	64.28%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.68%

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, New York

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 204,616	\$ 210,691	\$ 223,059
Contributions in relation to the contractually required contribution	<u>(204,616)</u>	<u>(210,691)</u>	<u>(223,059)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 1,497,232</u>	<u>\$ 1,413,626</u>	<u>\$ 1,416,980</u>
Contributions as a percentage of covered payroll	<u>13.67%</u>	<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, New York

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>2017</u>	<u>2016</u>
Village's proportion of the net pension liability	<u>0.0295435%</u>	<u>0.0277265%</u>	<u>0.0265829%</u>
Village's proportionate share of the net pension liability	<u>\$ 298,613</u>	<u>\$ 574,674</u>	<u>\$ 787,064</u>
Village's covered payroll	<u>\$ 995,894</u>	<u>\$ 1,052,655</u>	<u>\$ 942,526</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>29.98%</u>	<u>54.59%</u>	<u>83.51%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.93%</u>	<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*.

Village of Buchanan, New York

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 256,772	\$ 224,705	\$ 208,770
Contributions in relation to the contractually required contribution	<u>(256,772)</u>	<u>(224,705)</u>	<u>(208,770)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 1,031,844</u>	<u>\$ 1,055,021</u>	<u>\$ 940,301</u>
Contributions as a percentage of covered payroll	<u>24.88%</u>	<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, 2018
 (With Comparative Totals for 2017)

	<u>General</u>	<u>Fire Service Awards Program</u>
ASSETS		
Cash and equivalents	\$ 118,250	\$ -
Investments	-	760,005
Taxes receivable, net of allowance for uncollectible taxes of \$677 in 2018 and 2017	100,318	-
Accounts receivable	317,989	-
Due from other governments	111,549	-
Due from other funds	7,474	-
	<u>655,580</u>	<u>760,005</u>
Total Assets	<u>\$ 655,580</u>	<u>\$ 760,005</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 112,869	\$ -
Accrued liabilities	-	-
Due to retirement systems	74,572	-
Unearned revenues	166,734	-
	<u>354,175</u>	<u>-</u>
Total Liabilities	354,175	-
Deferred inflows of resources		
Real property taxes	100,318	-
	<u>100,318</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>454,493</u>	<u>-</u>
Fund balances		
Restricted	51,623	760,005
Unassigned	149,464	-
	<u>201,087</u>	<u>760,005</u>
Total Fund Balances	201,087	760,005
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 655,580</u>	<u>\$ 760,005</u>

See independent auditors' report.

Totals

2018	2017
\$ 118,250	\$ 100,242
760,005	688,740
100,318	68,680
317,989	170,499
111,549	105,108
7,474	129,404
<u>\$ 1,415,585</u>	<u>\$ 1,262,673</u>

\$ 112,869	\$ 137,466
-	10,712
74,572	76,898
166,734	172,339
<u>354,175</u>	<u>397,415</u>
<u>100,318</u>	<u>65,987</u>
<u>454,493</u>	<u>463,402</u>
811,628	740,106
149,464	59,165
<u>961,092</u>	<u>799,271</u>
<u>\$ 1,415,585</u>	<u>\$ 1,262,673</u>

Village of Buchanan, New York

General Fund

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

Year ended May 31, 2018

(With Comparative Totals for 2017)

	General	Fire Service Awards Program	Eliminations
REVENUES			
Real property taxes	\$ 1,971,418	\$ -	\$ -
Other tax items	2,660,439	-	-
Non-property taxes	371,942	-	-
Departmental income	733,185	54,501	(54,501)
Use of money and property	1,977	20,789	-
Licenses and permits	40,634	-	-
Fines and forfeitures	31,302	-	-
Sale of property and compensation for loss	62,841	-	-
State aid	68,779	-	-
Miscellaneous	31,971	-	-
Total Revenues	<u>5,974,488</u>	<u>75,290</u>	<u>(54,501)</u>
EXPENDITURES			
Current			
General government support	835,286	-	-
Public safety	1,401,717	4,025	-
Health	5,000	-	-
Transportation	591,842	-	-
Economic opportunity and development	1,900	-	-
Culture and recreation	314,058	-	-
Home and community services	1,275,427	-	-
Employee benefits	1,812,002	-	(54,501)
Debt service			
Principal	98,653	-	-
Interest	23,047	-	-
Total Expenditures	<u>6,358,932</u>	<u>4,025</u>	<u>(54,501)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(384,444)</u>	<u>71,265</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	625,000	-	-
Transfers out	(150,000)	-	-
Total Other Financing Sources	<u>475,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	90,556	71,265	-
FUND BALANCES			
Beginning of Year, as reported	110,531	688,740	-
Cumulative Effect of Change in Accounting Principle	-	-	-
Beginning of Year, as restated	-	-	-
End of Year	<u>\$ 201,087</u>	<u>\$ 760,005</u>	<u>\$ -</u>

See independent auditors' report.

Totals	
2018	2017
\$ 1,971,418	\$ 1,781,426
2,660,439	2,639,966
371,942	342,759
733,185	754,761
22,766	20,579
40,634	24,854
31,302	22,128
62,841	22,953
68,779	66,824
31,971	14,177
<u>5,995,277</u>	<u>5,690,427</u>
835,286	925,930
1,405,742	1,368,224
5,000	2,500
591,842	658,369
1,900	2,850
314,058	315,932
1,275,427	1,139,621
1,757,501	1,663,143
98,653	88,262
23,047	24,110
<u>6,308,456</u>	<u>6,188,941</u>
<u>(313,179)</u>	<u>(498,514)</u>
625,000	303,788
<u>(150,000)</u>	<u>(285,000)</u>
<u>475,000</u>	<u>18,788</u>
161,821	(479,726)
799,271	642,338
-	<u>636,659</u>
-	<u>1,278,997</u>
<u>\$ 961,092</u>	<u>\$ 799,271</u>

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Village of Buchanan, New York

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

	2018	2017
ASSETS		
Cash and equivalents	\$ 118,250	\$ 100,242
Taxes receivable, net of allowance for uncollectible taxes of \$677 in 2018 and 2017	100,318	68,680
Other receivables		
Accounts	317,989	170,499
Due from other governments	111,549	105,108
Due from other funds	7,474	129,404
	437,012	405,011
Total Assets	<u>\$ 655,580</u>	<u>\$ 573,933</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 112,869	\$ 137,466
Accrued liabilities	-	10,712
Due to retirement systems	74,572	76,898
Unearned revenues	166,734	172,339
Total Liabilities	354,175	397,415
Deferred inflows of resources		
Real property taxes	100,318	65,987
Total Liabilities and Deferred Inflows of Resources	<u>454,493</u>	<u>463,402</u>
Fund balance		
Restricted	51,623	51,366
Unassigned	149,464	59,165
Total Fund Balance	<u>201,087</u>	<u>110,531</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 655,580</u>	<u>\$ 573,933</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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,005,722	\$ 2,005,722	\$ 1,971,418	\$ (34,304)
Other tax items	2,667,352	2,667,352	2,660,439	(6,913)
Non-property taxes	349,000	349,000	371,942	22,942
Departmental income	436,900	696,900	733,185	36,285
Use of money and property	3,000	3,000	1,977	(1,023)
Licenses and permits	29,450	29,450	40,634	11,184
Fines and forfeitures	25,000	25,000	31,302	6,302
Sale of property and compensation for loss	27,400	27,400	62,841	35,441
State aid	53,000	53,000	68,779	15,779
Miscellaneous	272,000	12,000	31,971	19,971
Total Revenues	5,868,824	5,868,824	5,974,488	105,664
EXPENDITURES				
Current				
General government support	887,194	818,532	835,286	(16,754)
Public safety	1,367,635	1,401,717	1,401,717	-
Health	2,500	5,000	5,000	-
Transportation	674,600	591,843	591,842	1
Economic opportunity and development	3,000	1,900	1,900	-
Culture and recreation	327,095	314,058	314,058	-
Home and community services	1,183,125	1,274,746	1,275,427	(681)
Employee benefits	1,817,000	1,814,328	1,812,002	2,326
Debt service				
Principal	71,675	98,653	98,653	-
Interest	10,000	23,047	23,047	-
Total Expenditures	6,343,824	6,343,824	6,358,932	(15,108)
Deficiency of Revenues Over Expenditures	(475,000)	(475,000)	(384,444)	90,556
OTHER FINANCING SOURCES (USES)				
Transfers in	625,000	625,000	625,000	-
Transfers out	(150,000)	(150,000)	(150,000)	-
Total Other Financing Sources	475,000	475,000	475,000	-
Net Change in Fund Balance	-	-	90,556	90,556
FUND BALANCE				
Beginning of Year	-	-	110,531	110,531
End of Year	\$ -	\$ -	\$ 201,087	\$ 201,087

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,772,176	\$ 1,772,176	\$ 1,781,426	\$ 9,250
2,637,140	2,637,140	2,639,966	2,826
344,200	344,200	342,759	(1,441)
408,900	663,900	754,761	90,861
5,000	5,000	1,329	(3,671)
20,650	20,650	24,854	4,204
28,000	28,000	22,128	(5,872)
16,400	16,400	22,953	6,553
52,000	52,000	66,824	14,824
267,000	12,000	14,177	2,177
<u>5,551,466</u>	<u>5,551,466</u>	<u>5,671,177</u>	<u>119,711</u>
856,818	756,818	925,930	(169,112)
1,236,400	1,224,721	1,354,229	(129,508)
2,500	2,500	2,500	-
735,000	657,299	658,369	(1,070)
3,000	2,850	2,850	-
306,695	315,725	315,932	(207)
1,039,975	1,087,072	1,139,621	(52,549)
1,620,500	1,732,111	1,709,969	22,142
5,320	88,260	88,262	(2)
12,133	24,110	24,110	-
<u>5,818,341</u>	<u>5,891,466</u>	<u>6,221,772</u>	<u>(330,306)</u>
<u>(266,875)</u>	<u>(340,000)</u>	<u>(550,595)</u>	<u>(210,595)</u>
625,000	625,000	303,788	(321,212)
<u>(358,125)</u>	<u>(285,000)</u>	<u>(285,000)</u>	<u>-</u>
<u>266,875</u>	<u>340,000</u>	<u>18,788</u>	<u>(321,212)</u>
-	-	(531,807)	(531,807)
-	-	642,338	642,338
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,531</u>	<u>\$ 110,531</u>

Village of Buchanan, New York

General Fund

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

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
REAL PROPERTY TAXES	\$ 2,005,722	\$ 2,005,722	\$ 1,971,418	\$ (34,304)	\$ 1,781,426
OTHER TAX ITEMS					
Payments in lieu of taxes	2,657,352	2,657,352	2,657,361	9	2,627,149
Interest and penalties on real property taxes	10,000	10,000	3,078	(6,922)	12,817
	2,667,352	2,667,352	2,660,439	(6,913)	2,639,966
NON-PROPERTY TAXES					
Non-property tax distribution from County	330,000	330,000	351,850	21,850	329,236
Franchise fees - Cable TV	19,000	19,000	20,092	1,092	13,523
	349,000	349,000	371,942	22,942	342,759
DEPARTMENTAL INCOME					
Town Clerk fees	500	500	2,840	2,340	190
Engineering fees	50,000	50,000	59,334	9,334	79,323
Police fees	5,000	5,000	460	(4,540)	360
Planning Board fees	3,000	3,000	400	(2,600)	2,100
Park and recreation charges	120,400	120,400	147,998	27,598	174,263
Zoning fees	2,000	2,000	750	(1,250)	150
Inspection fees	4,000	4,000	-	(4,000)	-
Sewer charges	170,000	170,000	188,177	18,177	152,029
Traffic control	60,000	60,000	50,249	(9,751)	72,325
DWI charges	2,000	2,000	-	(2,000)	-
Indian Point agreement	-	260,000	260,100	100	255,000
Sewer services	20,000	20,000	22,877	2,877	19,021
	436,900	696,900	733,185	36,285	754,761

USE OF MONEY AND PROPERTY

Earnings on investments	3,000	3,000	1,977	(1,023)	1,329
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LICENSES AND PERMITS

Business and occupational licenses	200	200	-	(200)	-
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Dog licenses	250	250	411	161	340
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Building and alteration permits	29,000	29,000	40,223	11,223	24,514
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	<u>29,450</u>	<u>29,450</u>	<u>40,634</u>	<u>11,184</u>	<u>24,854</u>
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FINES AND FORFEITURES

Fines and forfeited bail	25,000	25,000	30,902	5,902	21,878
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Forfeiture of deposits	-	-	400	400	250
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	<u>25,000</u>	<u>25,000</u>	<u>31,302</u>	<u>6,302</u>	<u>22,128</u>
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**SALE OF PROPERTY AND
COMPENSATION FOR LOSS**

Sale of equipment	2,000	2,000	650	(1,350)	-
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Insurance recoveries	25,000	25,000	62,191	37,191	22,953
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Other	400	400	-	(400)	-
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	<u>27,400</u>	<u>27,400</u>	<u>62,841</u>	<u>35,441</u>	<u>22,953</u>
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STATE AID

Per capita	19,000	19,000	17,867	(1,133)	17,867
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Mortgage tax	30,000	30,000	48,766	18,766	45,516
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Police - Stop DWI and Dare programs	1,000	1,000	-	(1,000)	1,061
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Other	3,000	3,000	2,146	(854)	2,380
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	<u>53,000</u>	<u>53,000</u>	<u>68,779</u>	<u>15,779</u>	<u>66,824</u>
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(Continued)

Village of Buchanan, New York

General Fund

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

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
MISCELLANEOUS					
Gifts and donations	\$ 260,000	\$ -	\$ -	\$ -	\$ -
Other	12,000	12,000	10,513	(1,487)	14,177
	<u>272,000</u>	<u>12,000</u>	<u>31,971</u>	<u>19,971</u>	<u>14,177</u>
TOTAL REVENUES	<u>5,868,824</u>	<u>5,868,824</u>	<u>5,974,488</u>	<u>105,664</u>	<u>5,671,177</u>
OTHER FINANCING SOURCES					
Transfers in					
Water Fund	625,000	625,000	625,000	-	303,788
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 6,493,824</u>	<u>\$ 6,493,824</u>	<u>\$ 6,599,488</u>	<u>\$ 105,664</u>	<u>\$ 5,974,965</u>

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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, 2018

(With Comparative Actuals for 2017)

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 38,700	\$ 35,602	\$ 35,602	\$ -	\$ 34,857
Town Justice	45,775	43,707	43,707	-	41,267
Manager	92,395	108,971	108,971	-	91,865
Mayor	8,100	8,159	8,159	-	7,936
Independent audit	32,800	33,464	33,464	-	34,595
Treasurer	171,900	168,293	169,342	(1,049)	161,981
Assessor	1,000	6,034	6,034	-	315
Town Attorney	76,575	78,222	78,222	-	74,625
Engineer	75,000	105,499	134,571	(29,072)	251,592
Elections	3,300	2,406	2,406	-	2,373
Buildings	171,649	160,746	168,623	(7,877)	191,697
Central garage	35,500	33,917	33,917	-	18,602
Municipal association dues	4,000	3,012	3,012	-	2,925
Judgments and claims	-	-	-	-	1,900
Metropolitan Transportation Authority payroll tax	5,500	5,500	9,256	(3,756)	9,400
Tax stabilization	25,000	25,000	-	25,000	-
Contingency	100,000	-	-	-	-
	<u>887,194</u>	<u>818,532</u>	<u>835,286</u>	<u>(16,754)</u>	<u>925,930</u>
PUBLIC SAFETY					
Police	1,086,035	1,120,370	1,120,370	-	1,084,858
Fire protection	281,600	281,347	281,347	-	269,371
	<u>1,367,635</u>	<u>1,401,717</u>	<u>1,401,717</u>	<u>-</u>	<u>1,354,229</u>
HEALTH					
Nursing services	2,500	5,000	5,000	-	2,500

TRANSPORTATION

Street maintenance	516,600	469,131	469,130	1	557,760
Snow removal	85,000	76,447	76,447	-	67,563
Street lighting	73,000	46,265	46,265	-	33,046
	<u>674,600</u>	<u>591,843</u>	<u>591,842</u>	<u>1</u>	<u>658,369</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Publicity	<u>3,000</u>	<u>1,900</u>	<u>1,900</u>	<u>-</u>	<u>2,850</u>
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CULTURE AND RECREATION

Parks	79,100	95,847	95,847	-	105,039
Community center	174,820	141,805	141,805	-	137,426
Municipal pool	71,700	76,406	76,406	-	73,177
Town historian	1,475	-	-	-	290
	<u>327,095</u>	<u>314,058</u>	<u>314,058</u>	<u>-</u>	<u>315,932</u>

HOME AND COMMUNITY SERVICES

Zoning Board of Appeals	147,600	134,007	134,007	-	132,908
Planning Board	19,200	32,220	32,220	-	81,750
Sewer system	94,500	80,074	80,074	-	71,174
Sewage treatment and disposal	510,700	631,754	632,435	(681)	565,388
Refuse and garbage	311,125	330,707	330,707	-	288,401
Clearance and rehabilitation	100,000	65,984	65,984	-	-
	<u>1,183,125</u>	<u>1,274,746</u>	<u>1,275,427</u>	<u>(681)</u>	<u>1,139,621</u>

EMPLOYEE BENEFITS

Employees' retirement	220,000	189,989	191,177	(1,188)	195,269
Police retirement	250,000	256,772	253,258	3,514	230,050
Service awards program	48,000	54,501	54,501	-	46,826
Social security benefits	198,000	197,264	197,264	-	179,144
Workers' compensation benefits	171,000	158,785	158,785	-	167,885
Life insurance	25,000	22,093	22,093	-	19,996
Unemployment benefits	2,000	1,394	1,394	-	-
Hospitalization, medical and dental benefits	903,000	933,530	933,530	-	870,799
	<u>1,817,000</u>	<u>1,814,328</u>	<u>1,812,002</u>	<u>2,326</u>	<u>1,709,969</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, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
DEBT SERVICE					
Principal					
Bonds	\$ 71,675	\$ 60,000	\$ 60,000	\$ -	\$ 60,000
Loans	-	-	-	-	5,310
Installment purchase debt	-	38,653	38,653	-	22,952
	<u>71,675</u>	<u>98,653</u>	<u>98,653</u>	<u>-</u>	<u>88,262</u>
Interest					
Bonds	10,000	20,450	20,450	-	22,250
Loans	-	-	-	-	133
Installment purchase debt	-	2,597	2,597	-	1,727
	<u>10,000</u>	<u>23,047</u>	<u>23,047</u>	<u>-</u>	<u>24,110</u>
	<u>81,675</u>	<u>121,700</u>	<u>121,700</u>	<u>-</u>	<u>112,372</u>
TOTAL EXPENDITURES	6,343,824	6,343,824	6,358,932	(15,108)	6,221,772
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	150,000	150,000	150,000	-	285,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 6,493,824</u>	<u>\$ 6,493,824</u>	<u>\$ 6,508,932</u>	<u>\$ (15,108)</u>	<u>\$ 6,506,772</u>

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See independent auditors' report.

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Village of Buchanan, New York

Water Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 1,099,355	\$ 945,000
Water rents receivable	<u>421,789</u>	<u>312,891</u>
Total Assets	<u>\$ 1,521,144</u>	<u>\$ 1,257,891</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 636,981	\$ 654,728
Accrued liabilities	-	304
Due to other funds	<u>90,282</u>	<u>212,764</u>
Total Liabilities	<u>727,263</u>	<u>867,796</u>
Fund balance		
Restricted	390,405	390,095
Assigned	<u>403,476</u>	<u>-</u>
Total Fund Balance	<u>793,881</u>	<u>390,095</u>
Total Liabilities and Fund Balance	<u>\$ 1,521,144</u>	<u>\$ 1,257,891</u>

See independent auditors' report.

Village of Buchanan, New York

Water Fund

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

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 3,175,840	\$ 3,175,840	\$ 3,337,492	\$ 161,652
Use of money and property	15,000	15,000	887	(14,113)
Miscellaneous	-	-	706	706
Total Revenues	3,190,840	3,190,840	3,339,085	148,245
EXPENDITURES				
Current				
Home and community services	2,521,840	2,521,840	2,264,954	256,886
Employee benefits	44,000	44,000	45,345	(1,345)
Total Expenditures	2,565,840	2,565,840	2,310,299	255,541
Excess of Revenues Over Expenditures	625,000	625,000	1,028,786	403,786
OTHER FINANCING USES				
Transfers out	(625,000)	(625,000)	(625,000)	-
Net Change in Fund Balance	-	-	403,786	403,786
FUND BALANCE				
Beginning of Year	-	-	390,095	390,095
End of Year	\$ -	\$ -	\$ 793,881	\$ 793,881

See independent auditors' report.

2017

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
2,790,840	2,790,840	2,834,485	43,645
2,121,840	2,158,697	2,575,392	(416,695)
44,000	7,143	42,405	(35,262)
2,165,840	2,165,840	2,617,797	(451,957)
625,000	625,000	216,688	(408,312)
(625,000)	(625,000)	(233,788)	391,212
-	-	(17,100)	(17,100)
-	-	407,195	407,195
\$ -	\$ -	\$ 390,095	\$ 390,095

Village of Buchanan, New York

Water Fund
 Schedule of Revenues Compared to Budget
 Year Ended May 31, 2018
 (With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
DEPARTMENTAL INCOME					
Metered water sales	\$ 3,162,500	\$ 3,162,500	\$ 3,326,451	\$ 163,951	\$ 2,829,062
Water service charges	13,340	13,340	11,041	(2,299)	3,147
	<u>3,175,840</u>	<u>3,175,840</u>	<u>3,337,492</u>	<u>161,652</u>	<u>2,832,209</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	15,000	15,000	887	(14,113)	734
MISCELLANEOUS					
Other	-	-	706	706	1,542
TOTAL REVENUES	<u>\$ 3,190,840</u>	<u>\$ 3,190,840</u>	<u>\$ 3,339,085</u>	<u>\$ 148,245</u>	<u>\$ 2,834,485</u>

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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, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
HOME AND COMMUNITY SERVICES					
Pumping, supply and power	\$ 2,250,000	\$ 2,250,000	\$ 2,106,520	\$ 143,480	\$ 2,414,703
Transmission and distribution	271,840	271,840	158,434	113,406	160,689
	<u>2,521,840</u>	<u>2,521,840</u>	<u>2,264,954</u>	<u>256,886</u>	<u>2,575,392</u>
EMPLOYEE BENEFITS					
Employees' retirement	13,000	13,000	14,627	(1,627)	14,410
Social security benefits	6,500	6,500	7,587	(1,087)	7,164
Hospitalization, medical and dental benefits	24,500	24,500	23,131	1,369	20,831
	<u>44,000</u>	<u>44,000</u>	<u>45,345</u>	<u>(1,345)</u>	<u>42,405</u>
TOTAL EXPENDITURES	2,565,840	2,565,840	2,310,299	255,541	2,617,797
OTHER FINANCING USES					
Transfers out					
General Fund	625,000	625,000	625,000	-	233,788
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 3,190,840</u>	<u>\$ 3,190,840</u>	<u>\$ 2,935,299</u>	<u>\$ 255,541</u>	<u>\$ 2,851,585</u>

Village of Buchanan, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 190,342	\$ 190,188
Due from other funds	<u>37,945</u>	<u>37,945</u>
Total Assets	<u>\$ 228,287</u>	<u>\$ 228,133</u>
FUND BALANCE		
Restricted	<u>\$ 228,287</u>	<u>\$ 228,133</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>2018</u>	<u>2017</u>
REVENUES		
Use of money and property	\$ 154	\$ 138
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	154	138
FUND BALANCE		
Beginning of Year	<u>228,133</u>	<u>227,995</u>
End of Year	<u>\$ 228,287</u>	<u>\$ 228,133</u>

See independent auditors' report.

Village of Buchanan, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 255,314	\$ 363,483
Due from other funds	<u>44,863</u>	<u>45,415</u>
Total Assets	<u>\$ 300,177</u>	<u>\$ 408,898</u>
 FUND BALANCE		
Restricted	<u>\$ 300,177</u>	<u>\$ 408,898</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>2018</u>	<u>2017</u>
REVENUES		
State aid	\$ 70,028	\$ 61,018
Miscellaneous	<u>59,143</u>	<u>132,246</u>
Total Revenues	129,171	193,264
EXPENDITURES		
Capital outlay	<u>448,797</u>	<u>426,740</u>
Deficiency of Revenues Over Expenditures	<u>(319,626)</u>	<u>(233,476)</u>
OTHER FINANCING SOURCES (USES)		
Installment purchase debt issued	60,905	65,553
Transfers in	150,000	285,000
Transfers out	<u>-</u>	<u>(70,000)</u>
Total Other Financing Sources	<u>210,905</u>	<u>280,553</u>
Net Change in Fund Balance	(108,721)	47,077
FUND BALANCE		
Beginning of Year	<u>408,898</u>	<u>361,821</u>
End of Year	<u>\$ 300,177</u>	<u>\$ 408,898</u>

See independent auditors' report.

Village of Buchanan, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project through May 31, 2018

<u>Project</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
Reconstruction and resurfacing of various roads	\$ 2,157,123	\$ 1,896,938	\$ 260,185
Sludge tank roof repairs	130,357	130,357	-
	<u>\$ 2,287,480</u>	<u>\$ 2,027,295</u>	<u>\$ 260,185</u>

See independent auditors' report.

<u>Total Revenues</u>	<u>Fund Balance at May 31, 2018</u>
\$ 2,193,216	\$ 296,278
<u>134,256</u>	<u>3,899</u>
<u><u>\$ 2,327,472</u></u>	<u><u>\$ 300,177</u></u>