

**VILLAGE OF WILLIAMSVILLE,
NEW YORK**

*Basic Financial Statements, Required Supplementary
Information and Supplementary Information
for the Year Ended May 31, 2023 and
Independent Auditors' Reports*

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INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees
Village of Williamsville, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Village of Williamsville, New York (the "Village"), as of and for the year ended May 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Village, as of May 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Village management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may arise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **November 1, 2022** on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

November 1, 2022

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Management's Discussion and Analysis
Year Ended May 31, 2023

As management of the Village of Williamsville, New York (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the year ended May 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Village's financial statements and notes to the financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,336,462 (*net position*). This consists of \$12,288,762 net investment in capital assets, \$3,052,946 restricted for specific purposes, and unrestricted net position of \$(2,005,246).
- The Village's total net position increased \$454,215 during the year ended May 31, 2023.
- At the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$5,891,201, a decrease of \$863,968 in comparison with the prior year's fund balance of \$6,755,169.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$2,734,457, or approximately 61.3 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the Village's discretion and constitutes approximately 38.2 percent of the General Fund's total fund balance of \$7,153,336 at May 31, 2023.
- The Village's governmental activities' total serial bonds outstanding decreased by \$472,500 during the current year as a result of scheduled principal payments.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements—The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village's assets, liabilities and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave and depreciation expense on capital assets).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include general government support, public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services, and interest on long-term debt. The Village reports no business-type activities.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village are considered to be governmental funds.

Governmental funds—*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Community Development Fund, Water Fund, Sewer Fund, Debt Service Fund and Capital Projects Fund, all of which are considered major funds.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-43 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Village's net pension liabilities and the Village's budgetary comparison schedules for each major fund with a legally adopted budget. Required Supplementary Information and the related notes to the required supplementary information can be found on pages 44-50 of this report.

The combining balance sheet and statement of revenues, expenditures, and changes in fund balances (deficits) of the Capital Projects Fund are presented as supplementary information immediately following the Required Supplementary Information in the Supplementary Information section on pages 51-52 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a Village’s financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$13,336,462 at the close of the most recent fiscal year, as compared to \$12,882,247, at the close of the fiscal year ended May 31, 2022.

Table 1, shown below, presents a condensed statement of net position compared to the prior year.

Table 1—Condensed Statements of Net Position

	<u>Governmental Activities</u>	
	<u>May 31,</u>	
	<u>2023</u>	<u>2022</u>
Current assets	\$ 7,758,120	\$ 7,631,180
Noncurrent assets	<u>16,065,836</u>	<u>15,389,595</u>
Total assets	<u>23,823,956</u>	<u>23,020,775</u>
Deferred outflows of resources	<u>1,302,623</u>	<u>1,615,390</u>
Current liabilities	1,905,412	918,319
Noncurrent liabilities	<u>8,625,333</u>	<u>9,413,238</u>
Total liabilities	<u>10,530,745</u>	<u>10,331,557</u>
Deferred inflows of resources	<u>1,259,372</u>	<u>1,422,361</u>
Net investment in capital assets	12,288,762	10,869,107
Restricted	3,052,946	3,181,606
Unrestricted	<u>(2,005,246)</u>	<u>(1,168,466)</u>
Total net position	<u>\$ 13,336,462</u>	<u>\$ 12,882,247</u>

The largest portion of the Village’s net position, \$12,288,762, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), net of accumulated depreciation and less any related outstanding debt used to acquire those assets. The Village uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the Village’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village’s net position, \$3,052,946, represents resources that are subject to 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.

The remaining balance of net position is considered to be an unrestricted net position of \$(2,005,246). This reflects long-term liabilities not related to the Village’s capital assets that will be funded annually through the funds.

Table 2, presented below, shows the changes in net position for the years ended May 31, 2023 and May 31, 2022.

Table 2—Condensed Statements of Changes in Net Position

	<u>Governmental Activities</u>	
	<u>Year Ended May 31,</u>	
	<u>2023</u>	<u>2022</u>
Program revenues:		
Charges for services	\$ 2,383,016	\$ 2,027,939
Operating grants and contributions	131,181	194,638
Capital grants and contributions	-	166,140
General revenues	<u>4,081,934</u>	<u>3,920,560</u>
Total revenues	<u>6,596,131</u>	<u>6,309,277</u>
Program expenses	<u>6,141,916</u>	<u>6,267,107</u>
Change in net position	454,215	42,170
Net position—beginning	<u>12,882,247</u>	<u>12,840,077</u>
Net position—ending	<u>\$ 13,336,462</u>	<u>\$ 12,882,247</u>

Overall revenues increased 4.5 percent, primarily due to an increase in charges for services related to the sewer charges in the Village as well as an increase in real property taxes and tax items. Program expenses decreased by 2.0 percent due to changes in net pension liabilities for the Employees’ Retirement System.

A summary of sources of revenues for the years ended May 31, 2023 and May 31, 2022 is presented in Table 3 below.

Table 3—Summary of Sources of Revenues

	<u>Year Ended May 31,</u>		<u>Increase/(Decrease)</u>	
	<u>2023</u>	<u>2022</u>	<u>Dollars</u>	<u>Percent (%)</u>
Charges for services	\$ 2,383,016	\$ 2,027,939	\$ 355,077	17.5
Operating grants and contributions	131,181	194,638	(63,457)	(32.6)
Capital grants and contributions	-	166,140	(166,140)	(100.0)
Real property taxes and tax items	2,498,504	2,376,075	122,429	5.2
Nonproperty tax items	1,266,879	1,211,112	55,767	4.6
Use of money and property	56,271	366	55,905	15,274.6
Sale of property and compensation for loss	119,205	147,306	(28,101)	(19.1)
Miscellaneous	60,461	83,820	(23,359)	(27.9)
State aid—unrestricted	<u>80,614</u>	<u>101,881</u>	<u>(21,267)</u>	<u>(20.9)</u>
Total revenues	<u>\$ 6,596,131</u>	<u>\$ 6,309,277</u>	<u>\$ 286,854</u>	<u>4.5</u>

The Village’s most significant source of revenues for the year ended May 31, 2023 were real property taxes and tax items of \$2,498,504, or 37.9 percent of total revenues, charges for services of \$2,383,016, or 36.1 percent of total revenues, and nonproperty tax items of \$1,266,879, or 19.2 percent of total revenues. Similarly, the Village’s most significant sources of revenue for the year ended May 31, 2022 were real property taxes and tax items of \$2,376,075, or 37.7 percent of total revenues, charges for services of \$2,027,939, or 32.1 percent of total revenues, and nonproperty tax items of \$1,211,112, or 19.2 percent of total revenues.

A summary of program expenses for the years ended May 31, 2023 and May 31, 2022 is presented below in Table 4.

Table 4—Summary of Program Expenses

	Year Ended May 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
General government support	\$ 969,045	\$ 1,343,139	\$ (374,094)	(27.9)
Public safety	994,050	1,149,240	(155,190)	(13.5)
Transportation	621,075	786,183	(165,108)	(21.0)
Economic assistance and opportunity	15,524	77,059	(61,535)	(79.9)
Culture and recreation	729,882	387,344	342,538	88.4
Home and community services	2,707,360	2,377,693	329,667	13.9
Interest and other fiscal charges	104,980	146,449	(41,469)	(28.3)
Total expenses	<u>\$ 6,141,916</u>	<u>\$ 6,267,107</u>	<u>\$ (125,191)</u>	(2.0)

The Village’s significant expense items for the year ended May 31, 2023 were home and community services of \$2,707,360, or 44.1 percent of total expenses, public safety of \$994,050, or 16.2 percent of total expenses, and general government support of \$994,050, or 15.8 percent of total expenses. The Village’s most significant expense items for the year ended May 31, 2022 were home and community services of \$2,377,693, or 37.9 percent of total expenses, general government support of \$1,343,139, or 21.4 percent of total expenses, and public safety of \$1,149,240, or 18.3 percent of total expenses.

Financial Analysis of the Governmental Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds—The focus of the Village’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for discretionary use as it represents the portion of fund balance which has not been limited to use for a particular purpose by an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Village Board.

At May 31, 2023, the Village’s governmental funds reported a combined ending fund balance of \$5,891,201, a decrease of \$863,968 from the prior year. Excluding the Capital Projects Fund total fund balance deficit of \$(2,132,823), respectively, the Village’s governmental funds combined ending fund balances totaled \$8,024,024. Approximately 34.1 percent of this amount, \$2,734,457, constitutes *unassigned fund balance*, which is available for spending at the Village’s discretion. The remainder of fund balance is either *nonspendable*, *restricted* or *assigned* to indicate that it is (1) not in spendable form,

\$111,913, (2) restricted for particular purposes, \$3,052,946, or (3) assigned for particular purposes, \$2,124,708.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,734,457, while the total fund balance increased to \$7,153,336. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 61.3 percent of total General Fund expenditures and transfers out, while total fund balance represents 160.2 percent of that same amount. The fund balance of the General Fund increased \$655,539 primarily due an increase in sales tax revenue and departmental income.

The fund balance of the Village's Community Development Fund increased \$7,138 during the year ended May 31, 2023 as a result of federal aid exceeding transfers out. Total fund balance of \$10,491 is classified as restricted fund balance for the future payment of expenditures pursuant to Community Development Block Grant requirements.

The Water Fund fund balance increased \$24,179 during the year ended May 31, 2023 as a result of departmental income exceeding expenditures and transfers out. Total fund balance of \$21,727 is classified as assigned for specific Water Fund use.

The Sewer Fund fund balance decreased \$304,283 during the year ended May 31, 2023, as a result of expenditures and transfers out exceeding departmental income. Total fund balance of \$791,204 is classified as assigned for subsequent year's expenditures, \$200,000, as well as for specific Sewer Fund use, \$591,204.

The Debt Service Fund fund balance increased by \$602 during the year ended May 31, 2023 primarily as a result of interest earnings. Total fund balance of \$47,266 is classified as restricted for the future payment of debt principal and interest.

The Village's Capital Projects Fund fund balance decreased by \$1,247,143, primarily due to capital outlay exceeding revenues and transfers in. At May 31, 2023, a fund balance deficit of \$2,132,823 remains, which is anticipated to be remedied through grant revenues, long-term debt issuances, and transfers in.

General Fund Budgetary Highlights

The Village's General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year's encumbrances since the funds were allocated under the previous year's budget, and the Village has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues or appropriated fund balance. A budgetary comparison schedule within the required supplementary information section of this report has been provided to demonstrate compliance with their budget.

A summary of the General Fund results of operations for the year ended May 31, 2023 is presented below in Table 5.

Table 5—Summary of General Fund Results of Operations

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues	\$ 4,150,784	\$ 4,229,114	\$ 5,119,813	\$ 890,699
Expenditures and other financing uses	4,350,784	4,455,929	4,464,274	(8,345)
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ (200,000)</u>	<u>\$ (226,815)</u>	<u>\$ 655,539</u>	<u>\$ 882,354</u>

Final budget compared to actual results—A review of actual revenues and expenditures compared to the estimated revenues and appropriations in the final budget yields certain positive variances. Actual revenues exceeded estimated revenues by \$890,699, which is attributed primarily to higher than anticipated sales tax and departmental income. Additionally, there was a \$8,345 unfavorable variance in actual expenditures and other financing uses compared to budgeted appropriations, primarily due to unbudgeted improvements made to a Village park during the year.

Capital Asset and Debt Administration

Capital assets—The Village’s investment in capital assets for its governmental activities as of May 31, 2023, amounted to \$16,065,836 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, buildings improvements, machinery and equipment and infrastructure.

All depreciable capital assets were depreciated from acquisition date to the end of the current year.

Capital assets, net of depreciation for the governmental activities at the years ended May 31, 2023 and May 31, 2022 are presented in Table 6 below:

Table 6—Summary of Capital Assets (Net of Depreciation)

	Governmental Activities	
	May 31,	
	2023	2022
Land	\$ 294,427	\$ 294,427
Construction in progress	1,720,174	399,924
Land improvements	4,127,725	3,749,900
Buildings	10,401	(24,190)
Building improvements	569,182	602,147
Machinery and equipment	2,484,450	2,532,329
Infrastructure	6,859,477	7,560,008
Total	<u>\$ 16,065,836</u>	<u>\$ 15,114,545</u>

Additional information on the Village’s capital assets can be found in Note 4 of this report.

Long-term liabilities—At May 31, 2023, the Village had total bonded debt outstanding of \$3,795,000, as compared to \$4,267,500 at May 31, 2022.

A summary of the Village’s long-term liabilities at May 31, 2023 and May 31, 2022 are presented below in Table 7.

Table 7—Comparison of Long-Term Liabilities

	Governmental Activities	
	May 31,	
	2023	2022
Serial bonds	\$ 3,795,000	\$ 4,267,500
Premium on serial bonds	104,138	117,155
Compensated absences	189,417	173,307
Net pension liability—ERS	766,413	-
Total pension liability—LOSAP	<u>3,770,365</u>	<u>4,855,276</u>
Total	<u>\$ 8,625,333</u>	<u>\$ 9,413,238</u>

Additional information on the Village’s long-term liabilities can be found in Note 9 to the financial statements.

Economic Factors

The unemployment rate, not seasonally adjusted, for the Buffalo-Niagara region during May 2023 was 3.1 percent, as compared to New York State’s unemployment rate of 3.9 percent and the national unemployment rate of 3.7 percent. These factors, along with others, are considered in preparing the Village’s budget.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Village’s finances and to show the Village’s accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Clerk-Treasurer, Village of Williamsville, 5565 Main Street, Williamsville, New York 14221.

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BASIC FINANCIAL STATEMENTS

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Statement of Net Position
May 31, 2023

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 3,277,289
Restricted cash and cash equivalents	1,296,214
Restricted investments	2,615,054
Receivables	30,549
Intergovernmental receivables	527,101
Prepaid items	11,913
Capital assets, not being depreciated	2,014,601
Capital assets, net of accumulated depreciation	<u>14,051,235</u>
Total assets	<u>23,823,956</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	67,470
Deferred outflows of resources—relating to pensions	<u>1,235,153</u>
Total deferred outflows of resources	<u>1,302,623</u>
LIABILITIES	
Accounts payable	637,022
Accrued liabilities	191,080
Intergovernmental payables	475,918
Due to retirement systems	16,988
Unearned revenue	584,404
Noncurrent liabilities:	
Due within one year	497,488
Due within more than one year	<u>8,127,845</u>
Total liabilities	<u>10,530,745</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources—relating to pensions	<u>1,259,372</u>
Total deferred inflows of resources	<u>1,259,372</u>
NET POSITION	
Net investment in capital assets	12,288,762
Restricted for:	
Unemployment	10,769
Debt	2,615,054
Community development	47,266
DPW equipment	10,491
Fire trucks	86,106
Fire equipment	145,995
LOSAP	137,265
Unrestricted	<u>(2,005,246)</u>
Total net position	<u>\$ 13,336,462</u>

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

VILLAGE OF WILLIAMSVILLE, NEW YORK
Statement of Activities
Year Ended May 31, 2023

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
				<u>Primary</u>
				<u>Government</u>
				<u>Governmental</u>
				<u>Activities</u>
Primary government:				
Governmental activities:				
General government support	\$ 969,045	\$ 38,682	\$ 51,895	\$ (878,468)
Public safety	994,050	876,358	79,286	(38,406)
Transportation	621,075	2,390	-	(618,685)
Economic assistance and opportunity	15,524	-	-	(15,524)
Culture and recreation	729,882	48,693	-	(681,189)
Home and community services	2,707,360	1,416,893	-	(1,290,467)
Interest and other fiscal charges	104,981	-	-	(104,981)
Total primary government	<u>\$ 6,141,917</u>	<u>\$ 2,383,016</u>	<u>\$ 131,181</u>	<u>(3,627,720)</u>
General revenues:				
				2,498,504
				1,266,879
				56,271
				119,205
				60,461
				80,614
Total general revenues				<u>4,081,934</u>
				454,214
				12,882,247
				<u>\$ 13,336,461</u>

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

VILLAGE OF WILLIAMSVILLE, NEW YORK
Balance Sheet—Governmental Funds
May 31, 2023

	<u>Special Revenue</u>						Total Governmental Funds
	General Fund	Community Development Fund	Water Fund	Sewer Fund	Debt Service Fund	Capital Projects Fund	
ASSETS							
Cash and cash equivalents	\$ 1,960,658	\$ -	\$ 43,191	\$ 1,273,440	\$ -	\$ -	\$ 3,277,289
Restricted cash and cash equivalents	918,148	3,397	-	14	47,266	327,389	1,296,214
Restricted investments	2,615,054	-	-	-	-	-	2,615,054
Receivables	29,981	-	49	519	-	-	30,549
Intergovernmental receivables	394,449	53,471	79,099	82	-	-	527,101
Due from other funds	2,199,472	-	-	1,129	-	-	2,200,601
Prepaid items	11,913	-	-	-	-	-	11,913
Total assets	<u>\$ 8,129,675</u>	<u>\$ 56,868</u>	<u>\$ 122,339</u>	<u>\$ 1,275,184</u>	<u>\$ 47,266</u>	<u>\$ 327,389</u>	<u>\$ 9,958,721</u>
LIABILITIES							
Accounts payable	\$ 269,507	\$ -	\$ -	\$ 6,774	\$ -	\$ 360,741	\$ 637,022
Accrued liabilities	146,834	-	-	5,753	-	-	152,587
Due to other funds	1,130	-	100,000	-	-	2,099,471	2,200,601
Intergovernmental payables	6,415	-	612	468,891	-	-	475,918
Due to retirement systems	14,440	-	-	2,548	-	-	16,988
Unearned revenue	538,013	46,377	-	14	-	-	584,404
Total liabilities	<u>976,339</u>	<u>46,377</u>	<u>100,612</u>	<u>483,980</u>	<u>-</u>	<u>2,460,212</u>	<u>4,067,520</u>
FUND BALANCES (DEFICIT)							
Nonspendable	111,913	-	-	-	-	-	111,913
Restricted	2,995,189	10,491	-	-	47,266	-	3,052,946
Assigned	1,311,777	-	21,727	791,204	-	-	2,124,708
Unassigned	2,734,457	-	-	-	-	(2,132,823)	601,634
Total fund balances (deficit)	<u>7,153,336</u>	<u>10,491</u>	<u>21,727</u>	<u>791,204</u>	<u>47,266</u>	<u>(2,132,823)</u>	<u>5,891,201</u>
Total liabilities and fund balances (deficit)	<u>\$ 8,129,675</u>	<u>\$ 56,868</u>	<u>\$ 122,339</u>	<u>\$ 1,275,184</u>	<u>\$ 47,266</u>	<u>\$ 327,389</u>	<u>\$ 9,958,721</u>

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

VILLAGE OF WILLIAMSVILLE, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
May 31, 2023

Amounts reported for governmental activities in the statement of net position (page 12) are different because:

Total fund balances (deficit)—governmental funds (page 14)		\$ 5,891,201
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$30,640,045 and the accumulated depreciation is \$14,574,209.		16,065,836
Deferred charges associated with refunding bond issuances are not reported in the governmental funds. The charges are reported as a deferred outflow of resources on the statement of net position, and are recognized as a component of interest expense over the life of the related debt.		67,470
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	\$ 113,388	
Deferred outflows related to experience, changes in assumptions and investment earnings	1,121,765	
Deferred inflows of resources related to pension plans	(1,259,372)	(24,219)
Net accrued interest expense for general obligation bonds is not recorded in the funds.		(38,493)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Serial bonds	\$ (3,795,000)	
Premium on serial bonds	(104,138)	
Compensated absences	(189,417)	
Total pension liability—LOSAP	(3,770,365)	
Net pension liability	(766,413)	(8,625,333)
Net position of governmental activities		\$ 13,336,462

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

VILLAGE OF WILLIAMSVILLE, NEW YORK
Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficits)—Governmental Funds
Year Ended May 31, 2023

	<u>Special Revenue</u>						Total Governmental Funds
	General Fund	Community Development Fund	Water Fund	Sewer Fund	Debt Service Fund	Capital Projects Fund	
REVENUES							
Real property taxes	\$ 2,462,022	\$ -	\$ -	\$ 14	\$ -	\$ -	\$ 2,462,036
Real property tax items	36,468	-	-	-	-	-	36,468
Nonproperty tax items	1,266,879	-	-	-	-	-	1,266,879
Departmental income	442,906	-	267,338	1,149,555	-	-	1,859,799
Intergovernmental charges	434,842	-	-	-	-	-	434,842
Use of money and property	46,089	44	265	5,115	602	4,157	56,272
Licenses and permits	60,318	-	-	-	-	-	60,318
Fines and forfeitures	28,057	-	-	-	-	-	28,057
Sale of property and compensation for loss	119,205	-	-	-	-	-	119,205
Miscellaneous	60,461	-	-	-	-	-	60,461
State aid	162,566	-	-	-	-	-	162,566
Federal aid	-	49,229	-	-	-	-	49,229
Total revenues	<u>5,119,813</u>	<u>49,273</u>	<u>267,603</u>	<u>1,154,684</u>	<u>602</u>	<u>4,157</u>	<u>6,596,132</u>
EXPENDITURES							
Current:							
General government support	1,001,980	-	-	42,932	-	-	1,044,912
Public safety	663,397	-	-	-	-	-	663,397
Transportation	472,160	-	-	-	-	-	472,160
Economic assistance and opportunity	14,151	-	-	-	-	-	14,151
Culture and recreation	873,346	-	-	-	-	-	873,346
Home and community services	639,349	-	190,922	1,268,308	-	-	2,098,579
Employee benefits	335,036	-	-	52,390	-	-	387,426
Debt service:							
Principal	-	-	-	-	472,500	-	472,500
Interest	-	-	-	-	113,379	-	113,379
Capital outlay	-	-	-	-	-	1,320,250	1,320,250
Total expenditures	<u>3,999,419</u>	<u>-</u>	<u>190,922</u>	<u>1,363,630</u>	<u>585,879</u>	<u>1,320,250</u>	<u>7,460,100</u>
Excess (deficiency) of revenues over expenditures	<u>1,120,394</u>	<u>49,273</u>	<u>76,681</u>	<u>(208,946)</u>	<u>(585,277)</u>	<u>(1,316,093)</u>	<u>(863,968)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	585,879	68,950	654,829
Transfers out	<u>(464,855)</u>	<u>(42,135)</u>	<u>(52,502)</u>	<u>(95,337)</u>	<u>-</u>	<u>-</u>	<u>(654,829)</u>
Total other financing sources (uses)	<u>(464,855)</u>	<u>(42,135)</u>	<u>(52,502)</u>	<u>(95,337)</u>	<u>585,879</u>	<u>68,950</u>	<u>-</u>
Net change in fund balances (deficits)	655,539	7,138	24,179	(304,283)	602	(1,247,143)	(863,968)
Fund balances—beginning (deficits)	<u>6,497,797</u>	<u>3,353</u>	<u>(2,452)</u>	<u>1,095,487</u>	<u>46,664</u>	<u>(885,680)</u>	<u>6,755,169</u>
Fund balances—ending (deficit)	<u>\$ 7,153,336</u>	<u>\$ 10,491</u>	<u>\$ 21,727</u>	<u>\$ 791,204</u>	<u>\$ 47,266</u>	<u>\$ (2,132,823)</u>	<u>\$ 5,891,201</u>

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

VILLAGE OF WILLIAMSVILLE, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficits)—Governmental Funds to the Government-wide Statement of Activities
Year Ended May 31, 2023

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances (deficit)—total governmental funds (page 16) \$ (863,968)

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, net of loss on disposition of capital assets, exceeded depreciation expense in the current period.

Capital asset additions	\$ 2,102,594	
Depreciation expense	(1,149,889)	
Loss on disposal of capital assets	(1,414)	951,291

Deferred charges associated with refunding bond issuances are not reported in the governmental funds. The charges are reported as a deferred outflow of resources on the statement of net position, and are recognized as a component of interest expense over the life of the related debt. (8,434)

Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:

Direct pension contributions	320,386	
Cost of benefits earned net of employee contributions	(222,490)	(97,896)

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. 3,815

The issuance of long-term debt (e.g. serial bonds) 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. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred amortized into the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Principal payments on serial bonds	\$ 472,500	
Amortization of bond premium	13,017	
Change in compensated absences	(16,110)	469,407

Change in net position of governmental activities \$ 454,215

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

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Notes to the Financial Statements
Year Ended May 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Williamsville, New York (the "Village") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental 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.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Village reports no fiduciary activities, business-type activities or component units.

Reporting Entity

The Village, which was established in 1850, is a unit of local government created by the State of New York. The Village operates under provisions of New York State law and with authority vested by those statutes. The five-member Village Board is the legislative body responsible for overall operations. The Mayor serves as the Chief Executive Officer. The Clerk-Treasurer serves as Chief Fiscal Officer.

Independently elected officials of the Village include:

Mayor
Trustees (4)
Village Justice

All governmental activities and functions performed for the Village are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The following basic services are provided: fire protection, highway maintenance, sewer, street lighting, parks, justice court and general administration. The Village's water services were transferred from the Village to the Erie County Water Authority ("ECWA") on June 2, 2014. These basic services are financed by various taxes, state and federal aid and departmental revenue (which is primarily comprised of service fees and various types of program-related).

Basis of Presentation—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. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the Village's various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

The fund financial statements provide information about the Village's funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. At May 31, 2023, all of the Village's funds are considered major funds.

The Village reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the Village and includes all operations not required to be recorded in other funds. The principal source of revenue for the General Fund is real property tax.
- *Community Development Fund*—The Community Development Fund is used to record revenue related to the U.S. Department of Housing and Urban Development's Community Development Block Grant Program which is administered through the Town of Amherst, New York.
- *Water Fund*—The Water Fund is used to record all revenues and expenditures related to water services operated by ECWA. The major source of revenue for this fund is departmental income from water surcharges.
- *Sewer Fund*—The Sewer Fund is used to record all revenues and expenditures related to operation and maintenance of the Village's sewer districts. The major source of revenue for this fund is departmental income from sewer charges.
- *Debt Service Fund*—The Debt Service Fund is used to account for and report the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities.

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. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the 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.

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 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 a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 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, pensions and claims and judgments, are recorded only when the payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, non-property taxes, franchise taxes, licenses, interest and state and federal aid associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period of availability. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and the amount is received during the period or within the availability. All other revenue items are considered to be measurable and available only when cash is received by the Village.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—The Village’s cash and cash equivalents consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent amounts to support fund balance restrictions, unearned revenue and unspent proceeds from the issuance of debt.

Restricted Investments—The Village’s restricted investments consist of annuity contracts related to the Village’s Length of Service Award Program (“LOSAP”).

Receivables—Receivables are recorded and revenues are recognized as earned. Allowances are recorded when appropriate. No allowance for uncollectable accounts has been provided since it is believed that such an allowance would not be material.

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 expenses/expenditures when consumed rather than purchased.

Capital Assets—Capital assets, which include land improvements, buildings, building improvements, machinery and equipment and infrastructure assets (e.g. roads, bridges, drainage systems and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of \$500 or \$5,000 depending on the type of asset. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. 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. Donated capital assets are recorded at acquisition value. Major outlays of capital assets and improvements are capitalized as projects are completed.

Land and construction in progress are not depreciated. The other capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

Class of Assets	Estimated Useful Life (Years)
Land improvements	20
Buildings	40
Building improvements	20
Machinery and equipment	5 - 10
Infrastructure assets	20 - 40

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new highway vehicle included as part of *expenditures—transportation*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *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. At May 31, 2023, the Village has two items that qualify for reporting in this category. The first item represents a deferred charge on refunding which the Village reports within its governmental activities. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second represents the effect of the net change in the Village’s proportion of the collective net pension liability, the difference during the measurement period between the Village’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *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. At May 31, 2023, the Village has one item that qualifies for reporting in this category. This item represents the effect of the net change in the Village's proportion of the collective net pension liability and the difference during the measurement periods between the Village's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and it is reported on the government-wide statements.

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.

Fund Balance Flow Assumption—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 to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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 Village Board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) 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 has by resolution authorized the Mayor and Clerk-Treasurer to assign fund balance. The Village Board may also assign fund balance, as it does 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.

Revenues and Expenses/Expenditures

Program Revenues—The amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided 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.

Property Taxes—Village property taxes are levied annually on June 1. The Village tax rate is based on the amount per \$1,000 assessed valuation. Delinquent accounts of sewer billings are transferred to the Village real property tax roll annually for re-levy and collection. Taxes may be paid to the Village between June 1 and October 31.

Outstanding taxes as of November 1 are forwarded to Erie County for re-levy and collection. The County pays the Village the amount of its outstanding taxes prior to the end of the Village's fiscal year.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At May 31, 2023, the Village reported unearned revenues of \$535,382 for ARPA federal funds. Furthermore, the Village reported \$2,631, \$46,377 and \$14 of unearned revenue in the General Fund, Community Development Fund and Sewer Fund, respectively. The Village received rents, grants and charges in advance but has not performed the services, and therefore recognizes a liability.

Compensated Absences—Pursuant to resolutions of the Village Board and contractual agreements, Village employees are granted vacation, personal leave, and sick leave and earn compensatory absences in varying amounts. Upon retirement, eligible employees qualify for payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

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

Pension Plan—The Village is mandated by New York State law to participate in the New York State Local Employees' Retirement System ("ERS"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

Service Awards—The Village has adopted a Length of Service Award Program ("LOSAP") for firefighters that serve on a volunteer basis. The program is administered by an outside agency, with the Village as trustee. More information is included in Note 7.

Other

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

Adoption of New Accounting Pronouncements— During the year ended May 31, 2023, the Village implemented GASB Statements No. 87, *Leases*; and No. 91, *Conduit Debt Obligations*. GASB Statement No. 87 better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB Statement No. 91 requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. The implementation of GASB Statements No. 87 and 91 did not have a material impact on the Village's financial position or results from operations.

Future Impacts of Accounting Pronouncements—The Village has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement*; and No. 96, *Subscription-Based Information Technology Arrangements*; and No. 99, *Omnibus 2022*, effective for the year ending May 31, 2024, and No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; No. 101, *Compensated Absences*; and No. 102, *Certain Risk Disclosures*, effective for the year ending May 31, 2025. The Village is, therefore, unable to disclose the impact that adopting GASB Statements No. 94, 96, 99, 100, 101 and 102 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets—The Village follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- No later than March 20, the budget officer prepares and files a tentative budget with the Village Clerk.
- No later than March 31, the Village Clerk submits the tentative budget to the Board of Trustees for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing them.
- A public hearing is required to be held on or before April 15 in order to obtain taxpayer comments.
- By May 1 the Board of Trustees is required to adopt a budget and appended salary and wage schedule.
- The Village Clerk-Treasurer exercises administrative budgetary control throughout the year. Adjustment of programs or appropriations is made only after an appropriation and transfer resolution is adopted by the Board of Trustees. The Board of Trustees, pursuant to the laws of the State of New York, has the authority to establish rates for water and sewer department services.

- During the fiscal year, the Village Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for object level budgetary control. All modifications to the budget must be approved by the Village Board. Revisions to the budget were made throughout the year.

Deficit Fund Balance—At May 31, 2023, the Village’s Capital Projects Fund reported a total fund balance deficit of \$2,132,823. The deficit primarily occurs since certain projects are temporarily advanced funds through interfund loans. The deficit will be eliminated as resources are obtained (e.g., from grant revenues, long-term debt issuances, and transfers in).

2. CASH, CASH EQUIVALENTS 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 New York State. The Clerk-Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits, time deposits and certificates of deposit at 100 percent of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash and cash equivalents at May 31, 2023, are as follows:

	Governmental Funds
Petty cash (uncollateralized)	\$ 500
Deposits	4,573,503
Total	\$ 4,574,003

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at May 31, 2023 as follows:

	Bank Amount	Carrying Balance
FDIC insured	\$ 500,000	\$ 500,000
Uninsured:		
Collateral held by pledging bank's agent in the Village's name	4,115,062	4,073,003
Total	\$ 4,615,062	\$ 4,573,003

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. As noted above, by New York State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of May 31, 2023, the Village’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the Village’s name.

Restricted Cash and Cash Equivalents—The Village reports unspent proceeds of debt, amounts to support restricted fund balance and unearned revenue as restricted cash and cash equivalents. At May 31, 2023, the Village reported \$918,148 of restricted cash and cash equivalents within its governmental activities.

Interest Rate Risk—In accordance with its investment policy, the Village manages exposures by limiting investments to low risk type investments governed by New York State statutes.

Restricted Investments—The Village restricted investments consist of annuity contracts related to the Village’s Length of Service Award Program (“LOSAP”), a defined benefit volunteer firefighter award program (see Note 7). These annuities are guaranteed fixed annuities, whereby the reported values are reported daily based on the valuation method disclosed in the annuity contract as calculated by the annuity provider and therefore are considered level 2 inputs for fair value measurement purposes. The interest on each annuity varies but they are all fixed rate with a guaranteed minimum rate for a specific period. The cost and fair value of the contracts amounted to \$2,615,054 as of May 31, 2023, and are recorded within the General Fund.

Fair Value Measurements—Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The investments disclosed above consist of guaranteed fixed annuities, whereby the reported values are reported daily based on the valuation method disclosed in the annuity contract as calculated by the annuity provider and therefore are considered level 2 inputs for fair value measurement purposes. The interest on each annuity varies but they are all fixed rate with a guaranteed minimum rate for a specific period.

3. RECEIVABLES

Revenues accrued by the Village at May 31, 2023 consisted of the following:

Receivables—Represents amounts due from various sources. Receivables at May 31, 2023 are presented below:

General Fund:			
Taxes receivable	\$	3,456	
Other receivables		<u>26,525</u>	\$ 29,981
Water Fund:			
Water rents receivable			49
Sewer Fund:			
Special assessments		13	
Other receivables		<u>506</u>	<u>519</u>
Total governmental funds			<u>\$ 30,549</u>

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State, County of Erie, or other local governments. Intergovernmental receivables at May 31, 2023 are as shown below:

General Fund:			
Erie County—sales tax	\$	240,809	
Erie County—mortgage tax		28,640	
New York State—DASNY grant		<u>125,000</u>	\$ 394,449
Community Development Fund:			
Town of Amherst—CDBG grant			53,471
Water Fund:			
Erie County Water Authority - service charges			79,099
Sewer Fund:			
Town of Amherst—shared services			<u>82</u>
Total governmental funds			<u>\$ 527,101</u>

4. CAPITAL ASSETS

Capital asset activity for the Village's governmental activities for the year ended May 31, 2023 was as follows:

	Balance 6/1/2022	Additions	Deletions	Balance 5/31/2023
Capital assets, not being depreciated:				
Land	\$ 294,427	\$ -	\$ -	\$ 294,427
Construction in progress	399,924	1,320,250	-	1,720,174
Total capital assets, not being depreciated	<u>694,351</u>	<u>1,320,250</u>	<u>-</u>	<u>2,014,601</u>
Capital assets, being depreciated:				
Land improvements	4,319,880	377,825	-	4,697,705
Buildings	725,847	49,800	-	775,647
Building improvements	1,812,705	-	-	1,812,705
Machinery and equipment	6,958,281	354,719	54,896	7,258,104
Infrastructure	14,081,283	-	-	14,081,283
Total capital assets, being depreciated	<u>27,897,996</u>	<u>782,344</u>	<u>54,896</u>	<u>28,625,444</u>
Less accumulated depreciation for:				
Land improvements	569,980	-	-	569,980
Buildings	750,037	15,209	-	765,246
Building improvements	1,210,558	32,965	-	1,243,523
Machinery and equipment	4,425,952	401,184	53,482	4,773,654
Infrastructure	6,521,275	700,531	-	7,221,806
Total accumulated depreciation	<u>13,477,802</u>	<u>1,149,889</u>	<u>53,482</u>	<u>14,574,209</u>
Total capital assets, being depreciated, net	<u>14,420,194</u>	<u>(367,545)</u>	<u>1,414</u>	<u>14,051,235</u>
Total capital assets, net	<u>\$ 15,114,545</u>	<u>\$ 952,705</u>	<u>\$ 1,414</u>	<u>\$ 16,065,836</u>

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

General government support	\$ 45,137
Public safety	266,268
Transportation	399,015
Culture and recreation	34,363
Home and community services	405,106
Total	<u>\$ 1,149,889</u>

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at May 31, 2023, were as follows:

	General Fund	Sewer Fund	Total Governmental Funds
Salaries and employee benefits	\$ 146,834	\$ 5,753	\$ 152,587

6. PENSION PLAN

Employees’ Retirement System (“ERS”)—The Village participates in the New York State Local Employees’ Retirement System (the “System”). The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the “Fund”), which was established to hold all 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 New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory, except for employees who joined after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 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 ERS 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.

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At May 31, 2023, the Village reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of April 1, 2022, with update procedures used to roll forward the total pension asset to the measurement date. 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 System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Village.

	<u>ERS</u>
Measurement date	March 31, 2023
Net pension liability	\$ 766,413
Village's portion of the Plan's total net pension liability	0.0035740%

For the year ended May 31, 2023, the Village recognized a pension expense of \$262,057 for ERS. At May 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 81,629	\$ 21,524
Changes of assumptions	372,220	4,114
Net difference between projected and actual earnings on pension plan investments	-	4,503
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	30,653	42,126
Village's contributions subsequent to the measurement date	16,988	-
Total	<u>\$ 501,490</u>	<u>\$ 72,267</u>

The Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending May 31, 2024. 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>Year Ending May 31,</u>	<u>ERS</u>
2024	\$ 95,679
2025	(42,402)
2026	152,555
2027	206,403

Actuarial Assumptions—The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table on the following page, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions.

	ERS
Measurement date	March 31, 2023
Actuarial valuation date	April 1, 2022
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015- March 31, 2020
Inflation rate	2.9%
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 Society of Actuaries’ Scale MP-2021. The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long-term 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 returns net of investment expense 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 each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date Asset class:	ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
	March 31, 2022	
Domestic equities	32.0 %	4.3 %
International equities	15.0	6.9
Private equity	10.0	7.5
Real estate	9.0	4.6
Opportunistics/Absolute return strategies	3.0	5.4
Credit	4.0	5.4
Real assets	3.0	5.8
Fixed income	23.0	1.5
Cash	1.0	0.0
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. 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 chart below presents 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 one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)	\$ 1,852,092	\$ 766,413	\$ (140,798)

Pension Plan Fiduciary Net Position—The components of the current-year net pension asset of the employers as of the valuation date, were as follows:

	(Dollars in Thousands)
	ERS
Valuation date	April 1, 2022
Employers' total pension liability	\$ 232,627,259
Plan fiduciary net position	211,183,223
Employers' net pension liability	<u>\$ 21,444,036</u>
System fiduciary net position as a percentage of total pension liability	90.8%

Payables to the Pension Plan—For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of May 31, 2023 represent the projected employer contribution for the period of April 1, 2023 through May 31, 2023 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of May 31, 2023 amounted to \$16,988.

7. PENSION OBLIGATIONS—LOSAP

Plan Description—The Village established a defined benefit LOSAP for the active volunteer firefighters of the Village of Williamsville Volunteer Fire Department. The program took effect on January 1, 1992. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the program.

Certain information contained in this note is based on information for the LOSAP measured as of December 31, 2022, which is the most recent valuation date for which complete information related to the year ended May 31, 2023 is available.

Participation, Vesting and Service Credit—Active volunteer firefighters in the Village of Williamsville Volunteer Fire Department who have reached the age of eighteen and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service, upon attaining the program’s entitlement age, becoming totally and permanently disabled or dying while an active member. The program’s entitlement age is age fifty-five. In general, an active volunteer

firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program.

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

Fiduciary Investment and Control—The governing board of the sponsor has retained and designated Wilmington Trust/Manufacturers and Traders Trust Co. to assist in the administration of the program. The designated program administrator’s functions include general administration in questions of eligibility, as well as, to compute, certify, and direct the Trustee with respect to entitlement and payment of benefits. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by Penflex, Inc. who calculates and certifies monthly and other lump sum amounts to be paid.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The current trustee is Wilmington Trust/Manufacturers and Traders Trust Co.

Authority to invest program assets is vested in the Village’s Board of Trustees, subject to restrictions in the program document, program assets are invested in accordance with a statutory “prudent person” standard and the Investment Policy Statement for the LOSAP as approved by the Board of Trustees.

The sponsor is required to retain an actuary to determine the amount of the sponsor’s contributions to the plan. The actuary retained by the sponsor for this purpose is Penflex, Inc. Portions of the following information are derived from the most recent report prepared by the actuary with a valuation date of December 31, 2022.

Benefits Provided—A participant’s benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person’s total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty. Benefits are not payable until the first day of the month if the participant attained the entitlement age on that date or the first date of the next month, except in the case of disability or death.

Participants Covered by the Benefit Terms—At the December 31, 2022 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	42
Inactive participants entitled to but not yet receiving benefit payments	17
Active participants	<u>19</u>
Total	<u><u>78</u></u>

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

Trust Assets—Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2022 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions—The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Male Mortality Table without projection for mortality improvement.

Discount Rate—The discount rate used to measure the total pension liability was 4.31%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody’s Investors Service’s, AA by Fitch, or AA by Standard & Poor’s Rating Services.

Changes in the Total Pension Liability—The following table presents the changes to the total pension liability during the fiscal year, by source.

	<u>Total Pension Liability</u>
Balance as of 12/31/2021 measurement date	\$ 4,855,275
Changes for the year:	
Service cost	67,001
Interest	107,807
Changes of assumptions or other inputs	(1,078,285)
Differences between expected and actual experience	37,507
Benefit payments	<u>(218,940)</u>
Net changes	<u>(1,084,910)</u>
Balance as of 12/31/2022 measurement date	<u>\$ 3,770,365</u>

Sensitivity of the Total Pension Liability to Changes in the Discount Rate—The table on the following page presents the total pension liability of the Village as of the December 31, 2022 measurement date, calculated using the discount rate of 4.31 percent, as well as what the Village’s total pension liability would be if it were not calculated using a discount rate that is one percentage point lower (3.31 percent) or one percentage point higher (5.31 percent) than the current rate.

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	\$ 4,235,362	\$ 3,770,365	\$ 3,385,869

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension—For the year ended May 31, 2023, the Village recognized pension expense of \$165,792. At May 31, 2023, the Village reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 186,621	\$ 168,324
Changes of assumptions or other inputs	450,642	1,018,781
Benefit payments and administrative expenses subsequent to the measurement date	<u>96,400</u>	<u>-</u>
Total	<u>\$ 733,663</u>	<u>\$ 1,187,105</u>

Deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ending May 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending May 31,	
2024	\$ (43,558)
2025	(28,312)
2026	(205,471)
2027	(244,201)
2028	(28,300)

The Village accounts for service award program assets within its General Fund. As of May 31, 2023, program asset information was available which totaled \$2,615,054.

8. RISK MANAGEMENT

The Village is exposed to various risks of losses related to damage and destruction of assets, injuries to employees, and natural disasters. The Village purchases commercial insurance to cover such potential risks. There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have exceeded commercial insurance coverage in the past three fiscal years.

The Village purchases various insurance policies for, but not limited to: automobile, general, employee benefits, data compromise, volunteer emergency services, owners and contractors protective, public officials, and umbrella liability. Automobile insurance is limited to \$1 million per accident. The general liability and employee benefit coverage is limited to \$1 million per occurrence, and an annual aggregate \$3 million limit. Data compromise insurance is limited to \$50,000. Volunteer emergency services and

owners and contractors protective liabilities is limited to \$1 million per occurrence, and an annual aggregate \$1 million limit. Public officials liability is limited to \$1 million per occurrence, and an annual aggregate \$2 million limit. The umbrella liability insurance is limited to \$10 million per occurrence, and an aggregate \$20 million limit.

9. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principle of general long-term debt does not require current appropriation and expenditure of general fund financial resources.

The Village's outstanding long-term liabilities include serial bonds, premium on serial bonds, compensated absences, net pension liability – ERS, and total pension liability – LOSAP. The serial bonds of the Village are secured by its general credit and revenue raising powers, as per New York State statute.

A summary of changes in the Village's long-term debt as of May 31, 2023 is presented below:

	Balance 6/1/2022	Additions	Reductions	Balance 5/31/2023	Due Within One Year
Serial bonds	\$ 4,267,500	\$ -	\$ 472,500	\$ 3,795,000	\$ 475,000
Premium on serial bonds	117,155	-	13,017	104,138	13,017
Compensated absences	173,307	36,462	20,352	189,417	9,471
Net pension liability—ERS*	-	766,413	-	766,413	-
Total pension liability—LOSAP	4,855,276	212,315	1,297,226	3,770,365	-
Total	<u>\$ 9,413,238</u>	<u>\$ 1,015,190</u>	<u>\$ 1,803,095</u>	<u>\$ 8,625,333</u>	<u>\$ 497,488</u>

(*Reductions to the net pension liability are shown net of additions.)

Serial Bonds—The Village issues general obligation bonds to provide funds for the acquisition, construction and renovation of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with original maturities that range from 10 to 20 years. Principal is paid annually, interest is paid semi-annually and are recorded in the Debt Service Fund through transfers from the General Fund, Water Fund, and Sewer Fund.

A summary of additions and reductions for the year ended May 31, 2023 is presented below:

Fund and Purpose	Year of Issue/Maturity	Interest Rate (%)	Original Issue Amount	Principal Outstanding 6/1/2022	Additions	Payments	Principal Outstanding 5/31/2023
General Fund:							
E. Spring Street	2018/2031	2.63-3.50	\$ 744,000	\$ 570,000	\$ -	\$ 60,000	\$ 510,000
Fire Truck	2018/2039	3.13-3.52	754,000	675,000	-	30,000	645,000
Rescue Truck	2018/2039	3.13-3.52	178,000	150,000	-	10,000	140,000
DPW Equipment	2018/2039	3.13-3.52	360,000	305,000	-	20,000	285,000
Refunding - Highway Improvements 2007	2020/2031	3.75-4.00	177,774	118,399	-	19,375	99,024
Refunding - Highway Improvements 2008	2020/2031	3.75-4.00	196,606	137,231	-	19,375	117,856
Refunding - Highway Improvements 2009	2020/2031	3.75-4.00	104,614	60,084	-	19,375	40,709
Refunding - Floodgate Rehabilitation	2020/2031	3.75-4.00	36,227	18,414	-	5,812	12,602
Refunding - Highway Improvements 2010	2020/2031	3.75-4.00	170,901	99,650	-	24,219	75,431
Refunding - DPW Equipment	2020/2031	3.75-4.00	41,134	17,446	-	4,844	12,602
Highway Reconstruction 2020	2020/2030	1.25-1.70	1,100,000	890,000	-	105,000	785,000
Refunding - Public Improvements	2021/2033	1.25-1.75	317,500	317,500	-	32,500	285,000
Water Fund:							
Refunding - Waterline Improvements	2020/2031	3.75-4.00	90,032	63,313	-	8,719	54,594
Refunding - Public Improvements	2021/2033	1.25-1.75	120,000	120,000	-	40,000	80,000
Sewer Fund:							
Refunding - Sewer Improvements	2020/2031	3.75-4.00	627,712	465,463	-	53,281	412,182
Refunding - Public Improvements	2021/2033	1.25-1.75	260,000	260,000	-	20,000	240,000
Total			<u>\$ 5,278,500</u>	<u>\$ 4,267,500</u>	<u>\$ -</u>	<u>\$ 472,500</u>	<u>\$ 3,795,000</u>

Compensated Absences—As explained in Note 1, the Village records the value of 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. The value recorded in the government-wide financial statements at May 31, 2023, for governmental activities is \$189,417. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable; however management has estimated the current portion of this liability to be \$9,471. Management believes that funds will be available to meet such payments as they become due.

Net Pension Liability—ERS—The Village reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability related to the Employees’ Retirement System is estimated to be \$766,413. Refer to Note 6 for additional information related to the Village’s net pension liability.

Total Pension Liability—LOSAP—The Village reports a liability for its proportionate share of the total pension liability for LOSAP. The total pension liability related to LOSAP is estimated to be \$3,770,365. Refer to Note 7 for additional information related to the Village’s total pension liability.

The following is a maturity schedule of the Village’s indebtedness:

Year Ending May 31,	Serial Bonds	Premium on Serial Bonds	Compensated Absences	Net Pension Liability— ERS	Total Pension Liability— LOSAP	Total
2024	\$ 475,000	\$ 13,017	\$ 9,471	\$ -	\$ -	\$ 497,488
2025	490,000	13,017	-	-	-	503,017
2026	425,000	13,017	-	-	-	438,017
2027	400,000	13,017	-	-	-	413,017
2028	400,000	13,017	-	-	-	413,017
2029-2033	1,270,000	39,053	-	-	-	1,309,053
2034-2038	280,000	-	-	-	-	280,000
2039 and thereafter	55,000	-	179,946	766,413	3,770,365	4,771,724
Total	<u>\$ 3,795,000</u>	<u>\$ 104,138</u>	<u>\$ 189,417</u>	<u>\$ 766,413</u>	<u>\$ 3,770,365</u>	<u>\$ 8,625,333</u>

Interest requirements on serial bonds payable are as follows:

Year Ending May 31,	Serial Bonds
2024	\$ 101,239
2025	88,858
2026	76,191
2027	64,784
2028	54,105
2029-2033	129,538
2034-2038	31,506
2039 and thereafter	963
Total	<u>\$ 547,184</u>

10. NET POSITION AND FUND BALANCE

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 position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. A reconciliation of the Village’s governmental activities net investment in capital assets is presented below:

Capital assets, net of accumulated depreciation	\$ 16,065,836
Less:	
Serial bonds, net of water bonds	(3,740,406)
Unamortized bond premium	(104,138)
Deferred charge on refunding	67,470
Net investment in capital assets	<u>\$ 12,288,762</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. At May 31, 2023, the Village reported \$3,052,946 of restricted net position.

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

In the fund financial statements, nonspendable amounts represent 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 balance maintained by the Village at May 31, 2023 includes:

- **Prepaid Items**—Represents the portion of fund balance composed of prepaid expenses that are applicable to future accounting periods. The General Fund reported \$11,913 of nonspendable fund balance at May 31, 2023.
- **Long-Term Receivable**—The General Fund reported \$100,000 of nonspendable fund balance at May 31, 2023 associated with amounts due from the Water Fund.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balance maintained by the Village at May 31, 2023 is below.

	General Fund	Community Development Fund	Debt Service Fund	Total Governmental Funds
Unemployment insurance	\$ 10,769	\$ -	\$ -	\$ 10,769
Debt	-	-	47,266	47,266
Community development	-	10,491	-	10,491
DPW equipment	86,106	-	-	86,106
Fire trucks	145,995	-	-	145,995
Fire equipment	137,265	-	-	137,265
LOSAP	2,615,054	-	-	2,615,054
Total	<u>\$ 2,995,189</u>	<u>\$ 10,491</u>	<u>\$ 47,266</u>	<u>\$ 3,052,946</u>

- **Restricted for Unemployment Insurance**—Represents funds reserved for costs associated with noninsured unemployment claims.
- **Restricted for Debt**—Represents resources that have been legally restricted for principal and interest payments that will be made in future periods.
- **Restricted for Community Development**—Represents resources that are restricted for expenditures pursuant to Community Development Block Grant requirements.
- **Restricted for DPW Equipment**—Represents funds accumulated for future purchases of Department of Public Works equipment.
- **Restricted for Fire Trucks**—Represents funds that have been restricted for the future purchase of fire trucks.

- **Restricted for Fire Equipment**—Represents funds that have been legally restricted for the future purchase of fire equipment.
- **Restricted for LOSAP**—Represents monies, \$2,615,054 held in trust for the administration of the Village’s LOSAP.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the Village’s highest level of decision-making authority. At May 31, 2023, the Village reported no committed fund balance.

The Village Board authorizes the Clerk-Treasurer to make a determination of the assigned amounts of fund balance. Assigned funds represent amounts intended to be used for a specific purpose. In the fund financial statements, assignments by the Village at May 31, 2023 are shown below.

	General Fund	Water Fund	Sewer Fund	Total Governmental Funds
Subsequent year's expenditures	\$ 200,000	\$ -	\$ 200,000	\$ 400,000
Youth and recreation	7,719	-	-	7,719
Trees	10,368	-	-	10,368
Village Hall expenditures	237,947	-	-	237,947
Historical properties	37,530	-	-	37,530
Parks	339,874	-	-	339,874
Department of Public Works	466,176	-	-	466,176
Beautification	12,163	-	-	12,163
Specific use	-	21,727	591,204	612,931
Total	<u>\$ 1,311,777</u>	<u>\$ 21,727</u>	<u>\$ 791,204</u>	<u>\$ 2,124,708</u>

- **Assigned to Subsequent Year’s Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2023-2024 budget.
- **Assigned to Youth and Recreation**—Represents available fund balance being appropriated to meet Youth and Recreation program expenditures.
- **Assigned to Trees**—Represents available fund balance being appropriated to meet expenditures for replacement tree requirements.
- **Assigned to Village Hall Expenditures**—Represents available fund balance being appropriated to meet expenditures for Village Hall improvements.
- **Assigned to Historical Properties**—Represents available fund balance being appropriated for Meeting House improvements and events.
- **Assigned to Parks**—Represents available fund balance being appropriated to meet expenditures for park improvements.
- **Assigned to Department of Public Works**—Represents available fund balance being appropriated to meet expenditures for the Department of Public Works.

- **Assigned to Beautification**—Represents available fund balance being appropriated to meet expenditure requirements for Village beautification.
- **Assigned to Specific Use**—Represents remaining fund balance within special revenue funds that is assigned for each fund’s specific purpose.

If the Village must use funds for emergency expenditures the Board shall authorize the Clerk-Treasurer to expend funds first from funds classified as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available, the Village will use unassigned fund balance.

11. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. The outstanding balances between funds result from payments made on behalf of other funds or temporary advances. The composition of interfund balances as of May 31, 2023 is as follows:

Fund	Interfund	
	Receivables	Payables
General Fund	\$ 2,199,472	\$ 1,130
Water Fund	-	100,000
Sewer Fund	1,129	-
Capital Projects Fund	-	2,099,471
Total	<u>\$ 2,200,601</u>	<u>\$ 2,200,601</u>

At May 31, 2023, a long-term interfund receivable within the General Fund and due from the Water Fund of \$100,000 was outstanding and was not anticipated to be repaid within a year. The Village has reported this balance as nonspendable fund balance within the General Fund and plans to continue to pay back a portion of the funds during the year ended May 31, 2024. All other balances are expected to be collected/paid within the subsequent year.

Transfers are used primarily to move amounts to fulfill commitments to finance various capital projects, to pay down on outstanding debt or to transfer revenue to support community development expenditures.

The Village made the following transfers during the year ended May 31, 2023:

Fund	Transfers in:		Total
	Debt Service Fund	Capital Projects Fund	
Transfers out:			
General Fund	\$ 438,040	\$ 26,815	\$ 464,855
Community Development Fund	-	42,135	42,135
Water Fund	52,502	-	52,502
Sewer Fund	95,337	-	95,337
Total	<u>\$ 585,879</u>	<u>\$ 68,950</u>	<u>\$ 654,829</u>

12. LABOR CONTRACTS

Village employees are represented by one bargaining unit, with the balance governed by Village Board rules and regulations. The bargaining unit has a negotiated contract in place through May 31, 2025.

13. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executor) 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) and re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

The Village considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. As of May 31, 2023, the Village reported no significant encumbrances.

14. TAX ABATEMENTS

The Village is subject to tax abatements granted by the Town of Amherst Industrial Development Agency (the “IDA”). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the IDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the Village, the abatements have resulted in reductions of property taxes, which the Village administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by IDA, the Village collected \$15,715 during 2023 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$21,374 in property taxes.

15. CONTINGENCIES

Litigation—The Village is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the Village. The Village believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the Village’s financial condition or results of operation.

Grants—In the normal course of operations, the Village receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

16. JOINT VENTURE

The Village and Town of Amherst jointly own the Glen Park. The venture operates under the terms of an agreement dated July 11, 1977 and amended September 2, 1980. Significant provisions of the agreement are as shown on the following page.

The Boards of each municipality jointly act as the governing body for the joint venture. The Village and Town have created a Glen Park Joint Board to make studies and advise the Village and Town on the development and maintenance of the Park. Neither the Village nor the Town shall take any action with respect to Glen Park without submitting the matter to the Glen Park Joint Board for recommendation.

The Village and Town share equally in all expenses of development and maintenance of Glen Park. Such contribution is determined on an annual basis. The joint venture has not accumulated significant surpluses or deficits. The following is a summary of the balance sheet:

Total assets	\$ 69,180
Total liabilities	\$ 2,789
Fund balance	\$ 66,391

The Clerk-Treasurer of the Village has custody of all monies appropriated by the Village and the Town, and the Town pays over to the Village Treasurer the total sum appropriated by the Town as its share of park maintenance on or about the 1st of June each year.

The joint venture's financial statements can be obtained from the Village Administrator's office at 5565 Main Street, Williamsville, New York 14221.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through **November 1, 2022**, 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.

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REQUIRED SUPPLEMENTARY INFORMATION

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of the Village's Proportionate Share of the
Net Pension Liability/(Asset)—Employees' Retirement System
Last Ten Fiscal Years

	<u>Year Ended May 31,</u>									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Measurement date	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Village's proportion of the net pension liability (asset)	0.0035740%	0.0033649%	0.0031675%	0.0029369%	0.0031268%	0.0032130%	0.0031451%	0.0033080%	0.0035014%	0.0035014%
Village's proportionate share of the net pension liability (asset)	<u>\$ 766,413</u>	<u>\$ (275,050)</u>	<u>\$ 3,154</u>	<u>\$ 777,703</u>	<u>\$ 221,546</u>	<u>\$ 103,697</u>	<u>\$ 295,522</u>	<u>\$ 530,936</u>	<u>\$ 18,285</u>	<u>\$ 158,222</u>
Village's covered payroll	\$ 914,867	\$ 1,012,964	\$ 979,591	\$ 956,735	\$ 873,414	\$ 899,620	\$ 894,599	\$ 845,231	\$ 843,298	\$ 829,378
Village's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	83.8%	(27.2%)	0.3%	81.3%	25.4%	11.5%	33.0%	62.8%	2.2%	19.1%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of the Village's Contributions—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended May 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 101,446	\$ 120,678	\$ 120,627	\$ 113,139	\$ 117,939	\$ 117,720	\$ 113,700	\$ 136,456	\$ 166,041	\$ 133,371
Contributions in relation to the contractually required contribution	(101,446)	(120,678)	(120,627)	(113,139)	(117,939)	(117,720)	(113,700)	(136,456)	(166,041)	(133,371)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 908,900	\$ 975,097	\$ 979,669	\$ 958,857	\$ 889,884	\$ 922,980	\$ 898,123	\$ 853,460	\$ 843,622	\$ 831,700
Contributions as a percentage of covered payroll	11.2%	12.4%	12.3%	11.8%	13.3%	12.8%	12.7%	16.0%	19.7%	16.0%

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Changes in the Village's Total
Pension Liability—LOSAP
Last Six Fiscal Years*

	Year Ended May 31,					
	2023	2022	2021	2020	2019	2018
Total LOSAP Liability						
Service cost	\$ 67,000	\$ 94,768	\$ 54,620	\$ 50,457	\$ 63,016	\$ 57,730
Interest	107,807	102,580	135,292	140,979	128,075	135,783
Changes of assumptions or other inputs	(1,078,285)	(207,900)	872,105	192,485	(244,292)	280,079
Differences between expected and actual experience	37,507	(244,834)	272,810	84,211	76,596	90,592
Benefit payments	(218,940)	(219,160)	(200,880)	(189,700)	(191,877)	(160,880)
Net changes in total pension liability	(1,084,911)	(474,546)	1,133,947	278,432	(168,482)	403,304
Total pension liability—beginning	<u>4,855,276</u>	<u>5,329,822</u>	<u>4,195,875</u>	<u>3,917,443</u>	<u>4,085,925</u>	<u>3,682,621</u>
Total pension liability—ending	<u>\$ 3,770,365</u>	<u>\$ 4,855,276</u>	<u>\$ 5,329,822</u>	<u>\$ 4,195,875</u>	<u>\$ 3,917,443</u>	<u>\$ 4,085,925</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

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*Information prior to the year ended May 31, 2018 is not available.

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

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in
Fund Balances—Budget and Actual—General Fund
Year Ended May 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 2,457,932	\$ 2,457,932	\$ 2,462,022	\$ 4,090
Real property tax items	29,432	29,432	36,468	7,036
Nonproperty tax items	925,000	925,000	1,266,879	341,879
Departmental income	96,000	96,000	442,906	346,906
Intergovernmental charges	340,000	368,612	434,842	66,230
Use of money and property	4,600	4,600	46,089	41,489
Licenses and permits	27,500	27,500	60,318	32,818
Fines and forfeitures	67,500	67,500	28,057	(39,443)
Sale of property and compensation for loss	11,500	59,900	119,205	59,305
Miscellaneous	46,965	46,965	60,461	13,496
State aid	144,355	145,673	162,566	16,893
Total revenues	<u>4,150,784</u>	<u>4,229,114</u>	<u>5,119,813</u>	<u>890,699</u>
EXPENDITURES				
Current:				
General government support	947,830	943,231	1,001,980	(58,749)
Public safety	797,015	835,398	663,397	172,001
Transportation	525,599	566,054	472,160	93,894
Economic assistance and opportunity	70,097	64,513	14,151	50,362
Culture and recreation	342,431	348,170	873,346	(525,176)
Home and community services	684,896	683,248	639,349	43,899
Employee benefits	455,520	461,104	335,036	126,068
Total expenditures	<u>3,823,388</u>	<u>3,901,718</u>	<u>3,999,419</u>	<u>(97,701)</u>
Excess of revenues over expenditures	<u>327,396</u>	<u>327,396</u>	<u>1,120,394</u>	<u>792,998</u>
OTHER FINANCING USES				
Transfers out	(527,396)	(554,211)	(464,855)	89,356
Total other financing uses	<u>(527,396)</u>	<u>(554,211)</u>	<u>(464,855)</u>	<u>89,356</u>
Net change in fund balances*	(200,000)	(226,815)	655,539	882,354
Fund balances—beginning	<u>6,497,797</u>	<u>6,497,797</u>	<u>6,497,797</u>	<u>-</u>
Fund balances—ending	<u>\$ 6,297,797</u>	<u>\$ 6,270,982</u>	<u>\$ 7,153,336</u>	<u>\$ 882,354</u>

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

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

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in
Fund Balances (Deficit)—Budget and Actual—Water Fund
Year Ended May 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income	\$ 243,424	\$ 243,424	\$ 267,338	\$ 23,914
Use of money and property	-	-	265	265
Total revenues	<u>243,424</u>	<u>243,424</u>	<u>267,603</u>	<u>24,179</u>
EXPENDITURES				
Current:				
Home and community services	<u>190,922</u>	<u>190,922</u>	<u>190,922</u>	-
Total expenditures	<u>190,922</u>	<u>190,922</u>	<u>190,922</u>	-
Excess of revenues over expenditures	<u>52,502</u>	<u>52,502</u>	<u>76,681</u>	<u>24,179</u>
OTHER FINANCING USES				
Transfers out	<u>(52,502)</u>	<u>(52,502)</u>	<u>(52,502)</u>	-
Total other financing uses	<u>(52,502)</u>	<u>(52,502)</u>	<u>(52,502)</u>	-
Net change in fund balances	-	-	24,179	24,179
Fund balances—beginning	<u>(2,452)</u>	<u>(2,452)</u>	<u>(2,452)</u>	-
Fund balances—ending	<u>\$ (2,452)</u>	<u>\$ (2,452)</u>	<u>\$ 21,727</u>	<u>\$ 24,179</u>

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

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in
Fund Balances—Budget and Actual—Sewer Fund
Year Ended May 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 14	\$ 14	\$ 14	\$ -
Departmental income	1,152,554	1,152,554	1,149,555	(2,999)
Use of money and property	100	100	5,115	5,015
Total revenues	<u>1,152,668</u>	<u>1,152,668</u>	<u>1,154,684</u>	<u>2,016</u>
EXPENDITURES				
Current:				
General government support	70,700	70,700	42,932	27,768
Home and community services	1,110,199	1,110,199	1,268,308	(158,109)
Employee benefits	70,680	70,680	52,390	18,290
Total expenditures	<u>1,251,579</u>	<u>1,251,579</u>	<u>1,363,630</u>	<u>(112,051)</u>
Deficiency of revenues over expenditures	<u>(98,911)</u>	<u>(98,911)</u>	<u>(208,946)</u>	<u>(110,035)</u>
OTHER FINANCING USES				
Transfers out	<u>(101,089)</u>	<u>(101,089)</u>	<u>(95,337)</u>	<u>5,752</u>
Total other financing uses	<u>(101,089)</u>	<u>(101,089)</u>	<u>(95,337)</u>	<u>5,752</u>
Net change in fund balances*	(200,000)	(200,000)	(304,283)	(104,283)
Fund balances—beginning	<u>1,095,487</u>	<u>1,095,487</u>	<u>1,095,487</u>	<u>-</u>
Fund balances—ending	<u>\$ 895,487</u>	<u>\$ 895,487</u>	<u>\$ 791,204</u>	<u>\$ (104,283)</u>

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

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

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Notes to the Required Supplementary Information
Year Ended May 31, 2023

1. PENSION LIABILITY—LOSAP

Changes of Assumptions or Other Inputs—The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2022	4.31%
December 31, 2021	2.24%

Trust Assets—There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Water Fund, Sewer Fund and Debt Service Fund. The Capital Projects Fund appropriations are not included in the Village’s annual budget. Instead, appropriations are approved through Board resolution at the projects inception and lapse at upon termination of the project. The Community Development Fund does not have an appropriated budget since other means control the use of these resources (e.g., grant awards), and sometimes span a period of more than one fiscal year. The funds are accepted by Board resolution and appropriations lapse upon fully expending such funds.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations require the approval of the Village Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental 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 appropriation and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

Excess of Expenditures Over Appropriations—For the year ended May 31, 2023, unfavorable variances existed in various Village governmental funds’ appropriations. The General Fund has unfavorable variances of \$525,176 within culture and recreation as a result of unplanned payments for park and playground improvements during the year. The Sewer Fund has an unfavorable variance of \$158,109 within home and community services as a result of increased costs for sewage during the year.

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SUPPLEMENTARY INFORMATION

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Combining Balance Sheet—Capital Projects Fund
May 31, 2023

	<u>Equipment</u>	<u>Spring Street</u>	<u>South Long Street</u>	<u>Picture Main Street</u>	<u>Local Water Revitalization Project</u>	<u>2020 Roadwork</u>	<u>Lehigh Valley Section House</u>	<u>S. Cayuga/ Milton 3 - Way Crossing</u>	<u>2022 Road Reconstruction</u>	<u>Sewer Consolidation Project</u>	<u>Garrison Park</u>	<u>Capital Projects Fund</u>
ASSETS												
Restricted cash and cash equivalents	\$ 4,471	\$ 322,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,389
Total assets	<u>\$ 4,471</u>	<u>\$ 322,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,389</u>
LIABILITIES												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,926	\$ 5,436	\$ 347,276	\$ 5,103	\$ -	\$ 360,741
Due to other funds	552,896	-	126,459	571,869	30,555	318,712	7,094	10,930	445,898	32,367	2,691	2,099,471
Total liabilities	<u>552,896</u>	<u>-</u>	<u>126,459</u>	<u>571,869</u>	<u>30,555</u>	<u>318,712</u>	<u>10,020</u>	<u>16,366</u>	<u>793,174</u>	<u>37,470</u>	<u>2,691</u>	<u>2,460,212</u>
FUND BALANCES (DEFICITS)												
Restricted	-	322,918	-	-	-	-	-	-	-	-	-	-
Assigned/(Unassigned)	(548,425)	-	(126,459)	(571,869)	(30,555)	(318,712)	(10,020)	(16,366)	(793,174)	(37,470)	(2,691)	(2,132,823)
Total fund balances (deficits)	<u>(548,425)</u>	<u>322,918</u>	<u>(126,459)</u>	<u>(571,869)</u>	<u>(30,555)</u>	<u>(318,712)</u>	<u>(10,020)</u>	<u>(16,366)</u>	<u>(793,174)</u>	<u>(37,470)</u>	<u>(2,691)</u>	<u>(2,132,823)</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,471</u>	<u>\$ 322,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,389</u>

VILLAGE OF WILLIAMSVILLE, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficits)—Capital Projects Fund
Year Ended May 31, 2023

	<u>Equipment</u>	<u>Spring Street</u>	<u>South Long Street</u>	<u>Picture Main Street</u>	<u>Local Water Revitalization Project</u>	<u>2020 Roadwork</u>	<u>Lehigh Valley Section House</u>	<u>S. Cayuga/Milton 3 - Way Crossing</u>	<u>2022 Road Reconstruction</u>	<u>Sewer Consolidation Project</u>	<u>Garrison Park</u>	<u>Capital Projects Fund</u>
REVENUES												
Use of money and property	\$ 58	\$ 4,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,157
Total revenues	58	4,099	-	-	-	-	-	-	-	-	-	4,157
EXPENDITURES												
Capital outlay	499,267	-	-	-	6,582	-	10,020	7,816	761,707	32,167	2,691	1,320,250
Total expenditures	499,267	-	-	-	6,582	-	10,020	7,816	761,707	32,167	2,691	1,320,250
Excess (deficiency) of revenues over expenditures	(499,209)	4,099	-	-	(6,582)	-	(10,020)	(7,816)	(761,707)	(32,167)	(2,691)	(1,316,093)
OTHER FINANCING SOURCES												
Transfers in	26,815	-	-	-	-	-	42,135	-	-	-	-	68,950
Total other financing sources	26,815	-	-	-	-	-	42,135	-	-	-	-	68,950
Net change in fund balances (deficits)	(472,394)	4,099	-	-	(6,582)	-	32,115	(7,816)	(761,707)	(32,167)	(2,691)	(1,247,143)
Fund balances (deficits)—beginning	(76,031)	318,819	(126,459)	(571,869)	(23,973)	(318,712)	(42,135)	(8,550)	(31,467)	(5,303)	-	(885,680)
Fund balances (deficits)—ending	\$ (548,425)	\$ 322,918	\$ (126,459)	\$ (571,869)	\$ (30,555)	\$ (318,712)	\$ (10,020)	\$ (16,366)	\$ (793,174)	\$ (37,470)	\$ (2,691)	\$ (2,132,823)

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Board of Trustees
Village of Williamsville, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Village of Williamsville, New York (the "Village") as of and for the year ended May 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated **November 1, 2022**.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings as items 2023-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 1, 2022

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Findings
Year Ended May 31, 2023

We consider the deficiency presented below to be a significant deficiency in internal control.

Finding 2023-001—Bank Reconciliation and Year-End Processes

Criteria—Appropriate segregation of duties and internal controls surrounding the bank reconciliation process (both in the Treasurer’s Department and the Justice Department) should be in place. Bank reconciliations should be performed on a monthly basis, with all variances between the general ledger and bank balance properly supported with adequate documentation and purpose to ensure the Village’s cash balance is fairly stated at year-end. All outstanding checks and reconciling items should be tracked and accounted for on a monthly basis for each account individually. Reconciling items should be researched promptly so that corrective action may be taken, where necessary, to remedy them. Additionally, formal documentation of year-end procedures should be in place to ensure all documentation is available and ready for the audit each year.

Condition and Context—As a result of turnover in the current year, bank reconciliations for the Village were not reviewed in a timely manner. Additionally, bank reconciliations for the Justice Department were not performed in a timely manner and have no evidence of review or approval being completed. Additionally, year-end procedures were not performed in a timely manner.

Cause—All reconciliations were completed by year-end, but the Village’s reconciliations were not reviewed in a timely manner and the Justice reconciliations were not performed in a timely manner and lack an independent review. Tracking outstanding checks and reconciling items is not regularly performed. As a result of turnover, certain year-end procedures were not initially performed by the Village and lead to a significant number of proposed journal entries by the auditors.

Effect or Potential Effect—The lack of bank reconciliation controls increases the risk of misstatement due to fraud or misappropriation of assets. The lack of year-end procedures increases the risk of misstatement or error at year-end.

Recommendation—We recommend that the Village Treasurer and Justice Departments utilize an independent review of the monthly bank reconciliations. We suggest that bank accounts be reconciled and all differences between book and bank balances be investigated on a timely basis by appropriate accounting personnel to ensure errors and adjustments are quickly identified and corrected. Additionally, we recommend that the Village develop a year-end checklist containing procedures and tasks to be addressed while closing out the fiscal year to better prepare the Village’s general ledger account balances for the audit of the issued financial statements.

View of Responsible Officials and Planned Corrective Actions—

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