

**AUDITED  
BASIC FINANCIAL STATEMENTS**

**VILLAGE OF WEBSTER, NEW YORK**

---

**MAY 31, 2019**

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the Village Board  
Village of Webster, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the remaining aggregate fund information of the Village of Webster, New York (the Village), as of and for the year ended May 31, 2019, 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.

### ***Auditor's 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 auditor's 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, business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As stated in Note 1, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Freed Maxick CPAs, P.C.*

Rochester, New York  
November 25, 2019

**VILLAGE OF WEBSTER, NEW YORK  
STATEMENT OF NET POSITION  
MAY 31, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 796,213	\$ 32,831	\$ 829,044
Receivables	115	60,127	60,242
Internal balances	569,170	(569,170)	-
Due from other governments	437,255	-	437,255
Prepaid items	2,786	270	3,056
Capital assets not being depreciated	323,621	-	323,621
Capital assets, net of accumulated depreciation	<u>5,607,063</u>	<u>1,633,306</u>	<u>7,240,369</u>
Total assets	<u>7,736,223</u>	<u>1,157,364</u>	<u>8,893,587</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	128,088	44,637	172,725
Deferred post employment outflows	<u>32,003</u>	<u>12,446</u>	<u>44,449</u>
Total deferred outflows of resources	<u>160,091</u>	<u>57,083</u>	<u>217,174</u>
<b>LIABILITIES</b>			
Accounts payable	114,720	29,323	144,043
Accrued liabilities	19,976	11,123	31,099
Due to retirement system	17,302	6,029	23,331
Noncurrent liabilities:			
Due within one year	52,418	65,985	118,403
Due in more than one year	<u>3,196,886</u>	<u>2,068,357</u>	<u>5,265,243</u>
Total liabilities	<u>3,401,302</u>	<u>2,180,817</u>	<u>5,582,119</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension inflows	141,475	49,303	190,778
Deferred post employment inflows	<u>217,131</u>	<u>84,440</u>	<u>301,571</u>
Total deferred inflows of resources	<u>358,606</u>	<u>133,743</u>	<u>492,349</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	5,620,684	633,306	6,253,990
Restricted			
Capital projects	289,421	-	289,421
Debt service	135,442	-	135,442
Miscellaneous - parks	121,782	-	121,782
Unrestricted (deficit)	<u>(2,030,923)</u>	<u>(1,733,419)</u>	<u>(3,764,342)</u>
Total net position (deficit)	<u>\$ 4,136,406</u>	<u>\$ (1,100,113)</u>	<u>\$ 3,036,293</u>

See notes to basic financial statements.

VILLAGE OF WEBSTER, NEW YORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary government</b>						
<b>Governmental activities</b>						
General government	\$ 758,019	\$ 90,798	\$ -	\$ (667,221)	\$ -	\$ (667,221)
Public safety	86,266	-	-	(86,266)	-	(86,266)
Health	1,899	49	-	(1,850)	-	(1,850)
Transportation	933,099	2,517	809,127	(121,455)	-	(121,455)
Economic assistance and opportunity	68,871	-	-	(68,871)	-	(68,871)
Culture and recreation	63,896	-	-	(63,896)	-	(63,896)
Home and community services	269,794	1,390	-	(268,404)	-	(268,404)
Interest on debt	21,776	-	-	(21,776)	-	(21,776)
Total governmental activities	2,203,620	94,754	809,127	(1,299,739)	-	(1,299,739)
<b>Business-type activities</b>						
Sewer	897,950	639,792	-	-	(258,158)	(258,158)
Total business-type activities	897,950	639,792	-	-	(258,158)	(258,158)
Total primary government	\$ 3,101,570	\$ 734,546	\$ 809,127	(1,299,739)	(258,158)	(1,557,897)
General revenues:						
Real property taxes				536,529	-	536,529
Real property tax items				67,580	-	67,580
Non-property taxes				1,679,037	-	1,679,037
Use of money and property				80,960	14	80,974
State aid not restricted for a specific purpose				82,312	-	82,312
Miscellaneous revenues				20,295	-	20,295
Special assessment				-	141,120	141,120
Total general revenues				2,466,713	141,134	2,607,847
Change in net position				1,166,974	(117,024)	1,049,950
Net position (deficit) - beginning, as restated (Note 5)				2,969,432	(983,089)	1,986,343
Net position (deficit) - ending				\$ 4,136,406	\$ (1,100,113)	\$ 3,036,293

See notes to basic financial statements.

**VILLAGE OF WEBSTER, NEW YORK  
BALANCE SHEET – GOVERNMENTAL FUNDS  
MAY 31, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Parks and Recreation</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 674,331	\$ 100	\$ 121,782	\$ 796,213
Receivables	115	-	-	115
Due from other funds	569,170	1,871	-	571,041
Due from other governments	432,672	4,583	-	437,255
Prepaid items	2,786	-	-	2,786
Total assets	<u>\$ 1,679,074</u>	<u>\$ 6,554</u>	<u>\$ 121,782</u>	<u>\$ 1,807,410</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 108,266	\$ 6,454	\$ -	\$ 114,720
Accrued liabilities	19,039	-	-	19,039
Due to other funds	1,871	-	-	1,871
Due to retirement system	17,302	-	-	17,302
Total liabilities	<u>146,478</u>	<u>6,454</u>	<u>-</u>	<u>152,932</u>
<b>FUND BALANCES</b>				
Nonspendable	571,956	-	-	571,956
Restricted	424,863	-	121,782	546,645
Assigned	56,101	100	-	56,201
Unassigned	479,676	-	-	479,676
Total fund balances	<u>1,532,596</u>	<u>100</u>	<u>121,782</u>	<u>1,654,478</u>
Total liabilities and fund balances	<u>\$ 1,679,074</u>	<u>\$ 6,554</u>	<u>\$ 121,782</u>	

Amounts reported for governmental activities in the Statement of Net Position (page 3) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation.	5,930,684
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:	
Serial bonds payable	(310,000)
Compensated absences	(24,175)
Postemployment benefit obligations	(2,688,204)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(937)
Pension liabilities are not due and payable in the current period and therefore are not reported in the funds.	(226,925)
Deferred outflows and inflows are not assets or liabilities of the current period and therefore are not reported in the funds:	
Net postemployment deferred outflows and inflows of resources	(185,128)
Net position deferred outflows and inflows of resources	<u>(13,387)</u>
Net position	<u>\$ 4,136,406</u>

See notes to basic financial statements.

**VILLAGE OF WEBSTER, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED MAY 31, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Parks and Recreation</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Real property taxes	\$ 536,529	\$ -	\$ -	\$ 536,529
Real property tax items	67,580	-	-	67,580
Non-property taxes	1,679,037	-	-	1,679,037
Services and fees	64,451	-	-	64,451
Use of money and property	80,862	-	98	80,960
Fines and permits	11,689	-	-	11,689
Sale of property and compensation for loss	18,614	-	-	18,614
Miscellaneous local sources	20,295	-	-	20,295
State sources	178,851	-	-	178,851
Federal sources	74,000	638,588	-	712,588
Total revenues	<u>2,731,908</u>	<u>638,588</u>	<u>98</u>	<u>3,370,594</u>
<b>EXPENDITURES</b>				
Current:				
General government	628,855	-	-	628,855
Public safety	59,050	-	-	59,050
Health	1,899	-	-	1,899
Transportation	1,105,620	-	-	1,105,620
Economic assistance and opportunity	54,426	-	-	54,426
Culture and recreation	45,502	-	-	45,502
Home and community services	202,661	-	-	202,661
Employee benefits	539,707	-	-	539,707
Debt service:				
Principal	68,563	-	-	68,563
Interest	9,748	15,008	-	24,756
Capital outlay:				
Transportation	-	895,841	-	895,841
Total expenditures	<u>2,716,031</u>	<u>910,849</u>	<u>-</u>	<u>3,626,880</u>
Excess (deficit) of revenues over expenditures	15,877	(272,261)	98	(256,286)
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfer in	8,229	300,839	-	309,068
Interfund transfer out	(300,839)	-	(8,229)	(309,068)
Total other financing sources (uses)	<u>(292,610)</u>	<u>300,839</u>	<u>(8,229)</u>	<u>-</u>
Net change in fund balances	(276,733)	28,578	(8,131)	(256,286)
Fund balances (deficit) - beginning	<u>1,809,329</u>	<u>(28,478)</u>	<u>129,913</u>	<u>1,910,764</u>
Fund balances - ending	<u>\$ 1,532,596</u>	<u>\$ 100</u>	<u>\$ 121,782</u>	<u>\$ 1,654,478</u>

See notes to basic financial statements.

**VILLAGE OF WEBSTER, NEW YORK  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2019**

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Net change in fund balances - total governmental funds (page 6) \$ (256,286)

Amounts reported for governmental activities in the Statement of Activities (page 4) are different because:

Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$2,508,029), excluding construction in progress placed in service in the current period (\$1,122,720), exceed depreciation (\$224,464) in the current period. 1,160,845

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades) is to decrease net position. (3,083)

The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The amounts of these differences in the treatment of long-term debt and related items are as follows:

Repayment of serial bonds	50,000
Repayment of installment purchase debt	18,563
Change in compensated absences	(2,185)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when paid. 2,980

Change in the proportionate share of net pension liability reported in the Statement of Net Position does not provide for or require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.

Net pension - proportionate share	(131,327)
Other postemployment benefits	389,116

Change in the proportionate share of the net deferred inflows and outflows reported in the Statement of Net Position during the measurement period between the Village's contributions and its proportionate share to the total contributions to the pension systems subsequent to the measurement date do not provide for or require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Net pension - proportionate share	123,479
Other postemployment benefits	<u>(185,128)</u>

Change in net position of governmental activities \$ 1,166,974

**VILLAGE OF WEBSTER, NEW YORK  
STATEMENT OF NET POSITION – ENTERPRISE FUND  
MAY 31, 2019**

	<u>Sewer</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 32,831
Receivables	60,127
Due from other funds	-
Prepaid items	<u>270</u>
Total current assets	<u>93,228</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>1,633,306</u>
Total noncurrent assets	<u>1,633,306</u>
Total assets	<u>1,726,534</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension outflows	44,637
Deferred post employment outflows	<u>12,446</u>
Total deferred outflows of resources	<u>57,083</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	29,323
Accrued liabilities	11,123
Due to retirement system	6,029
Due to other funds	569,170
Serial bonds payable	65,000
Compensated absences	<u>985</u>
Total current liabilities	<u>681,630</u>
Noncurrent liabilities:	
Serial bonds payable	935,000
Compensated absences	8,862
Postemployment benefit obligations	1,045,413
Net pension liabilities	<u>79,082</u>
Total noncurrent liabilities	<u>2,068,357</u>
Total liabilities	<u>2,749,987</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension inflows	49,303
Deferred post employment inflows	<u>84,440</u>
Total deferred inflows of resources	<u>133,743</u>
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	633,306
Unrestricted (deficit)	<u>(1,733,419)</u>
Total net position (deficit)	<u>\$ (1,100,113)</u>

See notes to basic financial statements.

**VILLAGE OF WEBSTER, NEW YORK  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
 ENTERPRISE FUND  
 FOR THE YEAR ENDED MAY 31, 2019**

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	<u>Sewer</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 639,792
Total operating revenues	<u>639,792</u>
<b>OPERATING EXPENSES</b>	
Salaries, wages and employee benefits	316,475
Contractual expense	420,828
Depreciation	<u>130,582</u>
Total operating expenses	<u>867,885</u>
Operating loss	(228,093)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest earnings	14
Interest expense	(30,065)
Special assessment	<u>141,120</u>
Total non-operating revenues	<u>111,069</u>
Change in net position	(117,024)
Net position (deficit) - beginning, as restated (Note 5)	<u>(983,089)</u>
Net position (deficit) - ending	<u>\$ (1,100,113)</u>

**VILLAGE OF WEBSTER, NEW YORK  
STATEMENT OF CASH FLOWS – ENTERPRISE FUND  
FOR THE YEAR ENDED MAY 31, 2019**

	<u>Sewer</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	
Cash received from customers	\$ 647,047
Cash payments for contractual expenses	(406,389)
Cash payments to employees for services	(281,759)
Net cash used by operating activities	<u>(41,101)</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>	
Special assessment	141,120
Interfund loans	60,757
Net cash provided by non-capital financing activities	<u>201,877</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>	
Acquisition and construction of capital assets	(110,263)
Principal payments on debt	(65,000)
Interest paid on debt	(30,294)
Net cash used by capital and related financing activities	<u>(205,557)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>	
Interest on cash and investments	14
Net cash provided by investing activities	<u>14</u>
Net decrease in cash and cash equivalents	(44,767)
Cash and cash equivalents - beginning	<u>77,598</u>
Cash and cash equivalents - ending	<u>\$ 32,831</u>
<b>Reconciliation of operating loss</b>	
<b>to net cash used by operating activities:</b>	
Operating loss	\$ (228,093)
Adjustments to reconcile operating loss to	
net cash used by operating activities:	
Depreciation	130,582
Decrease in accounts receivable	7,255
Increase in prepaid items	(117)
Decrease in deferred outflows - pensions	47,007
Increase in deferred outflows - postemployment benefits	(12,446)
Increase in accounts payable	14,556
Increase in accrued liabilities	690
Increase in due to retirement system	301
Decrease in compensated absences	(1,701)
Increase in net pension liability	44,329
Decrease in net postemployment benefits liability	(35,807)
Decrease in deferred inflows - pensions	(92,097)
Decrease in deferred inflows - postemployment benefits	84,440
Net cash used by operating activities	<u>\$ (41,101)</u>

See notes to basic financial statements.

**VILLAGE OF WEBSTER, NEW YORK  
STATEMENT OF FIDUCIARY NET POSITION – AGENCY FUND  
MAY 31, 2019**

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**ASSETS**

Cash and cash equivalents	\$	13,556
Receivables		<u>451</u>
Total assets	\$	<u><u>14,007</u></u>

**LIABILITIES**

Agency liabilities	\$	<u>14,007</u>
Total liabilities	\$	<u><u>14,007</u></u>

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Village of Webster (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

**A. REPORTING ENTITY**

The Village reports related organizations under the guidance of the Governmental Accounting Standards Board. The Standards define the primary government, and redefines and establishes the criteria for which potential component units are included in the reporting entity. The Standards also define financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing board, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government.

The accompanying basic financial statements include only the operations of the Village, since management has determined that there are no other organizations that meet the criteria for inclusion in the reporting entity of the Village.

**B. BASIS OF PRESENTATION**

**1. GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). The Statement of Net Position and the Statement of Activities present financial information about the reporting government as a whole. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operation or capital) grants while the capital grants column reflects capital-specific grants. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and direct revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Direct revenues include charges paid by the recipients of goods or services offered by the Village, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as direct revenues, including all taxes, are presented as general revenues.

The government-wide focus is on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

**2. FUND FINANCIAL STATEMENTS**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenue and expenditures/expenses. Funds are organized into three major categories: governmental, enterprise, and fiduciary. An emphasis is placed on major funds within the governmental and enterprise categories.

**VILLAGE OF WEBSTER, NEW YORK**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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Governmental Funds:

Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is based upon determination of financial position and changes in financial position. The following are the Village's governmental fund types:

- a. General Fund - The General Fund is the general operating fund of the Village. This fund is used to account for all financial resources except for those required to be accounted for in a separate fund.
- b. Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the Enterprise Fund.
- c. Parks & Recreation Fund – This fund is used to account for financial resources to be used for the operations of the parks and recreation programs of the Village.

Enterprise Fund:

This fund is used to account for ongoing operations or activities, which are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position and cash flows. The Village applies all applicable GASB pronouncements, as well as, Financial Accounting Standards Board's (FASB) Accounting Standards Codification unless these standards conflict with or contradict GASB pronouncements.

Sewer Fund – This fund is used to account for operations that provide sewer services and are financed primarily by user charges.

Other Fund Types:

Fiduciary Funds - are used to account for fiduciary activities. Fiduciary activities are those in which the Village acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements because their resources do not belong to the Village and are not available for use.

Agency Fund – This fund is used to account for bid deposits, tax redemptions, joint liens and other assets and liabilities that are custodial in nature.

During the course of operations the Village has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**VILLAGE OF WEBSTER, NEW YORK  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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 or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the 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.

The governmental fund 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. For this purpose, the Village considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. 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, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within sixty days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within sixty days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Village.

The enterprise fund is 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 for reporting its assets and liabilities.

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

**1. CASH AND CASH EQUIVALENTS**

The Village's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

**2. RECEIVABLES**

Receivables are carried at their net realizable value. Receivables are written-off as uncollectible after the likelihood of payment is considered remote by management. Generally accepted accounting principles require the establishment of an allowance for uncollectible receivables, however, no allowance for uncollectible receivables has been provided since management believes that such allowance would not be material.

**3. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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**4. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

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). As the Village constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Contributed fixed assets are recorded at fair value at the date received. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

Land and construction in progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	straight-line	20-40 years
Infrastructure	20,000	straight-line	20-100 years
Furniture and equipment	5,000	straight-line	5-15 years
Vehicles	5,000	straight-line	10 years

**5. INSURANCE**

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks has not yet exceeded commercial insurance coverage for the past three fiscal years.

**6. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Village has two items that qualify for reporting in this category. They are related to pensions and other postemployment benefits (OPEB) reported in the government-wide Statement of Net Position and the Statement of Net Position – Enterprise Funds. They represent the effect of the net change in the Village’s proportion of the collective net pension liability and OPEB liability, and the difference during the measurement period between the Village’s contributions and its proportional share of total contributions to the pension system and OPEB plan not included in pension and OPEB expense. Also included is the Village’s contributions to the pension system and OPEB plan subsequent to the measurement date. See details of deferred pension outflows in Note 3.D. and deferred OPEB outflows in Note 3.E.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**VILLAGE OF WEBSTER, NEW YORK**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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The Village has two types of items that qualify for reporting in this category. They are related to pensions and OPEB reported in the government-wide Statement of Net Position and the Statement of Net Position – Enterprise Funds. They represent the effect of the net change in the Village’s proportion of the collective net pension liability and OPEB liability, and the difference during the measurement period between the Village’s contributions and its proportional share of total contributions to the pension system and OPEB plan not included in pension and OPEB expense. See details of deferred pension inflows in Note 3.D. and deferred OPEB inflows in Note 3.E.

**7. LONG-TERM LIABILITIES**

All long-term liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of serial bonds payable, installment purchase debt, compensated absences, other postemployment benefits and the net pension liability.

Long-term liabilities for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal, interest and other long-term benefits are reported as expenditures.

**8. NET POSITION FLOW ASSUMPTION**

Sometimes the Village will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Village’s policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**9. FUND BALANCE FLOW ASSUMPTIONS**

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned 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.

It is the Village’s policy that when an expenditure is incurred where there are both restricted and unrestricted (committed, assigned or unassigned) amounts are available, it is the Village’s practice to consider restricted amounts have been reduced first. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the Village practice to reduce committed amounts first, followed by assigned amounts and then unassigned amounts.

**10. FUND BALANCE POLICIES**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Village itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Village’s highest level of decision-making authority. The Village Board is the highest level of decision-making authority for the Village that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as committed. The Village Board (the Board) has the ability to assign fund balance including when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

**VILLAGE OF WEBSTER, NEW YORK**  
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Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**E. REVENUES AND EXPENDITURES/EXPENSES**

**1. PROGRAM REVENUES**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. PROPERTY TAXES**

Property taxes attach as an enforceable lien on real property and are levied as of May 15<sup>th</sup> and become a lien on June 1<sup>st</sup>. Taxes are collected during the period of June 1<sup>st</sup> through October 31<sup>st</sup>. The unpaid taxes are then turned over to the County for enforcement. Any such taxes remaining unpaid at the year-end are relieved as County taxes in the subsequent year.

**3. ENTERPRISE FUND - OPERATING AND NONOPERATING REVENUES AND EXPENSES**

The enterprise fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**4. COMPENSATED ABSENCES**

The Village's labor agreements rules and regulations provide for sick and vacation leave. Upon retirement certain eligible employees qualify for paid medical and dental insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in compensated absences at year-end. The compensated absences liability is calculated based on the contractually negotiated rates in effect at year-end.

Compensated absences for governmental fund type employees are reported as a fund liability and as an expenditure in the government-wide financial statements. The compensated absences liability for the governmental and business-type activities at the year-end totaled \$24,175 and \$9,847 respectively. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Payment of compensated absences recorded in the government-wide financial statements is dependent upon many factors; therefore timing of future payments are not readily determinable. However, management believes that sufficient resources will be made available for the payment of compensated absences when such payments become due.

**F. USE OF ESTIMATES**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**VILLAGE OF WEBSTER, NEW YORK  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**G. ACCOUNTING PRONOUNCEMENTS**

During the fiscal year ended May 31, 2019, the Village has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB).

In addition, the Village evaluated the provisions of GASB Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues*, which became effective for the fiscal year ended May 31, 2019. The Village determined that these Statements have no significant impact on the Village's financial statements in the current fiscal year.

The following are GASB Statements that have been issued recently and are currently being evaluated, by the Village, for their potential impact in future years.

- Statement No. 83, *Certain Asset Retirement Obligations*, which will be effective for the year ending May 31, 2020.
- Statement No. 84, *Fiduciary Activities*, which will be effective for the year ending May 31, 2020.
- Statement No. 87, *Leases*, which will be effective for the year ending May 31, 2021.
- Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, which will be effective for the year ending May 31, 2020.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending May 31, 2021.
- Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statements No. 14 and 61*, which will be effective for the year ending May 31, 2020.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending May 31, 2022.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. LEGAL COMPLIANCE - BUDGETS**

The budget policies are as follows:

- a. No later than March 31<sup>st</sup>, the Village Treasurer submits a tentative budget to the Village Board for the fiscal year commencing the following June 1<sup>st</sup>. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the Village except for Capital Projects and Agency funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than May 1<sup>st</sup>, the Village Board adopts the budget. Appropriations established by the budget constitute a limitation on expenditures which may be incurred.
- c. All modifications of the budget must be approved by the Village Board and appropriations lapse at fiscal year-end.

**NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS**

**A. DEPOSITS AND INVESTMENTS**

The Village's investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village Treasurer is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities. Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts, and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

**VILLAGE OF WEBSTER, NEW YORK  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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The Village’s aggregate bank balances were fully collateralized at May 31, 2019.

Investment and Deposit Policy

The Village follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Village Treasurer.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Village’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Village’s policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Village’s investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Village’s investment and deposit policy, all deposits of the Village including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The Village restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

**B. RECEIVABLES**

Significant revenues accrued by the Village at May 31, 2019, include the following:

General Fund:

CDBG Grant	\$ 60,000
Sales Tax	372,672
Total due from other governments	<u>\$ 432,672</u>

Sewer Fund:

Sewer rents receivable	\$ 38,518
Unbilled receivables	19,348
Miscellaneous receivables	2,261
Total receivables	<u>\$ 60,127</u>

Capital Fund:

Miscellaneous receivables	\$ 4,583
Total due from other governments	<u>\$ 4,583</u>

**VILLAGE OF WEBSTER, NEW YORK  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**C. CAPITAL ASSETS**

Capital asset activity for the year ended May 31, 2019, was as follows:

**Governmental Activities:**

	Balance 06/01/18	Increases	Decreases	Balance 05/31/19
<u>Capital assets not being depreciated:</u>				
Land	\$ 323,621	\$ -	\$ -	\$ 323,621
Construction work in progress	226,879	895,841	1,122,720	-
Total capital assets not being depreciated	<u>550,500</u>	<u>895,841</u>	<u>1,122,720</u>	<u>323,621</u>
<u>Capital assets being depreciated:</u>				
Buildings	3,336,587	-	47,082	3,289,505
Vehicles & equipment	2,469,337	421,947	36,909	2,854,375
Infrastructure	4,696,730	1,190,241	-	5,886,971
Total capital assets, being depreciated	<u>10,502,654</u>	<u>1,612,188</u>	<u>83,991</u>	<u>12,030,851</u>
<u>Less accumulated depreciation:</u>				
Buildings	2,941,530	30,689	43,999	2,928,220
Vehicles & equipment	1,731,733	121,583	36,909	1,816,407
Infrastructure	1,606,969	72,192	-	1,679,161
Total accumulated depreciation	<u>6,280,232</u>	<u>224,464</u>	<u>80,908</u>	<u>6,423,788</u>
Total capital assets being depreciated, net	<u>4,222,422</u>	<u>1,387,724</u>	<u>3,083</u>	<u>5,607,063</u>
Governmental activities capital assets, net	<u>\$ 4,772,922</u>	<u>\$ 2,283,565</u>	<u>\$ 1,125,803</u>	<u>\$ 5,930,684</u>
<b>Governmental activities:</b>				
General government	\$ 75,870			
Transportation	75,262			
Culture and recreation	9,694			
Home and community service	<u>63,638</u>			
Total depreciation expense - governmental activities	<u>\$ 224,464</u>			

**VILLAGE OF WEBSTER, NEW YORK  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Business-Type Activities:**

	Balance 06/01/18	Increases	Decreases	Balance 05/31/19
<u>Capital assets being depreciated:</u>				
Buildings	\$ 1,657,256	\$ -	\$ -	\$ 1,657,256
Vehicles & equipment	2,088,299	110,263	23,114	2,175,448
Infrastructure	544,118	-	-	544,118
Total capital assets, being depreciated	<u>4,289,673</u>	<u>110,263</u>	<u>23,114</u>	<u>4,376,822</u>
<u>Less accumulated depreciation:</u>				
Buildings	1,063,768	23,478	-	1,087,246
Vehicles & equipment	1,515,308	96,222	23,114	1,588,416
Infrastructure	56,972	10,882	-	67,854
Total accumulated depreciation	<u>2,636,048</u>	<u>130,582</u>	<u>23,114</u>	<u>2,743,516</u>
Total capital assets being depreciated, net	<u>1,653,625</u>	<u>(20,319)</u>	<u>-</u>	<u>1,633,306</u>
Business-type activities capital assets, net	<u>\$ 1,653,625</u>	<u>\$ (20,319)</u>	<u>\$ -</u>	<u>\$ 1,633,306</u>

**D. PENSION OBLIGATIONS**

***New York State and Local Employees' Retirement System (the System)***

Plan Description

The Village participates in the New York State and Local Employees' Retirement System (ERS), which is referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the 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 System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefit's provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy

The System is noncontributory, except for employees who joined after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010, who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under Tier VI vary based on a sliding salary scale. 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<sup>st</sup>.

**VILLAGE OF WEBSTER, NEW YORK**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

At May 31, 2019, the Village reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2018. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

	<u>ERS</u>
Measurement date	March 31, 2019
Net pension liability	\$ 306,007
Village's portion of the Plan's total net pension liability	0.0043189 %
Change in proportion since the prior measurement date	0.0002801
Pension expense at May 31, 2019	\$ 145,402

At May 31, 2019, the Village's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	<u>Deferred Outflows of Resources ERS</u>	<u>Deferred Inflows of Resources ERS</u>
Differences between expected and actual experience	\$ 60,259	\$ 20,542
Change of assumptions	76,918	-
Net difference between projected and actual earnings on pension plan investments	-	78,538
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	12,217	91,698
Village's contributions subsequent to the measurement date	<u>23,331</u>	<u>-</u>
Total	<u>\$ 172,725</u>	<u>\$ 190,778</u>

**VILLAGE OF WEBSTER, NEW YORK**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended May 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>
<u>Year ended March 31:</u>	
2020	\$ 26,236
2021	(85,516)
2022	(19,862)
2023	37,758
2024	-
Thereafter	-

Actuarial Assumptions

The total pension liability as of the March 31, 2019, was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>
Inflation	2.5 %
Salary increases	4.2
Investment rate of return (net of investment expense, including inflation)	7.0
Cost of living adjustments	1.3

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2014. The actuarial assumptions used in the April 1, 2017, valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2019, are summarized below:

<u>Asset Class:</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36.0 %	4.6 %
International equity	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic funds/portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.3
Total	100.0 %	

**VILLAGE OF WEBSTER, NEW YORK  
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Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the 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.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

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

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
<u>ERS</u>			
Village's proportionate share of the net pension liability/(asset)	\$ 1,337,913	\$ 306,007	\$ (560,867)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2019, were as follows:

	<u>(Dollars in Thousands)</u>
	<u>ERS</u>
Employers' total pension liability	\$ 189,803,429
Plan net position	182,718,124
Employers' net pension liability	<u>\$ 7,085,305</u>
Ratio of plan net position to the employers' total pension liability	96.3%

Payables to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of May 31, 2019, represent a two-month portion of the projected employer contribution for the Plan year April 1, 2019, through March 31, 2020. Accrued retirement contributions as of May 31, 2019 amounted to \$23,331.

**E. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (OPEB)**

***Village of Webster Retiree Medical Plan (the Plan)***

Plan Description

The Village of Webster (the Village), administers the Plan as a single-employer defined benefit OPEB plan. The Plan provides for continuation of medical and dental benefits for certain retirees and their spouses and can be amended by action of the Village subject to applicable collective bargaining and employment agreements. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

**VILLAGE OF WEBSTER, NEW YORK**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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Funding Policy

The obligations of the plan members, employers and other entities are established by action of the Village pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members varies depending on the applicable agreement. The Village currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the Village.

At May 31, 2019, the following employees were covered by the benefit terms:

Active not eligible to retire	14
Actives eligible to retire	2
Retired and surviving spouses	17
Retiree spouses covered	8
Total	<u>41</u>

The Village's total OPEB liability of \$3,733,617 was measured as of March 1, 2019, and was determined by an actuarial valuation as of May 31, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the May 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-term bond rate	3.70%
Year in which assets expire	2018
Single discount rate	3.70%
Initial healthcare cost trend rate	5.20%
Ultimate healthcare cost trend rate	4.32%

The discount rate was based on the Fidelity Municipal General Obligation AA 20-year Bond rate as of the measurement date.

Mortality rates for retirees and surviving spouses were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General and Safety, without separate Contingent Survivor mortality, fully generational using scale MP-2018.

Retirement and termination assumptions reflect general published tables based on large-scale retirement plan population data. The plan's estimated termination and retirement experience is then analyzed, and the base table is adjusted accordingly as necessary. No formal experience study is prepared for this plan.

Changes in the Total OPEB Liability

Balance at June 1, 2018	\$ 4,158,540
<u>Changes for the year:</u>	
Service cost	68,277
Interest	151,934
Changes of benefit terms	-
Differences between expected and actual experience	(516,979)
Changes in assumptions or other inputs	14,422
Benefit payments	(142,577)
Net Changes	<u>(424,923)</u>
Balance at May 31, 2019	<u>\$ 3,733,617</u>

**VILLAGE OF WEBSTER, NEW YORK**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00 percent in 2017 to 3.72, effective June 1, 2018, and 3.70 percent, effective May 31, 2019. Changes in the mortality rate was updated to Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General and Safety, without separate Contingent Survivor mortality, fully generational using scale MP-2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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 (2.70%) or 1 percentage point higher (4.70%) than the current discount rate.

	1% Decrease (2.70%)	Discount Rate (3.70%)	1% Increase (4.70%)
Total OPEB Liability	\$ 4,416,988	\$ 3,733,617	\$ 3,204,754

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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 of 1 percentage point change in the healthcare cost trend rate:

	1% Decrease (4.20% decreasing to 3.32%)	Healthcare Cost Trend Rates (5.20% decreasing to 4.32%)	1% Increase (6.20% decreasing to 5.32%)
Total OPEB Liability	\$ 3,107,963	\$ 3,733,617	\$ 4,625,816

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended May 31, 2019, the Village recognized OPEB expense of \$167,801. At May 31, 2019, the Village reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 301,571
Changes of assumptions	8,413	-
Contributions subsequent to the measurement date	36,036	-
Total	\$ 44,449	\$ 301,571

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

Fiscal Year Ended May 31,	Amount
2020	\$ (209,399)
2021	(83,759)
2022	-
2023	-
2024	-
Thereafter	-

**VILLAGE OF WEBSTER, NEW YORK  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**F. COMMITMENTS**

Encumbrances

Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e. purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. The Village recorded encumbrances of \$56,101 in the General Fund.

**G. LONG-TERM LIABILITIES**

GENERAL OBLIGATION BONDS

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds outstanding at May 31, 2019, are as follows:

<b>Governmental Activities</b>	Original Issue Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding Balance 5/31/2019
<u>Issue Description</u>					
<u>General Obligation Bonds</u>					
Milling & Paving	2012	\$ 320,000	3.00%	2026	\$ 195,000
Water Tank Painting & Metalizing	2012	255,000	3.13%	2032	115,000
					<u>\$ 310,000</u>
 <b>Business-Type Activities</b>					
<u>Issue Description</u>					
<u>General Obligation Bonds</u>					
Sewer Outfall Replacement	2012	\$ 300,000	3.00%	2026	\$ 200,000
Sewer Plant Grit System	2012	455,000	3.13%	2032	360,000
Sewer Plant Reconstruction	2012	590,000	3.13%	2032	440,000
					<u>\$ 1,000,000</u>

LEGAL DEBT MARGIN

There is a statutory debt limit applicable to villages within New York State. The Village is in compliance with this debt limit.

CHANGES IN LONG-TERM LIABILITIES

Changes in the Village's long-term liabilities for the year ended May 31, 2019, are as follows:

<b>Governmental Activities</b>	Balance 06/01/18	Additions	Reductions	Balance 05/31/19	Due Within One Year
General obligation bonds	\$ 360,000	\$ -	\$ 50,000	\$ 310,000	\$ 50,000
Installment purchase debt	18,563	-	18,563	-	-
Compensated absences	21,989	47,519	45,333	24,175	2,418
Total OPEB liability	3,077,320	168,936	558,052	2,688,204	-
Net pension liability**	95,598	131,327	-	226,925	-
Governmental activities long-term liabilities	<u>\$ 3,573,470</u>	<u>\$ 347,782</u>	<u>\$ 671,948</u>	<u>\$ 3,249,304</u>	<u>\$ 52,418</u>

**VILLAGE OF WEBSTER, NEW YORK  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Business-Type Activities**

General obligation bonds	\$ 1,065,000	\$ -	\$ 65,000	\$ 1,000,000	\$ 65,000
Compensated absences	11,548	21,853	23,554	9,847	985
Total OPEB liability	1,081,220	65,697	101,504	1,045,413	-
Net pension liability**	34,753	44,329	-	79,082	-
Business-type activities					
long-term liabilities	\$ 2,192,521	\$ 131,879	\$ 190,058	\$ 2,134,342	\$ 65,985

\*\*Reductions to net pension liability are shown net of additions

The debt service requirements for the Village’s bonds are as follows:

**Governmental Activities**

Year ending May 31,	Bonds	
	Principal	Interest
2020	\$ 50,000	\$ 8,053
2021	55,000	6,681
2022	55,000	5,188
2023	60,000	3,563
2024	30,000	2,250
2025-2029	60,000	1,800
Total	\$ 310,000	\$ 27,535

**Business-Type Activities**

Year ending May 31,	Bonds	
	Principal	Interest
2020	\$ 65,000	\$ 28,688
2021	65,000	26,900
2022	70,000	25,013
2023	75,000	22,931
2024	80,000	20,637
2025-2029	370,000	67,635
2030-2034	275,000	17,030
Total	\$ 1,000,000	\$ 208,834

**COMPENSATED ABSENCES**

As explained in Note 1, the Village records the value of governmental and business-type compensated absences. The annual budgets of the respective funds of which the employees’ payroll is recorded provide funding for these benefits as they become payable throughout the year. Payments by the Village to liquidate compensated absences are typically from the funds in which the individuals are employed. These operating funds include General and Sewer funds. Since the payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable. While the payments of compensated absences are dependent upon many factors, the Village has estimated that \$2,418 and \$985 for the governmental activities and business-type activities will be due within one year, respectively.

**VILLAGE OF WEBSTER, NEW YORK**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

TOTAL OPEB LIABILITY

As explained in Note 3.E., the Village records the value of other postemployment benefits. Payments by the Village to liquidate other postemployment benefits are typically from the funds in which the individuals are employed. These operating funds include the General and Sewer funds.

NET PENSION LIABILITY

The Village reported a liability of \$226,925 and \$79,082 for the governmental activities and business-type activities, respectively for the year ended May 31, 2019, for its proportionate share of the net pension liability for the New York State and Local Employees' Retirement System. Refer to Note 3.D for additional information related to the Village's net pension liability. Payments by the Village for retirement contributions are typically from funds in which the individuals are employed. These operating funds include General and Sewer funds.

**H. INTERFUND ACTIVITY**

Interfund activity at May 31, 2019 are as follows:

	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General Fund	\$ 579,646	\$ 12,347	\$ 8,229	\$ 300,839
Capital Projects Fund	1,871	-	300,839	-
Parks and Recreation	-	-	-	8,229
Sewer	10,476	579,646	-	-
Total	<u>\$ 591,993</u>	<u>\$ 591,993</u>	<u>\$ 309,068</u>	<u>\$ 309,068</u>

Interfund receivables and payables are eliminated on the Statement of Net Position.

Interfund receivables and payables between sewer and general are related to lack of cash in the sewer fund to cover operational costs.

**I. NET POSITION AND FUND BALANCE**

NET POSITION

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and debt used to fund capital asset purchases reduce the balance in this category. The following presents a reconciliation of capital assets (net of accumulated depreciation), to net investment in capital assets:

	Governmental Activities	Business-type Activities	Total
Capital assets, net of accumulated depreciation	\$ 5,930,684	\$ 1,633,306	\$ 7,563,990
Less:			
Bonds payable used for capital assets	(310,000)	(1,000,000)	(1,310,000)
Net investment in capital assets	<u>\$ 5,620,684</u>	<u>\$ 633,306</u>	<u>\$ 6,253,990</u>

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted net position is consistent with restricted fund balance balances at May 31, 2019.

Unrestricted net position – This category represents net position of the Village not restricted for any project or other purpose.

VILLAGE OF WEBSTER, NEW YORK  
NOTES TO THE BASIC FINANCIAL STATEMENTS

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**FUND BALANCE**

In the fund financial statements there are five classifications of fund balance:

Nonspendable – represents net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balances maintained by the Village at May 31, 2019, include:

- *Prepaid items* – represents amounts prepaid to the retirement system and other miscellaneous items that are applicable to future accounting periods. This balance is nonspendable as the asset does not represent an available resource.
- *Long term receivable* – represents amount due from the sewer fund with no set repayment terms.

Restricted – represents amounts with constraints placed on the use of resources and are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

- *Restricted for capital projects* – represents funds to be used for construction, reconstruction and/or acquisition of capital improvements and equipment.
- *Restricted for debt service* – represents funds to be used for the repayment of debt obligations.
- *Restricted for parks and recreation fund* – represents funds set aside for use by the Village's parks and recreation fund.

Committed – represents amounts that are subject to a purpose constraint imposed by a formal action of the Village's highest level of decision-making authority. As of May 31, 2019, the Village had no committed fund balances.

Assigned – represents amounts that are constrained by the Village's intent to be used for the specified purposes noted below, but are neither restricted nor committed.

- *Subsequent years' expenditures* – represents available fund balance being appropriated to meet expenditure requirements in the 2019 fiscal year.
- *Encumbrances* – represent amounts related to unperformed contracts for goods and services.

Unassigned – represents all amounts not included in other spendable classifications. The General fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

**VILLAGE OF WEBSTER, NEW YORK  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

DETAIL OF FUND BALANCES

As of May 31, 2019, fund balances were classified as follows:

	General	Capital Projects	Nonmajor Parks and Recreation	Total
<u>Nonspendable:</u>				
Prepaid items	\$ 2,786	\$ -	\$ -	\$ 2,786
Due from sewer	569,170	-	-	569,170
<u>Restricted:</u>				
Debt	135,442	-	-	135,442
Capital	289,421	-	-	289,421
Parks and Recreation	-	-	121,782	121,782
<u>Assigned:</u>				
Encumbrances:				
General government	38,520	-	-	38,520
Transportation	14,129	-	-	14,129
Culture and recreation	-	-	-	-
Home and community	3,452	-	-	3,452
Capital projects	-	100	-	100
<u>Unassigned:</u>				
General fund	479,676	-	-	479,676
Total	<u>\$ 1,532,596</u>	<u>\$ 100</u>	<u>\$ 121,782</u>	<u>\$ 1,654,478</u>

**NOTE 4 - COMMITMENTS AND CONTINGENCIES**

**A. RETAIL LEASE AGREEMENT FOR OPERATION OF WATER SYSTEM**

In August 2013, the Village entered into a lease agreement with Monroe County Water Authority whereby the Authority has assumed responsibility for the operation and maintenance of the Village's water system. The lease agreement is for a period of forty years in consideration of the sum of one dollar (\$1.00).

**B. CONTINGENCIES**

**Assessments** – The Village is a defendant in litigation under Article 7 of the Real Property Tax Law of the State of New York to review tax assessments. While the Village vigorously defends assessments, the likelihood of success is on a case by case basis, and is dependent upon various factors including market values and appraised amounts. No potential amount or potential range of loss is determinable. However, management believes that level of such potential loss, if any, would be immaterial and no provisions have been made within the financial statements.

**Grants** – In the normal course of operations, the Village receives grant funds from various federal and state agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions that are specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowable expenditures resulting from such audits could become a liability of the Village. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

**VILLAGE OF WEBSTER, NEW YORK  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 5 - RESTATEMENT OF NET POSITION**

For the fiscal year ended May 31, 2019, the Village implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The implementation of Statement No. 75 resulted in the reporting of a deferred postemployment outflow of resources, postemployment liability and deferred postemployment inflow of resources related to the Village's single-employer defined benefit other postemployment plan.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net position - beginning, as previously stated	\$ 5,661,819	\$ (39,982)	\$ 5,621,837
GASB Statement No. 75 implementation			
Beginning plan liability under GASB Statement No. 45	384,933	138,113	523,046
Beginning plan liability under GASB Statement No. 75	<u>(3,077,320)</u>	<u>(1,081,220)</u>	<u>(4,158,540)</u>
Net position - beginning of year, as restated	<u>\$ 2,969,432</u>	<u>\$ (983,089)</u>	<u>\$ 1,986,343</u>

**NOTE 6 - TAX ABATEMENTS**

The County of Monroe Industrial Development Agency (the Agency), created by Chapter 565 of the Laws of 1970 of the State of New York pursuant to Title I of Article 18-A of General Municipal Law of the State of New York (collectively "the Act"), has three real property tax abatement agreements with various businesses in the Village under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act for the purposes of economic development and affordable housing.

Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements. Should the property owner not comply with the policies and laws as set forth in each agreement, the PILOT will discontinue as outlined in each agreement.

As a result of these tax abatement agreements, for the year ended May 31, 2019, the Village's total tax revenues were reduced by \$20,027.

Copies of the agreements may be obtained from Kathy Tanea, Town of Webster Director of Finance, 1000 Ridge Road, Webster, NY, 14580.

**NOTE 7 - SUBSEQUENT EVENT**

Subsequent to year end the Village Board (Board) has approved the Village to be self-insured for Workers' Compensation starting July 1, 2019. The Board has also approved the issuance of a serial bond in the amount of \$5,657,000 for waste water treatment plant improvements. The issuance of the serial bond is contingent upon the Board's decision to remain with its own wastewater treatment plant facility or move to a regional option with the Town of Webster.

Management has evaluated subsequent events through November 25, 2019, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles other than the items noted above.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**VILLAGE OF WEBSTER, NEW YORK  
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\***

	<u>Year Ended May 31,</u>				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Employees' Retirement System (ERS)</b>					
Measurement date	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Village's proportion of the net pension liability	0.0050080%	0.0046621%	0.0043074%	0.0040388%	0.0043189%
Village's proportionate share of the net pension liability	\$ <u>169,186</u>	\$ <u>748,275</u>	\$ <u>404,737</u>	\$ <u>130,351</u>	\$ <u>306,007</u>
Village's covered payroll	\$ 941,100	\$ 932,352	\$ 969,804	\$ 880,074	\$ 958,172
Village's proportionate share of the net pension liability as a percentage of its covered payroll	18.0%	80.3%	41.7%	14.8%	31.9%
Plan fiduciary net position as a percentage of the total pension liability	97.9%	90.7%	94.7%	98.2%	96.3%

\* This Schedule is intended to show information for ten years, additional years' information will be displayed as it becomes available.

**VILLAGE OF WEBSTER, NEW YORK  
SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS –  
EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS  
YEAR ENDED MAY 31,**

	YEAR ENDED MAY 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Contractually required contribution	**	**	**	**	\$ 218,302	\$ 155,512	\$ 152,081	\$ 128,738	\$ 120,711	\$ 136,472
Contributions in relation to the contractually required contribution	**	**	**	**	\$ 218,302	\$ 155,512	\$ 152,081	\$ 128,738	\$ 120,711	\$ 136,472
Contribution deficiency (excess)	**	**	**	**	-	-	-	-	-	-
Village's covered payroll	**	**	**	**	**	**	**	**	\$ 980,560	\$ 943,499
Contributions as a percentage of covered payroll	**	**	**	**	**	**	**	**	12%	14%

\* Pension schedules in the Required Supplementary Information are intended to show information for ten years, additional years' information will be displayed as it becomes available

The notes to the required supplementary information is an integral part of this schedule.

**VILLAGE OF WEBSTER, NEW YORK  
SCHEDULE OF CHANGES IN THE TOTAL OPEB RELATED LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS**

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	<u>2019</u>
Measurement Date	March 1, 2019
<b>Total OPEB Liability</b>	
Service cost	\$ 68,277
Interest	151,934
Changes in benefit terms	-
Differences between expected and actual experience in the measurement of the total OPEB liability	(516,979)
Changes of assumptions or other inputs	14,422
Benefit payments	<u>(142,577)</u>
Net change in total OPEB liability	(424,923)
Total OPEB liability - beginning	<u>4,158,540</u>
Total OPEB liability - ending	<u>\$ 3,733,617</u>
Covered-employee payroll	\$ 965,066
Total OPEB liability as a percentage of covered-employee payroll	386.88%

\* This schedule is intended to show information for ten years. Since 2019 was the first year for this presentation, ten years of data is not available. Additional years will be included as they become available.

**VILLAGE OF WEBSTER, NEW YORK  
 BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND  
 FOR THE YEAR ENDED MAY 31, 2019**

	<b>General Fund</b>			<b>Variance with Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES:</b>				
Real property taxes	\$ 536,529	\$ 536,529	\$ 536,529	\$ -
Real property tax items	67,161	67,161	67,580	419
Non property taxes	1,465,000	1,465,000	1,679,037	214,037
Services and fees	61,340	61,340	64,451	3,111
Use of money and property	79,406	79,406	80,862	1,456
Fines and permits	42,842	42,842	11,689	(31,153)
Sale of property and compensation for loss	9,450	9,450	18,614	9,164
Miscellaneous local sources	7,100	7,100	20,295	13,195
State sources	180,747	180,747	178,851	(1,896)
Federal sources	86,000	86,000	74,000	(12,000)
<b>Total revenues</b>	<b>2,535,575</b>	<b>2,535,575</b>	<b>2,731,908</b>	<b>196,333</b>
<b>EXPENDITURES:</b>				
General government	596,836	673,189	628,855	44,334
Public safety	59,034	59,034	59,050	(16)
Health	1,320	2,890	1,899	991
Transportation	1,008,235	1,198,706	1,105,620	93,086
Economic assistance and opportunity	71,522	71,522	54,426	17,096
Culture and recreation	40,907	45,777	45,502	275
Home and community services	214,837	244,674	202,661	42,013
Employee benefits	549,665	549,665	539,707	9,958
Debt service:				
Principal	50,000	50,000	68,563	(18,563)
Interest	24,248	9,241	9,748	(507)
<b>Total expenditures</b>	<b>2,616,604</b>	<b>2,904,698</b>	<b>2,716,031</b>	<b>188,667</b>
Excess (deficit) of revenues over expenditures	(81,029)	(369,123)	15,877	385,000
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund transfers out	(69,500)	(117,137)	(300,839)	(183,702)
Interfund transfers in	-	-	8,229	8,229
Net change in fund balance *	(150,529)	(486,260)	(276,733)	209,527
Fund balance - beginning	1,809,329	1,809,329	1,809,329	-
Fund balance - ending	<u>\$ 1,658,800</u>	<u>\$ 1,323,069</u>	<u>\$ 1,532,596</u>	<u>\$ 209,527</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

**VILLAGE OF WEBSTER, NEW YORK  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**NOTE 1 - BUDGETARY INFORMATION**

**1. BUDGETARY BASIS OF ACCOUNTING**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. The capital projects fund is appropriated on a project-length basis. The sewer enterprise fund has a budget that is utilized for cost control purposes.

The appropriated budget is prepared by fund, function, and department. The Village's department heads may make transfers within a department. Transfers of appropriations between departments require the approval of the Village Board or, in certain limited circumstances the Village Treasurer. The legal level of budgetary control (e.g., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e, purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended May 31, 2019, expenditures exceeded appropriations in the Public safety function (the legal level of budgetary control) within the general fund by \$16 and in the Debt Service function (the legal level of budgetary control) within the general fund by \$19,070 and Interfund transfer function (the legal level of budgetary control) within the general fund by \$183,702. However, total expenditures did not exceed total appropriations.

**NOTE 2 - FACTORS AFFECTING TRENDS IN RETIREMENT SYSTEM PENSIONS**

The Village's proportionate share of the net pension liability of the pension system is significantly dependent on the performance of the stock market and the funds that the retirement system invests in. In addition to this performance variable, the discount factor has varied from 7.5% to 7.0% over the past four years.

**NOTE 3 - FACTORS AFFECTING TRENDS IN RETIREE HEALTH PLAN (OPEB)**

The Village's retiree health plans most significant factors and assumptions affecting the total OPEB liability are as follows:

<u>Year Ended May 31:</u>	<u>Long-Term Bond Rate</u>	<u>Salary Scale</u>	<u>Single Discount Rate</u>	<u>Ultimate Healthcare Cost Trend Rate</u>
2019	3.70%	3.36%	3.72%	4.32%
2018	3.72%	3.37%	3.70%	4.23%