VILLAGE OF NORTH HORNELL, NEW YORK

Notes To Financial Statements

May 31, 2023

I. Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity

The Village of North Hornell, New York is governed by its Charter, the Village Local Law and other general laws of the State of New York. The Board of Trustees is the legislative body responsible for the overall operations and the Mayor serves as chief executive officer.

The following basic services are provided:

Sewer Service	Recreational Facilities and Programs
Highway Maintenance	Public Safety

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

The financial reporting entity consists of the following:

1. The primary government, which is the Village of North Hornell, New York;

2. Organizations for which the primary government is financially accountable, and;

3. Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the Village's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no component units within the Village of North Hornell, New York.

B. Basis of Presentation - Fund Accounting

The accounts of the Village are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are summarized by type in the financial statements. The following fund types and account groups are used:

(I.) (Continued)

1. <u>Fund Categories</u>

a. <u>Governmental Funds</u>

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

<u>General Fund</u> - the principal operating fund and includes all operations not required to be recorded in other funds.

<u>Special Revenue Fund- Sewer Fund</u> - this fund is used to account for the transactions of the Sewer Fund. It is restricted to the specific purpose designated by the fund.

C. <u>Basis of Accounting/Measurement Focus</u>

Basis of accounting refers to <u>when</u> revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of <u>what</u> is measured, i.e. expenditures or expenses.

1. <u>Modified Accrual Basis</u>

All Governmental Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers all revenues available if they are collected within 60 days after year end.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except that:

a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.

b. Principal and interest on indebtedness are not recognized as an expenditure until due.

c. Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as an expenditure when paid.

D. Fund Balance

The Village implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

1. **Nonspendable fund balance** – Amounts that are not in a spendable form (i.e. inventory or prepaids) or are legally or contractually required to be maintained intact.

2. **Restricted fund balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

3. **Assigned fund balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.

4. **Unassigned fund balance** – Amounts that are available for Village purposes pursuant to any Law restrictions. Any positive amounts are reported only in the general fund.

5. The following policies relate to GASB No. 54:

   a. **Assigned fund balance** – The department head is responsible for all of the purchasing activities of the Village and therefore, is designated as having the authority to assign amounts intended to be used for a specific purpose. (At year end, open purchase orders will therefore be designated as a component of the assigned fund balance.)

   The Board has the authority to assign fund balance for the purpose of tax reduction on an annual basis.

   b. **Spending policy** – Resources will generally be spent from Budgetary Appropriations first. Utilization of reserve funds will be determined based on the legal appropriation of such funds which require either the Board and/or voter approval. Furthermore, assigned amounts will be considered expended when the transaction for which the assignment was made does occur.

   c. **Order of fund balance** – The Village's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, assigned fund balance and unassigned fund balance at the end of the year.

   For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts other than the General Fund are classified as restricted.

In the General Fund, assigned fund balance is determined before the remaining amounts which are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

It is possible for the funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the Schedule of Non-Current Governmental Assets. The Village defines capital asses as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and assets acquired in a service concession arrangement are recorded at acquisition value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

F. Investments

An investment is a security or other assert (a) that a government holds primarily for the purpose of income or profit and (b) with present service capacity that is based solely on its ability to generate cash or to be sold to generate cash. Capital assets held for resale are excluded from being classified as investments.

Investments are generally reported at fair value. There are, however, two exceptions: certificates of deposits, which are reported at cost; and external investment pools, which may elect to measure all investments at amortized cost if certain criteria (as outlined in GASB Statement No. 79) is met.

G. Inventory and Prepaid Items

Inventory purchases in the General and Sewer Funds are recorded as expenditures at the time of purchase and year-end balances are not maintained.

Payments to vendors for costs, such as rent and insurance that apply to future accounting periods, are recorded as prepaid assets in the fund financial statements.

H. Insurance

The Village of North Hornell, New York assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

(I.) (Continued)

I. Compensated Absences

The Village of North Hornell, New York employees are granted vacation, personal days and sick leave. Unused vacation and personal days do not accumulate from year to year. However, unused sick leave can be accumulated five days per year with a maximum of 25 days. Upon retirement or termination, employees will be entitled to 15 days of his or her accrued sick leave at their regular rate of pay.

II. Stewardship, Compliance, Accountability

A. Budget Policies – the budget policies are as follows:

1. No later than March 31, the budget officer submits a tentative budget to the Village Board for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

2. After public hearings are conducted to obtain taxpayer comments, no later than May 1, the governing Board adopts the budget.

3. All modifications of the budget must be approved by the governing Board. However, the Clerk-Treasurer is authorized to transfer certain budgeted amounts within departments.

4. Budgets are adopted annually on a basis consistent with generally accepted accounting principles.

5. Appropriations in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-apportioned in the subsequent year.

B. Property Taxes

Village real property taxes are levied annually no later than May 15th and become a lien on June 1. Taxes are collected during the period June 1 to July 1. For the periods July 1 to May 31 taxes are collected with penalties and interest. Unpaid Village taxes are relevied in the subsequent year.

III. Detail Notes on All Funds:

A. Assets

1. Cash and Investments

The Village investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit as provided for by law of all deposits not covered by federal deposit insurance. Obligations hat may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least a percentage provided for by law of the cost of the repurchase agreement.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Deposits and investments at year-end were entirely covered by federal depository insurance or by collateral held by the Village's custodial bank in the Village's name.

They consist of:

a. Deposits

All deposits, including certificates of deposit, are carried at cost plus accrued interest:

Fund	Bank Balance	Carrying Amount	
General	$ 478,473	$ 472,729	FDIC Insured and Collateral Held by Custodial Bank
General	3,560	3,560	FDIC Insured and Collateral Held by Custodial Bank
General	146,111	146,111	FDIC Insured and Collateral Held by Custodial Bank
Sewer	255,849	247,485	FDIC Insured and Collateral Held by Custodial Bank
Total	**$ 883,993**	**$ 869,885**	

(III.) (Continued)

2. **Changes in Capital Assets**

A summary of changes in capital assets follows:

Type	Balance 6/1/2022	Additions	Deletions	Balance 5/31/2023
Capital assets not being Depreciated:				
Land	$ 230,158	$ -	$ -	$ 230,158
Total capital assets not being depreciated	$ 230,158	$ -	$ -	$ 230,158
Other capital assets:				
Buildings and improvements	$ 780,000	$ -	$ -	$ 780,000
Machinery and equipment	1,357,398	106,067	-	1,463,465
Infrastructure	4,014,027	-	-	4,014,027
Total other capital assets at historical cost	$ 6,151,425	$ 106,067	$ -	$ 6,257,492
Less accumulated depreciation for:				
Buildings and improvements	$ 338,750	$ 32,500	$ -	$ 371,250
Machinery and equipment	860,601	125,852	-	986,453
Infrastructure	1,717,460	264,614	-	1,982,074
Total accumulated depreciation	$ 2,916,811	$ 422,966	$ -	$ 3,339,777
Other capital assets, net	$ 3,234,614	$ (316,899)	$ -	$ 2,917,715
Governmental activities capital assets, net	$ 3,464,772	$ (316,899)	$ -	$ 3,147,873

B. Liabilities

1. Pension Plans

a. Plan Description

The Village participates in the New York State Local Employees' Retirement System (ERS) and the New York State Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement Systems (the System). These are cost sharing multiple employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan (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 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, New York 12244.

b. **Benefits Provided**

The System provides retirement benefits as well as death and disability benefits.

Tier 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tier 3, 4, 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of wages earned in the three highest consecutive years. For Tier 3, 4, and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age of Tier 6 is 63 and ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5, and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

c. <u>Contributions</u>

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly, used in computing the employers' contributions based on salaries paid during the Systems' financial year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Due Date	ERS
2023	$ 14,360
2022	$ 17,676
2021	$ 14,819

d. <u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions</u>

At May 31, 2023, the Village reported a liability of $105,911 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At May 31, 2023, the Village's proportion was 0.0002652 percent for ERS and 0.0008901 percent for PFRS.

For the year ended May 31, 2023 the Village recognized pension expense of $39,080. At May 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	PFRS	ERS	PFRS
Differences between expected and actual experience	$ 6,056	$ 4,794	$ 1,597	$ -
Changes of assumptions	27,616	23,901	305	-
Net difference between projected and actual earnings on pension plan investments	-	87	334	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	10,763	11,784	3,790	10,745
Grand Total	**$ 44,435**	**$ 40,566**	**$ 6,026**	**$ 10,745**

Other amounts reported as deferred outflows of resources related to the pension will be recognized as pension expenses as follows:

Year	ERS Amount	PFRS Amount
2024	$ 10,569	$ 5,243
2025	(2,036)	(1,265)
2026	13,525	14,401
2027	16,351	9,691
2028	-	1,751
Total	**$ 38,409**	**$ 29,821**

e. Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation of April 1, 2023, with updated procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	ERS	PFRS
Inflation	2.90%	2.90%
Salary increases	4.40%	6.20%
Investment rate of return (net of investement expense, including inflation)	5.90%	5.90%
Cost-of-living adjstments	1.50%	1.50%

Annuitant mortality rates are based on April 1, 2015-March 31, 2021 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2021.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	4.30%
International equity	6.85%
Private equity	7.50%
Real estate	4.60%
Opportunistic portfolios	5.38%
Real assets	5.84%
Credit	5.43%

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

f. **Discount Rate**

The discount rate used to calculate the total pension liability was 5.90%. 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 Systems' 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.

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

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the Village's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90%) or 1-percentagepoint higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension assets/(liability) - ERS	$ (137,413)	$ (56,863)	$ 10,446
Employer's proportionate share of the net pension assets/(liability) - PFRS	$ (102,242)	$ (49,048)	$ (4,999)

h. Pension Plan Fiduciary Net Position

The components of the current year net pension liability of the employers as of the March 31, 2023, were as follows:

	(In Thousands)	
	ERS	PFRS
Employers' total pension liability	$ 232,627,259	$ 43,835,333
Plan net position	211,183,223	38,234,863
Employers' net pension liability	$ (21,444,036)	$ (5,600,470)
Ration of plan net position to the employers' total pension liability	90.78%	87.43%

C. Long-Term Debt

1. **Serial Bonds** - The Village, borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the Village, are recorded in the General Long-Term Debt Account Group. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

2. Other Long-Term Debt

In addition to the above long-term debt, the local government had the following non-current liabilities:

Net Pension Liability – represents long-term pension liability.

3. Summary of Long-Term Liabilities

The following is a summary of long-term liabilities outstanding at May 31, 2023:

	Balance 6/1/2022	Increase	Decrease	Balance 5/31/2023
Serial Bonds	$ 405,000	$ -	$ 45,000	$ 360,000
Net Pension Liability	441	105,470	-	105,911
Total Long-Term Debt	**$ 405,441**	**$ 105,470**	**$ 45,000**	**$ 465,911**

5. Long-Term Debt Maturity Schedule - The following is a statement of serial bonds with corresponding maturity schedules:

Purpose	Issue Date	Interest	Maturity Date	Amount Outstanding 5/31/2023
Serial Bonds				
Construction	6/30/2020	2.35%	6/29/2030	$ 360,000
Total Serial Bonds				**$ 360,000**

6. The following is a summary of the annual debt service requirement for the above stated debt.

Year	Bonds	Interest
2024	$ 45,000	$ 8,460
2025	45,000	7,402
2026	45,000	6,345
2027	45,000	5,288
2028	45,000	4,230
2029-31	135,000	6,345
Total	**$ 360,000**	**$ 38,070**

D. Fund Balances

1. Nonspendable

The Village has the following nonspendable funds:

Nonspendable Prepaid Items - The Village has prepaid various items and the cash is no longer available therefore those funds are nonspendable.

2. Restricted

Currently, New York State laws still use the terminology reserves. The Village currently utilizes the following reserves which are classified as restricted funds:

Capital Reserve – to be used for future funding of equipment.

3. Assigned

The Village has the following assigned funds:

Sewer Fund – 1. Year end equity

4. Unassigned

Unassigned funds include the residual classification for the Village's general fund and all spendable amounts not contained in other classifications.

The following table summarizes the Village's fund balance according to the descriptions above:

	General Fund	Sewer Fund	Total
FUND BALANCE:			
Nonspendable -			
Prepaid items	$ 7,183	$ -	$ 7,183
Total Nonspendable	**$ 7,183**	**$ -**	**$ 7,183**
Restricted -			
Capital reserves	$ 139,529	$ 5,459	$ 144,988
Total Restricted	**$ 139,529**	**$ 5,459**	**$ 144,988**
Assigned			
Appropriated for taxes	$ -	$ 630	$ 630
Unappropriated	-	215,890	215,890
Total Assigned	**$ -**	**$ 216,520**	**$ 216,520**
Unassigned	**$ 472,879**	**$ -**	**$ 472,879**
TOTAL FUND BALANCE	**$ 619,591**	**$ 221,979**	**$ 834,387**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which assigned or unassigned fund balances are available, the Village considers amounts to have been spent first out of assigned funds and then unassigned funds, as needed, unless the Village has provided otherwise in its commitment actions.