

**AUDITED
BASIC FINANCIAL STATEMENTS**

VILLAGE OF WEBSTER, NEW YORK

MAY 31, 2021

VILLAGE OF WEBSTER, NEW YORK
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FINANCIAL SECTION

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 aggregate remaining fund information of the Village of Webster, New York (the Village), as of and for the year ended May 31, 2021, 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, 2021, 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.

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.

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 supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates 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 supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Freed Maxick CPAs, P.C.

Rochester, New York
February 28, 2022

VILLAGE OF WEBSTER, NEW YORK
STATEMENT OF NET POSITION
MAY 31, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,153,898	\$ 252,861	\$ 1,406,759
Cash and cash equivalents - restricted	562,315	-	562,315
Receivables	1,955	137,299	139,254
Internal balances	508,620	(508,620)	-
Intergovernmental receivables	312,547	-	312,547
Capital assets not being depreciated	323,621	-	323,621
Capital assets, net of accumulated depreciation	5,373,401	1,564,560	6,937,961
Total assets	<u>8,236,357</u>	<u>1,446,100</u>	<u>9,682,457</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	611,673	232,681	844,354
Deferred outflows - OPEB	236,077	96,426	332,503
Total deferred outflows of resources	<u>847,750</u>	<u>329,107</u>	<u>1,176,857</u>
LIABILITIES			
Accounts payable	119,840	1,194	121,034
Accrued liabilities	33,732	11,555	45,287
Accrued interest payable	2,030	4,648	6,678
Due to retirement system	19,522	7,592	27,114
Unearned revenue	4,747	-	4,747
Other liabilities	6,300	-	6,300
Noncurrent liabilities:			
Due within one year	97,959	72,240	170,199
Due in more than one year	3,372,706	2,083,416	5,456,122
Total liabilities	<u>3,656,836</u>	<u>2,180,645</u>	<u>5,837,481</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	926,312	352,371	1,278,683
Deferred inflows - OPEB	283,015	115,597	398,612
Total deferred inflows of resources	<u>1,209,327</u>	<u>467,968</u>	<u>1,677,295</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	5,376,933	694,560	6,071,493
Restricted for:			
Capital projects	289,875	-	289,875
Debt service	82,056	-	82,056
Miscellaneous - parks and recreation	190,384	-	190,384
Unrestricted (deficit)	(1,721,304)	(1,567,966)	(3,289,270)
Total net position (deficit)	<u>\$ 4,217,944</u>	<u>\$ (873,406)</u>	<u>\$ 3,344,538</u>

See notes to basic financial statements.

**VILLAGE OF WEBSTER, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
General government	\$ 653,044	\$ 22,426	\$ -	\$ -	\$ (630,618)	\$ -	\$ (630,618)
Public safety	96,664	-	-	-	(96,664)	-	(96,664)
Health	861	18	9,692	-	8,849	-	8,849
Transportation	1,058,982	1,092	-	183,959	(873,931)	-	(873,931)
Economic assistance and opportunity	83,480	-	-	-	(83,480)	-	(83,480)
Culture and recreation	42,691	39,600	-	-	(3,091)	-	(3,091)
Home and community services	279,499	24,124	-	-	(255,375)	-	(255,375)
Interest on debt	8,671	-	-	-	(8,671)	-	(8,671)
Total governmental activities	<u>2,223,892</u>	<u>87,260</u>	<u>9,692</u>	<u>183,959</u>	<u>(1,942,981)</u>	<u>-</u>	<u>(1,942,981)</u>
Business-type activities							
Sewer	911,788	800,002	544	67,410	-	(43,832)	(43,832)
Total business-type activities	<u>911,788</u>	<u>800,002</u>	<u>544</u>	<u>67,410</u>	<u>-</u>	<u>(43,832)</u>	<u>(43,832)</u>
Total primary government	<u>\$ 3,135,680</u>	<u>\$ 887,262</u>	<u>\$ 10,236</u>	<u>\$ 251,369</u>	<u>(1,942,981)</u>	<u>(43,832)</u>	<u>(1,986,813)</u>
General revenues:							
Real property taxes					534,390	-	534,390
Real property tax items					67,627	-	67,627
Non-property taxes					1,670,892	-	1,670,892
Use of money and property					83,361	288	83,649
State aid not restricted for a specific purpose					63,485	-	63,485
Miscellaneous revenues					88,912	650	89,562
Special assessment revenues					-	176,700	176,700
Total general revenues					<u>2,508,667</u>	<u>177,638</u>	<u>2,686,305</u>
Change in net position					565,686	133,806	699,492
Net position (deficit) - beginning					<u>3,652,258</u>	<u>(1,007,212)</u>	<u>2,645,046</u>
Net position (deficit) - ending					<u>\$ 4,217,944</u>	<u>\$ (873,406)</u>	<u>\$ 3,344,538</u>

See notes to basic financial statements.

VILLAGE OF WEBSTER, NEW YORK
BALANCE SHEET – GOVERNMENTAL FUNDS
MAY 31, 2021

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,153,798	\$ 100	\$ 1,153,898
Cash and cash equivalents - restricted	371,931	190,384	562,315
Receivables	1,955	-	1,955
Intergovernmental receivables	312,547	-	312,547
Due from other funds	508,620	-	508,620
Total assets	<u>\$ 2,348,851</u>	<u>\$ 190,484</u>	<u>\$ 2,539,335</u>
LIABILITIES			
Accounts payable	\$ 119,840	\$ -	\$ 119,840
Accrued liabilities	33,732	-	33,732
Due to retirement system	19,522	-	19,522
Unearned revenue	4,747	-	4,747
Other liabilities	6,300	-	6,300
Total liabilities	<u>184,141</u>	<u>-</u>	<u>184,141</u>
FUND BALANCES			
Nonspendable	508,620	-	508,620
Restricted	371,931	190,384	562,315
Assigned	452,579	100	452,679
Unassigned	831,580	-	831,580
Total fund balances	<u>2,164,710</u>	<u>190,484</u>	<u>2,355,194</u>
Total liabilities and fund balances	<u>\$ 2,348,851</u>	<u>\$ 190,484</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	5,697,022
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:	
Serial bonds payable	(205,000)
Installment purchase debt	(115,089)
Compensated absences liability	(57,574)
Total OPEB liability	(3,090,009)
Net pension liability	(2,993)
Deferred outflows and inflows are not assets or liabilities of the current period and therefore are not reported in the funds:	
Deferred OPEB outflows	236,077
Deferred OPEB inflows	(283,015)
Deferred pension outflows	611,673
Deferred pension inflows	(926,312)
Interest is accrued and reported in the government-wide Statement of Net Position but not on the fund basis Balance Sheet because it is not due and payable in the current period	<u>(2,030)</u>
Net position of governmental activities	<u>\$ 4,217,944</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, 2021**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Real property taxes	\$ 534,390	\$ -	\$ 534,390
Real property tax items	67,627	-	67,627
Non-property taxes	1,670,892	-	1,670,892
Departmental income	20,506	-	20,506
Use of money and property	83,255	106	83,361
Licenses and permits	27,154	-	27,154
Sale of property and compensation for loss	53,146	-	53,146
Miscellaneous local sources	36,298	39,600	75,898
State sources	160,066	-	160,066
Federal sources	97,070	-	97,070
Total revenues	<u>2,750,404</u>	<u>39,706</u>	<u>2,790,110</u>
EXPENDITURES			
Current:			
General government	452,622	-	452,622
Public safety	60,122	-	60,122
Health	861	-	861
Transportation	943,182	-	943,182
Economic assistance and opportunity	60,320	-	60,320
Culture and recreation	28,213	-	28,213
Home and community services	159,860	-	159,860
Employee benefits	504,625	-	504,625
Capital outlay:			
Transportation	-	155,128	155,128
Debt service:			
Principal	95,039	-	95,039
Interest	7,400	-	7,400
Total expenditures	<u>2,312,244</u>	<u>155,128</u>	<u>2,467,372</u>
Excess (deficit) of revenues over expenditures	438,160	(115,422)	322,738
OTHER FINANCING SOURCES			
Installment purchase debt proceeds	-	155,128	155,128
Total other financing sources	<u>-</u>	<u>155,128</u>	<u>155,128</u>
Net change in fund balances	438,160	39,706	477,866
Fund balances - beginning	<u>1,726,550</u>	<u>150,778</u>	<u>1,877,328</u>
Fund balances - ending	<u>\$ 2,164,710</u>	<u>\$ 190,484</u>	<u>\$ 2,355,194</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, 2021**

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

Net change in fund balances - total governmental funds (page 6)	\$	477,866	
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 (\$362,577) exceeded depreciation (\$260,636) in the current period.			101,941
The net effect of various miscellaneous transactions involving capital assets is to decrease net position.			(532)
The governmental funds report bond proceeds and other long-term debt as an other financing source, while repayment of bond principal is reported as an expenditure and reduction of long-term liabilities in the Statement of Net Position.			
Proceeds from installment purchase debt	\$	(155,128)	
Repayment of installment purchase debt		40,039	
Repayment of serial bonds		<u>55,000</u>	
			(60,089)
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 the governmental funds.			
Change in net pension liability		860,731	
Change in total OPEB liability		379,337	
Net change in deferred outflows and inflows of resources related to pension		(780,287)	
Net change in deferred outflows and inflows of resources related to OPEB		(418,998)	
Change in accrued interest payable		(1,271)	
Change in compensated absences liability		<u>6,988</u>	
			<u>46,500</u>
Change in net position of governmental activities	\$		<u><u>565,686</u></u>

See notes to basic financial statements.

VILLAGE OF WEBSTER, NEW YORK
STATEMENT OF NET POSITION – ENTERPRISE FUND
MAY 31, 2021

	<u>Sewer</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 252,861
Receivables	137,299
Total current assets	<u>390,160</u>
Noncurrent assets:	
Capital assets, net	1,564,560
Total noncurrent assets	<u>1,564,560</u>
Total assets	<u>1,954,720</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	232,681
Deferred OPEB outflows	96,426
Total deferred outflows of resources	<u>329,107</u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,194
Accrued liabilities	11,555
Accrued interest payable	4,648
Due to other funds	508,620
Due to retirement system	7,592
Serial bonds payable	70,000
Compensated absences	2,240
Total current liabilities	<u>605,849</u>
Noncurrent liabilities:	
Serial bonds payable	800,000
Compensated absences	20,161
Total OPEB liability	1,262,117
Net pension liability - proportionate share	1,138
Total noncurrent liabilities	<u>2,083,416</u>
Total liabilities	<u>2,689,265</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	352,371
Deferred OPEB inflows	115,597
Total deferred inflows of resources	<u>467,968</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	694,560
Unrestricted (deficit)	(1,567,966)
Total net position (deficit)	<u>\$ (873,406)</u>

See notes to basic financial statements.

**VILLAGE OF WEBSTER, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT) –
ENTERPRISE FUND
FOR THE YEAR ENDED MAY 31, 2021**

	<u>Sewer</u>
OPERATING REVENUES	
Charges for services	\$ 800,002
Other operating revenues	650
Total operating revenues	<u>800,652</u>
OPERATING EXPENSES	
Salaries, wages and employee benefits	559,865
Contractual expense	233,963
Depreciation	91,360
Total operating expenses	<u>885,188</u>
Operating loss	(84,536)
NONOPERATING REVENUES (EXPENSES)	
Interest earnings	288
Interest expense	(26,600)
Intergovernmental	67,954
Special assessment	176,700
Total nonoperating revenues	<u>218,342</u>
Change in net position	133,806
Net position (deficit) - beginning	<u>(1,007,212)</u>
Net position (deficit) - ending	<u>\$ (873,406)</u>

See notes to basic financial statements.

**VILLAGE OF WEBSTER, NEW YORK
STATEMENT OF CASH FLOWS – ENTERPRISE FUND
FOR THE YEAR ENDED MAY 31, 2021**

	<u>Sewer</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash received from customers	\$ 842,704
Cash payments for contractual expenses	(250,834)
Cash payments to employees for services	(425,593)
Other operating revenues	650
Net cash provided by operating activities	<u>166,927</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Cash received from special assessments	176,700
Interfund loans	24,696
Operating grants	544
Net cash provided by noncapital financing activities	<u>201,940</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Acquisition and construction of capital assets	(112,272)
Principal payments on debt	(65,000)
Interest paid on debt	(26,900)
Capital grants	67,410
Net cash used by capital and related financing activities	<u>(136,762)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest on cash and investments	288
Net cash provided by investing activities	<u>288</u>
Net increase in cash and cash equivalents	232,393
Cash and cash equivalents - beginning	<u>20,468</u>
Cash and cash equivalents - ending	<u>\$ 252,861</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (84,536)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	91,360
Decrease in receivables	42,702
(Increase) in deferred outflows - pension	(53,729)
Decrease in deferred outflows - OPEB	142,216
(Decrease) in accounts payable	(8,489)
Increase in accrued liabilities	4,301
(Decrease) in due to other governments	(8,382)
Increase in due to retirement system	1,638
Increase in compensated absences	4,476
(Decrease) in net pension liability	(286,764)
(Decrease) in OPEB liability	(21,066)
Increase in deferred inflows - pension	328,633
Increase in deferred inflows - OPEB	14,567
Net cash provided by operating activities	<u>\$ 166,927</u>

See notes to basic financial statements.

VILLAGE OF WEBSTER, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND
MAY 31, 2021

	<u>Custodial Funds</u>
NET POSITION	
Restricted for bid deposits	\$ <u> -</u>
Total net position	\$ <u><u> -</u></u>

See notes to basic financial statements.

**VILLAGE OF WEBSTER, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND
FOR THE YEAR ENDED MAY 31, 2021**

	<u>Custodial Funds</u>
DEDUCTIONS	
Return of bid deposit	\$ <u>6,000</u>
Total deductions	<u>6,000</u>
Net decrease in fiduciary net position	(6,000)
Net position - beginning	<u>6,000</u>
Net position - ending	<u>\$ -</u>

See notes to basic financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Webster, New York (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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the Village's enterprise fund. Separate financial statements are provided for governmental funds and proprietary fund.

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.

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 major governmental fund types:

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.

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.

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

Other Fund Types:

Fiduciary Funds are used to account for certain trust funds and other custodial funds. Custodial Funds report fiduciary activities not held in trust. 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.

Custodial Funds – This fund is used to account for bid deposits held in escrow 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.

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 and deductions 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*.

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

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. RESTRICTED ASSETS

Certain assets are classified on the balance sheet as restricted because their use is limited including assets to support fund balance/net position restrictions are reported as restricted.

3. 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.

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.

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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 5,000	straight-line	20-40 years
Vehicles	5,000	straight-line	10 years
Furniture and equipment	5,000	straight-line	5-15 years
Infrastructure	20,000	straight-line	20-100 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 and the Statement of Net Position – Enterprise Fund include a separate section for *deferred outflows of resources*. Deferred outflows of resources represent 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 deferred amounts related to the retirement system pension and the other postemployment benefits (OPEB) reported in the government-wide Statement of Net Position and the Statement of Net Position – Enterprise Fund. The deferred amounts related to the pension and OPEB relate differences between estimated and actual investment earnings, changes in assumptions and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position and the Statement of Net Position – Enterprise Fund include a separate section for deferred inflows of resources. Deferred inflows of resources represent 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. The Village has two items that qualify for reporting in this category. The Village reports deferred amounts related to the retirement system pension and OPEB.

See details of deferred pension outflows and inflows in Note 3.D. and deferred OPEB outflows and inflows in Note 3.E.

7. 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.

8. 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 to 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.

9. 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.

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

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. 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 15th and become a lien on June 1st. Taxes are collected during the period of June 1st through October 31st. The unpaid taxes are then turned over to Monroe County (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.

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 \$57,574 and \$22,401, 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 is 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 IN PREPARATION OF FINANCIAL STATEMENTS

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 revenues 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

G. ACCOUNTING PRONOUNCEMENTS

On May 8, 2020, the GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the Village have been updated below to reflect the impact of this Statement. There were no new GASB Statements implemented by the Village for the year ended May 31, 2021.

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. 87, *Leases*, which will be effective for the year ending May 31, 2023.
- 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, 2022.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending May 31, 2023.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending May 31, 2023.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending May 31, 2023.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending May 31, 2024.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending May 31, 2024.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending May, 2023.
- Statement No. 98, *The Annual Comprehensive Financial Report*, 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 31st, the Village Treasurer submits a tentative budget to the Village Board for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the Village except for Capital Projects and Fiduciary Funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than May 1st, 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.

B. DEFICIT FUND EQUITY

At May 31, 2021, the Sewer Fund, a major fund, has a deficit net position of \$873,406. This deficit will be eliminated as resources are obtained through an increase in tax rates and sewer charges in subsequent years and more stringent budget controls.

C. VIOLATIONS OF LEGAL OR CONTRACTUAL PROVISIONS

The excess of expenditures over appropriations, included in the notes to required supplementary information, describes a budgetary violation that occurred for the year ended May 31, 2021.

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

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 organization.

The Village's aggregate bank balances were fully collateralized at May 31, 2021.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end consists of the following:

<u>General Fund</u>	
Restricted for reserves	\$ <u>371,931</u>
<u>Parks and Recreation Fund</u>	
Legal restrictions	\$ <u>190,384</u>

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.

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

- 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 organization.

B. RECEIVABLES

Significant revenues accrued by the Village at May 31, 2021, include the following:

General Fund:

Sales tax	\$ 312,547
Total intergovernmental receivables	<u>\$ 312,547</u>

Sewer Fund:

Sewer rents receivable	\$ 60,768
Unbilled receivables	76,531
Total receivables	<u>\$ 137,299</u>

C. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2021, was as follows:

Governmental Activities:

	Balance 06/01/2020	Increases	Decreases	Balance 05/31/2021
<u>Capital assets not being depreciated:</u>				
Land	\$ 323,621	\$ -	\$ -	\$ 323,621
Total capital assets not being depreciated	<u>323,621</u>	<u>-</u>	<u>-</u>	<u>323,621</u>
<u>Capital assets being depreciated:</u>				
Buildings	3,284,122	-	-	3,284,122
Vehicles & equipment	2,613,997	250,659	235,674	2,628,982
Infrastructure	5,886,971	111,918	-	5,998,889
Total capital assets, being depreciated	<u>11,785,090</u>	<u>362,577</u>	<u>235,674</u>	<u>11,911,993</u>
<u>Less accumulated depreciation:</u>				
Buildings	2,954,101	30,186	-	2,984,287
Vehicles & equipment	1,779,850	127,045	235,142	1,671,753
Infrastructure	1,779,147	103,405	-	1,882,552
Total accumulated depreciation	<u>6,513,098</u>	<u>260,636</u>	<u>235,142</u>	<u>6,538,592</u>
Total capital assets being depreciated, net	<u>5,271,992</u>	<u>101,941</u>	<u>532</u>	<u>5,373,401</u>
Governmental activities capital assets, net	<u>\$ 5,595,613</u>	<u>\$ 101,941</u>	<u>\$ 532</u>	<u>\$ 5,697,022</u>

Depreciation expense was charged to the functions/programs of the governmental activities as follows:

General government	\$ 62,865
Transportation	119,224
Culture and recreation	8,838
Home and community services	<u>69,709</u>
Total depreciation expense - governmental activities	<u>\$ 260,636</u>

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

Business-Type Activities:

	Balance 06/01/2020	Increases	Decreases	Balance 05/31/2021
<u>Capital assets being depreciated:</u>				
Buildings	\$ 1,657,256	\$ -	\$ -	\$ 1,657,256
Vehicles & equipment	2,175,448	10,754	50,000	2,136,202
Infrastructure	544,118	101,518	-	645,636
Total capital assets, being depreciated	<u>4,376,822</u>	<u>112,272</u>	<u>50,000</u>	<u>4,439,094</u>
<u>Less accumulated depreciation:</u>				
Buildings	1,108,820	21,574	-	1,130,394
Vehicles & equipment	1,645,618	57,381	50,000	1,652,999
Infrastructure	78,736	12,405	-	91,141
Total accumulated depreciation	<u>2,833,174</u>	<u>91,360</u>	<u>50,000</u>	<u>2,874,534</u>
Total capital assets being depreciated, net	<u>1,543,648</u>	<u>20,912</u>	<u>-</u>	<u>1,564,560</u>
Business-type activities capital assets, net	<u>\$ 1,543,648</u>	<u>\$ 20,912</u>	<u>\$ -</u>	<u>\$ 1,564,560</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 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 31st.

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

At May 31, 2021, the Village reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2020. 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. This information was provided by the System in reports provided to the Village.

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

	<u>ERS</u>
Measurement date	March 31, 2021
Net pension liability	\$ 4,131
Village's portion of the Plan's total net pension liability	0.0041487 %
Change in proportion since the prior measurement date	(0.0002002)
Pension expense at May 31, 2021	\$ 56,112

At May 31, 2021, 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</u>	<u>Deferred Inflows of Resources</u>
	<u>ERS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 50,451	\$ -
Change of assumptions	759,562	14,326
Net difference between projected and actual earnings on pension plan investments	-	1,186,674
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	7,227	77,683
Village's contributions subsequent to the measurement date	<u>27,114</u>	<u>-</u>
Total	<u>\$ 844,354</u>	<u>\$ 1,278,683</u>

Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended May 31, 2022. 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 May 31:</u>	
2022	\$ (99,542)
2023	(43,770)
2024	(79,912)
2025	(238,219)
2026	-
Thereafter	-

Actuarial Assumptions

The total pension liability as of the March 31, 2021, was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

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

	<u>ERS</u>
Inflation	2.7 %
Salary increases	4.4
Investment rate of return (net of investment expense, including inflation)	5.9
Cost of living adjustments	1.4

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2020. The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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, 2021, are summarized below:

<u>Asset Class:</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	32.0 %	4.1 %
International equity	15.0	6.3
Private equity	10.0	6.8
Real estate	9.0	5.0
Opportunistic portfolio	3.0	4.5
Credit	4.0	3.6
Real assets	3.0	6.0
Fixed income	23.0	-
Cash	1.0	0.5
Total	<u>100.0 %</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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 tables present the Village’s proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Village’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>ERS</u>	<u>1% Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
Village's proportionate share of the net pension liability/(asset)	\$ 1,146,613	\$ 4,131	\$ (1,049,505)

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

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2021, were as follows:

	<u>(Dollars in Thousands)</u>	
	<u>ERS</u>	
Employers' total pension liability	\$	220,680,157
Plan net position		<u>220,580,583</u>
Employers' net pension liability	\$	<u><u>99,574</u></u>
Ratio of plan net position to the employers' total pension liability		99.95%

Payables to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of May 31, 2021, represent a two-month portion of the projected employer contribution for the Plan year April 1, 2021 through March 31, 2022. Accrued retirement contributions as of May 31, 2021 amounted to \$27,114.

E. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (OPEB)

Village of Webster Retiree Medical Plan (the Plan)

Plan Description

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.

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.

Employees Covered by Benefit Terms

At May 31, 2021, the following employees were covered by the benefit terms:

Active not eligible to retire	12
Actives eligible to retire	2
Retired and surviving spouses	18
Retiree spouses covered	<u>9</u>
Total	<u><u>41</u></u>

Total OPEB Liability

The Village's total OPEB liability of \$4,352,126 was measured as of February 28, 2021 and was determined by a full actuarial valuation as of May 31, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the May 31, 2021 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	2.50%
Salary scale	3.11%
Single discount rate	2.50%
Initial healthcare cost trend rate	4.00%
Ultimate healthcare cost trend rate	4.08%

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

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, district for General, Teachers and Safety, without separate Contingent Survivor mortality, fully generational using scale MP-2020.

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, 2020	\$	4,752,529
<u>Changes for the year:</u>		
Service cost		89,902
Interest		85,119
Changes of benefit terms		43,041
Differences between expected and actual experience		101,166
Changes in assumptions or other inputs		(579,918)
Benefit payments		(139,713)
Net Changes		<u>(400,403)</u>
Balance at May 31, 2021	\$	<u><u>4,352,126</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 1.81% in 2020, to 2.50% effective May 31, 2021, the salary scale changed from 3.22% in 2020 to 3.11% effective May 31, 2021 and the mortality improvement scale was updated to MP-2020.

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 or 1 percentage point higher than the current discount rate.

	<u>1% Decrease (1.50%)</u>	<u>Discount Rate (2.50%)</u>	<u>1% Increase (3.50%)</u>
Total OPEB Liability	\$ <u>5,147,823</u>	\$ <u>4,352,126</u>	\$ <u>3,733,717</u>

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:

	<u>1% Decrease (3.00% increasing to 3.08%)</u>	<u>Healthcare Cost Trend Rates (4.00% increasing to 4.08%)</u>	<u>1% Increase (5.00% increasing to 5.08%)</u>
Total OPEB Liability	\$ <u>3,705,992</u>	\$ <u>4,352,126</u>	\$ <u>5,189,854</u>

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

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

For the year ended May 31, 2021, the Village recognized OPEB expense of \$315,985. At May 31, 2021, the Village reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 55,181	\$ 82,293
Changes of assumptions	242,010	316,319
Contributions subsequent to the measurement date	35,312	-
Total	<u>\$ 332,503</u>	<u>\$ 398,612</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>	<u>Amount</u>
2022	\$ (57,897)
2023	(43,524)
2024	-
2025	-
2026	-
Thereafter	-

F. INSTALLMENT PURCHASE DEBT

The Village entered into an installment purchase debt agreement for financing the acquisition of various vehicles and equipment for governmental activities. This agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of May 31, 2021, are as follows:

<u>Year ending May 31,</u>	<u>Governmental Activities</u>
2022	\$ 40,758
2023	40,758
2024	40,758
Total minimum lease payments	<u>122,274</u>
Less: amount representing interest	7,185
Present value of minimum lease payments	<u>\$ 115,089</u>

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, 2021, are as follows:

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

<u>Issue Description</u>	<u>Original Issue Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding Balance 05/31/2021</u>
Governmental Activities					
<u>General Obligation Bonds</u>					
Milling & Paving	09/2012	\$ 320,000	2.125-3.00%	2026	\$ 145,000
Water Tank Painting & Metalizing	08/2012	255,000	3.13%	2032	60,000
					<u>\$ 205,000</u>
Business-Type Activities					
<u>General Obligation Bonds</u>					
Sewer Outfall Replacement	09/2012	\$ 300,000	2.125-3.00%	2026	\$ 160,000
Sewer Plant Grit System	08/2012	455,000	3.13%	2032	320,000
Sewer Plant Reconstruction	08/2012	590,000	2.00-3.125%	2032	390,000
					<u>\$ 870,000</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, 2021, are as follows:

	<u>Balance 06/01/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 05/31/2021</u>	<u>Due Within One Year</u>
Governmental Activities					
General obligation bonds	\$ 260,000	\$ -	\$ 55,000	\$ 205,000	\$ 55,000
Installment purchase debt	-	155,128	40,039	115,089	37,202
Compensated absences	64,562	62,830	69,818	57,574	5,757
Total OPEB liability	3,469,346	226,652	605,989	3,090,009	-
Net pension liability **	863,724	-	860,731	2,993	-
Governmental activities long-term liabilities	<u>\$ 4,657,632</u>	<u>\$ 444,610</u>	<u>\$ 1,631,577</u>	<u>\$ 3,470,665</u>	<u>\$ 97,959</u>
Business-Type Activities					
General obligation bonds	\$ 935,000	\$ -	\$ 65,000	\$ 870,000	\$ 70,000
Compensated absences	17,925	27,029	22,553	22,401	2,240
Total OPEB liability	1,283,183	92,576	113,642	1,262,117	-
Net pension liability **	287,902	-	286,764	1,138	-
Business-type activities long-term liabilities	<u>\$ 2,524,010</u>	<u>\$ 119,605</u>	<u>\$ 487,959</u>	<u>\$ 2,155,656</u>	<u>\$ 72,240</u>

**Additions/reductions to net pension liability are shown net

The Village authorized but had not yet issued debt for the wastewater treatment plant improvements in the amount of \$5,657,000 dated October 10, 2019, and installment purchase debt for a new truck in the amount of \$370,152 as of the year ended May 31, 2021.

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

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

Year ending May 31,	Governmental Activities		Business-Type Activities	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 55,000	\$ 5,188	\$ 70,000	\$ 25,013
2023	60,000	3,563	75,000	22,931
2024	30,000	2,250	80,000	20,637
2025	30,000	1,350	80,000	18,237
2026	30,000	450	85,000	15,763
2027-2031	-	-	340,000	46,333
2032-2033	-	-	140,000	4,332
Total	\$ 205,000	\$ 12,801	\$ 870,000	\$ 153,246

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 \$5,757 and \$2,240 for the governmental activities and business-type activities will be due within one year, respectively.

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 \$2,993 and \$1,138 for the governmental activities and business-type activities, respectively, for the year ended May 31, 2021, 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. NET POSITION AND FUND BALANCE

Net Position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: 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	\$ 5,697,022	\$ 1,564,560	\$ 7,261,582
Bonds payable used for capital assets	(205,000)	(870,000)	(1,075,000)
Installment purchase debt used for capital assets	(115,089)	-	(115,089)
Net investment in capital assets	\$ 5,376,933	\$ 694,560	\$ 6,071,493

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

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 of the governmental activities is consistent with restricted fund balance amounts of the governmental funds at May 31, 2021. Also, the restricted net position of the business-type activities is consistent with the restricted net position of the enterprise fund.

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

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” The Village’s governmental funds reports the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.:

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, 2021, include:

- *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* – represents funds set aside for use by the Village’s parks and recreation as legally required.

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, 2021, 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.

- *Assigned for subsequent years’ expenditures* – represents available fund balance being appropriated to meet expenditure requirements in the 2022 fiscal year.
- *Assigned for specific purchases (encumbrances)* – represent amounts related to unperformed contracts for goods and services.
- *Assigned for specific use* – Represents fund balance within the capital projects fund that is assigned for a specific purpose. The assignment’s purpose relates to each fund’s operations and represents amounts within funds that are not restricted or committed.

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, 2021, governmental fund balances were classified as follows:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Nonspendable:</u>			
Long-term receivable - Sewer	\$ 508,620	\$ -	\$ 508,620
<u>Restricted:</u>			
Debt service	82,056	-	82,056
Capital projects	289,875	-	289,875
Parks and Recreation Fund	-	190,384	190,384
<u>Assigned:</u>			
Subsequent years' expenditures	150,000	-	150,000
<u>Encumbrances:</u>			
General government	7,127	-	7,127
Transportation	262,481	-	262,481
Economic assistance and opportunity	9,471	-	9,471
Home and community	23,500	-	23,500
Capital Projects Fund	-	100	100
<u>Unassigned:</u>			
General Fund	831,580	-	831,580
Total	<u>\$ 2,164,710</u>	<u>\$ 190,484</u>	<u>\$ 2,355,194</u>

I. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund receivables and payables as of May 31, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Fund	<u>\$ 508,620</u>

Interfund receivables and payables between the General and Sewer Funds are related to negative cash flow in the Sewer Fund in order to cover operational costs. The remaining outstanding balances result mainly from the time lag between the dates that (1) transactions are recorded in the accounting system, and (2) payments between funds are made.

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. 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 \$302,579 in the General Fund.

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

C. 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.

NOTE 5 - 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 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, 2021, the Village’s total tax revenues were reduced by \$21,940.

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

NOTE 6 - SUBSEQUENT EVENTS

Subsequent to the year ended May 31, 2021, the Village was awarded allocations of grant funding from the American Rescue Plan (ARP) totaling \$581,229. As of the date the financial statements are available for issuance, the Village has received \$290,615 of the aforementioned allotment.

In August 2021, the Village amended the previously authorized issuance of a bond, dated October 2019, from \$5,657,000 to \$10,900,000 for wastewater treatment plant improvements. In February 2022, the Village issued \$9,485,750 in bond anticipation notes related to this project.

Management has evaluated subsequent events through February 28, 2022, which is the date the financial statements are available for issuance, and have determined there are no subsequent events, other than the events noted above, that require disclosure under generally accepted accounting principles.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Year Ended May 31,						
	2015	2016	2017	2018	2019	2020	2021
Employees' Retirement System (ERS)							
Measurement date	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
Village's proportion of the net pension liability	0.0050080%	0.0046621%	0.0043074%	0.0040388%	0.0043189%	0.0043489%	0.0041487%
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>	\$ <u>1,151,626</u>	\$ <u>4,131</u>
Village's covered payroll	\$ 941,100	\$ 932,352	\$ 969,804	\$ 880,074	\$ 958,172	\$ 1,008,119	\$ 978,160
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%	114.2%	0.4%
Plan fiduciary net position as a percentage the of total pension liability	97.90%	90.70%	94.70%	98.20%	96.27%	86.40%	99.95%

* 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 PENSION CONTRIBUTIONS – EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Year ended May 31,							
	2014	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 218,302	\$ 155,512	\$ 152,081	\$ 128,738	\$ 120,711	\$ 136,472	\$ 142,400	\$ 148,411
Contributions in relation to the contractually required contribution	\$ 218,302	\$ 155,512	\$ 152,081	\$ 128,738	\$ 120,711	\$ 136,472	\$ 142,400	\$ 148,411
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Village's covered payroll	**	**	**	**	\$ 980,560	\$ 943,499	\$ 993,445	\$ 983,596
Contributions as a percentage of covered payroll	**	**	**	**	12.3%	14.5%	14.3%	15.1%

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

** Information not available

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

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

	Year ended May 31,		
	2019	2020	2021
Measurement Date	February 28, 2019	February 29, 2020	February 28, 2021
Total OPEB Liability			
Service cost	\$ 68,277	\$ 61,775	\$ 89,902
Interest	151,934	135,377	85,119
Changes in benefit terms	-	-	43,041
Differences between expected and actual experience	(516,979)	(493,753)	101,166
Changes of assumptions or other inputs	14,422	1,452,062	(579,918)
Benefit payments	<u>(142,577)</u>	<u>(136,549)</u>	<u>(139,713)</u>
Net change in total OPEB liability	(424,923)	1,018,912	(400,403)
Total OPEB liability - beginning	<u>4,158,540</u>	<u>3,733,617</u>	<u>4,752,529</u>
Total OPEB liability - ending	<u>\$ 3,733,617</u>	<u>\$ 4,752,529</u>	<u>\$ 4,352,126</u>
Covered-employee payroll	\$ 965,066	\$ 996,141	\$ 908,408
Total OPEB liability as a percentage of covered-employee payroll	386.88%	477.09%	479.09%

* This Schedule is intended to show information for ten years, additional years will be included as they become available.

**1VILLAGE OF WEBSTER, NEW YORK
 BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
 FOR THE YEAR ENDED MAY 31, 2021**

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES:				
Real property taxes	\$ 534,369	\$ 534,369	\$ 534,390	\$ 21
Real property tax items	63,384	63,384	67,627	4,243
Non-property taxes	1,700,000	1,700,000	1,670,892	(29,108)
Departmental income	63,875	14,543	20,506	5,963
Use of money and property	89,373	82,753	83,255	502
Licenses and permits	10,650	32,446	27,154	(5,292)
Sale of property and compensation for loss	57,950	57,950	53,146	(4,804)
Miscellaneous local sources	1,000	1,000	36,298	35,298
State sources	378,000	370,265	160,066	(210,199)
Federal sources	105,320	105,320	97,070	(8,250)
Total revenues	<u>3,003,921</u>	<u>2,962,030</u>	<u>2,750,404</u>	<u>(211,626)</u>
EXPENDITURES:				
Current:				
General government	761,792	763,801	452,622	311,179
Public safety	66,604	67,104	60,122	6,982
Health	1,000	1,000	861	139
Transportation	1,210,144	1,467,972	943,182	524,790
Economic assistance and opportunity	75,817	79,177	60,320	18,857
Culture and recreation	45,137	43,932	28,213	15,719
Home and community services	172,530	215,925	159,860	56,065
Employee benefits	537,209	537,209	504,625	32,584
Debt service:				
Principal	43,125	43,125	95,039	(51,914)
Interest	10,656	10,656	7,400	3,256
Total expenditures	<u>2,924,014</u>	<u>3,229,901</u>	<u>2,312,244</u>	<u>917,657</u>
Excess (deficit) of revenues over expenditures	79,907	(267,871)	438,160	706,031
OTHER FINANCING USES:				
Interfund transfers out	<u>(79,007)</u>	<u>(10,428)</u>	<u>-</u>	<u>10,428</u>
Total other financing uses	<u>(79,007)</u>	<u>(10,428)</u>	<u>-</u>	<u>10,428</u>
Net change in fund balance *	900	(278,299)	438,160	716,459
Fund balance - beginning	<u>1,726,550</u>	<u>1,726,550</u>	<u>1,726,550</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,727,450</u>	<u>\$ 1,448,251</u>	<u>\$ 2,164,710</u>	<u>\$ 716,459</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**

NOTE 1 - BUDGETARY INFORMATION

A. 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 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.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended May 31, 2021, expenditures exceeded appropriations in principal debt service function (the legal level of budgetary control) within the General Fund of \$51,914.

NOTE 2 - FACTORS AFFECTING TRENDS IN RETIREMENT SYSTEM PENSION

The Village’s proportionate share of the net pension (asset)/liability of the pension systems is significantly dependent on the performance of the stock market and the funds that the retirement system invests in. The discount rate in effect at each measurement date is as follows:

	<u>ERS</u>
<u>Year ended March 31:</u>	
2021	5.90%
2020	6.80%
2019	7.00%
2018	7.00%
2017	7.00%
2016	7.00%

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

The Village has not established an OPEB Trust and therefore have no accumulated assets held in a Trust. The Village’s retiree health plans most significant factors and assumptions affecting the total OPEB liability are as follows:

	<u>Long-Term Bond Rate</u>	<u>Salary Scale</u>	<u>Discount Rate</u>	<u>Healthcare Cost Trend Rate</u>
<u>Year Ended May 31:</u>				
2021	2.50%	3.11%	2.50%	4.08%
2020	1.81%	3.22%	1.81%	4.18%
2019	3.70%	3.36%	3.70%	4.32%
2018	3.72%	3.37%	3.72%	4.23%

SUPPLEMENTARY INFORMATION

VILLAGE OF WEBSTER, NEW YORK
 COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
 MAY 31, 2021

	<u>Capital Projects</u>	<u>Parks and Recreation</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 100	\$ -	\$ 100
Cash and cash equivalents - restricted	-	190,384	190,384
Total assets	<u>\$ 100</u>	<u>\$ 190,384</u>	<u>\$ 190,484</u>
FUND BALANCES			
Restricted	\$ -	\$ 190,384	\$ 190,384
Assigned	100	-	100
Total fund balances	<u>\$ 100</u>	<u>\$ 190,384</u>	<u>\$ 190,484</u>

**VILLAGE OF WEBSTER, NEW YORK
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED MAY 31, 2021**

	<u>Capital Projects</u>	<u>Parks and Recreation</u>	<u>Total</u>
REVENUES			
Use of money and property	\$ -	\$ 106	\$ 106
Miscellaneous local sources	-	39,600	39,600
Total revenues	<u>-</u>	<u>39,706</u>	<u>39,706</u>
EXPENDITURES			
Capital outlay:			
Transportation	<u>155,128</u>	-	<u>155,128</u>
Total expenditures	<u>155,128</u>	<u>-</u>	<u>155,128</u>
Excess (deficit) revenues over expenditures	(155,128)	39,706	(115,422)
OTHER FINANCING SOURCES			
Installment purchase debt proceeds	<u>155,128</u>	-	<u>155,128</u>
Total other financing sources	<u>155,128</u>	<u>-</u>	<u>155,128</u>
Net change in fund balances	-	39,706	39,706
Fund balances - beginning	<u>100</u>	<u>150,678</u>	<u>150,778</u>
Fund balances - ending	<u>\$ 100</u>	<u>\$ 190,384</u>	<u>\$ 190,484</u>