

**Village of Buchanan, New York**

Financial Statements and  
Supplementary Information

Year Ended May 31, 2020



# 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, 2020, 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, 2020, 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***

As discussed in Note 4B in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 (“Coronavirus”). Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended May 31, 2019 (not presented herein), and have issued our report thereon dated November 26, 2019, 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, 2019 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 2019 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2019 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, 2019.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

February 17, 2021

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## Village of Buchanan

### Management's Discussion and Analysis May 31, 2020

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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, 2020. 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 and deferred inflows of resources of the Village exceeded the assets and deferred outflows of resources at the close of the most recent fiscal year by \$15,250,174.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$2,931,160. This amount is inclusive of the Capital Projects Fund balance of \$498,741.
- Total expenses amounted to \$9,983,571 and were \$415,727 less than 2019. The majority of the decrease was in Home and Community Services in the Water Fund due to less water purchased.
- Since the fiscal year ended May 31, 2019, the Village implemented the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*". This statement addresses accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. This statement supersedes the provisions of GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*". The primary distinction between the two standards is that since no mechanism exists under current New York State law for New York municipalities and school districts to pre-fund these obligations in an irrevocable trust, entities must now report their total OPEB liability as opposed to the net OPEB liability that has been reported under the prior standard. At May 31, 2020, the OPEB liability was \$19,313,328.

### 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 \$15,250,174 at the close of the most recent fiscal year.

The largest portion of the Village's net position, \$3,487,193, 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,	
	<u>2020</u>	<u>2019</u>
Current Assets	\$ 4,514,066	\$ 3,277,727
Capital Assets, net	<u>4,368,978</u>	<u>4,315,979</u>
Total Assets	<u>8,883,044</u>	<u>7,593,706</u>
Deferred Outflows of Resources	<u>3,210,208</u>	<u>698,458</u>
Current Liabilities	1,516,507	1,004,619
Non-Current Liabilities	<u>24,637,656</u>	<u>22,084,642</u>
Total Liabilities	<u>26,154,163</u>	<u>23,089,261</u>
Deferred Inflows of Resources	<u>1,189,263</u>	<u>368,165</u>
Net Position		
Net Investment in Capital Assets	3,487,193	3,619,147
Restricted	2,162,297	1,891,778
Unrestricted	<u>(20,899,664)</u>	<u>(20,676,187)</u>
Total Net Position	<u>\$ (15,250,174)</u>	<u>\$ (15,165,262)</u>

## Change in Net Position

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

	May 31,	
	2020	2019
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 3,972,585	\$ 4,438,323
Operating Grants and Contributions	101,224	2,052
Capital Grants and Contributions	69,899	69,860
Total Program Revenues	4,143,708	4,510,235
General Revenues		
Real Property Taxes	2,298,741	2,050,546
Other Tax Items	2,775,351	2,714,110
Non-Property Taxes	539,175	469,139
Unrestricted Use of Money and Property	20,842	25,974
Sale of Property and Compensation for Loss	32,249	33,885
Unrestricted State Aid	73,215	58,279
Miscellaneous	15,378	17,649
Total General Revenues	5,754,951	5,369,582
Total Revenues	9,898,659	9,879,817
<b>EXPENSES</b>		
Program Expenses		
General Government Support	1,412,135	1,486,952
Public Safety	2,135,190	2,214,009
Health	-	2,500
Transportation	1,210,802	1,075,093
Economic Opportunity and Development	2,050	2,850
Culture and Recreation	468,627	478,096
Home and Community Services	4,724,793	5,117,105
Interest	29,974	22,693
Total Expenses	9,983,571	10,399,298
Change in Net Position	(84,912)	(519,481)
<b>Net Position</b>		
Beginning, as reported	(15,165,262)	(1,291,354)
Cumulative Effect of Change in Accounting Principle	-	(13,354,427)
Beginning, as restated	(15,165,262)	(14,645,781)
Ending	\$ (15,250,174)	\$ (15,165,262)

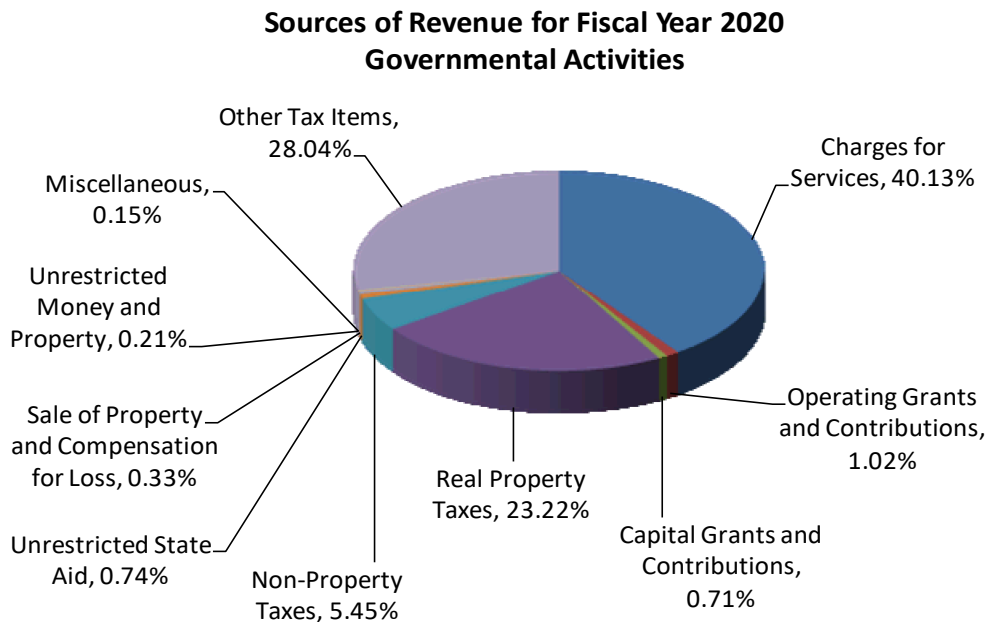
## Governmental Activities

Governmental activities decreased the Village's net position by \$84,912 net of the impact of GASB Statement No. 75.

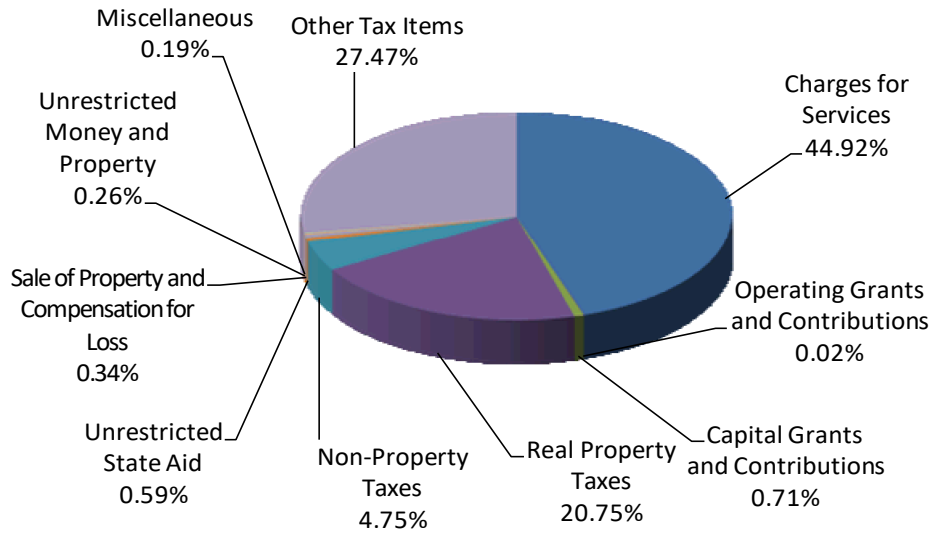
For the year ending May 31, 2020, the Village's OPEB obligations of \$19,313,328 reflected as a liability on the government-wide financial statements and accordingly was the prime factor in the decrease in total net position.

For the fiscal year ended May 31, 2020, revenues from governmental activities totaled \$9,898,659. Program revenues are 41.86% of this total and 56.71% is attributable to taxes and other sources. The major changes are as follows:

- Charges for services decreased by \$465,738 mostly due to sales related to the Water Fund.



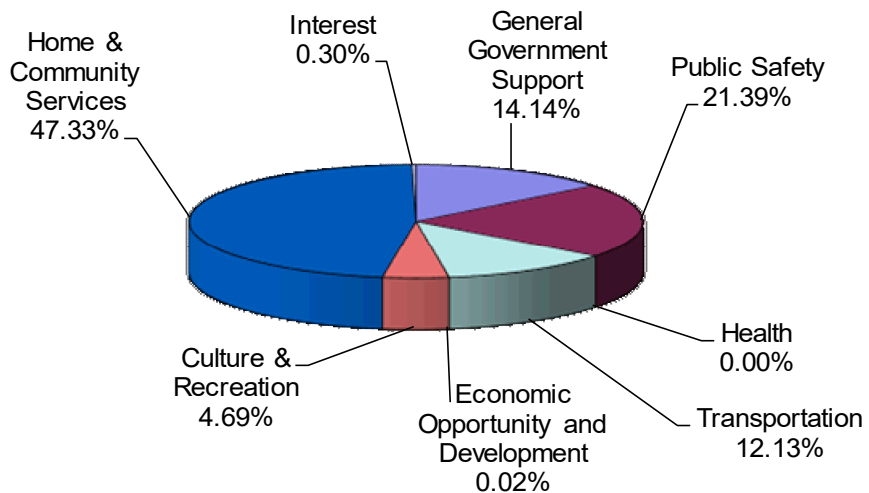
**Sources of Revenue for Fiscal Year 2019  
Governmental Activities**



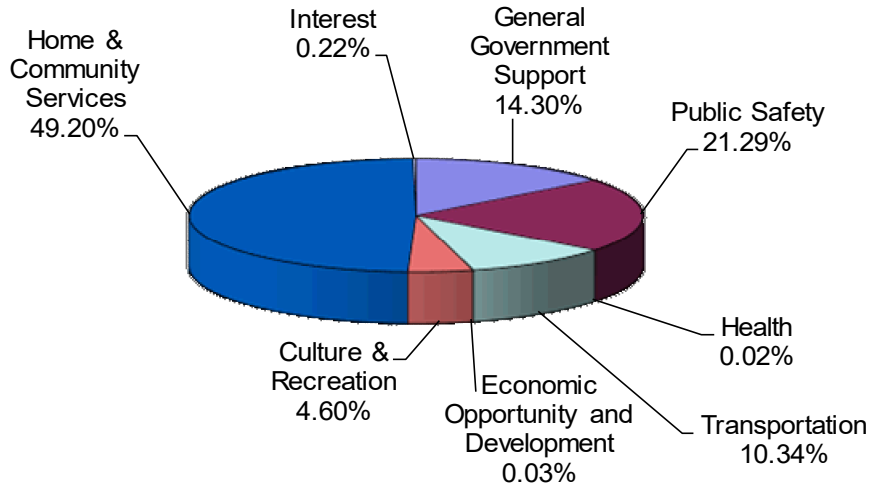
For the fiscal year ended May 31, 2020, expenses for governmental activities totaled \$9,983,571 or \$415,727 less than the prior year. Major changes are as follows:

- Decrease in Home and Community Services was due to less water purchased in the current fiscal year.

**Sources of Expenses for Fiscal Year 2020  
Governmental Activities**



## Sources of Expenses for Fiscal Year 2019 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 \$2,931,160. Of the total, \$2,076,099 is restricted, \$217,807 is unassigned.

### **General Fund Budgetary Highlights**

There was no change between the original adopted budget and the final budget for the expenditures in the General Fund. Actual expenditures and other financing uses were \$843,080 less than the final budget. Actual revenues and other financing sources were less than the final budget by \$745,333. The major area where revenues were more than the final budgetary estimates was in other financing sources transfers in from the Water Fund by \$575,000.

### **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 \$4,368,978.

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

<u>Asset</u>	May 31,	
	<u>2020</u>	<u>2019</u>
Land	\$ 478,000	\$ 478,000
Constructin-in-progress	120,219	-
Buildings	203,292	225,898
Infrastructure	2,923,850	3,134,328
Machinery and Equipment	<u>643,617</u>	<u>477,753</u>
Total (net of depreciation)	<u>\$ 4,368,978</u>	<u>\$ 4,315,979</u>

**Long Term Debt/Short-Term Debt**

At the end of the current fiscal year, the Village had total outstanding serial bonds of \$450,000 and installment purchase debt of \$295,587.

**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 Marcus Serrano, Village of Buchanan, 236 Tate Avenue, Buchanan, New York 10511.

# Village of Buchanan, New York

## Statement of Net Position May 31, 2020

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 2,706,545
Investments	904,227
Receivables	
Taxes, net	158,455
Accounts	266,235
Water rents	360,520
Due from other governments	118,084
Capital assets	
Not being depreciated	598,219
Being depreciated, net	<u>3,770,759</u>
Total Assets	<u>8,883,044</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,210,208</u>
<b>LIABILITIES</b>	
Accounts payable	244,335
Accrued liabilities	29,868
Due to retirement systems	62,175
Unearned revenues	166,086
Bond anticipation notes payable	1,000,000
Accrued interest payable	14,043
Non-current liabilities	
Due within one year	201,136
Due in more than one year	<u>24,436,520</u>
Total Liabilities	<u>26,154,163</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,189,263</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,487,193
Restricted for	
Capital projects	584,939
Repairs	444,497
Pension benefits	904,227
Special Purpose - Parklands	228,634
Unrestricted	<u>(20,899,664)</u>
Total Net Position	<u>\$ (15,250,174)</u>

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

**Village of Buchanan, New York**

Statement of Activities  
Year Ended May 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 1,412,135	\$ 283,896	\$ -	\$ -
Public safety	2,135,190	89,841	-	-
Transportation	1,210,802	-	-	69,899
Economic opportunity and development	2,050	-	-	-
Culture and recreation	468,627	96,483	157	-
Home and community services	4,724,793	3,502,365	101,067	-
Interest	29,974	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 9,983,571</b>	<b>\$ 3,972,585</b>	<b>\$ 101,224</b>	<b>\$ 69,899</b>

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
  - Utilities gross receipts
  - 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

Ending

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

<u>Net (Expense)</u>	
<u>Revenue and</u>	
<u>Changes in</u>	
<u>Net Position</u>	
\$	(1,128,239)
	(2,045,349)
	(1,140,903)
	(2,050)
	(371,987)
	(1,121,361)
	(29,974)
	<u>(5,839,863)</u>
	2,298,741
	2,764,718
	10,633
	440,566
	78,941
	19,668
	20,842
	32,249
	73,215
	15,378
	<u>5,754,951</u>
	(84,912)
	<u>(15,165,262)</u>
\$	<u><u>(15,250,174)</u></u>

**Village of Buchanan, New York**

Balance Sheet  
 Governmental Funds  
 May 31, 2020

	General	Water	Special Purpose
<b>ASSETS</b>			
Cash and equivalents	\$ 630,485	\$ 503,132	\$ 190,689
Investments	904,227	-	-
	<u>1,534,712</u>	<u>503,132</u>	<u>190,689</u>
Taxes receivable, net of allowance for uncollectible taxes	<u>158,455</u>	<u>-</u>	<u>-</u>
Other receivables			
Accounts	266,235	-	-
Water rents	-	360,520	-
Due from other governments	118,084	-	-
Due from other funds	-	-	37,945
	<u>384,319</u>	<u>360,520</u>	<u>37,945</u>
Total Assets	<u>\$ 2,077,486</u>	<u>\$ 863,652</u>	<u>\$ 228,634</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 64,010	\$ 180,325	\$ -
Accrued liabilities	29,074	794	-
Due to retirement systems	62,175	-	-
Unearned revenues	166,086	-	-
Due to other funds	82,078	72,369	-
Bond anticipation notes payable	-	-	-
Total Liabilities	403,423	253,488	-
Deferred inflows of resources			
Real property taxes	<u>80,442</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>483,865</u>	<u>253,488</u>	<u>-</u>
Fund balances			
Restricted	956,367	392,357	228,634
Assigned	-	217,807	-
Unassigned	<u>637,254</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,593,621</u>	<u>610,164</u>	<u>228,634</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,077,486</u>	<u>\$ 863,652</u>	<u>\$ 228,634</u>

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

Capital Projects	Total Governmental Funds
\$ 1,382,239	\$ 2,706,545
-	904,227
<u>1,382,239</u>	<u>3,610,772</u>
-	158,455
-	266,235
-	360,520
-	118,084
116,502	154,447
<u>116,502</u>	<u>899,286</u>
<u>\$ 1,498,741</u>	<u>\$ 4,668,513</u>
\$ -	\$ 244,335
-	29,868
-	62,175
-	166,086
-	154,447
1,000,000	1,000,000
<u>1,000,000</u>	<u>1,656,911</u>
-	80,442
<u>1,000,000</u>	<u>1,737,353</u>
498,741	2,076,099
-	217,807
-	637,254
<u>498,741</u>	<u>2,931,160</u>
<u>\$ 1,498,741</u>	<u>\$ 4,668,513</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, 2020

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

Fund Balances - Total Governmental Funds	<u>\$ 2,931,160</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>4,368,978</u>
Governmental funds do not report the other post employment benefits, assets or liabilities related to net pension liabilities and whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension liabilities	1,434,167
Deferred amounts on fire service awards	353,206
Deferred amounts on other post employment benefit liability	<u>233,572</u>
	<u>2,020,945</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>80,442</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(14,043)
Bonds payable	(450,000)
Installment purchase debt payable	(295,587)
Compensated absences	(450,752)
Net pension liability	(2,468,209)
Total pension liability - Length of service award program	(1,659,780)
Other post employment benefits liability	<u>(19,313,328)</u>
	<u>(24,651,699)</u>
Net Position of Governmental Activities	<u><u>\$ (15,250,174)</u></u>

The notes to 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, 2020

	General	Water	Special Purpose
<b>REVENUES</b>			
Real property taxes	\$ 2,337,567	\$ -	\$ -
Other tax items	2,775,351	-	-
Non-property taxes	539,175	-	-
Departmental income	601,012	3,288,094	-
Use of money and property	59,899	452	157
Licenses and permits	12,838	-	-
Fines and forfeitures	31,584	-	-
Sale of property and compensation for loss	32,249	-	-
State aid	173,215	-	-
Miscellaneous	15,378	615	-
	<u>6,578,268</u>	<u>3,289,161</u>	<u>157</u>
<b>EXPENDITURES</b>			
Current			
General government support	938,044	-	-
Public safety	1,112,593	-	-
Transportation	495,781	-	-
Economic opportunity and development	2,050	-	-
Culture and recreation	283,789	-	-
Home and community services	1,005,389	2,985,799	-
Employee benefits	1,700,664	33,603	-
Debt service			
Principal	156,242	-	-
Interest	20,739	-	-
Capital outlay	-	-	-
	<u>5,715,291</u>	<u>3,019,402</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>862,977</u>	<u>269,759</u>	<u>157</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Installment purchase debt issued	-	-	-
Transfers in	50,000	-	-
Transfers out	(474,564)	(50,000)	-
	<u>(424,564)</u>	<u>(50,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(424,564)</u>	<u>(50,000)</u>	<u>-</u>
Net Change in Fund Balances	438,413	219,759	157
<b>FUND BALANCES</b>			
Beginning of Year	<u>1,155,208</u>	<u>390,405</u>	<u>228,477</u>
End of Year	<u>\$ 1,593,621</u>	<u>\$ 610,164</u>	<u>\$ 228,634</u>

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

Capital Projects	Total Governmental Funds
\$ -	\$ 2,337,567
-	2,775,351
-	539,175
-	3,889,106
-	60,508
-	12,838
-	31,584
-	32,249
69,899	243,114
-	15,993
69,899	9,937,485
-	938,044
-	1,112,593
-	495,781
-	2,050
-	283,789
-	3,991,188
-	1,734,267
-	156,242
-	20,739
635,277	635,277
635,277	9,369,970
(565,378)	567,515
204,997	204,997
474,564	524,564
-	(524,564)
679,561	204,997
114,183	772,512
384,558	2,158,648
\$ 498,741	\$ 2,931,160

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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, 2020

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 772,512</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	377,420
Depreciation expense	<u>(324,421)</u>
	<u>52,999</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>(38,826)</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	(204,997)
Principal paid on bonds	65,000
Principal paid on installment purchase debt	<u>91,242</u>
	<u>(48,755)</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	(9,235)
Pension obligations	(475,950)
Compensated absences	30,218
Other post employment benefits payable	<u>(367,875)</u>
	<u>(822,842)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (84,912)</u></u>

The notes to 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, 2020

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 2,284,675	\$ 2,284,675	\$ 2,337,567	\$ 52,892
Other tax items	2,777,710	2,777,710	2,775,351	(2,359)
Non-property taxes	467,000	467,000	539,175	72,175
Departmental income	727,700	727,700	601,012	(126,688)
Use of money and property	3,000	3,000	59,899	56,899
Licenses and permits	26,450	26,450	12,838	(13,612)
Fines and forfeitures	25,000	25,000	31,584	6,584
Sale of property and compensation for loss	45,400	45,400	32,249	(13,151)
State aid	39,000	39,000	173,215	134,215
Miscellaneous	12,000	12,000	15,378	3,378
<b>Total Revenues</b>	<b>6,407,935</b>	<b>6,407,935</b>	<b>6,578,268</b>	<b>170,333</b>
<b>EXPENDITURES</b>				
Current				
General government support	1,154,620	1,208,652	938,044	270,608
Public safety	1,233,750	1,159,889	1,112,593	47,296
Health	2,500	2,500	-	2,500
Transportation	731,600	690,017	495,781	194,236
Economic opportunity and development	3,000	3,000	2,050	950
Culture and recreation	361,195	361,195	283,789	77,406
Home and community services	1,243,725	1,221,957	1,005,389	216,568
Employee benefits	1,916,000	1,802,744	1,700,664	102,080
Debt service				
Principal	73,800	156,243	156,242	1
Interest	7,745	20,739	20,739	-
<b>Total Expenditures</b>	<b>6,727,935</b>	<b>6,626,936</b>	<b>5,715,291</b>	<b>911,645</b>
Excess (Deficiency) of Rev- enues Over Expenditures	(320,000)	(219,001)	862,977	1,081,978
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	625,000	625,000	50,000	(575,000)
Transfers out	(305,000)	(405,999)	(474,564)	(68,565)
<b>Total Other Financing Sources (Uses)</b>	<b>320,000</b>	<b>219,001</b>	<b>(424,564)</b>	<b>(643,565)</b>
Net Change in Fund Balances	-	-	438,413	438,413
<b>FUND BALANCES</b>				
Beginning of Year	-	-	1,155,208	1,155,208
End of Year	\$ -	\$ -	\$ 1,593,621	\$ 1,593,621

The notes to 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	3,288,094	112,254
15,000	15,000	452	(14,548)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	615	615
<u>3,190,840</u>	<u>3,190,840</u>	<u>3,289,161</u>	<u>98,321</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,521,840	2,532,293	2,985,799	(453,506)
44,000	33,547	33,603	(56)
-	-	-	-
-	-	-	-
<u>2,565,840</u>	<u>2,565,840</u>	<u>3,019,402</u>	<u>(453,562)</u>
<u>625,000</u>	<u>625,000</u>	<u>269,759</u>	<u>(355,241)</u>
-	-	-	-
<u>(625,000)</u>	<u>(625,000)</u>	<u>(50,000)</u>	<u>575,000</u>
<u>(625,000)</u>	<u>(625,000)</u>	<u>(50,000)</u>	<u>575,000</u>
-	-	219,759	219,759
-	-	390,405	390,405
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610,164</u>	<u>\$ 610,164</u>

**Village of Buchanan, New York**

Statement of Assets and Liabilities

Fiduciary Fund

May 31, 2020

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 150,836
Accounts receivable	<u>3,572</u>
Total Assets	<u><u>\$ 154,408</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 39,195
Deposits	<u>115,213</u>
Total Liabilities	<u><u>\$ 154,408</u></u>

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



**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, 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 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. 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. The Village has elected to treat each governmental fund as a major fund as provided by the provisions of GASB Statement No. 34, "*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*". 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

- 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.

**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. 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, total 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.

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

The Village follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and 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 Award Program Investments**

**Fire Service Award 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 1 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, "*Deposits and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", 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, 2020.

**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, 2020

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### **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.

**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, 2020, 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

Village of Buchanan, New York

Notes to Financial Statements (Continued)  
May 31, 2020

**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 the government-wide financial statements, unearned revenues consist of revenue received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues of \$166,086, 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 \$5,823 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State and Local Employees' Retirement System	\$ 788,562	\$ 97,221
New York State and Local Police and Fire Retirement System	823,268	80,442
Length of Service Award Program - Fire	558,679	205,473
Other post employment benefit liabilities	<u>1,039,699</u>	<u>806,127</u>
	<u>\$ 3,210,208</u>	<u>\$ 1,189,263</u>

The Village reported deferred inflows of resources of \$80,442 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 and other postemployment benefit obligations. These amounts are detailed in the discussion of the Village's pension plans in Note 3E.

**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 expended as incurred.

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

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

**Net 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 and 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 Award 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 Provisions of GASB Statements 67 and 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 and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (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 all budgeted governmental funds. Encumbrances outstanding at year-end are generally reported as assigned fund



**Note 1 - Summary of Significant Accounting Policies (Continued)**

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, particularly given the significant social and economic disruptions and uncertainties associated in the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses and such differences may be material (See Note 4B).

**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 17, 2021.

**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 Limitations**

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 2019-2020 was \$7,585,408, which exceeded the actual levy by \$5,300,733.

In addition to this constitutional tax limitation, Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes a local government may levy. 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 Department of Labor with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Board first enacts, by a vote of at least sixty percent of the total voting power of the Board, a local law to override such limit for such coming fiscal year.

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)  
May 31, 2020

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**Note 2 - Stewardship, Compliance and Accountability (Continued)**

**C. Expenditures in Excess of Budget**

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

General Fund:	
General government support - Manager	\$ 824
Employee benefits - Social security benefits	2,025
Transfers out - Capital Projects Fund	68,565
Water Fund:	
Home and Community Services - Pumping, supply and power	454,409
Employee benefits - Social security benefits	56

**D. Capital Projects Fund Projects Deficit**

The individual project deficits in the Capital Projects Fund arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced or eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits where no bond anticipation notes are outstanding arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

**Note 3 - Detailed Notes on All Funds**

**A. Taxes Receivable**

Taxes receivable consisted of the following:

Village taxes - Current year	\$ 46,309
Tax liens and overdue taxes	<u>112,823</u>
Total Taxes	159,132
Less - Allowance for uncollectible taxes	<u>(677)</u>
Taxes Receivable	<u>\$ 158,455</u>

Taxes receivable in the fund financial are also partially offset by deferred tax revenues of \$80,442, which represents the taxes receivable which were not collected within the first sixty days of the subsequent year.

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)  
 May 31, 2020

**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, 2020 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ -	\$ 82,078
Water	-	72,369
Special Purpose	37,945	-
Capital Projects	116,502	-
	<u>\$ 154,447</u>	<u>\$ 154,447</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, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance May 31, 2020</u>
Capital assets, not being depreciated:				
Land	\$ 478,000	\$ -	\$ -	\$ 478,000
Construction-in-progress	-	120,219	-	120,219
Total Capital Assets, not being depreciated	<u>\$ 478,000</u>	<u>\$ 120,219</u>	<u>\$ -</u>	<u>\$ 598,219</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 1,990,873	\$ -	\$ -	\$ 1,990,873
Infrastructure	8,282,115	-	-	8,282,115
Machinery and equipment	1,467,727	257,201	1,991	1,722,937
Total Capital Assets, being depreciated	<u>11,740,715</u>	<u>257,201</u>	<u>1,991</u>	<u>11,995,925</u>
Less accumulated depreciation for:				
Buildings and improvements	1,764,975	22,606	-	1,787,581
Infrastructure	5,147,787	210,478	-	5,358,265
Machinery and equipment	989,974	91,337	1,991	1,079,320
Total Accumulated Depreciation	<u>7,902,736</u>	<u>324,421</u>	<u>1,991</u>	<u>8,225,166</u>
Total Capital Assets, being depreciated, net	<u>\$ 3,837,979</u>	<u>\$ (67,220)</u>	<u>\$ -</u>	<u>\$ 3,770,759</u>
Capital assets, net	<u>\$ 4,315,979</u>	<u>\$ 52,999</u>	<u>\$ -</u>	<u>\$ 4,368,978</u>

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)  
 May 31, 2020

**Note 3 - Detailed Notes on All Funds (Continued)**

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

General Government Support	\$ 8,252
Public Safety	18,642
Transportation	242,498
Culture and Recreation	14,531
Home and Community Services	<u>40,498</u>
<b>Total Depreciation Expense</b>	<b><u>\$ 324,421</u></b>

**D. Short-Term Capital Borrowings**

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance June 1, 2019	New Issues	Redemptions	Balance May 31, 2020
4th street pump station improvements	3/6/2020	3/5/2021	2.000 %	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000

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

Interest expense of \$4,712 was recorded in the government-wide financial statements.

**E. Long-Term Liabilities**

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2020:

	Balance June 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2020	Due Within One-Year
General Obligations Bonds Payable	\$ 515,000	\$ -	\$ 65,000	\$ 450,000	\$ 70,000
Installment Purchase Debt	181,832	204,997	91,242	295,587	86,136
Compensated Absences	480,970	17,782	48,000	450,752	45,000
Net Pension Liability - ERS/PFRS	850,566	1,617,643	-	2,468,209	-
Total Pension Liability - Fire					
Length of Service Award Program	1,269,427	391,763	1,410	1,659,780	-
Other Post Employment Benefit Liability	18,786,847	1,038,948	512,467	19,313,328	-
	<u>\$ 22,084,642</u>	<u>\$ 3,271,133</u>	<u>\$ 718,119</u>	<u>\$ 24,637,656</u>	<u>\$ 201,136</u>

Each governmental fund's liability for general obligations bonds payable, installment purchase debt payable, compensated absences, net pension liability for ERS/PFRS, total pension liability for Fire-

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)  
May 31, 2020

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**Note 3 - Detailed Notes on All Funds (Continued)**

Length of Service Award Program, and other post employment benefit obligations are liquidated by the General Fund.

**General Obligations Bonds Payable**

General obligations bonds payable at May 31, 2020 is comprised of the following individual issue:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at May 31, 2020</u>
Public Improvements	2016	\$ 700,000	October, 2025	3.25 - 3.50 %	<u>\$ 450,000</u>

Interest expenditures of \$16,544 were recorded in the fund financial statements in the General Fund. Interest expense of \$16,205 was recorded in the government-wide financial statements.

**Installment Purchase Debt Payable**

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 a police vehicle. The terms of this agreement provided for the repayment of the principal amount of \$32,160 in annual installments of \$7,289 through October 2022 including interest at 6.60%.

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 \$125,000 in annual installments of \$25,000 through August 2022 with no interest.

The Village entered into a lease agreement to finance the costs of a police vehicle. The terms of this agreement provided for the repayment of the principal amount of \$204,997 in annual installments of \$32,751 through August 2025 including interest at 3.90%.

Interest expenditures of \$4,195 were recorded in the fund financial statements in the General Fund. Interest expense of \$9,057 was recorded in the government-wide financial statements.

The balance due at May 31, 2020 on these various installment purchase debt obligations was \$295,587.

## Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2020

### **Note 3 - Detailed Notes on All Funds (Continued)**

#### **Payments to Maturity**

The annual requirements to amortize all debt outstanding as of May 31, 2020 including interest payments of \$76,615 are as follows:

Year Ending May 31,	General Obligations Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 70,000	\$ 14,350	\$ 86,136	\$ 9,301	\$ 156,136	\$ 23,651
2022	70,000	12,031	58,454	6,586	128,454	18,617
2023	75,000	9,538	59,937	5,103	134,937	14,641
2024	75,000	6,913	29,200	3,551	104,200	10,464
2025	80,000	4,200	30,338	2,413	110,338	6,613
2026	80,000	1,400	31,522	1,229	111,522	2,629
	<u>\$ 450,000</u>	<u>\$ 48,432</u>	<u>\$ 295,587</u>	<u>\$ 28,183</u>	<u>\$ 745,587</u>	<u>\$ 76,615</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. The value of the compensated absences has been reflected in the government-wide financial statements.

#### **Pension Plans**

##### *New York State and Local Retirement System*

The Village participates in the New York State and Local Employees' Retirement System ("ERS") 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 assets and record changes in fiduciary 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](http://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.

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)  
 May 31, 2020

**Note 3 - Detailed Notes on All Funds (Continued)**

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 2020 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	15.7%
	5 A15	13.1
	6 A15	9.2
PFRS	2 384D	24.3%
	5 384D	19.8

At May 31, 2020, the Village reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2020	March 31, 2020
Net pension liability	\$ 1,236,310	\$ 1,231,899
Villages' proportion of the net pension liability	0.0046687 %	0.0230480 %
Change in proportion since the prior measurement date	(0.0008578) %	(0.0043211) %

The net pension liability was measured as of March 31, 2020 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.

For the year ended May 31, 2020, the Village recognized pension expense in the government-wide financial statements of \$396,368 for ERS and \$438,703 for PFRS. Pension expenditures of \$205,040 for ERS and \$236,382 for PFRS were recorded in the fund financial statements and were charged to the following funds.

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 190,641	\$ 236,382
Water	14,399	-
	<u>\$ 205,040</u>	<u>\$ 236,382</u>



Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2020

**Note 3 - Detailed Notes on All Funds (Continued)**

At May 31, 2020, 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	\$ 72,762	\$ -	\$ 82,032	\$ 20,634
Changes of assumptions	24,893	21,495	105,298	-
Net difference between projected and actual earnings on pension plan investments	633,793	-	554,763	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	25,718	75,726	50,396	59,808
Village contributions subsequent to the measurement date	31,396	-	30,779	-
	<u>\$ 788,562</u>	<u>\$ 97,221</u>	<u>\$ 823,268</u>	<u>\$ 80,442</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 154,794	\$ 20,634		
Changes of assumptions	130,191	21,495		
Net difference between projected and actual earnings on pension plan investments	1,188,556	-		
Changes in proportion and differences between Village contributions and proportionate share of contributions	76,114	135,534		
Village contributions subsequent to the measurement date	62,175	-		
	<u>\$ 1,611,830</u>	<u>\$ 177,663</u>		

The amounts of \$31,396 and \$30,779 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 plan's year ended March 31, 2021. 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	ERS		PFRS	
March 31,				
2021	\$	101,301	\$	151,471
2022		162,518		167,528
2023		217,415		211,082
2024		178,711		173,916
2025		-		8,050
Thereafter		-		-

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)

May 31, 2020

**Note 3 - Detailed Notes on All Funds (Continued)**

The total pension liability for the March 31, 2020 measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2020	March 31, 2020
Actuarial valuation date	April 1, 2019	April 1, 2019
Investment rate of return	6.8% *	6.8% *
Salary scale	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustments	1.3%	1.3%

\*Compounded annually, net of pension plan investment expenses, including inflation.

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-2018.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	36 %	4.05 %
International Equity	14	6.15
Private Equity	10	6.75
Real Estate	10	4.95
Absolute Return Strategies	2	3.25
Opportunistic Portfolio	3	4.65
Real Assets	3	5.95
Bonds and Mortgages	17	0.75
Cash	1	-
Inflation Indexed Bonds	4	0.50
	<u>100 %</u>	

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

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)

May 31, 2020

**Note 3 - Detailed Notes on All Funds (Continued)**

The discount rate used to calculate the total pension liability was 6.8%. 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 6.8%, 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 (5.8%) or 1 percentage point higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,268,979</u>	<u>\$ 1,236,310</u>	<u>\$ 285,219</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 2,202,661</u>	<u>\$ 1,231,899</u>	<u>\$ 362,560</u>

The components of the collective net pension liability as of the March 31, 2020 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 194,596,261,000	\$ 35,309,017,000	\$ 229,905,278,000
Fiduciary net position	<u>168,115,682,000</u>	<u>29,964,080,000</u>	<u>198,079,762,000</u>
Employers' net pension liability	<u>\$ 26,480,579,000</u>	<u>\$ 5,344,937,000</u>	<u>\$ 31,825,516,000</u>
Fiduciary net position as a percentage of total pension liability	<u>86.39%</u>	<u>84.86%</u>	<u>86.16%</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 31<sup>st</sup>. Retirement contributions as of May 31, 2020 represent the employer contribution for the period of April 1, 2020 through May 31, 2020 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly. Accrued retirement contributions to ERS and PFRS within the General Fund as of May 31, 2020 were \$31,396 and \$30,779, respectively.

*Voluntary Defined Contribution Plan*

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

**Note 3 - Detailed Notes on All Funds (Continued)**

**Length of Service Award Program**

The Village's financial statements are for the year ended May 31, 2020. However, the information contained in this note is based on information for the Length of Service Award Program for the plan year ending on February 28, 2020, which is the most recent plan year for which complete information is available.

*Plan Description*

The Village established a defined benefit Service Award Program (referred to as a "LOSAP" – length of service award 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 employer defined benefit plan. The program was established pursuant to Article 11-A of the General Municipal Law of the State of New York. 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.

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)  
May 31, 2020

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**Note 3 - Detailed Notes on All Funds (Continued)**

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.

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

Group	May 31, 2020
Inactive participants currently receiving benefit payments	1
Inactive participants entitled to but not yet receiving benefits payments	12
Active participants	29
	42

*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 29, 2020 measurement date was determined using an actuarial valuation as of March 1, 2019.

*Actuarial Assumptions.* The total pension liability in the February 28, 2020 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 RP2000 projected to 2030

*Discount Rate.* The discount rate used to measure the total pension liability was 1.81%, net of pension plan investment expense, including inflation.

*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

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)

May 31, 2020

**Note 3 - Detailed Notes on All Funds (Continued)**

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.

*Changes in the Total Pension Liability*

Total Pension Liability - Beginning of Period	\$ 1,269,427
Service cost	45,132
Interest	22,977
Changes of assumptions or other inputs	534,483
Differences between expected and actual experience	(210,829)
Benefit payments	<u>(1,410)</u>
Total Pension Liability - End of Period	<u>\$ 1,659,780</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, 2020 measurement date, calculated using the discount rate of 1.81%, 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 (0.81%) or 1-percentage point higher (2.81%) than the current rate:

	1% Decrease (0.81%)	Current Assumption (1.81%)	1% Increase (2.81%)
Total Pension Liability	<u>\$ 1,774,956</u>	<u>\$ 1,659,780</u>	<u>\$ 1,541,996</u>

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

For the year ended May 31, 2020, the Village recognized pension expense of \$111,014. At May 31, 2020, 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	\$ -	\$ 205,473
Changes of assumptions or other inputs	529,966	-
Benefit payments and administrative expenses subsequent to the measurement date	<u>28,713</u>	<u>-</u>
	<u>\$ 558,679</u>	<u>\$ 205,473</u>

For the year ended May 31, 2020, the Village reported \$28,713 as deferred outflows of resources resulting from Village contributions subsequent to the measurement date and this amount will be recognized as a reduction of the total pension liability in the plan year ended February 28, 2021.

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)  
May 31, 2020

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**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,	
2021	\$ 44,315
2022	44,315
2023	44,315
2024	44,315
2025	44,315
Thereafter	102,918

**Other Post Employment Benefit Liability (“OPEB”)**

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit OPEB 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 as noted below. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*”, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At May 31, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	28
Active employees	<u>18</u>
	<u><u>46</u></u>

The Village's total OPEB liability of \$19,313,328 was measured as of May 31, 2020, and was determined by an actuarial valuation as of June 1, 2019.

The total OPEB liability in the June 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	2.63%
Healthcare cost trend rates	8.0% for 2020, decreasing 0.5% per year to an ultimate rate of 5.0% for 2024 and later years

The discount rate was based on S&P Municipal Bond 20-Year High Grade Rate Index as of May 31, 2020.

**Village of Buchanan, New York**

Notes to Financial Statements (Continued)  
 May 31, 2020

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**Note 3 - Detailed Notes on All Funds (Continued)**

Mortality rates were based on RP-2014 mortality table and MP-2016 projection.

The actuarial assumptions used in the June 1, 2019 valuation were based on published municipal bond indices.

The Village's change in the total OPEB liability for the year ended May 31, 2020 is as follows:

Total OPEB Liability - Beginning of Year	\$ 18,786,847
Service cost	265,446
Interest	565,184
Changes of benefit terms	-
Differences between expected and actual experience	(967,353)
Changes in assumptions or other inputs	1,175,671
Benefit payments	<u>(512,467)</u>
Total OPEB Liability - End of Year	<u>\$ 19,313,328</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) or 1 percentage point higher (3.63%) than the current discount rate:

	1% Decrease (1.63%)	Current Assumption (2.63%)	1% Increase (3.63%)
Total OPEB Liability	<u>\$ 22,112,895</u>	<u>\$ 19,313,328</u>	<u>\$ 16,513,762</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 16,393,930</u>	<u>\$ 19,313,328</u>	<u>\$ 22,694,838</u>



**Village of Buchanan, New York**

Notes to Financial Statements (Continued)  
 May 31, 2020

**Note 3 - Detailed Notes on All Funds (Continued)**

For the year ended May 31, 2020, the Village recognized OPEB expense of \$880,342 in the government-wide financial statements. At May 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 979,726	\$ -
Differences between expected and actual experience	<u>59,973</u>	<u>806,127</u>
	<u>\$ 1,039,699</u>	<u>\$ 806,127</u>

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

<u>Year Ended May 31,</u>		
2021	\$	49,712
2022		49,712
2023		49,712
2024		49,712
2025		34,724
Thereafter		-

**F. 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.

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
General Fund	\$ -	\$ 474,564	\$ 474,564
Water Fund	<u>50,000</u>	<u>-</u>	<u>50,000</u>
	<u>\$ 50,000</u>	<u>\$ 474,564</u>	<u>\$ 524,564</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.

**Note 3 - Detailed Notes on All Funds (Continued)**

**G. Net Position**

The components of net position are detailed below:

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

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

*Restricted for Repairs* - the component of net position that has been established pursuant to Section 6d of the General Municipal Law of the State of New York 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 investment in capital assets".

Village of Buchanan, New York

Notes to Financial Statements (Continued)  
 May 31, 2020

**Note 3 - Detailed Notes on All Funds (Continued)**

**H. Fund Balances**

	2020					2019				
	General Fund	Water Fund	Special Purpose Fund	Capital Projects Fund	Total	General Fund	Water Fund	Special Purpose Fund	Capital Projects Fund	Total
Restricted:										
Repairs	\$ 52,140	\$ 392,357	\$ -	\$ -	\$ 444,497	\$ 51,881	\$ 390,405	\$ -	\$ -	\$ 442,286
Pension benefits	904,227	-	-	-	904,227	836,457	-	-	-	836,457
Parklands	-	-	228,634	-	228,634	-	-	228,477	-	228,477
Capital projects	-	-	-	498,741	498,741	-	-	-	384,558	384,558
Total Restricted	<u>956,367</u>	<u>392,357</u>	<u>228,634</u>	<u>498,741</u>	<u>2,076,099</u>	<u>888,338</u>	<u>390,405</u>	<u>228,477</u>	<u>384,558</u>	<u>1,891,778</u>
Assigned	-	217,807	-	-	217,807	-	-	-	-	-
Unassigned	637,254	-	-	-	637,254	266,870	-	-	-	266,870
Total Fund Balances	<u>\$ 1,593,621</u>	<u>\$ 610,164</u>	<u>\$ 228,634</u>	<u>\$ 498,741</u>	<u>\$ 2,931,160</u>	<u>\$ 1,155,208</u>	<u>\$ 390,405</u>	<u>\$ 228,477</u>	<u>\$ 384,558</u>	<u>\$ 2,158,648</u>

## Village of Buchanan, New York

Notes to Financial Statements (Continued)

May 31, 2020

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### **Note 3 - Detailed Notes on All Funds (Continued)**

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

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

### **Note 4 - Summary Disclosure of Significant Contingencies**

#### **A. Litigation**

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

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

#### **B. Contingencies**

##### *Coronavirus*

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of Coronavirus. This was followed by the President of the United States declaring the outbreak of Coronavirus a national emergency on March 13, 2020.

Preceding these announcements, the Governor of the State of New York declared a state of emergency on March 7, 2020 and has since issued multiple Executive Orders regarding the pandemic. Furthermore, the Enacted 2020-21 New York State budget granted the Budget Director the authority to reduce state aid payments to local governments and school districts by any amount needed to achieve a balanced budget. The Budget Director is authorized, under Section 1(f) of Chapter 53 of the Laws of 2020, to withhold all or some of specific local aid payments during state fiscal year 2020-21, that began on April 1, 2020, if the budget is deemed unbalanced and if the Budget Director further determines that such withholding is necessary to respond to the direct and indirect economic financial and social effects of the Coronavirus pandemic ("Reduction Authority").

The ultimate size of any permanent reductions would depend in part on the availability of unrestricted Federal aid. The Federal government has not reached a consensus on additional recovery legislation at this time. Therefore, in the interim, without assurance of Federal aid, New York State has begun withholding a minimum of 20% of most municipal and school district aid payments to achieve the cash flow savings anticipated in the Executive Budget Financial Plan as updated for the Governor's amendments and forecast revisions pursuant to the Reduction Authority.

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

In addition to these New York State actions, the Village's economically sensitive revenues (i.e., sales tax distributions, mortgage tax, interest earnings, charges for services) are being negatively impacted. Meanwhile, the Village's expenditures on health and safety measures (personal protective equipment, sanitizing supplies, custodial overtime, technology acquisitions to support a safe working environment) will increase significantly.

The outbreak of the Coronavirus and the dramatic steps taken by the Federal government and New York State to address it will continue to negatively affect New York State and its local economies. The full impact of the Coronavirus on New York State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the Village's future operations and finances as a result of the Coronavirus is extremely difficult to predict due to uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including New York State, to contain or mitigate its effects. The spread of the outbreak or reemergence later in the year could have a material adverse financial effect on New York State and local municipalities, including the Village. The Village is continuously monitoring the situation and will take such proactive measures as may be required to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the actual impact on the Village's future financial position at this time.

**C. Risk Management**

The Village purchases various conventional insurance coverages to reduce its exposure to loss. The Village maintains general liability insurance coverage with a policy limit of \$3 million. The personal and advertising limit policies provide coverage up to \$1 million. The Village also participates in a workers' compensation public entity pool through the Public Employer Risk Management Association.

**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 2019-20 infrastructure payment was \$270,608.

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**Village of Buchanan, New York**

Required Supplementary Information - Schedule of Changes in the  
 Village's Total OPEB Liability and Related Ratios  
 Last Ten Fiscal Years (1)(3)

	<u>2020</u>	<u>2019</u>
Total OPEB Liability:		
Service cost	\$ 265,446	\$ 243,084
Interest	565,184	553,194
Changes of benefit terms	-	-
Differences between expected and actual experience	(967,353)	89,959
Changes of assumptions or other inputs	1,175,671 (4)	-
Benefit payments	<u>(512,467)</u>	<u>(473,817)</u>
Net Change in Total OPEB Liability	526,481	412,420
Total OPEB Liability – Beginning of Year	<u>18,786,847</u>	<u>18,374,427 (2)</u>
Total OPEB Liability – End of Year	<u>\$ 19,313,328</u>	<u>\$ 18,786,847</u>
Village's covered-employee payroll	<u>\$ 2,236,779</u>	<u>\$ 2,236,779</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>863%</u>	<u>840%</u>

Notes to Schedule:

- (1) Data not available prior to fiscal year 2019 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".
- (2) Restated for the implementation of the provisions of GASB Statement No. 75.
- (3) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.
- (4) The discount rate used to calculate the total OPEB liability was decreased from 3.05% to 2.63% effective with the May 31, 2020 measurement date.

See independent auditors' report.

**Village of Buchanan, New York**

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

	2020	2019	2018*
Total Pension Liability:			
Service Cost	\$ 45,132	\$ 36,445	\$ 34,562
Interest	22,977	42,904	39,926
Changes of assumptions or other inputs	534,483	60,093	14,881
Differences between expected and actual experience	(210,829)	(24,816)	-
Benefit payments	(1,410)	(4,775)	(3,073)
Net Change in Total Pension Liability	390,353	109,851	86,296
Total Pension Liability – Beginning of Year	1,269,427	1,159,576	1,073,280
Total Pension Liability – End of Year	<u>\$ 1,659,780</u>	<u>\$ 1,269,427</u>	<u>\$ 1,159,576</u>
Village's covered payroll	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A	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 yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

February 28, 2018: 3.72%

February 28, 2019: 3.70%

February 29, 2020: 1.81%

(1) No assets are accumulated in a trust that meets the criteria in paragraph 4 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 No. 68, and Amendments to Certain Provisions of GASB Statements Nos. 67 and 68" to pay related benefits.

See independent auditors' report.

**Village of Buchanan, New York**

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

Schedule of the Village's Proportionate Share of the Net Pension Liability

	2020	2019	2018	2017	2016
Village's proportion of the net pension liability	0.0046687%	0.0055265%	0.0059832%	0.0057881%	0.0056321%
Village's proportionate share of the net pension liability	\$ 1,236,310	\$ 391,569	\$ 193,105	\$ 543,865	\$ 903,964
Village's covered payroll	\$ 1,287,641	\$ 1,430,276	\$ 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	96.01%	27.38%	13.20%	38.82%	64.28%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%

Schedule of Contributions

	2020	2019	2018	2017	2016
Contractually required contribution	\$ 208,153	\$ 211,746	\$ 204,616	\$ 210,691	\$ 223,059
Contributions in relation to the contractually required contribution	(208,153)	(211,746)	(204,616)	(210,691)	(223,059)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 1,277,357	\$ 1,394,336	\$ 1,497,232	\$ 1,413,626	\$ 1,416,980
Contributions as a percentage of covered payroll	16.30%	15.19%	13.67%	14.90%	15.74%

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

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.



**Village of Buchanan, New York**

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

Schedule of the Village's Proportionate Share of the Net Pension Liability (2)

	2020 (4)	2019	2018	2017	2016 (3)
Village's proportion of the net pension liability	0.0230480%	0.0273691%	0.0295435%	0.0277265%	0.0265829%
Village's proportionate share of the net pension liability	\$ 1,231,899	\$ 458,997	\$ 298,613	\$ 574,674	\$ 787,064
Village's covered payroll	\$ 760,853	\$ 1,033,616	\$ 995,894	\$ 1,052,655	\$ 942,526
Village's proportionate share of the net pension liability as a percentage of its covered payroll	161.91%	44.41%	29.98%	54.59%	83.51%
Plan fiduciary net position as a percentage of the total pension liability	84.86%	95.09%	96.93%	93.46%	90.24%

Schedule of Contributions

	2020	2019	2018	2017	2016
Contractually required contribution	\$ 246,724	\$ 235,683	\$ 256,772	\$ 224,705	\$ 208,770
Contributions in relation to the contractually required contribution	(246,724)	(235,683)	(256,772)	(224,705)	(208,770)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 751,021	\$ 980,211	\$ 1,031,844	\$ 1,055,021	\$ 940,301
Contributions as a percentage of covered payroll	32.85%	24.04%	24.88%	21.30%	22.20%

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

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

**Village of Buchanan, New York**

General Fund  
 Combining Balance Sheet - Sub-Funds  
 May 31, 2020  
 (With Comparative Actuals for 2019)

	General	Fire Service Awards Program
<b>ASSETS</b>		
Cash and equivalents	\$ 630,485	\$ -
Investments	-	904,227
Taxes receivable, net of allowance for uncollectible taxes of \$677 in 2020 and 2019	158,455	-
Accounts receivable	266,235	-
Due from other governments	118,084	-
Total Assets	<u>\$ 1,173,259</u>	<u>\$ 904,227</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 64,010	\$ -
Accrued liabilities	29,074	-
Due to retirement systems	62,175	-
Unearned revenues	166,086	-
Due to other funds	82,078	-
Total Liabilities	403,423	-
Deferred inflows of resources		
Real property taxes	80,442	-
Total Liabilities and Deferred Inflows of Resources	<u>483,865</u>	<u>-</u>
Fund balances		
Restricted	52,140	904,227
Unassigned	637,254	-
Total Fund Balances	<u>689,394</u>	<u>904,227</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,173,259</u>	<u>\$ 904,227</u>

See independent auditors' report.

Totals	
2020	2019
\$ 630,485	\$ 416,889
904,227	836,457
158,455	119,970
266,235	208,477
118,084	110,033
<u>\$ 2,077,486</u>	<u>\$ 1,691,826</u>

\$ 64,010	\$ 90,490
29,074	35,455
62,175	75,630
166,086	169,059
82,078	46,716
<u>403,423</u>	<u>417,350</u>
<u>80,442</u>	<u>119,268</u>
<u>483,865</u>	<u>536,618</u>
956,367	888,338
637,254	266,870
<u>1,593,621</u>	<u>1,155,208</u>
<u>\$ 2,077,486</u>	<u>\$ 1,691,826</u>

**Village of Buchanan, New York**

General Fund

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

Year Ended May 31, 2020

(With Comparative Actuals for 2019)

	General	Fire Service Awards Program	Eliminations
<b>REVENUES</b>			
Real property taxes	\$ 2,337,567	\$ -	\$ -
Other tax items	2,775,351	-	-
Non-property taxes	539,175	-	-
Departmental income	601,012	32,298	(32,298)
Use of money and property	20,842	39,057	-
Licenses and permits	12,838	-	-
Fines and forfeitures	31,584	-	-
Sale of property and compensation for loss	32,249	-	-
State aid	173,215	-	-
Miscellaneous	15,378	-	-
<b>Total Revenues</b>	<b>6,539,211</b>	<b>71,355</b>	<b>(32,298)</b>
<b>EXPENDITURES</b>			
Current			
General government support	938,044	-	-
Public safety	1,109,008	3,585	-
Health	-	-	-
Transportation	495,781	-	-
Economic opportunity and development	2,050	-	-
Culture and recreation	283,789	-	-
Home and community services	1,005,389	-	-
Employee benefits	1,732,962	-	(32,298)
Debt service			
Principal	156,242	-	-
Interest	20,739	-	-
<b>Total Expenditures</b>	<b>5,744,004</b>	<b>3,585</b>	<b>(32,298)</b>
Excess (Deficiency) of Revenues Over Expenditures	795,207	67,770	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	50,000	-	-
Transfers out	(474,564)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(424,564)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>370,643</b>	<b>67,770</b>	<b>-</b>
<b>FUND BALANCES</b>			
Beginning of Year	318,751	836,457	-
End of Year	\$ 689,394	\$ 904,227	\$ -

See independent auditors' report.

<u>Totals</u>	
<u>2020</u>	<u>2019</u>
\$ 2,337,567	\$ 2,031,596
2,775,351	2,714,110
539,175	469,139
601,012	698,273
59,899	26,232
12,838	17,520
31,584	29,481
32,249	33,885
173,215	58,279
15,378	17,649
<u>6,578,268</u>	<u>6,096,164</u>
938,044	1,089,527
1,112,593	1,357,670
-	2,500
495,781	515,364
2,050	2,850
283,789	297,597
1,005,389	1,189,391
1,700,664	1,764,991
156,242	149,219
20,739	22,896
<u>5,715,291</u>	<u>6,392,005</u>
<u>862,977</u>	<u>(295,841)</u>
50,000	689,957
<u>(474,564)</u>	<u>(200,000)</u>
<u>(424,564)</u>	<u>489,957</u>
438,413	194,116
<u>1,155,208</u>	<u>961,092</u>
<u>\$ 1,593,621</u>	<u>\$ 1,155,208</u>

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**Village of Buchanan, New York**

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

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 630,485	\$ 416,889
Taxes receivable, net of allowance for uncollectible taxes of \$677 in 2020 and 2019	158,455	119,970
Other receivables		
Accounts	266,235	208,477
Due from other governments	118,084	110,033
	<u>384,319</u>	<u>318,510</u>
Total Assets	<u>\$ 1,173,259</u>	<u>\$ 855,369</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 64,010	\$ 90,490
Accrued liabilities	29,074	35,455
Due to retirement systems	62,175	75,630
Unearned revenues	166,086	169,059
Due to other funds	82,078	46,716
Total Liabilities	403,423	417,350
Deferred inflows of resources		
Real property taxes	80,442	119,268
Total Liabilities and Deferred Inflows of Resources	<u>483,865</u>	<u>536,618</u>
Fund balance		
Restricted	52,140	51,881
Unassigned	637,254	266,870
Total Fund Balance	<u>689,394</u>	<u>318,751</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,173,259</u>	<u>\$ 855,369</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,

	2020			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 2,284,675	\$ 2,284,675	\$ 2,337,567	\$ 52,892
Other tax items	2,777,710	2,777,710	2,775,351	(2,359)
Non-property taxes	467,000	467,000	539,175	72,175
Departmental income	727,700	727,700	601,012	(126,688)
Use of money and property	3,000	3,000	20,842	17,842
Licenses and permits	26,450	26,450	12,838	(13,612)
Fines and forfeitures	25,000	25,000	31,584	6,584
Sale of property and compensation for loss	45,400	45,400	32,249	(13,151)
State aid	39,000	39,000	173,215	134,215
Miscellaneous	12,000	12,000	15,378	3,378
<b>Total Revenues</b>	<b>6,407,935</b>	<b>6,407,935</b>	<b>6,539,211</b>	<b>131,276</b>
<b>EXPENDITURES</b>				
Current				
General government support	1,154,620	1,208,652	938,044	270,608
Public safety	1,233,750	1,159,889	1,109,008	50,881
Health	2,500	2,500	-	2,500
Transportation	731,600	690,017	495,781	194,236
Economic opportunity and development	3,000	3,000	2,050	950
Culture and recreation	361,195	361,195	283,789	77,406
Home and community services	1,243,725	1,221,957	1,005,389	216,568
Employee benefits	1,916,000	1,802,744	1,732,962	69,782
Debt service				
Principal	73,800	156,243	156,242	1
Interest	7,745	20,739	20,739	-
<b>Total Expenditures</b>	<b>6,727,935</b>	<b>6,626,936</b>	<b>5,744,004</b>	<b>882,932</b>
Excess (Deficiency) of Revenues Over Expenditures	(320,000)	(219,001)	795,207	1,014,208
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	625,000	625,000	50,000	(575,000)
Transfers out	(305,000)	(405,999)	(474,564)	(68,565)
<b>Total Other Financing Sources (Uses)</b>	<b>320,000</b>	<b>219,001</b>	<b>(424,564)</b>	<b>(643,565)</b>
Net Change in Fund Balance	-	-	370,643	370,643
<b>FUND BALANCE</b>				
Beginning of Year	-	-	318,751	318,751
End of Year	\$ -	\$ -	\$ 689,394	\$ 689,394

See independent auditors' report.



2019			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,063,531	\$ 2,063,531	\$ 2,031,596	\$ (31,935)
2,723,499	2,723,499	2,714,110	(9,389)
347,000	347,000	469,139	122,139
472,200	472,200	698,273	226,073
3,000	3,000	2,995	(5)
26,450	26,450	17,520	(8,930)
25,000	25,000	29,481	4,481
62,400	62,400	33,885	(28,515)
64,000	64,000	58,279	(5,721)
277,200	277,200	17,649	(259,551)
<u>6,064,280</u>	<u>6,064,280</u>	<u>6,072,927</u>	<u>8,647</u>
1,013,110	1,118,182	1,089,527	28,655
1,325,900	1,372,723	1,356,260	16,463
2,500	2,500	2,500	-
697,200	515,364	515,364	-
3,000	2,850	2,850	-
347,195	297,597	297,597	-
1,137,625	1,189,391	1,189,391	-
1,878,000	1,818,558	1,819,616	(1,058)
74,775	149,219	149,219	-
9,975	22,896	22,896	-
<u>6,489,280</u>	<u>6,489,280</u>	<u>6,445,220</u>	<u>44,060</u>
<u>(425,000)</u>	<u>(425,000)</u>	<u>(372,293)</u>	<u>52,707</u>
625,000	975,000	689,957	(285,043)
(200,000)	(200,000)	(200,000)	-
<u>425,000</u>	<u>775,000</u>	<u>489,957</u>	<u>(285,043)</u>
-	350,000	117,664	(232,336)
-	(350,000)	201,087	551,087
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,751</u>	<u>\$ 318,751</u>

**Village of Buchanan, New York**

General Fund

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

Year Ended May 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2019 Actual
<b>REAL PROPERTY TAXES</b>	\$ 2,284,675	\$ 2,284,675	\$ 2,337,567	\$ 52,892	\$ 2,031,596
<b>OTHER TAX ITEMS</b>					
Payments in lieu of taxes	2,764,710	2,764,710	2,764,718	8	2,710,508
Interest and penalties on real property taxes	13,000	13,000	10,633	(2,367)	3,602
	<u>2,777,710</u>	<u>2,777,710</u>	<u>2,775,351</u>	<u>(2,359)</u>	<u>2,714,110</u>
<b>NON-PROPERTY TAXES</b>					
Non-property tax distribution from County	365,000	365,000	440,566	75,566	360,452
Utilities gross receipts taxes	85,000	85,000	78,941	(6,059)	85,111
Franchise fees - Cable TV	17,000	17,000	19,668	2,668	23,576
	<u>467,000</u>	<u>467,000</u>	<u>539,175</u>	<u>72,175</u>	<u>469,139</u>
<b>DEPARTMENTAL INCOME</b>					
Town Clerk fees	500	500	450	(50)	140
Engineering fees	50,000	50,000	-	(50,000)	-
Police fees	5,000	5,000	300	(4,700)	330
Planning Board fees	3,000	3,000	900	(2,100)	600
Park and recreation charges	155,700	155,700	96,483	(59,217)	207,687
Zoning fees	2,000	2,000	1,250	(750)	500
Inspection fees	4,000	4,000	-	(4,000)	-
Sewer charges	165,000	165,000	202,121	37,121	155,375
Traffic control	50,000	50,000	18,900	(31,100)	45,451
DWI charges	2,000	2,000	-	(2,000)	-
Indian Point agreement	270,500	270,500	270,608	108	265,302
Sewer services	20,000	20,000	10,000	(10,000)	22,888
	<u>727,700</u>	<u>727,700</u>	<u>601,012</u>	<u>(126,688)</u>	<u>698,273</u>

**USE OF MONEY AND PROPERTY**

Earnings on investments	3,000	3,000	20,842	17,842	2,995
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**LICENSES AND PERMITS**

Business and occupational licenses	200	200	-	(200)	-
Dog licenses	250	250	185	(65)	423
Building and alteration permits	26,000	26,000	12,653	(13,347)	17,097
	<u>26,450</u>	<u>26,450</u>	<u>12,838</u>	<u>(13,612)</u>	<u>17,520</u>

**FINES AND FORFEITURES**

Fines and forfeited bail	25,000	25,000	31,584	6,584	29,031
Forfeiture of deposits	-	-	-	-	450
	<u>25,000</u>	<u>25,000</u>	<u>31,584</u>	<u>6,584</u>	<u>29,481</u>

**SALE OF PROPERTY AND  
COMPENSATION FOR LOSS**

Sale of equipment	10,000	10,000	-	(10,000)	300
Insurance recoveries	35,000	35,000	32,249	(2,751)	33,585
Other	400	400	-	(400)	-
	<u>45,400</u>	<u>45,400</u>	<u>32,249</u>	<u>(13,151)</u>	<u>33,885</u>

**STATE AID**

Per capita	-	-	17,867	17,867	17,867
Mortgage tax	35,000	35,000	55,348	20,348	40,412
Police - Stop DWI and Dare programs	1,000	1,000	-	(1,000)	-
Emergency management agency	-	-	100,000	100,000	-
Other	3,000	3,000	-	(3,000)	-
	<u>39,000</u>	<u>39,000</u>	<u>173,215</u>	<u>134,215</u>	<u>58,279</u>

**MISCELLANEOUS**

Refund of prior year's expenditures	-	-	3,255	3,255	-
Other	12,000	12,000	12,123	123	17,649
	<u>12,000</u>	<u>12,000</u>	<u>15,378</u>	<u>3,378</u>	<u>17,649</u>

**TOTAL REVENUES**

	<u>6,407,935</u>	<u>6,407,935</u>	<u>6,539,211</u>	<u>131,276</u>	<u>6,072,927</u>
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**Village of Buchanan, New York**

General Fund

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

Year Ended May 31, 2020

(With Comparative Actuals for 2019)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2019 Actual</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in					
Water Fund	\$ 625,000	\$ 625,000	\$ 50,000	\$ (575,000)	\$ 689,957
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 7,032,935</u>	<u>\$ 7,032,935</u>	<u>\$ 6,589,211</u>	<u>\$ (443,724)</u>	<u>\$ 6,762,884</u>

See independent auditors' report.

**Village of Buchanan, New York**

General Fund

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

Year Ended May 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2019 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Town Board	\$ 37,450	\$ 38,031	\$ 38,031	\$ -	\$ 35,957
Town Justice	45,425	44,844	43,553	1,291	38,980
Manager	113,970	81,355	82,179	(824)	111,857
Mayor	8,100	11,744	11,744	-	7,634
Independent audit	38,000	38,000	36,799	1,201	33,948
Treasurer	201,200	230,170	229,011	1,159	174,406
Assessor	1,500	1,500	912	588	241
Town Attorney	93,575	121,143	121,143	-	93,166
Engineer	111,000	168,683	168,683	-	256,239
Elections	3,000	957	957	-	2,178
Buildings	208,600	179,425	165,395	14,030	162,936
Central garage	47,300	43,087	23,697	19,390	157,815
Municipal association dues	5,500	3,963	2,118	1,845	4,979
Metropolitan Transportation Authority payroll tax	10,000	10,000	8,072	1,928	9,191
Judgements and claims	-	5,750	5,750	-	-
Contingency	230,000	230,000	-	230,000	-
	<u>1,154,620</u>	<u>1,208,652</u>	<u>938,044</u>	<u>270,608</u>	<u>1,089,527</u>
<b>PUBLIC SAFETY</b>					
Police	943,750	919,889	889,494	30,395	1,091,208
Fire protection	290,000	240,000	219,514	20,486	265,052
	<u>1,233,750</u>	<u>1,159,889</u>	<u>1,109,008</u>	<u>50,881</u>	<u>1,356,260</u>
<b>HEALTH</b>					
Nursing services	2,500	2,500	-	2,500	2,500

**TRANSPORTATION**

Street maintenance	547,600	560,946	427,118	133,828	405,150
Snow removal	106,000	86,948	37,661	49,287	84,763
Street lighting	78,000	42,123	31,002	11,121	25,451
	<u>731,600</u>	<u>690,017</u>	<u>495,781</u>	<u>194,236</u>	<u>515,364</u>

**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Publicity	<u>3,000</u>	<u>3,000</u>	<u>2,050</u>	<u>950</u>	<u>2,850</u>
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**CULTURE AND RECREATION**

Parks	82,700	82,700	50,634	32,066	69,063
Community center	194,320	194,320	170,764	23,556	147,792
Municipal pool	82,700	82,700	62,322	20,378	80,092
Town historian	1,475	1,475	69	1,406	650
	<u>361,195</u>	<u>361,195</u>	<u>283,789</u>	<u>77,406</u>	<u>297,597</u>

**HOME AND COMMUNITY SERVICES**

Zoning Board of Appeals	181,300	181,300	135,826	45,474	134,200
Planning Board	19,700	27,444	24,634	2,810	28,861
Sewer system	116,500	149,953	111,746	38,207	101,458
Sewage treatment and disposal	593,300	531,335	409,899	121,436	604,798
Refuse and garbage	332,925	331,925	323,284	8,641	320,074
	<u>1,243,725</u>	<u>1,221,957</u>	<u>1,005,389</u>	<u>216,568</u>	<u>1,189,391</u>

**EMPLOYEE BENEFITS**

Employees' retirement	215,000	208,153	190,641	17,512	196,565
Police retirement	235,000	246,724	236,382	10,342	237,523
Service awards program	55,000	55,000	32,298	22,702	54,625
Social security benefits	198,000	165,117	167,142	(2,025)	184,109
Workers' compensation benefits	175,000	175,532	175,532	-	191,574
Life insurance	25,000	25,000	18,960	6,040	20,139
Unemployment benefits	2,000	2,000	-	2,000	550
Hospitalization, medical and dental benefits	1,011,000	925,218	912,007	13,211	934,531
	<u>1,916,000</u>	<u>1,802,744</u>	<u>1,732,962</u>	<u>69,782</u>	<u>1,819,616</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, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2019 Actual
<b>DEBT SERVICE</b>					
Principal					
Bonds	\$ 73,800	\$ 65,001	\$ 65,000	\$ 1	\$ 65,000
Installment purchase debt	-	91,242	91,242	-	84,219
	<u>73,800</u>	<u>156,243</u>	<u>156,242</u>	<u>1</u>	<u>149,219</u>
Interest					
Bonds	7,745	16,544	16,544	-	18,575
Installment purchase debt	-	4,195	4,195	-	4,321
	<u>7,745</u>	<u>20,739</u>	<u>20,739</u>	<u>-</u>	<u>22,896</u>
	<u>81,545</u>	<u>176,982</u>	<u>176,981</u>	<u>1</u>	<u>172,115</u>
<b>TOTAL EXPENDITURES</b>	6,727,935	6,626,936	5,744,004	882,932	6,445,220
<b>OTHER FINANCING USES</b>					
Transfers out					
Capital Projects Fund	305,000	405,999	474,564	(68,565)	200,000
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 7,032,935</u>	<u>\$ 7,032,935</u>	<u>\$ 6,218,568</u>	<u>\$ 814,367</u>	<u>\$ 6,645,220</u>

See independent auditors' report.



**Village of Buchanan, New York**

Water Fund  
Comparative Balance Sheet  
May 31,

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	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 503,132	\$ 528,141
Receivables		
Water rents	360,520	488,975
Due from other funds	-	2,466
	<u>360,520</u>	<u>491,441</u>
 Total Assets	 <u>\$ 863,652</u>	 <u>\$ 1,019,582</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 180,325	\$ 628,165
Accrued liabilities	794	1,012
Due to other funds	72,369	-
	<u>253,488</u>	<u>629,177</u>
 Total Liabilities	 <u>253,488</u>	 <u>629,177</u>
 Fund balance		
Restricted	392,357	390,405
Assigned	217,807	-
	<u>610,164</u>	<u>390,405</u>
 Total Fund Balance	 <u>610,164</u>	 <u>390,405</u>
 Total Liabilities and Fund Balance	 <u>\$ 863,652</u>	 <u>\$ 1,019,582</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,

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Departmental income	\$ 3,175,840	\$ 3,175,840	\$ 3,288,094	\$ 112,254
Use of money and property	15,000	15,000	452	(14,548)
Miscellaneous	-	-	615	615
<b>Total Revenues</b>	<b>3,190,840</b>	<b>3,190,840</b>	<b>3,289,161</b>	<b>98,321</b>
<b>EXPENDITURES</b>				
Current				
Home and community services	2,521,840	2,532,293	2,985,799	(453,506)
Employee benefits	44,000	33,547	33,603	(56)
<b>Total Expenditures</b>	<b>2,565,840</b>	<b>2,565,840</b>	<b>3,019,402</b>	<b>(453,562)</b>
Excess of Revenues Over Expenditures	625,000	625,000	269,759	(355,241)
<b>OTHER FINANCING USES</b>				
Transfers out	(625,000)	(625,000)	(50,000)	575,000
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>219,759</b>	<b>219,759</b>
<b>FUND BALANCE</b>				
Beginning of Year	-	-	390,405	390,405
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610,164</u>	<u>\$ 610,164</u>

See independent auditors' report.

2019

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,175,840	\$ 3,175,840	\$ 3,693,049	\$ 517,209
15,000	15,000	1,138	(13,862)
-	-	466	466
<u>3,190,840</u>	<u>3,190,840</u>	<u>3,694,653</u>	<u>503,813</u>
2,521,840	2,518,818	3,370,589	(851,771)
44,000	37,511	37,583	(72)
<u>2,565,840</u>	<u>2,556,329</u>	<u>3,408,172</u>	<u>(851,843)</u>
625,000	634,511	286,481	(348,030)
<u>(625,000)</u>	<u>(984,511)</u>	<u>(689,957)</u>	<u>294,554</u>
-	(350,000)	(403,476)	(53,476)
-	350,000	793,881	443,881
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,405</u>	<u>\$ 390,405</u>

**Village of Buchanan, New York**

Water Fund  
 Schedule of Revenues Compared to Budget  
 Year Ended May 31, 2020  
 (With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2019 Actual
<b>DEPARTMENTAL INCOME</b>					
Metered water sales	\$ 3,162,500	\$ 3,162,500	\$ 3,276,477	\$ 113,977	\$ 3,683,879
Water service charges	13,340	13,340	11,617	(1,723)	9,170
	<u>3,175,840</u>	<u>3,175,840</u>	<u>3,288,094</u>	<u>112,254</u>	<u>3,693,049</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	15,000	15,000	452	(14,548)	1,138
<b>MISCELLANEOUS</b>					
Other	-	-	615	615	466
<b>TOTAL REVENUES</b>	<u>\$ 3,190,840</u>	<u>\$ 3,190,840</u>	<u>\$ 3,289,161</u>	<u>\$ 98,321</u>	<u>\$ 3,694,653</u>

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, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2019 Actual
<b>HOME AND COMMUNITY SERVICES</b>					
Pumping, supply and power	\$ 2,250,000	\$ 2,366,703	\$ 2,821,112	\$ (454,409)	\$ 2,749,263
Transmission and distribution	271,840	165,590	164,687	903	621,326
	<u>2,521,840</u>	<u>2,532,293</u>	<u>2,985,799</u>	<u>(453,506)</u>	<u>3,370,589</u>
<b>EMPLOYEE BENEFITS</b>					
Employees' retirement	13,000	14,399	14,399	-	14,399
Social security benefits	6,500	6,730	6,786	(56)	10,766
Hospitalization, medical and dental benefits	24,500	12,418	12,418	-	12,418
	<u>44,000</u>	<u>33,547</u>	<u>33,603</u>	<u>(56)</u>	<u>37,583</u>
<b>TOTAL EXPENDITURES</b>	2,565,840	2,565,840	3,019,402	(453,562)	3,408,172
<b>OTHER FINANCING USES</b>					
Transfers out					
General Fund	625,000	625,000	50,000	575,000	689,957
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 3,190,840</u>	<u>\$ 3,190,840</u>	<u>\$ 3,069,402</u>	<u>\$ 121,438</u>	<u>\$ 4,098,129</u>

See independent auditors' report.

**Village of Buchanan, New York**

Special Purpose Fund  
Comparative Balance Sheet  
May 31,

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	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 190,689	\$ 190,532
Due from other funds	<u>37,945</u>	<u>37,945</u>
Total Assets	<u>\$ 228,634</u>	<u>\$ 228,477</u>
<b>FUND BALANCE</b>		
Restricted	<u>\$ 228,634</u>	<u>\$ 228,477</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,

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	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>		
Use of money and property	\$ 157	\$ 190
<b>EXPENDITURES</b>		
	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	157	190
<b>FUND BALANCE</b>		
Beginning of Year	<u>228,477</u>	<u>228,287</u>
End of Year	<u><u>\$ 228,634</u></u>	<u><u>\$ 228,477</u></u>

See independent auditors' report.

**Village of Buchanan, New York**

Capital Projects Fund  
Comparative Balance Sheet  
May 31,

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	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,382,239	\$ 378,253
Due from other funds	<u>116,502</u>	<u>6,305</u>
Total Assets	<u><u>\$ 1,498,741</u></u>	<u><u>\$ 384,558</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Bond anticipation notes payable	\$ 1,000,000	\$ -
Fund balance		
Restricted	<u>498,741</u>	<u>384,558</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,498,741</u></u>	<u><u>\$ 384,558</u></u>

See independent auditors' report.



**Village of Buchanan, New York**

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

	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>		
State aid	\$ 69,899	\$ 69,860
<b>EXPENDITURES</b>		
Capital outlay	<u>635,277</u>	<u>217,639</u>
Deficiency of Revenues Over Expenditures	<u>(565,378)</u>	<u>(147,779)</u>
<b>OTHER FINANCING SOURCES</b>		
Installment purchase debt issued	204,997	32,160
Transfers in	<u>474,564</u>	<u>200,000</u>
Total Other Financing Sources	<u>679,561</u>	<u>232,160</u>
Net Change in Fund Balance	114,183	84,381
<b>FUND BALANCE</b>		
Beginning of Year	<u>384,558</u>	<u>300,177</u>
End of Year	<u><u>\$ 498,741</u></u>	<u><u>\$ 384,558</u></u>

See independent auditors' report.

## Village of Buchanan, New York

Capital Projects Fund  
Project-Length Schedule  
Inception of Project through May 31, 2020

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<u>Project</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
Reconstruction and resurfacing of various roads	\$ 2,554,840	\$ 2,376,499	\$ 178,341
Sludge tank roof repairs	130,357	130,357	-
Vehicle replacement	15,000	-	15,000
LED lighting	65,000	-	65,000
IT security upgrade	40,000	-	40,000
Village hall office	15,000	-	15,000
4th street pump station improvements	1,000,000	136,198	863,802
Fire Truck	50,000	-	50,000
General projects	186,695	-	186,695
Sanitation truck	204,997	204,997	-
	<u>\$ 4,261,889</u>	<u>\$ 2,848,051</u>	<u>\$ 1,413,838</u>

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Total Revenues	Fund Balance (Deficit) at May 31, 2020	Bond Anticipation Notes Outstanding at May 31, 2020
\$ 2,615,872	\$ 239,373	\$ -
130,357	-	-
15,000	15,000	-
65,000	65,000	-
108,566	108,566	-
15,000	15,000	-
-	(136,198)	1,000,000
50,000	50,000	-
142,000	142,000	-
204,997	-	-
<u>\$ 3,346,792</u>	<u>\$ 498,741</u>	<u>\$ 1,000,000</u>