

# VILLAGE OF WAVERLY

Waverly, New York

## FINANCIAL REPORT

For the Year Ended  
May 31, 2023



# ***VILLAGE OF WAVERLY***

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## **INDEPENDENT AUDITORS' REPORT**

Mayor and Village Trustees  
Village of Waverly  
Waverly, New York

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Waverly (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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **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 (*Government Auditing Standards*). 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**

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 ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise 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 *Government 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; budgetary comparison information; Schedules of Village Contributions - NYSLRS Pension Plans; and Schedules of the Village’s Proportionate Share of the Net Pension (Asset)/Liability 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 GAAS, 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 of Waverly’s basic financial statements. The Non-Major Fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The Non-Major Fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements are fairly stated in all material respects in relation to the 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 February 23, 2024, 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 the Village’s 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 Village’s internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
February 23, 2024

# ***VILLAGE OF WAVERLY***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2023**

The following is a discussion and analysis of the Village of Waverly's (the Village) financial performance for the fiscal year ended May 31, 2023. This section is a summary of the Village's financial activities based on currently known facts, decisions, or conditions. It is also based on both the Village-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the Village's financial statements, which immediately follow this section.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 5 and 6) provide information about the Village as a whole and present a longer-term view of the Village's finances. Governmental Fund financial statements start on page 7. These statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the Village's operations in greater detail than the Government-wide financial statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside the government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements, the annual report contains budgetary comparison schedules for the General Fund and Major Special Revenue Funds; Schedule of Changes in the Village's Total OPEB Liability and Related Ratios; Schedule of the Village's Contributions - NYSLRS Pension Plan; Schedule of the Village's Proportionate Share of the Net Pension (Asset)/Liability; and Notes to Required Supplementary Information. Fund financial statements for the nonmajor funds are also presented separately.

### **Reporting the Village as a Whole**

Our analysis of the Village as a whole begins on page 5 with the Government-wide statements. The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer the question of whether the Village, as a whole, is better off or worse off as a result of the year's activities. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Village's net position and its changes in net position. One can think of the Village's net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating. One needs to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's roads, to assess the overall health of the Village.

# ***VILLAGE OF WAVERLY***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2023**

In the Statement of Net Position and the Statement of Activities, the Village reports:

- **Governmental Activities:** Most of the Village's services are reported in this category, including public safety, public health, transportation, economic assistance and opportunity, culture and recreation, home and community services, and general administration. Property and sales taxes, charges for services, and state and federal grants finance most of these activities.

### **Governmental Fund Financial Statements**

Analysis of the Village's Major Funds begins on page 7. The Governmental Fund financial statements provide detailed information about the most significant funds, not on the Village as a whole. Some funds are required to be established by New York State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants.

- **Governmental Funds:** All of the Village's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund statements provide a detailed short-term view of the Village's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide financial statements) and Governmental *Funds* is explained in a reconciliation following the Governmental Fund financial statements.

### **THE VILLAGE AS A WHOLE**

The Village's combined net position for the fiscal year ended May 31, 2023 increased to \$11,395,427 from \$11,322,652. The Village's net investment in its capital assets (such as land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding, has a balance of \$8,396,392 at May 31, 2023. The Village has elected not to retroactively capitalize infrastructure assets, in accordance with Government Accounting Standards Board (GASB) Statement No. 34. However, the debt associated with these assets is recorded. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.



# ***VILLAGE OF WAVERLY***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2023**

Our analysis focuses on the net position (*Figure 1*), and changes in net position (*Figure 2*), of the Village's Governmental Activities.

*Figure 1 - Net Position*

<i><b>Governmental Activities</b></i>	<i><b>2023</b></i>	<i><b>2022</b></i>	<i><b>Dollar Variance</b></i>
<i>Current Assets</i>	\$ 2,592,719	\$ 2,943,511	\$ (350,792)
<i>Capital Assets</i>	23,053,199	22,995,753	57,446
<i>Noncurrent Assets</i>	1,401,698	1,831,577	(429,879)
<b><i>Total Assets</i></b>	<b>27,047,616</b>	<b>27,770,841</b>	<b>(723,225)</b>
<b><i>Total Deferred Outflows of Resources</i></b>	<b>1,125,231</b>	<b>1,260,522</b>	<b>(135,291)</b>
<i>Current Liabilities</i>	1,329,939	1,572,470	(242,531)
<i>Noncurrent Liabilities</i>	15,386,413	14,464,533	921,880
<b><i>Total Liabilities</i></b>	<b>16,716,352</b>	<b>16,037,003</b>	<b>679,349</b>
<b><i>Total Deferred Inflows of Resources</i></b>	<b>61,068</b>	<b>1,671,708</b>	<b>(1,610,640)</b>
<i>Net Investment in Capital Assets</i>	8,396,392	7,761,847	634,545
<i>Restricted</i>	1,433,480	1,685,183	(251,703)
<i>Unrestricted</i>	1,565,555	1,875,622	(310,067)
<b><i>Total Net Position</i></b>	<b>\$ 11,395,427</b>	<b>\$ 11,322,652</b>	<b>\$ 72,775</b>

Significant changes from the prior year are as follows:

- The decrease in noncurrent assets stems primarily from the NYSLRS net pension asset becoming a net pension liability in the current year. This also accounts for the increase in noncurrent liabilities and the changes in deferred outflows and inflows.
- Current liabilities decreased due to a decrease in unearned income, mainly due to the American Rescue Plan Act received in the prior year being fully spent in the current year. The decrease in associated cash also caused the decrease in current assets.
- Net investment in capital assets increased due to a new capital project in the current year and the purchase of new equipment.

# *VILLAGE OF WAVERLY*

## MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2023

*Figure 2 - Changes in Net Position*

<i>Governmental Activities</i>	<i>2023</i>	<i>2022</i>	<i>Percent Variance</i>
<i>REVENUES</i>			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 2,027,849	\$ 2,012,526	0.8%
<i>Operating Grants</i>	633,166	359,326	76.2%
<i>Capital Grants</i>	46,396	375,832	(87.7)%
<i>General Revenues:</i>			
<i>Property Taxes and Tax Items</i>	2,274,990	2,269,939	0.2%
<i>Nonproperty Taxes</i>	743,951	683,155	8.9%
<i>State Sources</i>	95,254	99,390	(4.2)%
<i>Other</i>	207,194	74,602	177.7%
<b><i>Total Revenues</i></b>	<b>\$ 6,028,800</b>	<b>\$ 5,874,770</b>	<b>2.6%</b>
<i>PROGRAM EXPENSES</i>			
<i>General Governmental Support</i>	\$ 773,138	\$ 746,941	3.5%
<i>Public Safety</i>	1,781,032	1,496,280	19.0%
<i>Transportation</i>	1,258,679	1,198,498	5.0%
<i>Culture and Recreation</i>	234,280	267,378	(12.4)%
<i>Home and Community Services</i>	1,797,491	1,967,982	(8.7)%
<i>Interest on Long-Term Debt</i>	111,405	101,348	9.9%
<b><i>Total Expenses</i></b>	<b>\$ 5,956,025</b>	<b>\$ 5,778,427</b>	<b>3.1%</b>
<b><i>INCREASE IN NET POSITION</i></b>	<b>\$ 72,775</b>	<b>\$ 96,343</b>	<b>(24.5)%</b>

Significant changes from the prior year are as follows:

- Operating grants increased primarily due to ARPA funds received in the current year, which were transferred to the capital fund and used for the Wing Project. Other revenues increased as a result of an increase of interest and earnings due to new NYCLASS investments.
- Capital grants decreased due to a decrease in State funding for Restore NY and the Park Project.
- Public safety expenses increased mainly due to an increase in salaries.
- Culture and recreation expenses decreased primarily due to a decrease in contractual expenses.

# VILLAGE OF WAVERLY

## MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2023

### THE VILLAGE'S FUNDS

As the Village completed the year, its Governmental Funds, as presented in the Balance Sheet, reported a combined fund balance of \$3,209,453, which decreased from last year's balance of \$3,565,943. The increase in the Capital Projects Fund is due to new grant revenues in addition to decreased spending on capital projects. *Figure 3* shows the changes in fund balances for the year for the Village's Governmental Funds.

*Figure 3*  
*Governmental Funds*  
*Fund Balances (Deficit) at Year Ended May 31,*

<b>Governmental Funds</b>	<b>2023</b>	<b>2022</b>	<b>Dollar Change</b>
<i>General Fund</i>	\$ 850,678	\$ 1,238,467	\$ (387,789)
<i>Water Fund</i>	735,333	754,760	(19,427)
<i>Sewer Fund</i>	1,465,920	1,546,451	(80,531)
<i>Special Grant Fund</i>	382,633	382,049	584
<i>Capital Projects Fund</i>	(281,227)	(421,179)	139,952
<i>Non-Major Funds</i>	56,116	65,395	(9,279)
<b>Total Fund Balance</b>	<b>\$ 3,209,453</b>	<b>\$ 3,565,943</b>	<b>\$ (356,490)</b>

### General Fund Budgetary Highlights

Over the course of the year, the Village Board, as well as the management of the Village, approves budgetary transfers that revise the Village budget line items. These budget amendments consisted of budget transfers between functions that did not increase the overall budget. The Village also increased its use of fund balance in the budget.

Including these adjustments, the General Fund actual charges to appropriations (expenditures) were under final budget amounts by \$244,702 and revenues available for appropriation were over the final budgeted amount by \$140,400.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At May 31, 2023, the Village had \$23,053,199, net of accumulated depreciation, invested in a broad range of capital assets, including buildings, machinery and equipment, streets, and bridges. This amount represents a net increase of \$57,446 from last year, primarily as a result of more capital spending than in previous years.

# **VILLAGE OF WAVERLY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS MAY 31, 2023**

*Figure 4  
Capital Assets, Net of Depreciation*

<b>Governmental Activities</b>	<b>2023</b>	<b>2022</b>	<b>Dollar Change</b>
<i>Land</i>	\$ 134,835	\$ 134,835	\$ -
<i>Construction in Progress</i>	2,099,714	1,372,932	726,782
<i>Buildings and Improvements</i>	3,744,276	3,916,137	(171,861)
<i>Machinery and Equipment</i>	1,339,905	1,144,212	195,693
<i>Infrastructure</i>	15,734,469	16,427,637	(693,168)
<b>Totals</b>	<b>\$ 23,053,199</b>	<b>\$ 22,995,753</b>	<b>\$ 57,446</b>

### **Debt Administration**

Debt decreased \$579,223 and brought total debt to \$14,674,732 as of May 31, 2023, as shown in *Figure 5*. Of this amount, \$2,335,000 is subject to the constitutional debt limit and represented 23.1% of the Village's statutory debt limit.

*Figure 5  
Debt at Year Ended May 31,*

<b>Governmental Activities</b>	<b>2023</b>	<b>2022</b>	<b>Dollar Change</b>
<i>Serial Bonds</i>	\$ 14,179,732	\$ 14,725,215	\$ (545,483)
<i>Lease Obligations</i>	-	28,740	(28,740)
<i>BANs</i>	495,000	500,000	(5,000)
<b>Totals</b>	<b>\$ 14,674,732</b>	<b>\$ 15,253,955</b>	<b>\$ (579,223)</b>

More detailed information about the Village's debt and other long-term liabilities is presented in Notes 6, 7, 8, and 9 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Village's elected and appointed officials considered many factors when setting the fiscal year 2024 budget tax rates and fees. These indicators were taken into account when adopting the General Fund budget for 2024. Property tax revenue is budgeted to increase 1.0% over the adopted 2023 budget.

### **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about the report or need any additional financial information, contact the Village Clerk/Treasurer, at 32 Ithaca Street, Waverly, New York 14892.

# VILLAGE OF WAVERLY

## STATEMENT OF NET POSITION MAY 31, 2023

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents - Unrestricted	\$ 590,271
Investments - Unrestricted	1,601,968
Due From State and Federal Governments	72,361
Due From Other Governments	112,242
Other Receivables	215,877
<b>Total Current Assets</b>	<b>2,592,719</b>
<b>Noncurrent Assets</b>	
Cash and Cash Equivalents - Restricted	13,697
Investments - Restricted	1,388,001
Land and Other Nondepreciable Capital Assets	2,234,549
Depreciable Capital Assets, Net of Accumulated Depreciation	20,818,650
<b>Total Noncurrent Assets</b>	<b>24,454,897</b>
<b>Total Assets</b>	<b>27,047,616</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	1,107,306
Deferred Charges on Defeased Debt	17,925
<b>Total Deferred Outflows of Resources</b>	<b>1,125,231</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	125,591
Accrued Liabilities	41,606
Due to Retirement Systems	60,194
Bond Anticipation Notes Payable	495,000
Interest Payable	26,637
Unearned Revenue	30,791
Current Portion of Long-Term Liabilities:	
Bonds Payable	550,120
<b>Total Current Liabilities</b>	<b>1,329,939</b>
<b>Noncurrent Liabilities</b>	
Bonds Payable	13,629,612
Compensated Absences	145,616
Net Pension Liability - Proportionate Share	1,611,185
<b>Total Noncurrent Liabilities</b>	<b>15,386,413</b>
<b>Total Liabilities</b>	<b>16,716,352</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	61,068
<b>NET POSITION</b>	
Net Investment in Capital Assets	8,396,392
Restricted	1,433,480
Unrestricted	1,565,555
<b>Total Net Position</b>	<b>\$ 11,395,427</b>

*See Notes to Financial Statements*

# **VILLAGE OF WAVERLY**

## **STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2023**

	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Change in Net Position</b>
	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	
<b>FUNCTIONS/PROGRAMS</b>					
<b>Governmental Activities</b>					
General Governmental Support	\$ 773,138	\$ 1,495	\$ -	\$ 13,400	\$ (758,243)
Public Safety	1,781,032	54,763	-	-	(1,726,269)
Transportation	1,258,679	-	211,116	-	(1,047,563)
Culture and Recreation	234,280	26,112	-	-	(208,168)
Home and Community Services	1,797,491	1,945,479	422,050	32,996	603,034
Interest on Long-Term Debt	111,405	-	-	-	(111,405)
<b>Total</b>	<b>\$ 5,956,025</b>	<b>\$ 2,027,849</b>	<b>\$ 633,166</b>	<b>\$ 46,396</b>	<b>(3,248,614)</b>

### **GENERAL REVENUES**

Real Property Taxes	2,217,313
Real Property Tax Items	57,677
Nonproperty Tax Items	743,951
Use of Money and Property	120,714
Sale of Property and Compensation for Loss	17,520
Miscellaneous Local Sources	68,960
State Sources	95,254
<b>Total General Revenues</b>	<b>3,321,389</b>
Change in Net Position	72,775
Net Position - Beginning of Year	11,322,652
<b>Net Position - End of Year</b>	<b>\$ 11,395,427</b>

*See Notes to Financial Statements*

# VILLAGE OF WAVERLY

## BALANCE SHEET GOVERNMENTAL FUNDS MAY 31, 2023

	Major Funds				Capital Projects Fund	Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Funds					
	Water Fund	Sewer Fund	Special Grant Fund				
<b>ASSETS</b>							
Cash and Cash Equivalents - Unrestricted	\$ 183,470	\$ 52,399	\$ 77,367	\$ -	\$ 261,388	\$ 15,647	\$ 590,271
Cash and Cash Equivalents - Restricted	33	1,454	-	8,029	-	4,181	13,697
Investments - Unrestricted	268,066	134,425	1,196,602	-	-	2,875	1,601,968
Investments - Restricted	333,193	536,487	110,039	374,604	-	33,678	1,388,001
Due From Other Funds	74,000	-	-	-	-	-	74,000
Due From State and Federal Governments	-	-	-	-	72,361	-	72,361
Due From Other Governments	90,805	7,349	14,088	-	-	-	112,242
Other Receivables	6,427	48,690	128,978	31,782	-	-	215,877
<b>Total Assets</b>	<b>\$ 955,994</b>	<b>\$ 780,804</b>	<b>\$ 1,527,074</b>	<b>\$ 414,415</b>	<b>\$ 333,749</b>	<b>\$ 56,381</b>	<b>\$ 4,068,417</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 3,516	\$ 37,862	\$ 37,972	\$ -	\$ 45,976	\$ 265	\$ 125,591
Accrued Liabilities	41,606	-	-	-	-	-	41,606
Bond Anticipation Notes Payable	-	-	-	-	495,000	-	495,000
Due to Other Funds	-	-	-	-	74,000	-	74,000
Due to Retirement Systems	60,194	-	-	-	-	-	60,194
Unearned Revenues	-	7,609	23,182	-	-	-	30,791
<b>Total Liabilities</b>	<b>105,316</b>	<b>45,471</b>	<b>61,154</b>	<b>-</b>	<b>614,976</b>	<b>265</b>	<b>827,182</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue	-	-	-	31,782	-	-	31,782
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	33,678	33,678
Restricted	333,226	537,941	110,039	382,633	-	4,181	1,368,020
Assigned	40,806	197,392	1,355,881	-	-	18,257	1,612,336
Unassigned	476,646	-	-	-	(281,227)	-	195,419
<b>Total Fund Balances (Deficit)</b>	<b>850,678</b>	<b>735,333</b>	<b>1,465,920</b>	<b>382,633</b>	<b>(281,227)</b>	<b>56,116</b>	<b>3,209,453</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 955,994</b>	<b>\$ 780,804</b>	<b>\$ 1,527,074</b>	<b>\$ 414,415</b>	<b>\$ 333,749</b>	<b>\$ 56,381</b>	<b>\$ 4,068,417</b>

*See Notes to Financial Statements*

# VILLAGE OF WAVERLY

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION MAY 31, 2023

**Total Governmental Fund Balances** **\$ 3,209,453**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Historical Cost	\$ 33,038,031	
Accumulated Depreciation	<u>(9,984,832)</u>	23,053,199

The Village's proportionate share of the collective net pension (asset)/liability is not reported in the funds.

ERS Net Pension Liability - Proportionate Share	\$ (450,645)	
PFRS Net Pension Liability - Proportionate Share	<u>(1,160,540)</u>	(1,611,185)

Deferred outflows of resources, including deferred charges on defeased debt and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including unavailable revenue and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Deferred Charges on Defeased Debt	\$ 17,925	
ERS Deferred Inflows - Pension	(26,147)	
PFRS Deferred Inflows - Pension	(34,921)	
ERS Deferred Outflows - Pension	303,842	
PFRS Deferred Outflows - Pension	<u>803,464</u>	1,064,163

Unavailable revenue represents deferred inflows of resources which are not available to pay for current period expenditures and, therefore, are deferred in the funds. 31,782

Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$ (14,074,616)	
Bond Premium	(105,116)	
Compensated Absences Payable	<u>(145,616)</u>	(14,325,348)

Interest is accrued on outstanding balances of debt obligations in the Government-wide financial statements.

Accrued Interest Payable		<u>(26,637)</u>
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**Net Position of Governmental Activities** **\$ 11,395,427**

*See Notes to Financial Statements*



# VILLAGE OF WAVERLY

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED MAY 31, 2023

	Major Funds				Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Funds					
	Water Fund	Sewer Fund	Special Grant Fund				
<b>REVENUES</b>							
Real Property Taxes	\$ 2,217,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,217,313
Real Property Tax Items	57,677	-	-	-	-	-	57,677
Nonproperty Tax Items	743,951	-	-	-	-	-	743,951
Departmental Income	133,391	796,396	1,124,840	7,430	-	24,306	2,086,363
Intergovernmental Charges	-	8,500	-	-	-	-	8,500
Use of Money and Property	56,261	18,288	33,826	10,233	-	2,106	120,714
Sale of Property and Compensation for Loss	10,191	4,916	6,975	-	-	-	22,082
Miscellaneous Local Sources	1,439	-	-	-	8,000	-	9,439
State Sources	306,370	-	-	-	46,396	-	352,766
Federal Sources	422,050	-	-	-	-	-	422,050
<b>Total Revenues</b>	<b>3,948,643</b>	<b>828,100</b>	<b>1,165,641</b>	<b>17,663</b>	<b>54,396</b>	<b>26,412</b>	<b>6,040,855</b>
<b>EXPENDITURES</b>							
General Governmental Support	443,007	31,129	38,278	6,579	666,902	-	1,185,895
Public Safety	1,175,151	-	-	-	-	-	1,175,151
Transportation	722,530	-	-	-	-	-	722,530
Culture and Recreation	157,044	-	-	-	-	-	157,044
Home and Community Services	31,043	582,669	713,331	10,500	-	54,746	1,392,289
Employee Benefits	754,427	111,692	107,299	-	-	179	973,597
<b>Debt Service:</b>							
Principal	14,370	14,370	-	-	-	533,030	561,770
Interest	601	601	-	-	2,041	105,900	109,143
Capital Outlay	-	-	-	-	119,926	-	119,926
<b>Total Expenditures</b>	<b>3,298,173</b>	<b>740,461</b>	<b>858,908</b>	<b>17,079</b>	<b>788,869</b>	<b>693,855</b>	<b>6,397,345</b>
Excess of Revenues (Expenditures)	650,470	87,639	306,733	584	(734,473)	(667,443)	(356,490)
<b>OTHER FINANCING SOURCES (USES)</b>							
Interfund Transfers In	5,000	-	-	-	874,425	658,164	1,537,589
Interfund Transfers (Out)	(1,043,259)	(107,066)	(387,264)	-	-	-	(1,537,589)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,038,259)</b>	<b>(107,066)</b>	<b>(387,264)</b>	<b>-</b>	<b>874,425</b>	<b>658,164</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other Financing (Uses)	(387,789)	(19,427)	(80,531)	584	139,952	(9,279)	(356,490)
Fund Balances (Deficit), Beginning of Year	1,238,467	754,760	1,546,451	382,049	(421,179)	65,395	3,565,943
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 850,678</b>	<b>\$ 735,333</b>	<b>\$ 1,465,920</b>	<b>\$ 382,633</b>	<b>\$ (281,227)</b>	<b>\$ 56,116</b>	<b>\$ 3,209,453</b>

*See Notes to Financial Statements*

# ***VILLAGE OF WAVERLY***

## **RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2023**

**Net Change in Fund Balances - Total Governmental Funds** **\$ (356,490)**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report purchases of capital assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	\$ 1,326,289	
Net Book Value of Disposed Assets	(4,562)	
Depreciation	(1,264,281)	57,446

Long-term debt proceeds provide current financial resources to Governmental Funds, but issuing debt and the related premiums increase long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repayment of Bond Principal	\$ 533,030	
Repayment of Installment Purchase Debt	28,740	561,770

Long-term obligations, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, expenses which result in an increase or decrease in these long-term obligations are not reflected in the Governmental Fund financial statements. This is the change in compensated absences.

21,626

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. These include the change in accrued interest, retainage payable, amortization of bond premiums, and deferred amounts from refunding bonds.

Deferred Charges on Defeased Debt	\$ (2,124)	
Amortization of Premiums on Obligations	12,453	
Change in Accrued Interest	(12,591)	(2,262)

Governmental Funds report the issuance of certain revolving loan funds as grant expenditures and the repayment of these loans as income. However, in the Government-wide financial statements, these transactions are reported as changes in loans receivable.

(7,493)

(Increases) or decreases in the proportionate share of net pension (asset)/liability, and deferred inflows and deferred outflows of resources, reported in the Statement of Activities, do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds. This is the (increase) decrease in the proportionate share of net pension (asset)/liability and pension-related deferred inflows and outflows of resources.

ERS	\$ (80,896)	
PFRS	(120,926)	(201,822)

**Change in Net Position of Governmental Activities** **\$ 72,775**

*See Notes to Financial Statements*

# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies**

The basic financial statements of the Village of Waverly (the Village) have been prepared in conformity with generally accepted accounting principles (U.S. GAAP) as applied to government units. The Village's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. 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.

#### **Financial Reporting Entity**

The Village, which was established in 1808, is governed by its charter, village law and other general laws of the State of New York and various local laws. The Board of Trustees is the legislative body responsible for overall operations, the Mayor serves as Chief Executive Officer and the Clerk/Treasurer serves as Chief Fiscal Officer.

The following basic services are provided: police protection, maintenance of Village-owned streets and streetlights, fire protection, emergency health services, cultural and recreation programs, water-treatment service, wastewater treatment service, and general administrative services.

All Governmental Activities and functions performed for the Village are its direct responsibility. The basic financial statements include all funds of the primary government, which is the Village, as well as the component units and other organizational entities determined to be included in the Village's reporting entity in accordance with GASB Statement No. 14, "The Financial Reporting Entity," as amended.

The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, no other governmental organizations have been included or excluded from the reporting entity.

#### **Basic Financial Statements**

The Village's basic financial statements include both Government-wide (reporting the Village as a whole) and Governmental Fund financial statements (reporting the Village's Major Funds). Both the Government-wide and Governmental Fund financial statements categorize primary activities as either Governmental or Business-type. The Village's general governmental support, public safety, public health, transportation, economic assistance and opportunity, culture and recreation, and home and community services are classified as Governmental Activities. The Village does not have any Business-type activities.

# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Basic Financial Statements - Government-Wide Financial Statements**

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government (Governmental). The focus of the Government-wide financial statements addresses the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Village's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports both gross and net cost for each of the Village's functions or programs. Gross expenses are direct expenses, including depreciation, specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues - charges paid by recipients of goods or services offered by the programs, grants and contributions - that are restricted to meeting program or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the Village, with certain limited exceptions. Net cost represents the extent to which each function or program is self-financing or draws from general revenues of the Village.

Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas.

#### **Basic Financial Statements - Governmental Fund Financial Statements**

Financial transactions of the Village are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts comprising its assets, liabilities, deferred inflows of resources, reserves, fund equity, revenues, and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions related to certain government functions or activities.

The Village records its transactions in the funds described below.

# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Governmental Funds**

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through Governmental Funds.

The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position under the modified accrual basis of accounting.

The following are the Village's Governmental Funds.

#### **Major Funds**

- General Fund - Principal operating fund which includes all operations not required to be recorded in other funds.
- Special Revenue Funds - Account for proceeds of specific revenue sources legally restricted to expenditure for specified purposes. The following Special Revenue Funds are utilized:
  - Water Fund - Accounts for revenues derived from charges for water consumption assessments and the application of such revenues toward related operating expenses and debt retirement.
  - Sewer Fund - Accounts for revenues derived from charges for sewer usage and benefited assessments and the application of such revenues toward related operating expenses and debt retirement.
  - Special Grant Fund - Accounts for revenues and expenditures from revolving loan programs and similar grant activities.
- Capital Projects Fund - Accounts for and reports financial resources to be used for the acquisition, construction, or renovation of major capital facilities, or equipment.

#### **Non-Major Funds**

- Special Revenue Funds - Account for proceeds of specific revenue sources legally restricted to expenditure for specified purposes. The following Special Revenue Fund is utilized:
  - Miscellaneous Special Revenue Fund - Accounts for cemetery operations.
- Permanent Fund - Accounts for revenues and expenditures from assets contributed with restrictions on their use; only the earnings may be used.
- Debt Service Fund - Accounts for the accumulation of resources and payment of principal and interest on long-term general obligation debt of Governmental Activities.

# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Basis of Accounting/Measurement Focus**

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

#### **Basis of Accounting/Measurement Focus - Accrual Basis**

The Government-wide financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

#### **Basis of Accounting/Measurement Focus - Modified Accrual Basis**

The Governmental Fund financial statements are prepared 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. Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges.

The Village considers property tax receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. All other revenues deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenue from federal and state grants is accrued when the expenditure is made.

Expenditures are recorded when incurred except:

- Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- Principal and interest on indebtedness are not recognized as an expenditure until due.
- Compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

# VILLAGE OF WAVERLY

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

### *Note 1*    **Summary of Significant Accounting Policies - Continued**

#### **Property Taxes**

Real property taxes are levied annually by the Village no later than May 15. The Village does not create liens on property, as the County of Tioga (the County) guarantees payment of property taxes. Taxes are collected during the period June 1 through October 31.

Uncollected real property taxes are subsequently enforced by the County. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the Village no later than the forthcoming March 15.

#### **Cash and Cash Equivalents**

For financial statement purposes, all highly liquid investments having maturities of three months or less are considered as cash equivalents.

#### **Receivables**

Receivables are stated net of estimated allowances for uncollectible amounts. Other receivables represent amounts owed to the Village, including tax revenues, water rents, sewer rents, and revolving loan funds.

#### **Capital Assets**

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets.

Equipment purchased or acquired with an original cost of at least \$5,000 and having a useful life of greater than one year is capitalized. In accordance with the transition provisions of GASB Statement No. 34, infrastructure assets were not retroactively reported. The estimated useful lives for governmental capital assets are as follows:

Infrastructure	5-20 Years
Buildings	40 Years
Building and Site Improvements	20 Years
Machinery and Equipment	5-20 Years

No interest on construction in progress has been capitalized.

# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Insurance and Risk Management**

The Village is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village purchases commercial insurance to reduce the various risks of losses. 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. No settlements exceeded insurance coverage in any of the past three years.

The Village has chosen to establish a self-insured plan for risks associated with employees' optical, dental, and unemployment insurance. The Plan is accounted for in the General Fund. At May 31, 2023, the Plan had no unpaid claims.

#### **Vacation, Sick Leave, and Compensatory Absences**

Village employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual eligibility contracts. Sick leave use is based on a last-in first-out (LIFO) basis. Upon retirement or resignation, employees may receive a payment based on unused accumulated compensated absences.

The Village accounts for all earned and unused time in the Government-wide financial statements under Governmental Activities, in accordance with GASB Statement No. 16.

#### **Equity Classifications - Government-Wide Financial Statements**

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consist of resources with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consist of all other resources that do not meet the definition of "restricted" or "net investment in capital assets."



# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - Governmental Fund Financial Statements**

The Village complies with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Statement No. 54 changed the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- **Nonspendable** - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.
- **Restricted** - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the Village's legally adopted reserves are reported here.
- **Committed** - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- **Assigned** - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned** - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The Village has not adopted any resolutions to commit fund balance. Currently, fund balance is assigned by the Village Clerk/Treasurer for encumbrances and designations and the Village Board of Trustees, by resolution, approves fund balance appropriations for next year's budget. The Village has not formally adopted a policy defining the order in which to apply expenditures against fund balances. However, the Village applies expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance, in that order.

# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

#### **Revenues**

Substantially all Governmental Fund revenues are accrued. Property tax receivables expected to be received later than 60 days after year end are deferred. In applying GASB Statement No. 33 and GASB Statement No. 65 to grant revenues, the provider recognizes liabilities and expenses, and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

#### **Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position reports 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 and will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports deferred outflows of resources related to pensions and deferred charges on defeased debt in the Statement of Net Position. The types of deferred outflows of resources related to pensions are described in Note 9.

In addition to liabilities, the Statement of Net Position reports 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 will not be recognized as an inflow of resources (revenue) until that time. The Village reports deferred inflows of resources related to pensions which are further described in Note 9.

In addition, deferred inflows of resources comprised of unavailable revenue is reported only on the Balance Sheet - Governmental Funds. At May 31, 2023, the Village's unavailable revenue consisted of \$31,782 related to rehabilitation loans receivable.

# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **New Accounting Standards**

The Village adopted and implemented the following current Statements of the GASB effective for the year ended May 31, 2023:

- GASB has issued Statement No. 87, “Leases,” effective for the year ended May 31, 2023. The Village has determined there was no material impact on its financial statements.

#### **Future Changes in Accounting Standards**

- GASB has issued Statement No. 96, “Subscription-Based Information Technology Arrangements,” effective for the year ending May 31, 2024.
- GASB has issued Statement No. 101, “Compensated Absences,” effective for the year ending May 31, 2025.

The Village will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

### ***Note 2* Cash 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 Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the 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 (security) is required for demand and time deposits and certificates of deposit at 105% of all deposits not covered by depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

# VILLAGE OF WAVERLY

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

### Note 2 Cash and Investments - Continued

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. While the Village does not have a specific policy for custodial credit risk, New York State statutes govern the Village's investment policies, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

The Village's aggregate bank balances of \$3,981,357 at May 31, 2023 are either insured or collateralized with securities held by the pledging financial institution in the Village's name.

### Restricted Cash and Investments

Restricted cash and cash equivalents and investments include:

<b>General Fund</b>	
Reserve for Capital Improvements	\$ 299,588
Other Reserves	33,638
<b>Total General Fund</b>	<u>333,226</u>
<b>Special Revenue Funds</b>	
Water Fund:	
Reserve for Capital Improvements	366,860
Reserve for Repairs	171,081
<b>Total Water Fund</b>	<u>537,941</u>
Sewer Fund:	
Reserve for Capital Improvements	<u>110,039</u>
<b>Special Grant Fund</b>	
Restricted for Community Development	<u>382,633</u>
<b>Non-Major Governmental Funds</b>	
Restricted for Debt Service	4,181
Permanent Fund, Nonspendable	33,678
<b>Total Non-Major Governmental Funds</b>	<u>37,859</u>
<b>Total</b>	<u><u>\$ 1,401,698</u></u>

# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

***Note 2***      **Cash and Investments - Continued**

The Village also participates in a local government external investment pool through the New York Cooperative Liquid Assets Securities System (NYCLASS). NYCLASS is rated by S&P Global Ratings. The current rating is AAA. The cooperative is actively managed and invests exclusively in investments legally permissible for New York State school districts and municipal corporations. These permissible investments include: U.S. Treasury securities, obligations backed by the full faith and credit of the U.S. government, collateralized bank deposits, and repurchase agreements collateralized at 102% by Treasury securities and agency securities backed by the full faith and credit of the U.S. government. All counterparties to repurchase agreements are highly-rated primary dealers, and a custodial bank holds all collateral supporting the transactions in constructive possession on the cooperative's behalf.

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The following investments are held by the School District:

<u>Fund</u>	<u>Cost</u>	<u>Carrying Amount Fair Value</u>	<u>Type of Investment</u>	<u>Category</u>
General Fund	\$ 601,259	\$ 601,259	NYCLASS	(1)
Water Fund	670,912	670,912	NYCLASS	(1)
Sewer Fund	1,306,641	1,306,641	NYCLASS	(1)
Special Grant Fund	374,604	374,604	NYCLASS	(1)
Permanent Fund	33,678	33,678	NYCLASS	(1)
Misc. Special Revenue Fund	2,875	2,875	NYCLASS	(1)

# VILLAGE OF WAVERLY

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

### Note 3 Other Receivables

Other receivables at May 31, 2023 consisted of the following, which are stated at net realizable value. The Village has deemed these amounts to be fully collectible.

<b>General Fund</b>	
Other Receivables	\$ 6,427
<b>Special Revenue Funds</b>	
Water Fund:	
Water Rents Receivable	48,690
Sewer Fund:	
Sewer Rents Receivable	128,978
Special Grant Fund:	
Revolving Loans	<u>31,782</u>
<b>Total</b>	<b><u><u>\$ 215,877</u></u></b>

### Note 4 Interfund Balances

The Village occasionally loans resources between funds for the purpose of mitigating effects of transient cash flow issues. In addition to the revenue/expenditure balances below, the Capital Projects Fund owed the General Fund \$74,000 at May 31, 2023.

Interfund balances at May 31, 2023 were as follows:

<b>Governmental Funds</b>	<b>Interfund Revenues</b>	<b>Interfund Expenditures</b>
General Fund	\$ 5,000	\$ 1,043,259
Special Revenue Funds:		
Water Fund	-	107,066
Sewer Fund	-	387,264
Capital Projects Fund	874,425	-
Non-Major Funds	<u>658,164</u>	<u>-</u>
<b>Total</b>	<b><u><u>\$ 1,537,589</u></u></b>	<b><u><u>\$ 1,537,589</u></u></b>

# VILLAGE OF WAVERLY

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

### Note 5 Capital Assets

A summary of changes in capital assets for the year ending May 31, 2023 is as follows:

<u>Governmental Activities</u>	<u>Balance at May 31, 2022</u>	<u>Additions</u>	<u>Reclassifications and Deletions</u>	<u>Balance at May 31, 2023</u>
<b>Non-Depreciable Capital Assets</b>				
Land	\$ 134,835	\$ -	\$ -	\$ 134,835
Construction in Progress	1,372,932	726,782	-	2,099,714
<b>Total Non-Depreciable Capital Assets</b>	<u>1,507,767</u>	<u>726,782</u>	<u>-</u>	<u>2,234,549</u>
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	8,812,346	-	-	8,812,346
Machinery and Equipment	3,544,156	429,712	(53,990)	3,919,878
Infrastructure	17,901,463	169,795	-	18,071,258
<b>Total Depreciable Capital Assets</b>	<u>30,257,965</u>	<u>599,507</u>	<u>(53,990)</u>	<u>30,803,482</u>
<b>Total Historical Cost</b>	<u>31,765,732</u>	<u>1,326,289</u>	<u>(53,990)</u>	<u>33,038,031</u>
<b>(Less) Accumulated Depreciation</b>				
Buildings and Improvements	(4,896,209)	(171,861)	-	(5,068,070)
Machinery and Equipment	(2,399,944)	(229,457)	49,428	(2,579,973)
Infrastructure	(1,473,826)	(862,963)	-	(2,336,789)
<b>Total Accumulated Depreciation</b>	<u>(8,769,979)</u>	<u>(1,264,281)</u>	<u>49,428</u>	<u>(9,984,832)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 22,995,753</u>	<u>\$ 62,008</u>	<u>\$ (4,562)</u>	<u>\$ 23,053,199</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Governmental Support	\$ 117,185
Public Safety	41,383
Transportation	912,448
Culture and Recreation	7,447
Home and Community Services	185,818
<b>Total</b>	<u>\$ 1,264,281</u>

# **VILLAGE OF WAVERLY**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

**Note 6 Short-Term Debt**

Bond anticipation notes payable - Bond anticipation notes (BANs) issued in anticipation of proceeds from the subsequent sale of bonds are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as long-term debt when (1) the intention is to refinance the debt on a long-term basis, and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. The Village issues bond anticipation notes to finance capital projects.

The following is a summary of the Village's BANs for the year ended May 31, 2023:

	<b>Beginning Balance</b>	<b>Issued</b>	<b>Refunding</b>	<b>Redeemed</b>	<b>Ending Balance</b>
2021-2022 BAN	\$ 500,000	\$ -	\$ (500,000)	\$ -	\$ -
2022-2023 BAN	-	-	495,000	-	495,000
<b>Total</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ (5,000)</b>	<b>\$ -</b>	<b>\$ 495,000</b>

Interest on short-term debt for the year was comprised of:

Interest Paid	\$ 2,041
(Less) Interest Accrued at May 31, 2022	(14,046)
Plus Interest Accrued at May 31, 2023	26,637
<b>Total</b>	<b>\$ 14,632</b>

**Note 7 Long-Term Debt**

At May 31, 2023, total outstanding indebtedness (bonds, installment purchase debt, and BANs) of the Village aggregated to \$14,674,732. Of this amount, \$2,335,000 was subject to the constitutional debt limit and represented 23.1% of its debt limit.

**Serial Bonds**

The Village borrows money in order to acquire land or equipment, or construct buildings and make 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 given on the full faith and credit debt of the local government, are recorded in the Government-wide financial statements. 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. Statutory Installment Bonds are sometimes issued directly with a financial institution or investor and are not offered for public sale. There are no terms that present additional risk to the Village associated with these direct borrowings or placements.



# VILLAGE OF WAVERLY

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

### Note 7 Long-Term Debt - Continued

#### Changes in Indebtedness

The following is a summary of changes in the Village's long-term obligations for the fiscal year ended May 31, 2023.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds	\$ 14,607,646	\$ -	\$ (533,030)	\$ 14,074,616	\$ 538,030
Bond Premium	117,569	-	(12,453)	105,116	12,090
<b>Total Bonds</b>	<u>14,725,215</u>	<u>-</u>	<u>(545,483)</u>	<u>14,179,732</u>	<u>550,120</u>
Lease Obligations Payable	28,740	-	(28,740)	-	-
<b>Total Indebtedness</b>	<u><b>\$ 14,753,955</b></u>	<u><b>\$ -</b></u>	<u><b>\$ (574,223)</b></u>	<u><b>\$ 14,179,732</b></u>	<u><b>\$ 550,120</b></u>

Deferred charges on defeased debt related to the 2016 bond refunding amortized over the life of the bonds and activities for the year are summarized below:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Deferred Charges on Defeased Debt	<u>\$ 20,049</u>	<u>\$ -</u>	<u>\$ (2,124)</u>	<u>\$ 17,925</u>	<u>\$ 2,062</u>

#### Debt Summary

The following is a summary of bonds and lease obligations payable outstanding at May 31, 2023 with corresponding maturity schedules:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest</u>	<u>Balance</u>
Serial Bonds:				
Water Improvements	2016	10/01/2039	2.00%	\$ 1,370,000
Building Renovations	2016	10/01/2038	2.00%	1,840,000
EFC Bond	2021	06/24/2050	0.00%	10,864,616
Total Bond Principal				<u>14,074,616</u>
Unamortized Premiums				<u>105,116</u>
<b>Total</b>				<u><b>\$ 14,179,732</b></u>

# VILLAGE OF WAVERLY

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

### Note 7 Long-Term Debt - Continued

#### Debt Maturity Schedule

The following table summarizes the Village's future debt service requirements for the years ending May 31, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 538,030	\$ 102,950	\$ 640,980
2025	537,806	99,950	637,756
2026	543,030	96,900	639,930
2027	548,030	93,750	641,780
2028	553,030	88,850	641,880
2028-2032	2,880,150	336,750	3,216,900
2033-2037	3,080,150	144,426	3,224,576
2038-2042	2,290,150	8,400	2,298,550
2043-2047	1,940,150	-	1,940,150
2047-2051	<u>1,164,090</u>	<u>-</u>	<u>1,164,090</u>
<b>Total</b>	<b><u>\$ 14,074,616</u></b>	<b><u>\$ 971,976</u></b>	<b><u>\$ 15,046,592</u></b>

For the year ended May 31, 2023, interest expense on long-term debt is calculated as follows:

Interest Paid	\$ 107,102
Amortization of Deferred Charges on Deceased Debt	2,124
(Less) Amortization of Bond Premium	<u>(12,453)</u>
<b>Total</b>	<b><u>\$ 96,773</u></b>

#### Refunding of Debt

On May 25, 2016, \$4,200,000 in general obligation bonds, with variable interest rates ranging from 2.0%-4.0% were issued to advance refund \$4,267,500 of outstanding bonds, with an interest rate of 4.25-4.38%. The net proceeds of \$4,303,681 (after payment of fiscal agent fees, original bond premium, insurance, and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The outstanding principal of the defeased bonds was \$3,210,000 at May 31, 2023.

# **VILLAGE OF WAVERLY**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

**Note 8      Compensated Absences**

Represents the value of earned and unused portion of the liability for employee compensated absences. The Village’s General, Water, and Sewer funds liquidate this liability.

Compensated absences balances and activity for the year ended May 31, 2023 are summarized below:

	<b>Beginning Balance</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Compensated Absences	\$ 167,242	\$ -	\$ (21,626)	\$ 145,616	\$ -

Changes to long-term compensated absences are reported net, as it is not practical to individually determine the amount of additions and deletions during the fiscal year.

**Note 9      Pension Obligations - New York State and Local Employees’ Retirement System (ERS and PFRS) (the Systems)**

**Plan Descriptions and Benefits Provided**

**Employees’ Retirement System (ERS) and Police and Fire Retirement System (PFRS)**

The Village participates in the New York State and Local Employees’ Retirement System which includes the New York State and Local Employees’ Retirement System plan (ERS) and the New York State Local Police and Fire Retirement System plan (PFRS). These plans are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan 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 (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, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

# VILLAGE OF WAVERLY

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

### **Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

#### **Plan Descriptions and Benefits Provided - Continued**

#### **Employees' Retirement System (ERS) and Police and Fire Retirement System (PFRS) - Continued**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

#### **Summary of Significant Accounting Policies**

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

#### **Contributions**

Participating employers are required under the RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The Village's contributions for the current year and two preceding Plan years were equal to 100% of the contributions required, and were as follows:

	<u>ERS</u>	<u>PFRS</u>
2023	\$ 78,820	\$ 243,642
2022	110,343	242,154
2021	95,007	210,336

#### **Pension Liabilities, 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 (asset)/liability for each of the System plans. The net pension (asset)/liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Village's proportionate share of the net pension (asset)/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 derived from reports provided to the Village by the Systems.

# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

**Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

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

	<b>ERS</b>	<b>PFRS</b>
Actuarial Valuation Date	4/1/2022	4/1/2022
Net Pension (Asset)/Liability	\$ 21,444,032,790	\$ 5,510,471,849
Village's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	450,645	1,160,540
Village's Share of the Plan's Total Net Pension (Asset)/Liability	0.0021015%	0.0210606%

For the year ended May 31, 2023, the Village recognized pension expense of \$80,896 for ERS and \$120,926 for PFRS in the Government-wide financial statements. At May 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>		<b>Deferred Inflows of Resources</b>	
	<b>ERS</b>	<b>PFRS</b>	<b>ERS</b>	<b>PFRS</b>
Differences Between Expected and Actual Experience	\$ 47,997	\$ 113,431	\$ 12,656	\$ -
Changes of Assumptions	218,862	565,528	2,419	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	2,052	2,648	-
Changes in Proportion and Differences Between the Village's Contributions and Proportionate Share of Contributions	21,139	78,103	8,424	34,921
Village's Contributions Subsequent to the Measurement Date	15,844	44,350	-	-
<b>Total</b>	<b>\$ 303,842</b>	<b>\$ 803,464</b>	<b>\$ 26,147</b>	<b>\$ 34,921</b>

# **VILLAGE OF WAVERLY**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

**Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

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

Village contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ended 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:

<b>Year Ended</b>	<b>ERS</b>	<b>PFRS</b>
2024	\$ 64,556	\$ 136,655
2025	(18,886)	(17,184)
2026	93,497	353,890
2027	122,684	226,008
2028	-	24,824
Thereafter	-	-

**Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	<b>ERS</b>	<b>PFRS</b>
Measurement Date	March 31, 2023	March 31, 2023
Actuarial Valuation Date	April 1, 2022	April 1, 2022
Investment Rate of Return	5.9%	5.9%
Salary Scale	4.4%	6.2%
Cost of Living Adjustments	1.5%	1.5%
Inflation Rate	2.9%	2.9%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 Systems' 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.

# VILLAGE OF WAVERLY

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

### *Note 9* Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued

#### Actuarial Assumptions - Continued

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 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	<u>ERS and PFRS</u>
	March 31, 2023
<b>Asset Type</b>	
Domestic Equities	4.30%
International Equities	6.85%
Real Estate	4.60%
Private Equity/Alternative Investments	7.50%
Opportunistic/ARS Portfolio	5.38%
Credit	5.43%
Real Assets	5.84%
Fixed Income	1.50%

#### 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 contributions from employers will be made at statutorily required rates, actuarially. Based on 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.

# **VILLAGE OF WAVERLY**

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

**Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

**Sensitivity of the Proportionate Share of the Net Pension (Asset)/Liability to the Discount Rate Assumption**

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

	<b>1% Decrease (4.9%)</b>	<b>Current Assumption (5.9%)</b>	<b>1% Increase (6.9%)</b>
<b>ERS</b>			
Village's Proportionate Share of the Net Pension (Asset)/Liability	\$ 1,080,016	\$ 450,645	\$ (82,788)
<b>PFRS</b>			
Village's Proportionate Share of the Net Pension (Asset)/Liability	\$ 2,419,200	\$ 1,160,540	\$ 118,294

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension (asset)/liability of the employers as of the respective valuation dates were as follows:

	<b>Dollars in Thousands</b>	
	<b>ERS</b>	<b>PFRS</b>
Measurement Date	March 31, 2023	March 31, 2023
Employers' Total Pension Liability	\$ 232,627,259	\$ 43,835,333
Plan Net Position	(211,183,223)	(38,324,863)
<b>Employers' Net Pension (Asset)/Liability</b>	<b>\$ 21,444,036</b>	<b>\$ 5,510,470</b>
Ratio of Plan Net Position to the Employers' Total Pension Liability	90.8%	87.4%



# ***VILLAGE OF WAVERLY***

## **NOTES TO FINANCIAL STATEMENTS MAY 31, 2023**

**Note 9 Pension Obligations - New York State and Local Employees' Retirement System (ERS and PFRS) (the Systems) - Continued**

**Payables to the Pension Plans**

Employer contributions are paid annually based on the System's fiscal year which ends on March 31. 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 and PFRS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of May 31, 2023 amounted to \$15,844 for ERS and \$44,350 for PFRS.

**Effect on Net Position**

Changes in the net pension (asset)/liability and deferred outflows and inflows of resources for the year ended May 31, 2023 resulted in the following effect on net position:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
<b>ERS</b>			
Net Pension (Asset)/Liability	\$ (185,669)	\$ 636,314	\$ 450,645
Deferred Outflows of Resources	(356,713)	52,871	(303,842)
Deferred Inflows of Resources	634,436	(608,289)	26,147
Subtotal	92,054	80,896	172,950
<b>PFRS</b>			
Net Pension (Asset)/Liability	117,559	1,042,981	1,160,540
Deferred Outflows of Resources	(883,760)	80,296	(803,464)
Deferred Inflows of Resources	1,037,272	(1,002,351)	34,921
Subtotal	271,071	120,926	391,997
<b>Total Effect on Net Position</b>	<b>\$ 363,125</b>	<b>\$ 201,822</b>	<b>\$ 564,947</b>

# VILLAGE OF WAVERLY

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

**Note 10 Fund Balance**

Nonspendable, restricted, and assigned fund balance at May 31, 2023 are as follows:

	General Fund	Water Fund	Sewer Fund	Special Grant Fund	Non-Major Governmental Funds
<b>Nonspendable Fund Balance</b>					
Permanent Fund Principal	\$ -	\$ -	\$ -	\$ -	\$ 33,678
<b>Restricted Fund Balance</b>					
Capital Reserve	299,588	366,860	110,039	-	-
Repair Reserve	-	171,081	-	-	-
Miscellaneous Reserve	33,638	-	-	-	-
Home and Community Services	-	-	-	382,633	-
Reserve for Debt	-	-	-	-	4,181
<b>Total Restricted Fund Balance</b>	<b>333,226</b>	<b>537,941</b>	<b>110,039</b>	<b>382,633</b>	<b>4,181</b>
<b>Assigned Fund Balance</b>					
Assigned for Subsequent Budget	35,000	-	-	-	-
Self-Insured Fund	5,806	-	-	-	-
Remaining Fund Balance	-	197,392	1,355,881	-	18,257
<b>Total Assigned Fund Balance</b>	<b>\$ 40,806</b>	<b>\$ 197,392</b>	<b>\$ 1,355,881</b>	<b>\$ -</b>	<b>\$ 18,257</b>

**Note 11 Reconciliation Between Restricted Fund Balance and Restricted Net Position**

Restricted fund balances and restricted net position differ because nonspendable fund balance in the permanent fund is considered restricted in the Statement of Net Position; restricted fund balance in the capital fund is included in net investment in capital assets; and rehabilitation loans receivable are reported as restricted fund balance in the Statement of Net Position and as a deferred inflow of resources in the fund financial statements.

Restricted Fund Balance in the Fund Financial Statements	\$ 1,368,020
Plus Permanent Fund Balance - Nonspendable	33,678
Plus Restricted for Community Development Rehab Loans	31,782
<b>Restricted Net Position in the Government-Wide Financial Statements</b>	<b>\$ 1,433,480</b>

# VILLAGE OF WAVERLY

## NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

### **Note 12 Tax Abatements**

For the year ended May 31, 2023, the Village was subject to tax abatements negotiated by the Tioga County Industrial Development Agency (TCIDA).

TCIDA entered into payment in lieu of taxes (PILOT) agreements with businesses within the Village of Waverly under New York State General Municipal Law §858. Economic development agreements entered into by TCIDA can include the abatement of village, county, other local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which TCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction.

The Village entered into property tax abatement agreements with a local business under Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth. Under the Act, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Village. The Village has agreements under the Act, but no taxes have been abated.

Information relevant to disclosure of the program for the year ended May 31, 2023 is as follows:

	<b>Taxable Assessed Value</b>	<b>Combined Tax Rate</b>	<b>Tax Value</b>	<b>PILOT Received</b>	<b>Taxes Abated</b>
<b>Tioga County Industrial Development Agency</b> Tioga Opportunities (Springview Apartments)	<u>\$ 597,400</u>	16.18	<u>\$ 9,666</u>	<u>\$ 9,120</u>	<u>\$ 546</u>

# VILLAGE OF WAVERLY

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED MAY 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Real Property Taxes	\$ 2,249,895	\$2,249,895	\$ 2,217,313	\$ (32,582)
Real Property Tax Items	56,176	56,176	57,677	1,501
Nonproperty Tax Items	582,000	687,000	743,951	56,951
Departmental Income	82,510	100,510	133,391	32,881
Use of Money and Property	12,450	12,450	56,261	43,811
Sale of Property and Compensation for Loss	25,000	25,000	10,191	(14,809)
Interfund Revenues	47,162	47,162	1,439	(45,723)
State Sources	148,000	208,000	306,370	98,370
<b>Total Revenues</b>	<u>3,203,193</u>	<u>3,808,243</u>	<u>3,948,643</u>	<u>140,400</u>
<b>EXPENDITURES</b>				
General Governmental Support	495,436	480,403	443,007	37,396
Public Safety	1,106,660	1,236,314	1,175,151	61,163
Transportation	431,477	784,987	722,530	62,457
Culture and Recreation	175,810	188,565	157,044	31,521
Home and Community Services	32,000	33,000	31,043	1,957
Employee Benefits	820,935	804,635	754,427	50,208
Debt Service (Principal and Interest)	-	14,971	14,971	-
<b>Total Expenditures</b>	<u>3,062,318</u>	<u>3,542,875</u>	<u>3,298,173</u>	<u>244,702</u>
Excess of Revenues (Expenditures)	<u>140,875</u>	<u>265,368</u>	<u>650,470</u>	<u>385,102</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers (Out)	<u>(185,875)</u>	<u>(1,047,010)</u>	<u>(1,043,259)</u>	<u>3,751</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(185,875)</u>	<u>(1,047,010)</u>	<u>(1,038,259)</u>	<u>8,751</u>
<b>Excess of Revenues and Other Financing Sources Over (Expenditures) and Other Financing (Uses)</b>	<u>(45,000)</u>	<u>(781,642)</u>	<u>(387,789)</u>	<u><b>\$ 393,853</b></u>
Appropriated Fund Balances	<u>45,000</u>	<u>781,642</u>		
Net Increase (Decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>(387,789)</u>	
Fund Balance, Beginning of Year			<u>1,238,467</u>	
<b>Fund Balance, End of Year</b>			<u><b>\$ 850,678</b></u>	

*See Notes to Required Supplementary Information*

# VILLAGE OF WAVERLY

## BUDGETARY COMPARISON SCHEDULE BUDGETED SPECIAL REVENUE FUNDS - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED MAY 31, 2023

	Water Fund			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Departmental Income	\$ 763,348	\$ 788,348	\$ 796,396	\$ 8,048
Intergovernmental Charges	8,500	8,500	8,500	-
Use of Money and Property	1,250	1,250	18,288	17,038
Sale of Property and Compensation for Loss	-	-	4,916	4,916
Interfund Revenues	250	250	-	(250)
<b>Total Revenues</b>	773,348	798,348	828,100	29,752
<b>EXPENDITURES</b>				
General Governmental Support	38,111	31,355	31,129	226
Home and Community Services	481,118	634,463	582,669	51,794
Employee Benefits	129,094	115,463	111,692	3,771
Debt Service (Principal and Interest)	-	14,971	14,971	-
<b>Total Expenditures</b>	648,323	796,252	740,461	55,791
Excess of Revenues (Expenditures)	125,025	2,096	87,639	85,543
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers (Out)	(125,025)	(107,067)	(107,066)	1
<b>Total Other Financing Sources (Uses)</b>	(125,025)	(107,067)	(107,066)	1
<b>Excess of Revenues and Other Financing Sources Over (Expenditures) and Other Financing (Uses)</b>	-	(104,971)	(19,427)	<b>\$ 85,544</b>
Appropriated Fund Balances	-	104,971		
Net Increase (Decrease)	\$ -	\$ -	(19,427)	
Fund Balance, Beginning of Year			754,760	
<b>Fund Balance, End of Year</b>			<b>\$ 735,333</b>	

*See Notes to Required Supplementary Information*

# **VILLAGE OF WAVERLY**

## **BUDGETARY COMPARISON SCHEDULE BUDGETED SPECIAL REVENUE FUNDS - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED MAY 31, 2023**

	<b>Sewer Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Departmental Income	\$ 1,158,163	\$1,158,163	\$ 1,124,840	\$ (33,323)
Use of Money and Property	3,800	25,800	33,826	8,026
Interfund Revenues	1,000	1,000	-	(1,000)
<b>Total Revenues</b>	<b>1,162,963</b>	<b>1,184,963</b>	<b>1,165,641</b>	<b>(19,322)</b>
<b>EXPENDITURES</b>				
General Governmental Support	49,359	38,279	38,278	1
Home and Community Services	600,980	796,303	713,331	82,972
Employee Benefits	124,594	112,351	107,299	5,052
<b>Total Expenditures</b>	<b>774,933</b>	<b>946,933</b>	<b>858,908</b>	<b>88,025</b>
Excess of Revenues (Expenditures)	388,030	238,030	306,733	68,703
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers (Out)	(388,030)	(388,030)	(387,264)	766
<b>Total Other Financing Sources (Uses)</b>	<b>(388,030)</b>	<b>(388,030)</b>	<b>(387,264)</b>	<b>766</b>
<b>Excess of Revenues and Other Financing Sources Over (Expenditures) and Other Financing (Uses)</b>	<b>-</b>	<b>-</b>	<b>(80,531)</b>	<b>\$ 69,469</b>
Net Increase (Decrease)	<b>\$ -</b>	<b>\$ -</b>	<b>(80,531)</b>	
Fund Balance, Beginning of Year			1,546,451	
<b>Fund Balance, End of Year</b>			<b>\$ 1,465,920</b>	

*See Notes to Required Supplementary Information*

# ***VILLAGE OF WAVERLY***

## **SCHEDULES OF VILLAGE CONTRIBUTIONS NYSLRS PENSION PLANS FOR THE LAST 10 FISCAL YEARS**

	<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>
<b>Employees' Retirement System</b>										
Contractually Required Contribution	<b>\$ 78,820</b>	\$ 110,343	\$ 95,007	\$ 90,547	\$ 86,290	\$ 84,975	\$ 79,768	\$ 86,112	\$ 109,232	\$ *
Contributions in Relation to the Contractually Required Contribution	<b>78,820</b>	110,343	95,007	90,547	86,290	84,975	79,768	86,112	109,232	*
Contribution Deficiency (Excess)				-	-	-	-	-	-	*
Village's Covered Payroll	<b>721,995</b>	795,101	697,737	659,276	618,864	598,070	546,415	565,925	630,476	*
Contributions as a Percentage of Covered Payroll	<b>10.9%</b>	13.9%	13.6%	13.7%	13.9%	14.2%	14.6%	15.2%	17.3%	*
<b>Police and Fire Retirement System</b>										
Contractually Required Contribution	<b>\$ 243,642</b>	\$ 242,154	\$ 210,336	\$ 190,357	\$ 179,857	\$ 182,231	\$ 167,827	\$ 178,950	\$ 184,593	\$ *
Contributions in Relation to the Contractually Required Contribution	<b>243,642</b>	242,154	210,336	190,357	179,857	182,231	167,827	178,950	184,593	*
Contribution Deficiency (Excess)				-	-	-	-	-	-	*
Village's Covered Payroll	<b>852,762</b>	808,489	800,647	777,106	742,809	737,351	699,675	684,293	665,110	*
Contributions as a Percentage of Covered Payroll	<b>28.6%</b>	30.0%	26.3%	24.5%	24.2%	24.7%	24.0%	26.2%	27.8%	*

\* Information will be presented as it becomes available.

*See Notes to Required Supplementary Information*

# ***VILLAGE OF WAVERLY***

## **SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLANS FOR THE YEARS ENDED MAY 31,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Employees' Retirement System</b>							
Village's Proportion of the Net Pension (Asset)/Liability	<b>0.0021015%</b>	0.0022713%	0.0022757%	0.0021378%	0.0022083%	0.0022892%	0.0022115%
Village's Proportionate Share of the Net Pension (Asset)/Liability	<b>\$ 450,645</b>	\$ (185,669)	\$ 2,266	\$ 566,091	\$ 156,465	\$ 73,883	\$ 207,795
Village's Covered Payroll During the Measurement Period	<b>711,322</b>	711,857	694,913	652,148	612,207	595,243	536,649
Village's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	<b>63.4%</b>	26.1%	0.3%	86.8%	25.6%	12.4%	38.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>90.8%</b>	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%
<b>The Following is a Summary of Changes of Assumptions</b>							
Inflation	<b>2.90%</b>	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%
Salary Increases	<b>4.40%</b>	4.40%	4.40%	4.20%	4.20%	3.80%	3.80%
Cost of Living Adjustments	<b>1.50%</b>	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%
Investment Rate of Return	<b>5.90%</b>	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%
Discount Rate	<b>5.90%</b>	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%
Society of Actuaries' Mortality Scale	<b>MP-2021</b>	MP-2021	MP-2020	MP-2019	MP-2018	MP-2017	MP-2016
<b>Police and Fire Retirement System</b>							
Village's Proportion of the Net Pension (Asset)/Liability	<b>0.0210606%</b>	0.0206953%	0.0117102%	0.0212114%	0.0223709%	0.0214872%	0.0214056%
Village's Proportionate Share of the Net Pension (Asset)/Liability	<b>\$ 1,160,540</b>	\$ 117,559	\$ 323,585	\$ 1,133,733	\$ 375,174	\$ 217,183	\$ 443,663
Village's Covered Payroll During the Measurement Period	<b>844,296</b>	801,328	797,000	773,127	736,745	737,472	692,116
Village's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	<b>137.5%</b>	14.7%	40.6%	146.6%	50.9%	29.4%	64.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>87.4%</b>	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%
<b>The Following is a Summary of Changes of Assumptions</b>							
Inflation	<b>2.90%</b>	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%
Salary Increases	<b>6.20%</b>	6.20%	6.20%	5.00%	5.00%	4.50%	4.50%
Cost of Living Adjustments	<b>1.50%</b>	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%
Investment Rate of Return	<b>5.90%</b>	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%
Discount Rate	<b>5.90%</b>	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%
Society of Actuaries' Mortality Scale	<b>MP-2021</b>	MP-2021	MP-2020	MP-2019	MP-2018	MP-2017	MP-2016

*See Notes to Required Supplementary Information*



# ***VILLAGE OF WAVERLY***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION MAY 31, 2023**

### ***Note 1* Budget Policies**

Budget policies are as follows:

1. Annual operating budgets are maintained for the following Governmental Fund types:
  - General Fund
  - Special Revenue Funds (Water and Sewer Funds)
2. No later than March 31, the budget officer submits the tentative budget to the Board of Trustees for the fiscal year commencing the following June. Upon filing the tentative budget, which includes proposed expenditures and the proposed means of financing for all funds, a notice is published in the official newspaper of the Village.
3. After the public hearing on the recommended budgets, the Mayor and Board of Trustees adopt the final Village budget no later than April 15.
4. Annual budgets adopted represent the legal limit on expenditures for that period. At the end of each year, unexpended, unencumbered appropriations lapse. Encumbered appropriations do not lapse and are carried forward.
5. Expenditures may not legally exceed appropriations at the fund level.
6. All modifications of the budget must be approved by the Board of Trustees. However, the Clerk/Treasurer is authorized to transfer certain budgeted amounts within departments.
7. The Board of Trustees may increase the appropriations budget during the fiscal year when additional revenues or expenditures not involved in the original adopted budget are identified.

### ***Note 2* Budget Basis of Accounting**

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP). Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or an expenditure in U.S. GAAP-based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year end, thereby ensuring appropriations are not exceeded.

### ***Note 3* Reconciliation of the Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget. Encumbrances, if present, are presented in a separate column and are not included in the actual results at May 31, 2023.

# ***VILLAGE OF WAVERLY***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) MAY 31, 2023**

***Note 4***     **Schedules of the Village's Proportionate Share of the Net Pension (Asset)/Liability**  
The Schedule of the Village's Proportionate Share of the Net Pension (Asset)/Liability, required supplementary information, will present ten years of information as it becomes available from the pension plans.

***Note 5***     **Schedules of Village's Contributions - NYSLRS Pension Plans and Schedules of the Village's Proportionate Share of the Net Pension (Asset)/Liability**

### **NYSLRS**

#### **Changes in Benefit Terms**

The New York State Legislature lowered the vesting requirement for Tier 5 and Tier 6 from ten years to five years (Chapter 56 of the Laws of 2022), prior to the April 1, 2022 actuarial valuation.

### **NYSPFRS**

Effective with the 2022 actuarial valuation, the following plan change was effective: The number of years of credited service required for vesting changed from ten years to five years for Tier 5 and 6 members for purposes of eligibility for a service retirement benefit for a deferred-vested benefit.

# **VILLAGE OF WAVERLY**

## **BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS MAY 31, 2023**

	<b>Miscellaneous Special Revenue Fund</b>	<b>Permanent Fund</b>	<b>Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>ASSETS</b>				
Cash and Cash Equivalents - Unrestricted	\$ 15,647	\$ -	\$ -	\$ 15,647
Cash and Cash Equivalents - Restricted	-	-	4,181	4,181
Investments - Unrestricted	2,875	-	-	2,875
Investments - Restricted	-	33,678	-	33,678
<b>Total Assets</b>	<b>\$ 18,522</b>	<b>\$ 33,678</b>	<b>\$ 4,181</b>	<b>\$ 56,381</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 265	\$ -	\$ -	\$ 265
<b>Total Liabilities</b>	<b>265</b>	<b>-</b>	<b>-</b>	<b>265</b>
<b>FUND BALANCES</b>				
Nonspendable	-	33,678	-	33,678
Restricted	-	-	4,181	4,181
Assigned	18,257	-	-	18,257
<b>Total Fund Balances</b>	<b>18,257</b>	<b>33,678</b>	<b>4,181</b>	<b>56,116</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,522</b>	<b>\$ 33,678</b>	<b>\$ 4,181</b>	<b>\$ 56,381</b>

# *VILLAGE OF WAVERLY*

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED MAY 31, 2023

	Miscellaneous Special Revenue Fund	Permanent Fund	Debt Service Fund	Total Non-Major Governmental Funds
<b>REVENUES</b>				
Departmental Income	\$ 24,306	\$ -	\$ -	\$ 24,306
Use of Money and Property	1,334	-	772	2,106
<b>Total Revenues</b>	<u>25,640</u>	<u>-</u>	<u>772</u>	<u>26,412</u>
<b>EXPENDITURES</b>				
Home and Community Services	54,746	-	-	54,746
Employee Benefits	179	-	-	179
<b>Debt Service</b>				
Principal	-	-	533,030	533,030
Interest	-	-	105,900	105,900
<b>Total Expenditures</b>	<u>54,925</u>	<u>-</u>	<u>638,930</u>	<u>693,855</u>
Excess of Revenues (Expenditures)	<u>(29,285)</u>	<u>-</u>	<u>(638,158)</u>	<u>(667,443)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers In	20,000	-	638,164	658,164
<b>Total Other Financing (Uses) Sources</b>	<u>20,000</u>	<u>-</u>	<u>638,164</u>	<u>658,164</u>
<b>Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)</b>	<u>(9,285)</u>	<u>-</u>	<u>6</u>	<u>(9,279)</u>
Fund Balances, Beginning of Year	27,542	33,678	4,175	65,395
<b>Fund Balances, End of Year</b>	<u>\$ 18,257</u>	<u>\$ 33,678</u>	<u>\$ 4,181</u>	<u>\$ 56,116</u>

**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***

Mayor and Village Trustees  
Village of Waverly  
Waverly, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Waverly (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 February 23, 2024.

**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 Village'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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 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 to provide an opinion on the effectiveness of the Village'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.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
February 23, 2024