

VILLAGE OF MEDINA, NEW YORK

**Financial Statements as of and for
the Year Ended May 31, 2021
Together with Independent
Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

VILLAGE OF MEDINA, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

November 19, 2021

To the Board of Trustees of the
Village of Medina, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Medina, New York (the Village) as of and for the year ended May 31, 2021 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Change in Accounting Principle***

As discussed in Note 15 to the financial statements, in 2021 the Village adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, the schedule of proportionate share of net pension liability (asset), schedule of changes in total OPEB liability and related ratios, and the schedule of contributions – pension plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining balance sheet - nonmajor governmental funds and combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet - nonmajor governmental funds and combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds 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 balance sheet - nonmajor governmental funds and combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

VILLAGE OF MEDINA, NEW YORK

Management's Discussion and Analysis (Unaudited) May 31, 2021

Our discussion and analysis of the Village of Medina, New York's (the Village) financial performance provides an overview of the Village's financial activities for the year ended May 31, 2021. This discussion and analysis should be read in conjunction with the Village's financial statements.

Financial Highlights

- The Village's net position increased by \$790,113 as a result of current year's operations.
- The assets/deferred outflows of resources of the primary government of the Village exceeded its liabilities/deferred inflows of resources by \$18,580,550 at May 31, 2021.
- The General fund reported an increase in fund balance of \$209,897.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements for governmental activities tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Government-Wide Financial Statements

The government-wide Statement of Net Position and Statement of Activities report information about the Village as a whole and about its activities. These statements include all assets/deferred outflows of resources and liabilities/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 cash is received or paid.

These two statements report the Village's net position and changes in net position. The Village's net position, the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources, is one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position is one indicator of whether its financial health is improving or deteriorating. Consideration should also be given to other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, to assess the overall health of the Village.

The Statement of Net Position and the Statement of Activities are both composed of governmental activities. The governmental activities include the Village's basic services, such as public safety and general administration. Property taxes fund most of these activities. The Village does not consider any of its activities to be business-type activities. At the same time, there are no other entities that the Village considers to be component units that would be included in the Village's financial statements.

VILLAGE OF MEDINA, NEW YORK

Management's Discussion and Analysis (Unaudited)

May 31, 2021

Fund Financial Statements

The fund financial statements provide detailed information about the Village's most significant funds, not the Village as a whole. However, the Village Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money, such as funding received from the U.S. Department of Housing and Urban Development. The Village's funds are all of one type, governmental.

- **Governmental Funds**

Most of the Village's basic services are reported in governmental funds. These funds focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government 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 Village's governmental activities (reported in the Statement of Net Position and the Statement of Activities) are reconciled to the governmental funds.

Notes to Basic Financial Statements

The financial statements also include notes that explain some of the information in the financial statements and provide detailed data. They are essential to a full understanding of the data provided in the government-wide and fund financial statements.

VILLAGE OF MEDINA, NEW YORK

Management's Discussion and Analysis (Unaudited) May 31, 2021

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village's total net position increased from \$17,643,264 at May 31, 2020 to \$18,580,550 at May 31, 2021. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Village's governmental activities. The 2020 column has not been restated.

Table 1

	<u>2021</u>	<u>2020</u>
Assets:		
Current and other assets	\$ 6,718,517	\$ 4,870,691
Capital assets, net of accumulated depreciation	<u>26,949,378</u>	<u>25,769,251</u>
Total assets	<u>33,667,895</u>	<u>30,639,942</u>
Deferred outflows of resources	<u>5,301,856</u>	<u>3,247,505</u>
Liabilities:		
Current liabilities	3,891,557	2,643,674
Long-term liabilities	<u>9,827,284</u>	<u>12,924,652</u>
Total liabilities	<u>13,718,841</u>	<u>15,568,326</u>
Deferred inflows of resources	<u>6,670,360</u>	<u>675,857</u>
Net position:		
Net investment in capital assets	20,017,321	18,489,425
Restricted	3,601,402	3,065,684
Unrestricted	<u>(5,038,173)</u>	<u>(3,911,845)</u>
Total net position	<u>\$ 18,580,550</u>	<u>\$ 17,643,264</u>

VILLAGE OF MEDINA, NEW YORK

**Management's Discussion and Analysis (Unaudited)
May 31, 2021**

Table 2

	<u>2021</u>	<u>2020</u>
Program revenues:		
Charges for services	\$ 4,276,095	\$ 4,201,771
Operating grants and contributions	143,975	295,785
Capital grants and contributions	<u>642,776</u>	<u>982,371</u>
Total program revenues	<u>5,062,846</u>	<u>5,479,927</u>
General revenues:		
Property taxes	3,274,253	3,228,806
Non-property tax items	301,239	302,446
Sale of property and compensation for loss	101,569	11,238
Use of money and property	1,691	4,324
Miscellaneous	<u>241,968</u>	<u>3,913</u>
Total general revenues	<u>3,920,720</u>	<u>3,550,727</u>
Total revenues	<u>8,983,566</u>	<u>9,030,654</u>
Governmental expenses:		
General governmental support	969,521	650,376
Public safety	2,285,969	2,002,643
Health services	1,488,749	1,222,284
Transportation	656,818	512,598
Culture and recreation	153,761	114,617
Home and community services	2,526,012	2,373,822
Economic assistance and opportunity	3,375	4,165
Interest	<u>109,248</u>	<u>136,524</u>
Total governmental expenses	<u>8,193,453</u>	<u>7,017,029</u>
CHANGE IN NET POSITION	<u>790,113</u>	<u>2,013,625</u>
NET POSITION - beginning of year, as previously reported	17,643,264	15,629,639
PRIOR PERIOD ADJUSTMENT (Note 15)	<u>147,173</u>	<u>-</u>
NET POSITION - beginning of year, as restated	<u>17,790,437</u>	<u>15,629,639</u>
NET POSITION - end of year	<u>\$ 18,580,550</u>	<u>\$ 17,643,264</u>

VILLAGE OF MEDINA, NEW YORK

Management's Discussion and Analysis (Unaudited) May 31, 2021

Table 3 presents the Village's sources of revenue as a percent of total revenue for the years ended May 31:

Table 3 - Sources of Revenue - Primary Government

	<u>2021</u>	<u>2020</u>
Charges for services	47.60%	46.53%
Operating grants and capital grants	8.76%	14.15%
Property taxes and non-property taxes	39.80%	39.10%
Use of money and property	0.02%	0.05%
Sale of property and compensation for loss	1.13%	0.12%
Miscellaneous	<u>2.69%</u>	<u>0.05%</u>
	<u>100.00%</u>	<u>100.00%</u>

Table 4 presents the expenses of the Village's programs as a percentage of the Village's total expenses for the year ended May 31:

Table 4 - Expenses - Primary Government

	<u>2021</u>	<u>2020</u>
General governmental support	11.83%	9.27%
Public safety	27.90%	28.54%
Health services	18.17%	17.42%
Transportation	8.02%	7.31%
Culture and recreation	1.88%	1.63%
Home and community services	30.83%	33.83%
Economic assistance and opportunity	0.04%	0.05%
Interest expense	<u>1.33%</u>	<u>1.95%</u>
	<u>100.00%</u>	<u>100.00%</u>

The largest revenue sources for the Village are charges for services (48%), related mainly to water and sewer charges, and property taxes (40%). Public safety (28%) and home and community (31%) are the largest costs for the Village.

VILLAGE OF MEDINA, NEW YORK

Management's Discussion and Analysis (Unaudited)

May 31, 2021

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Budget and Actual Highlights

The Village's General Fund budgetary basis actual expenditures of \$5,419,266 were \$506,576 lower than the final budget amounts.

General fund revenues:

- Intergovernmental charges were under budget by approximately \$58,000 due to use of fuel and the School Resource Officer by the school district being lower than expected due to a hybrid school year during the pandemic. In addition, ambulance calls to local towns were lower than expected.
- Sale of property and compensation for loss came in higher than budgeted by approximately \$81,000 as events generating insurance recoveries cannot be predicted.
- State aid was approximately \$140,000 under budget, mainly due to timing of when SAM grants were expected versus when they were actually earned.

General fund expenditures:

- General governmental expenditures were under budget by approximately \$73,000, mainly related to contingency amounts not being used and the ability to use reserves for certain expenditures.
- Public safety expenditures were under budget by approximately \$172,000, as principal paid on installment purchase debt was budgeted here but ultimately recorded as principal.
- Public health expenditures were under budget by approximately \$80,000. The fire department lost nine employees during the year, causing several pay periods to have open positions not being paid. In addition, COVID-19 caused a 10% decrease in call volume, which led to the department spending less on fuel, medical supplies, and billing services than expected. The pandemic also led to the cancellation of training programs.
- Transportation expenditures were under budget by approximately \$97,000 due to the Village budgeting higher than other years as there was carryover CHIPS funding to spend; however, actual transportation work done was less than expected.
- Employee benefit expenditures were \$115,000 under budget due to the Village budgeting conservatively for health insurance.

Sewer fund revenues:

- Departmental income came in approximately \$66,000 under budget as sewer charges were under expectations due to lower consumption.

Sewer fund expenditures:

- Home and community expenditures were under budget by approximately \$49,000 as a result of planned repairs and maintenance that did not take place to the extent budget. In addition, there were cost savings for a portion of the year due to temporary vacancy in the Superintendent of Public Works position and less overtime worked than budgeted.

Water fund revenues:

- Departmental income came in approximately \$299,000 under budget as water sales were under expectations due to lower consumption.

Water fund expenditures:

- Home and community expenditures were under budget by approximately \$145,000 due to the Village not needing to purchase as much water as expected due to contract changes and repairing leaks. In addition, there were cost savings due to less overtime worked than expected and a temporary vacancy in the Superintendent of Public Works position.

VILLAGE OF MEDINA, NEW YORK

Management's Discussion and Analysis (Unaudited) May 31, 2021

The schedules comparing the Village's original and final budget with actual results are included for the General fund and major special revenue funds, including the Water Fund and the Sewer Fund, as required supplementary information to the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets (net of accumulated depreciation) at May 31, 2021 was \$26,949,378. This investment in capital assets includes land, work in progress, buildings and improvements, machinery and equipment, and infrastructure.

All depreciable assets were depreciated as outlined in the Village's capital asset policy. For more detailed information see Note 5.

Table 5 - Summary of Capital Assets at May 31

Capital assets, net of accumulated depreciation, for the governmental activities are presented below:

	<u>2021</u>	<u>2020</u>
Land	\$ 462,900	\$ 462,900
Work in progress	4,160,275	2,489,532
Buildings and improvements	219,701	120,589
Machinery and equipment	1,190,496	1,274,093
Infrastructure	<u>20,916,006</u>	<u>21,422,137</u>
	<u>\$ 26,949,378</u>	<u>\$ 25,769,251</u>

The Village's infrastructure assets are recorded at historical cost in the government-wide financial statements. The Village has elected to depreciate its infrastructure assets.

VILLAGE OF MEDINA, NEW YORK

Management's Discussion and Analysis (Unaudited) May 31, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal year 2022 budget, including tax rates, inflationary costs, etc. The following are significant items to note:

- 2021-22 equalization rates were 91% for the Town of Ridgeway and 95% for the Town of Shelby respectively.
- New development in the Medina Business Park.
- Continued improvements to the WWTP with a \$7 million bond resolution.

The community plays an active role in the betterment of the Village. In recent years the restoration of the downtown area, the raising of funds to aid in improvements to parks and playgrounds, and the local waterfront development committee, have all helped in the continued improvements to the Village. Additions to the parks include a skate park, splash pad and new back stops.

The Village does not rely that heavily on funds from state or federal agencies to operate, and what funds are committed, have been received. The County has agreed to maintain sales tax proportions as is. Orleans County saw an 22.1% increase in the first quarter and 33.5% in the second quarter of 2021.

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 this report or need additional financial information, contact the Village Clerk/Treasurer, at 119 Park Ave, Medina, New York 14103.

VILLAGE OF MEDINA, NEW YORK**Statement of Net Position****May 31, 2021****ASSETS**

CURRENT ASSETS:

Cash	\$ 2,535,867
Cash - restricted	1,698,029
Accounts receivable	1,355,201
Due from state and federal government	1,112,432
Due from other governments	<u>16,988</u>
Total current assets	<u>6,718,517</u>
Capital assets, net of accumulated depreciation	<u>26,949,378</u>
Total assets	<u>33,667,895</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related - ERS	735,405
Pension related - PFRS	3,803,907
OPEB related	<u>762,544</u>
Total deferred outflows of resources	<u>5,301,856</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	1,506,319
Accrued liabilities	76,411
Due to other governments	118,830
Unearned revenues	88,337
Bond anticipation notes	<u>2,101,660</u>
Total current liabilities	<u>3,891,557</u>

LONG-TERM LIABILITIES:

Due and payable within one year -	
Long-term debt, current portion	<u>548,267</u>
Total long-term liabilities due and payable within one year	<u>548,267</u>
Due and payable after one year -	
Long-term debt	4,487,468
Total other postemployment benefits	3,347,160
Net pension liability - ERS	3,466
Net pension liability - PFRS	1,315,106
Due to NYS retirement system, less current portion	<u>125,817</u>
Total long-term liabilities due and payable after one year	<u>9,279,017</u>
Total long-term liabilities	<u>9,827,284</u>
Total liabilities	<u>13,718,841</u>

DEFERRED INFLOWS OF RESOURCES

Deferred state loan awards	1,096,172
Pension related - ERS	1,021,834
Pension related - PFRS	<u>4,552,354</u>
Total deferred inflows of resources	<u>6,670,360</u>

NET POSITION

Net investment in capital assets	20,017,321
Restricted	3,601,402
Unrestricted	<u>(5,038,173)</u>
Total net position	<u>\$ 18,580,550</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF MEDINA, NEW YORK

Statement of Activities

For the year ended May 31, 2021

Activities	Expenses	Program Revenues		Net (Expense) Revenue, and Change in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
				Governmental Activities	
GOVERNMENTAL:					
General governmental support	\$ 969,521	\$ 82,121	\$ 30,788	\$ -	\$ (856,612)
Public safety	2,285,969	57,029	74,634	-	(2,154,306)
Health services	1,488,749	1,289,669	-	-	(199,080)
Transportation	656,818	24,386	-	171,597	(460,835)
Culture and recreation	153,761	15,310	-	462,184	323,733
Home and community services	2,526,012	2,807,580	38,553	8,995	329,116
Economic assistance and	3,375	-	-	-	(3,375)
Interest expense	109,248	-	-	-	(109,248)
Total governmental activities	<u>\$ 8,193,453</u>	<u>\$ 4,276,095</u>	<u>\$ 143,975</u>	<u>\$ 642,776</u>	<u>(3,130,607)</u>
GENERAL REVENUES:					
Property taxes					3,274,253
Non-property taxes					301,239
Sale of property and compensation for loss					101,569
Use of money and property					1,691
Miscellaneous					241,968
Total general revenues					<u>3,920,720</u>
CHANGE IN NET POSITION					<u>790,113</u>
NET POSITION - beginning of year, as previously reported					17,643,264
PRIOR PERIOD ADJUSTMENT (Note 15)					<u>147,173</u>
NET POSITION - beginning of year, as restated					<u>17,790,437</u>
NET POSITION - end of year					<u>\$ 18,580,550</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF MEDINA, NEW YORK

Balance Sheet - Governmental Funds
May 31, 2021

	Governmental Funds				Total Nonmajor	Total
	General	Capital Projects	Special Revenue Funds		Funds	
			Water	Sewer		
ASSETS						
Cash	\$ 519,060	\$ -	\$ 832,265	\$ 873,431	\$ 311,111	\$ 2,535,867
Cash - restricted	1,005,932	681,984	-	10,113	-	1,698,029
Accounts receivable	476,976	-	494,386	298,081	-	1,269,443
Fees receivable	85,758	-	-	-	-	85,758
Due from other funds	-	214,975	9,397	9,031	-	233,403
Due from state and federal government	16,260	1,096,172	-	-	-	1,112,432
Due from other governments	-	-	-	-	16,988	16,988
Total assets	<u>\$ 2,103,986</u>	<u>\$ 1,993,131</u>	<u>\$ 1,336,048</u>	<u>\$ 1,190,656</u>	<u>\$ 328,099</u>	<u>\$ 6,951,920</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES:						
Accounts payable	32,640	1,368,801	92,270	1,352	11,256	1,506,319
Accrued liabilities	66,721	-	4,413	5,277	-	76,411
Due to other funds	233,403	-	-	-	-	233,403
Bond anticipation notes	-	2,101,660	-	-	-	2,101,660
Due to ERS and PFRS	104,638	-	6,946	6,946	-	118,530
Due to other governments	300	-	-	-	-	300
Unearned revenues	12,543	72,200	1,707	1,887	-	88,337
Total liabilities	<u>450,245</u>	<u>3,542,661</u>	<u>105,336</u>	<u>15,462</u>	<u>11,256</u>	<u>4,124,960</u>
DEFERRED INFLOWS OF RESOURCES:						
Deferred state loan award	-	1,096,172	-	-	-	1,096,172
Deferred fees	85,758	-	-	-	-	85,758
Total deferred inflows	<u>85,758</u>	<u>1,096,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,181,930</u>
FUND BALANCES:						
Restricted	196,669	681,984	1,230,712	1,175,194	316,843	3,601,402
Assigned	382,666	-	-	-	-	382,666
Unassigned	988,648	(3,327,686)	-	-	-	(2,339,038)
Total fund balances	<u>1,567,983</u>	<u>(2,645,702)</u>	<u>1,230,712</u>	<u>1,175,194</u>	<u>316,843</u>	<u>1,645,030</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,103,986</u>	<u>\$ 1,993,131</u>	<u>\$ 1,336,048</u>	<u>\$ 1,190,656</u>	<u>\$ 328,099</u>	<u>\$ 6,951,920</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF MEDINA, NEW YORK

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position May 31, 2021

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,645,030
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	26,949,378
Vacant building fees are recognized as revenue when earned on the Statement of Activities but are reported as deferred inflows in the governmental funds if collection exceeds sixty days after year end.	85,758
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds:	
Capital leases	(161,064)
Due to NYS retirement system	(170,091)
Serial bonds	(3,515,000)
Direct borrowings	(1,315,397)
Total other postemployment benefits	(3,347,160)
Net pension liabilities are not due and payable in the current period and; therefore, are not reported in the funds.	(1,318,572)
Deferred outflows/inflows of resources related to pensions and OPEB are applicable to future periods and; therefore are not reported in the funds.	
Deferred outflows of resources - OPEB related	762,544
Deferred outflows of resources - pension related	4,539,312
Deferred inflows of resources - pension related	<u>(5,574,188)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 18,580,550</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF MEDINA, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the year ended May 31, 2021

	Governmental Funds				Total Nonmajor Governmental Funds	Total
	General	Capital Projects	Special Revenue Funds			
			Water	Sewer		
REVENUES:						
Property taxes and other tax items	\$ 3,274,253	\$ -	\$ -	\$ -	\$ -	\$ 3,274,253
Non-property taxes	301,239	-	-	-	-	301,239
Departmental income	1,318,031	-	1,760,510	1,015,735	-	4,094,276
Intergovernmental charges	103,145	-	-	-	-	103,145
Use of money and property	1,325	-	32	48	286	1,691
Licenses and permits	59,064	-	-	-	-	59,064
Sale of property and compensation for loss	101,569	-	-	-	-	101,569
Federal aid	74,634	-	-	-	38,553	113,187
State aid	211,380	-	-	-	-	211,380
Miscellaneous	118,873	462,184	-	-	3,095	584,152
Total revenues	<u>5,563,513</u>	<u>462,184</u>	<u>1,760,542</u>	<u>1,015,783</u>	<u>41,934</u>	<u>8,843,956</u>
EXPENDITURES:						
General governmental support	538,914	171,631	26,836	26,835	38,553	802,769
Public safety	1,562,249	-	-	-	-	1,562,249
Public health	923,859	125,422	-	-	-	1,049,281
Transportation	549,770	-	-	-	-	549,770
Culture and recreation	116,782	219,800	-	-	-	336,582
Home and community services	177,473	1,295,964	1,061,153	520,115	-	3,054,705
Economic assistance and opportunity	3,375	-	-	-	-	3,375
Employee benefits	1,196,485	-	215,537	218,030	-	1,630,052
Debt service -						
Principal	287,482	-	195,000	251,562	-	734,044
Interest	37,227	-	70,166	1,855	-	109,248
Total expenditures	<u>5,393,616</u>	<u>1,812,817</u>	<u>1,568,692</u>	<u>1,018,397</u>	<u>38,553</u>	<u>9,832,075</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>169,897</u>	<u>(1,350,633)</u>	<u>191,850</u>	<u>(2,614)</u>	<u>3,381</u>	<u>(988,119)</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from capital lease obligations	-	125,422	-	-	-	125,422
BANs redeemed from appropriations	-	246,748	-	-	-	246,748
Transfers in	40,000	-	-	-	-	40,000
Transfers out	-	(40,000)	-	-	-	(40,000)
Total other financing sources (uses)	<u>40,000</u>	<u>332,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,170</u>
CHANGE IN FUND BALANCE	<u>209,897</u>	<u>(1,018,463)</u>	<u>191,850</u>	<u>(2,614)</u>	<u>3,381</u>	<u>(615,949)</u>
FUND BALANCE - beginning of year, as previously reported	1,370,836	(1,630,210)	1,038,862	1,177,808	222,658	2,179,954
PRIOR PERIOD ADJUSTMENT (Note 15)	(12,750)	2,971	-	-	90,804	81,025
FUND BALANCE- beginning of year, as restated	<u>1,358,086</u>	<u>(1,627,239)</u>	<u>1,038,862</u>	<u>1,177,808</u>	<u>313,462</u>	<u>2,260,979</u>
FUND BALANCE - end of year	<u>\$ 1,567,983</u>	<u>\$ (2,645,702)</u>	<u>\$ 1,230,712</u>	<u>\$ 1,175,194</u>	<u>\$ 316,843</u>	<u>\$ 1,645,030</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF MEDINA, NEW YORK

Reconciliation of the Statement of Revenues, Expenditures, and Change In Fund Balances - Governmental Funds to the Statement of Activities
For the year ended May 31, 2021

NET CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS \$ (615,949)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. Such expenditures are not recorded in the statement of activities because they are recorded as capital assets. 1,741,242

The Village received a donated capital asset in the current year which is reported as revenue on the statement of activities. 120,000

Depreciation is recorded in the statement of activities, but not recorded as a change in fund balance of the governmental funds. (681,115)

Vacant building registry fees are recognized on the statement of activities when earned but are recognized in the governmental funds when they are considered available, meaning received within sixty days of year end. 19,610

Proceeds of long-term debt are recorded as other financing sources for governmental funds, but are not recorded in the statement of activities. This is the amount of proceeds related to a capital lease obligation. (125,422)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Capital lease principal expenditures	54,482
Serial bond principal expenditures	360,000
Direct borrowing principal expenditures	72,814
Payment of amount due to ERS/PFRS	3,359

Governmental funds report other postemployment benefit contributions as expenditures. However, in the statement of activities, the cost of other postemployment benefits earned, net of employer contributions is reported as other postemployment benefits. (82,790)

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense. (76,118)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 790,113

The accompanying notes are an integral part of these statements.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Medina, New York (the Village) are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Village's significant accounting policies are described below.

Background

The Village of Medina, New York (the Village) was established in 1832 and is governed by its Charter, Village Law, other general laws of the State of New York, and various local laws and ordinances. The Village is managed by the Village Board, who serves as the legislative body responsible for overall operations. The Mayor serves as chief executive officer and the Village Treasurer serves as chief fiscal officer.

The Village provides the following basic services: public safety, public health, highway maintenance, recreational programs, water, and sewer services.

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Village's services are classified as governmental activities. The Village does not have any activities which would be classified as business-type activities. In addition, fiduciary funds are excluded from the government-wide financial statements. The Village no longer has any fiduciary funds.

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 resources 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 net position, and unrestricted net position. The net investment in capital assets component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets, if applicable. The restricted component of net position consists of amounts that have external constraints placed on their use imposed by creditors, grantors, contributors, or laws or regulations of other governments, or by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that do not meet the definition of "net investment in capital assets," or "restricted." The Village first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions. The functions are supported by general government revenues (property taxes, sales taxes, mortgage taxes, state revenue sharing, and investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary grants. Capital grants are received from the state and federal governments and are designated specifically for the Village's projects.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

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

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues, and expenditures.

Governmental Funds

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

- **General Fund**

The General Fund is the primary operating fund of the Village. It includes all revenue and expenditures not required by law to be accounted for in other funds.

- **Special Revenue Funds**

These funds are used to account for the proceeds of specific revenue sources which are raised or received to provide special services to areas that may or may not encompass the whole Village. The following are special revenue funds utilized by the Village:

- Water Fund
- Sewer Fund
- Special Grants

- **Permanent Fund**

The Permanent Fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village's programs.

- **Capital Projects Fund**

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Major Funds

The emphasis in fund financial statements is on the major funds in the governmental activities categories. GAAP sets forth minimum criteria (percentage of the assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures of the governmental funds) for the determination of major funds. The Village's major funds are the General Fund, the Water Fund, the Sewer Fund, and the Capital Projects fund.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

Basis of Accounting/Measurement Focus

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

- **Accrual Basis**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include grants and donations. On an accrual basis, revenue from grants and donations are recognized in the year in which all eligibility requirements have been satisfied.

- **Modified Accrual Basis**

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

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

Expenditures are recorded when incurred, except that:

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

Real Property Taxes

Real property taxes are levied annually on June 1st and become a lien on February 28th of the year following the levy. Taxes are collected during the period June 1st to November 1st.

Revenue Recognition of Ambulance Charges for Services

The Village recognizes charges for services based upon billings related to ambulance services. The revenue is recognized at the time of service. Adjustments to revenue based on third party insurance claims are recorded at the time the adjustment is provided to the Village.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

Cash

The Village's cash consists of cash on hand, demand deposits, and savings accounts.

Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Capital Assets

Capital assets purchased or acquired with a cost exceeding \$5,000 and a useful life exceeding four years are capitalized. Contributed fixed assets exceeding the dollar threshold are recorded at fair value at 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 is expensed as incurred. The Village capitalizes its various classes of assets with a cost or estimated historical cost exceeding the following amounts and depreciation on these assets is provided on the straight-line basis over the following estimated useful lives:

	Cost	Estimated Useful Lives
Buildings	\$ 5,000	20 - 40 years
Sanitary sewer and water system	\$ 50,000	40 years
Machinery and equipment	\$ 5,000	5 - 10 years
Vehicles	\$ 5,000	5 - 20 years
Building improvements	\$ 5,000	20 - 40 years
Roads, sidewalks, curbing, and gutters	\$ 50,000	15 - 40 years

Unearned Revenue

Unearned revenue arises when the Village receives resources before it has a legal claim to them. In subsequent periods, when both recognition criteria are met or when the Village has legal claim to the resources, the unearned revenue is recognized as revenue.

Short-Term Debt

The Village may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years of the original issue date.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the Village's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

Interfund Activity

Interfund activity, if any, is reported as 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 result 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. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a use of resources that applies to a future period and so will not be recognized as an outflow (expense/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

Net Position

Net position is displayed in three components as follows:

- **Net Investment in Capital Assets**
This net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted**
This net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Unrestricted**
All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance

Accounting principles generally accepted in the United States provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable**
These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted**
These are amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed**
These are amounts that can be used only for specific purposes determined by a formal action of the Village Board prior to year-end. The Village Board is the highest level of decision-making authority for the Village. Commitments may be established, modified, or rescinded only through resolutions approved by the Village Board.
- **Assigned**
These are amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Assignments may be established, modified, or rescinded only through resolutions approved by the Village Board.
- **Unassigned**
These are all other spendable amounts.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

It is the goal of the Village to achieve and maintain an unassigned fund balance in the general fund at fiscal year-end of not less than 6% and not more than 20% of budgeted expenditures. If the unassigned fund balance at fiscal year-end falls below the goal, the Village shall develop a restoration plan to achieve and maintain the minimum fund balance. As of May 31, 2021, the Village's general fund unassigned fund balance was 17% of budgeted expenditures, and therefore was in compliance with this policy.

Revenue Restrictions

The Village has various restrictions placed over certain revenue sources by state or local requirements. The primary restricted revenue sources are those revenues raised for the special revenue funds.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The Village's budget policies are as follows:

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

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

Budget/GAAP Reconciliation

The Village reports its budgetary status with the actual data, including outstanding encumbrances as charges against budget appropriations. This results in the following reconciliation of the fund balances computed on GAAP basis and budgetary basis:

General Fund

GAAP basis fund balance at May 31, 2021	\$ 1,567,983
Less: Outstanding encumbrances	<u>(25,650)</u>
Budgetary basis fund balance at May 31, 2021	<u>\$ 1,542,333</u>

Water Fund

GAAP basis fund balance at May 31, 2021	\$ 1,230,712
Less: Outstanding encumbrances	<u>-</u>
Budgetary basis fund balance at May 31, 2021	<u>\$ 1,230,712</u>

Sewer Fund

GAAP basis fund balance at May 31, 2021	\$ 1,175,194
Less: Outstanding encumbrances	<u>-</u>
Budgetary basis fund balance at May 31, 2021	<u>\$ 1,175,194</u>

Budgetary Comparison

The Special Grants and Capital Project Funds have been excluded from the statement of revenues, expenditures, and change in fund balances - budget and actual - as the Village is not legally obligated to create budgets for these funds. The Special Grants fund is used solely to account for transactions related to funds received from the U.S. Department of Housing and Urban Development. The Capital Project fund is used solely to account for the Village's capital projects.

Encumbrances

Encumbrance accounting is used for budgetary control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as assigned fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The Village’s cash consists of cash on hand, demand deposits, and savings accounts. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC 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. In accordance with the Village’s investment and deposit policy, all deposits of the Village including interest bearing demand accounts and certificates of deposit in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIA) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

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

At May 31, 2021, the reported amount of the District's deposits was \$4,233,896 and the bank balance was \$4,327,827. Of the bank balance, \$505,625 was covered by federal depository insurance and \$3,822,202 was covered by collateral held in the pledging bank's trust department in the Village's name.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$1,698,029 within the governmental funds.

4. INTERFUND TRANSACTIONS

The Village typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

Interfund transfers and amounts due to and from other funds at May 31, 2021 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 40,000	\$ -	\$ -	\$ 233,403
Capital Projects Fund	-	40,000	214,975	-
Sewer Fund	-	-	9,031	-
Water Fund	-	-	9,397	-
Total	\$ 40,000	\$ 40,000	\$ 233,403	\$ 233,403

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

5. CAPITAL ASSETS

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

	Balance <u>06/01/20</u>	Additions	Deletions	Balance <u>5/31/21</u>
Capital assets not being depreciated:				
Land	\$ 462,900	\$ -	\$ -	\$ 462,900
Work in progress	<u>2,489,532</u>	<u>1,670,743</u>	<u>-</u>	<u>4,160,275</u>
Total capital assets not being depreciated	<u>2,952,432</u>	<u>1,670,743</u>	<u>-</u>	<u>4,623,175</u>
Capital assets being depreciated:				
Buildings and improvements	7,906,021	120,000	-	8,026,021
Machinery and equipment	3,278,082	70,499	(22,702)	3,325,879
Infrastructure	<u>33,779,276</u>	<u>-</u>	<u>-</u>	<u>33,779,276</u>
Total capital assets being depreciated	<u>44,963,379</u>	<u>190,499</u>	<u>(22,702)</u>	<u>45,131,176</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,785,432)	(20,888)	-	(7,806,320)
Machinery and equipment	(2,003,989)	(154,096)	22,702	(2,135,383)
Infrastructure	<u>(12,357,139)</u>	<u>(506,131)</u>	<u>-</u>	<u>(12,863,270)</u>
Total accumulated depreciation	<u>(22,146,560)</u>	<u>(681,115)</u>	<u>22,702</u>	<u>(22,804,973)</u>
Total capital assets being depreciated, net	<u>22,816,819</u>	<u>(490,616)</u>	<u>-</u>	<u>22,326,203</u>
Capital assets, net	<u>\$ 25,769,251</u>	<u>\$ 1,180,127</u>	<u>\$ -</u>	<u>\$ 26,949,378</u>

Depreciation expense was charged to functions of the primary government for the year ended May 31, 2021 as follows:

General governmental support	\$ 43,417
Public safety	70,680
Transportation	19,981
Home and community services	<u>547,037</u>
	<u>\$ 681,115</u>

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

6. PENSION PLANS

Plan Description

The Village participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (collectively, the Systems). These are cost-sharing multiple-employer, public employee retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

Funding Policies

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement System. They are as follows:

ERS

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2020, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 - Those persons who last became members of the System on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those persons who first became members of the System on or after April 1, 2012.

PFRS

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 31, 1973, but before July 1, 2009.
- Tier 3 - Those persons who last became members on or after July 1, 2009, but before January 9, 2010.
- Tier 4 - Not applicable.
- Tier 5 - Those persons who last became members on or after January 9, 2010, but before April 1, 2012, or who were previously PFRS Tier 3 members who elected to become Tier 5.
- Tier 6 - Those persons who first became members of the System on or after April 1, 2012.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

Contributions

The ERS is noncontributory except for employees who joined the ERS after July 27th, 1976, who contribute 3.0% percent 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% percent of their salary for their entire length of service. For tier 6 members, the contribution rate varies from 3.0% to 6.0% depending on salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS	PFRS
2021	\$ 132,918	\$ 410,842
2020	125,120	384,251
2019	127,250	475,415

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

At May 31, 2021, the Village reported a net pension liability of \$3,466 and \$1,315,106 for its proportionate share of the ERS and PFRS net pension liability, respectively. The net pension liability was measured as of March 31, 2021 and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2020. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At May 31, 2021, the Village's proportionate share was 0.0034812% and 0.0757429% for ERS and PFRS, respectively, which was an increase, from its proportionate share at May 31, 2020 of 0.0002671% and 0.0045670% for ERS and PFRS, respectively.

For the year ended May 31, 2021, the Village recognized pension expense of \$83,931 and \$547,420 for ERS and PFRS, respectively. At May 31, 2021, The Village reported deferred outflows/inflows of resources related to pensions from the following sources:

ERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,334	\$ -
Changes of assumptions	637,354	12,021
Net difference between projected and actual earnings on pension plan investments	-	995,745
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	27,931	14,068
Contributions subsequent to the measurement date	27,786	-
Total	<u>\$ 735,405</u>	<u>\$ 1,021,834</u>

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

PFRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 291,815	\$ -
Changes of assumptions	3,231,073	-
Net difference between projected and actual earnings on pension plan investments	-	3,866,992
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	190,275	685,362
Contributions subsequent to the measurement date	90,744	-
Total	<u>\$ 3,803,907</u>	<u>\$ 4,552,354</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for ERS and PFRS, respectively:

Plan's Year Ended March 31:	ERS	PFRS
2022	\$ (54,691)	\$ (299,861)
2023	(19,301)	(137,939)
2024	(52,374)	(230,455)
2025	(187,849)	(779,303)
2026	-	608,367
	<u>\$ (314,215)</u>	<u>\$ (839,191)</u>

The Village recognized \$27,786 and \$90,744 related to ERS and PFRS, respectively, as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2021 which will be recognized as a reduction of the net pension liability in the year ended May 31, 2022.

Actuarial Assumptions

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

The actuarial valuation used the following actuarial assumptions for both the ERS and PFRS:

Inflation	2.70%
Salary increases	4.4% in ERS, 6.2% in PFRS
Projected COLAs	1.4% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	5.9% compounded annually, net of investment expenses

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

Long-term Rate of Return

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long- Term expected real rate of return in %</u>
Domestic Equity	32	4.05
International Equity	15	6.30
Private Equity	10	6.75
Real Estate	9	4.95
Opportunistic/ARS Portfolio	3	4.50
Credit	4	3.63
Real Assets	3	5.95
Fixed Income	23	0.00
Cash	1	0.50
	<u>100</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

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

The following presents The Village's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

	1% Decrease 4.9%	Current Discount 5.9%	1% Increase 6.9%
ERS Proportionate Share of Net Pension liability (asset)	<u>\$ 962,130</u>	<u>\$ 3,466</u>	<u>\$ (880,646)</u>
PFRS Proportionate Share of Net Pension liability (asset)	<u>\$ 5,592,572</u>	<u>\$ 1,315,106</u>	<u>\$ (2,225,530)</u>

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2021 for ERS and PFRS respectively follow:

ERS

Total pension liability	\$ 220,680,157
Net position	<u>(220,580,583)</u>
Net pension liability (asset)	<u>\$ 99,574</u>
ERS net position as a percentage of total pension liability	99.95%

PFRS

Total pension liability	\$ 41,236,775
Net position	<u>(39,500,500)</u>
Net pension liability (asset)	<u>\$ 1,736,275</u>
PFRS net position as a percentage of total pension liability	95.79%

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

7. LONG-TERM DEBT

The Village borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. 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.

The Village also has long-term liabilities due to NYS retirement system for the current and long-term obligation of amortized payments for the remaining amounts owed by the Village to the State for the 2013 - 2015 ERS and PFRS, as well as past service costs related to 2019.

Long-term debt activity for the year ended May 31, 2021 was as follows:

Description	Balance 6/1/2020	Additions	Deletions	Balance 5/31/2021	Amount Due Within One Year
Serial bonds	\$ 3,875,000	\$ -	\$ (360,000)	\$ 3,515,000	\$ 190,000
Direct borrowings	1,388,211	-	(72,814)	1,315,397	242,814
Due to NYS retirement system	220,513	-	(50,422)	170,091	44,274
Capital lease	90,124	125,422	(54,482)	161,064	71,179
	<u>\$ 5,573,848</u>	<u>\$ 125,422</u>	<u>\$ (537,718)</u>	<u>\$ 5,161,552</u>	<u>\$ 548,267</u>

For the year ended May 31, 2021, the Village recognized interest expenditures and cash paid for interest of \$96,996 on all debt in the Governmental Funds.

The following is a statement of long-term debt with corresponding maturity schedules.

Description	Issue Date	Maturity	Interest	Balance 5/31/2021	Amount Due Within One Year
Serial Bonds					
2017 Public Improvement	May 2017	May 2037	2.25%	\$ 2,585,000	\$ 190,000
2006 Public Improvement	May 2006	May 2024	5.10%	105,000	35,000
2013 Public Improvement	May 2013	May 2025	2.50%	295,000	75,000
2017 Public Improvement	October 2017	May 2027	0.75%	150,000	25,000
2020 Public Improvement	May 2020	May 2030	0.00%	380,000	35,000
Direct Borrowings					
NYS EFC	December 2005	December 2035	0.00%	672,897	48,064
EFC Clean Water Statutory Installment Bond - 2018	May 2018	May 2047	0.00%	642,500	24,750
Total				<u>\$ 4,830,397</u>	<u>\$ 432,814</u>

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

The Village's future debt service requirements relating to serial bonds are as follows for the years ending May 31:

	Serial Bond		Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2022	\$ 360,000	\$ 89,923	\$ 72,814	\$ -	\$ 522,737
2023	370,000	81,727	72,814	-	524,541
2024	375,000	72,970	72,814	-	520,784
2025	340,000	63,776	72,814	-	476,590
2026	280,000	56,063	72,814	-	408,877
2027-2031	1,360,000	179,290	364,070	-	1,903,360
2032-2036	355,000	43,950	316,007	-	714,957
2037-2041	75,000	2,250	123,750	-	201,000
2042-2046	-	-	123,750	-	123,750
2047	-	-	23,750	-	23,750
	<u>\$ 3,515,000</u>	<u>\$ 589,949</u>	<u>\$ 1,315,397</u>	<u>\$ -</u>	<u>\$ 5,420,346</u>

The following summarizes the Village's future capital lease debt requirements as of May 31:

	Principal	Interest	Total
2022	\$ 71,179	\$ 3,789	\$ 74,968
2023	25,085	1,627	26,712
2024	25,085	1,627	26,712
2025	25,083	1,627	26,710
2026	14,632	1,354	15,986
	<u>\$ 161,064</u>	<u>\$ 10,024</u>	<u>\$ 171,088</u>

8. TOTAL OTHER POSTEMPLOYMENT BENEFITS

Description of Plan

The Village provides other postemployment benefits (OPEB) for certain retirees and employees of the Village who were hired prior to June 1, 2004 and were deemed eligible under the CSEA agreement. These employees will receive lifetime health insurance benefits. In addition, the Village has retirees who have converted their accumulated sick time to health insurance upon retirement.

The plan is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

Benefits Provided

The Plan provides single coverage policies for the eligible retirees.

Covered Employees

As of the June 1, 2019 census, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	9
Active plan members	<u>47</u>
Total plan members	<u>56</u>

Total OPEB Liability

The Village's total OPEB liability of \$3,347,160 was measured as of June 1, 2020 and was determined by an actuarial valuation as of June 1, 2019.

Actuarial Methods and Other Inputs

The total OPEB liability in the actuarial valuation prepared for the May 31, 2021 reporting date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4%
Salary Scale	3%
Discount Rate	2.16% as of the June 1, 2020 measurement date
Actuarial Cost Method	Entry Age Normal Level - Level Percent of Pay
Mortality - Actives	The RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.
Mortality - Retirees	The RPH-2014 Mortality Table for Healthy Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.
Turnover	Rates of decrement due to turnover based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, <u>Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (June 2019)</u> .
Retirement Incidence	Rates of decrement due to retirement based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, <u>Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (June 2019)</u> .

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

Medical Trend	To Fiscal Year	Healthcare
	Ending	Trend
	2021	7.00%
	2022	6.50%
	2023	6.25%
	2024	6.00%
	2025	5.86%
	2030	5.18%
	2035	5.18%
	2040	5.18%
	2050	4.98%
	2060	4.75%
	2070	4.42%
	2080	3.94%
	2090	3.94%

Election Percentage All members eligible to receive lifetime single coverage at 100% cost to the Village are assumed to enroll in postemployment medical coverage and maintain single coverage for life. Spousal coverage for these members is assumed to terminate upon exhaustion of the cash value of unused sick leave accumulated by the retiree at the time of retirement. For all other members, 90% are assumed to enroll in postemployment medical benefits and terminate coverage upon exhaustion of the cash value of unused sick leave accumulated by the retiree at the time of retirement. The cash value of unused sick leave is assumed to exhaust after 4 years. No surviving spouses are assumed to enroll in coverage.

Marriage Rate It is assumed that 70% of retirees will be married at the time of their retirement, with the male spouse assumed to be approximately 3 years older than the female.

Morbidity To reflect the differences in covered health care expenses due to aging, the premiums are adjusted by age and gender using the following age-sex factors:

Age	Male	Female
40-44	0.805	1.229
45-49	1.016	1.349
50-54	1.339	1.587
55-59	1.740	1.835
60-64	2.233	2.184
65-69	0.933	0.886
70-74	1.025	0.973
75-79	1.089	1.040
80-84	1.111	1.071
85-89	1.073	1.044
90-94	1.004	0.958
95+	0.931	0.827

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

Per Capita Costs

The Village of Medina provides medical coverage to all actives and retirees with two POS plans: 203 and 206. The plans are experience rated and provided through BlueCross BlueShield of Western New York.

The following table presents per capita costs of the plan, including administrative fees, which was used to calculate the actuarial accrued liability:

Age	POS 203	POS 206
40-44	\$ 8,704	\$ 8,169
45-49	10,065	9,447
50-54	12,385	11,625
55-59	15,054	14,130
60-64	18,533	17,395
65-69	7,622	7,154
70-74	8,372	7,858
75-79	8,923	8,376
80-84	9,150	8,588
85-89	8,881	8,335
90-94	8,223	7,718
95+	7,344	6,893

Changes in the Total OPEB Liability

Balance at May 31, 2020	<u>\$ 2,695,369</u>
Service cost	26,237
Interest cost	93,835
Changes in assumptions and other inputs	628,194
Benefit payments (including implicit subsidy)	<u>(96,475)</u>
Balance at May 31, 2021	<u><u>\$ 3,347,160</u></u>

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Current Discount	1% Increase
	1.16%	2.16%	3.16%
Total OPEB Liability	<u>\$ 3,958,149</u>	<u>\$ 3,347,160</u>	<u>\$ 2,863,868</u>

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

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

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 2,803,940</u>	<u>\$ 3,347,160</u>	<u>\$ 4,049,689</u>

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

For the year ended May 31, 2021, the Village recognized OPEB expense of \$177,150. At May 31, 2021, the Village reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Changes of assumptions or other inputs	\$ 668,184
Employer contributions subsequent to the measurement date	<u>94,360</u>
Total	<u>\$ 762,544</u>

The Village did not recognize any deferred inflows of resources related to OPEB.

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

<u>Fiscal Year Ending May 31</u>	<u>Amount</u>
2022	\$ 57,078
2023	57,078
2024	57,078
2025	57,078
2026	57,078
Thereafter	<u>382,794</u>
	<u>\$ 668,184</u>

The District recognized \$94,360 as a deferred outflow of resources resulting from the benefit payments made subsequent to the measurement date of June 1, 2020 which will be recognized as a reduction of the total OPEB liability in the year ended May 31, 2022.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

9. BOND ANTICIPATION NOTES

Short-term debt provides financing for governmental activities. The Village issued three BANs during the year related to capital acquisitions, as needed.

On January 23, 2020, the Village issued a Bond Anticipation Note (BAN) through NYS EFC for a maximum amount of \$6,032,455 for the Wastewater Treatment Plant (WWTP) Capital Improvement Project with an initial rate of 0.00% under a NYS EFC short-term financing program, which is a direct borrowing. The BAN has a maturity date of May 8, 2024. At that time, the Village can convert the BAN to long-term financing if all conditions are met and if such financing is made available by EFC. The Village made a principal payment of \$167,748 on this BAN during the year based on actual total draws made on the BAN. In 2021, the Village drew down an additional \$331,793 on this BAN, which is added to the total amount outstanding.

As of May 31, 2020, the Village had a \$214,000 consolidated BAN outstanding for various equipment, vehicle, and computer software purchases, as well as for building upgrades. This matured on October 2, 2020. On that date, the Village issued another consolidated BAN for \$135,000, portions of this which were renewals of the BAN that had matured. This BAN has an interest rate of 0.87% and matures on October 1, 2021.

The following is a summary of changes in short-term debt for the year ended May 31, 2021:

Balance, June 1, 2020	\$ 2,016,615
Increases	466,793
Decreases	<u>(381,748)</u>
Balance, May 31, 2021	<u>\$ 2,101,660</u>

The following shows the maturity of the outstanding BANs at year-end:

<u>Purpose</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Outstanding 05/31/21</u>
Bond Anticipation Note, 2020	10/2/2020	0.87%	\$ 135,000
NYS EFC WWTP BAN	1/23/2020	0.00%	<u>1,966,660</u>
			<u>\$ 2,101,660</u>

For the year ended May 31, 2021, total interest expenditures relating to BANs amounted to \$12,252.

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

10. FUND BALANCES

As of May 31, 2021, fund balances are composed of the following:

	General Fund	Capital Fund	Special Grant Fund	Permanent Fund	Water Fund	Sewer Fund
Restricted						
Capital - ambulance equipment	\$ 22,226	\$ -	\$ -	\$ -	\$ -	\$ -
Capital - street repair	2,500	-	-	-	-	-
Capital - equipment	171,943	-	-	-	-	-
Restricted - other	-	681,984	225,775	91,068	1,230,712	1,175,194
Total restricted	<u>196,669</u>	<u>681,984</u>	<u>225,775</u>	<u>91,068</u>	<u>1,230,712</u>	<u>1,175,194</u>
Assigned						
Assigned -	315,000	-	-	-	-	-
Encumbrance	25,650	-	-	-	-	-
Other	42,016	-	-	-	-	-
Total assigned	<u>382,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>988,648</u>	<u>(3,327,686)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>\$ 1,567,983</u>	<u>\$ (2,645,702)</u>	<u>\$ 225,775</u>	<u>\$ 91,068</u>	<u>\$ 1,230,712</u>	<u>\$ 1,175,194</u>

11. COMMITMENTS AND CONTINGENCIES

The Village participates in a number of federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Village expects such amounts, if any, to be immaterial.

VILLAGE OF MEDINA, NEW YORK

Notes to Basic Financial Statements May 31, 2021

12. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas other pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria. All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas other pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The Village has six real property tax abatement agreements entered into by the County of Orleans IDA under Article 18-A of the real property tax law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT). As a result of these tax abatement agreements, for the year ended May 31, 2021, the Village's tax revenues were reduced by \$76,747.

13. COVID-19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID – 19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Village and its future results and financial position is not presently determinable.

14. AMERICAN RESCUE PLAN ACT

The American Rescue Plan Act is projected to provide the Village with approximately \$580,101. The funds are to be used for costs associated with responding to COVID-19, to support workers performing essential work, to cover revenue losses caused by the pandemic, or to make necessary investments in water, sewer or broadband infrastructure.

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

15. PRIOR PERIOD ADJUSTMENT

The Village adopted GASB Statement No. 84, *Fiduciary Activities*, during the year ended May 31, 2021. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

This Statement clarified the criteria for reporting certain activities as governmental or fiduciary activities. As a result, the Village no longer reports any fiduciary funds and the following funds were restated:

	Governmental Activities			Fiduciary Activities	
	Cash	Accrued		Agency Fund	
		Liabilities	Net Position	Cash	Liabilities
Balance at May 31, 2020, as previously reported	\$ 2,512,101	\$ (59,097)	\$ (17,643,264)	\$ 170,767	\$ (170,767)
Restatement of beginning balance - Adoption of GASB Statement No. 84	<u>170,767</u>	<u>(23,594)</u>	<u>(147,173)</u>	<u>(170,767)</u>	<u>170,767</u>
Balance at June 1, 2020, as restated	<u>\$ 2,682,868</u>	<u>\$ (82,691)</u>	<u>\$ (17,790,437)</u>	<u>\$ -</u>	<u>\$ -</u>
			General Fund		
	Cash	Accrued		Deferred	
		Liabilities	Fund Balance	Inflows	
Balance at May 31, 2020, as previously reported		\$ 761,242	\$ (48,454)	\$ (1,370,836)	\$ -
Restatement of beginning balance - Adoption of GASB Statement No. 84		<u>76,992</u>	<u>(23,594)</u>	<u>12,750</u>	<u>(66,148)</u>
Balance at June 1, 2020, as restated		<u>\$ 838,234</u>	<u>\$ (72,048)</u>	<u>\$ (1,358,086)</u>	<u>\$ (66,148)</u>

VILLAGE OF MEDINA, NEW YORK

**Notes to Basic Financial Statements
May 31, 2021**

	Capital Fund		Permanent Fund	
	Cash	Fund Balance	Cash	Fund Balance
Balance at May 31, 2020, as previously reported	\$ 429,550	\$ (839,923)	\$ -	\$ -
Restatement of beginning balance - Adoption of GASB Statement No. 84	<u>2,971</u>	<u>(2,971)</u>	<u>90,804</u>	<u>(90,804)</u>
Balance at June 1, 2020, as restated	<u>\$ 432,521</u>	<u>\$ (842,894)</u>	<u>\$ 90,804</u>	<u>\$ (90,804)</u>

16. SUBSEQUENT EVENT

On October 1, 2021, the Village issued a Bond Anticipation Note in the amount of \$234,000, \$159,000 of which was a new issuance and \$75,000 of which was a renewal. The BAN will fund various equipment, technology, and vehicle purchases, as well as building repairs. It has an interest rate of 0.2900% and will mature on September 30, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

VILLAGE OF MEDINA, NEW YORK

Statement of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual - General Fund (Unaudited)
For the year ended May 31, 2021

	General Fund			
	Original Budget	Final Budget	(Budgetary Basis) Actual	Variance with Final Budget
				Positive (Negative)
REVENUES:				
Property taxes and other tax items	\$ 3,283,059	\$ 3,283,059	\$ 3,274,253	\$ (8,806)
Non-property taxes	295,000	295,000	301,239	6,239
Departmental income	1,295,500	1,295,500	1,318,031	22,531
Intergovernmental charges	161,172	161,172	103,145	(58,027)
Use of money and property	3,500	3,500	1,325	(2,175)
Licenses and permits	48,900	48,900	59,064	10,164
Fines and forfeitures	200	200	-	(200)
Sale of property and compensation for loss	21,000	21,000	101,569	80,569
Federal aid	59,744	59,744	74,634	14,890
State aid	396,967	351,444	211,380	(140,064)
Miscellaneous	80,700	126,223	118,873	(7,350)
Total revenues	<u>5,645,742</u>	<u>5,645,742</u>	<u>5,563,513</u>	<u>(82,229)</u>
EXPENDITURES:				
General governmental support	648,830	629,250	556,564	72,686
Public safety	1,733,941	1,733,941	1,562,249	171,692
Public health	1,003,705	1,003,705	923,859	79,846
Transportation	646,517	646,517	549,770	96,747
Culture and recreation	107,944	111,951	124,782	(12,831)
Home and community services	202,009	203,137	177,473	25,664
Economic assistance and opportunity	5,000	5,000	3,375	1,625
Employee benefits	1,296,911	1,311,456	1,196,485	114,971
Debt service - principal	233,000	233,000	287,482	(54,482)
Debt service - interest	47,885	47,885	37,227	10,658
Total expenditures	<u>5,925,742</u>	<u>5,925,842</u>	<u>5,419,266</u>	<u>506,576</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(280,000)</u>	<u>(280,100)</u>	<u>144,247</u>	<u>424,347</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from long-term debt	50,000	50,000	-	(50,000)
Transfers - in	-	-	40,000	40,000
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>40,000</u>	<u>(10,000)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (230,000)</u>	<u>\$ (230,100)</u>	<u>184,247</u>	<u>\$ 414,347</u>
FUND BALANCE - beginning of year, as previously reported			1,370,836	
PRIOR PERIOD ADJUSTMENT (Note 15)			<u>(12,750)</u>	
FUND BALANCE- beginning of year, as restated			<u>1,358,086</u>	
FUND BALANCES - end of year			<u>\$ 1,542,333</u>	

VILLAGE OF MEDINA, NEW YORK

**Statement of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual - Water Fund
(Unaudited)
For the year ended May 31, 2021**

	Water Fund			
	Original Budget	Final Budget	(Budgetary Basis) Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Departmental income	\$ 2,060,000	\$ 2,060,000	\$ 1,760,510	\$ (299,490)
Use of money and property	<u>100</u>	<u>100</u>	<u>32</u>	<u>(68)</u>
Total revenues	<u>2,060,100</u>	<u>2,060,100</u>	<u>1,760,542</u>	<u>(299,558)</u>
EXPENDITURES:				
General governmental support	26,836	26,836	26,836	-
Home and community services	1,196,906	1,206,576	1,061,153	145,423
Employee benefits	227,449	227,449	215,537	11,912
Debt service - principal	195,000	195,000	195,000	-
Debt service - interest	<u>70,166</u>	<u>70,166</u>	<u>70,166</u>	<u>-</u>
Total expenditures	<u>1,716,357</u>	<u>1,726,027</u>	<u>1,568,692</u>	<u>157,335</u>
NET CHANGE IN FUND BALANCES	<u>\$ 343,743</u>	<u>\$ 334,073</u>	191,850	<u>\$ (142,223)</u>
FUND BALANCES - beginning of year			<u>1,038,862</u>	
FUND BALANCES - end of year			<u>\$ 1,230,712</u>	

VILLAGE OF MEDINA, NEW YORK

**Statement of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual - Sewer Fund
(Unaudited)
For the year ended May 31, 2021**

	Sewer Fund			
	Original Budget	Final Budget	(Budgetary Basis) Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Departmental income	\$ 1,081,500	\$ 1,081,500	\$ 1,015,735	\$ (65,765)
Use of money and property	200	200	48	(152)
Total revenues	<u>1,081,700</u>	<u>1,081,700</u>	<u>1,015,783</u>	<u>(65,917)</u>
EXPENDITURES:				
General governmental support	26,836	26,836	26,835	1
Home and community services	568,708	568,708	520,115	48,593
Employee benefits	228,405	228,405	218,030	10,375
Debt service - principal	251,562	251,562	251,562	-
Debt service - interest	1,855	1,855	1,855	-
Total expenditures	<u>1,077,366</u>	<u>1,077,366</u>	<u>1,018,397</u>	<u>58,969</u>
NET CHANGE IN FUND BALANCES	<u>\$ 4,334</u>	<u>\$ 4,334</u>	(2,614)	<u>\$ (6,948)</u>
FUND BALANCES - beginning of year			<u>1,177,808</u>	
FUND BALANCES - end of year			<u>\$ 1,175,194</u>	

VILLAGE OF MEDINA, NEW YORK

**Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)
For the year ended May 31, 2021**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS										
Proportion of the net pension liability (asset)	0.003%	0.003%	0.003%							
Proportionate share of the net pension liability (asset)	\$ 3	\$ 851	\$ 238							
Covered-employee payroll	\$ 1,003	\$ 924	\$ 883							
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.30%	92.10%	26.95%							
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.27%							

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - PFRS										
Proportion of the net pension liability (asset)	0.076%	0.071%	0.080%							
Proportionate share of the net pension liability (asset)	\$ 1,315	\$ 3,804	\$ 1,353							
Covered-employee payroll	\$ 2,084	\$ 1,983	\$ 1,831							
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	63.10%	191.83%	73.89%							
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.79%	84.86%	95.09%							

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

VILLAGE OF MEDINA, NEW YORK

**Schedule of Contributions - Pension Plans (Unaudited)
For the year ended May 31, 2021**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 133	\$ 125	\$ 127							
Contributions in relation to the contractually required contribution	<u>133</u>	<u>125</u>	<u>127</u>							
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>							
Covered-employee payroll	\$ 1,003	\$ 924	\$ 883							
Contributions as a percentage of covered- employee payroll	13.26%	13.53%	14.38%							

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - PFRS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 411	\$ 384	\$ 475							
Contributions in relation to the contractually required contribution	<u>411</u>	<u>384</u>	<u>475</u>							
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>							
Covered-employee payroll	\$ 2,084	\$ 1,983	\$ 1,831							
Contributions as a percentage of covered- employee payroll	19.72%	19.36%	25.94%							

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

VILLAGE OF MEDINA, NEW YORK

**Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
For the Year Ended May 31, 2021**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability										
Service cost	\$ 26	\$ 23	\$ -							
Interest	94	96	-							
Changes of benefit terms	-	-	-							
Differences between expected and actual experience	-	-	-							
Changes in assumptions	628	(1,218)	78							
Benefit payments	(96)	(93)	(112)							
Total change in total OPEB liability	652	(1,192)	(34)							
Total OPEB liability - beginning	2,695	3,887	3,921							
Total OPEB liability - ending	\$ 3,347	\$ 2,695	\$ 3,887							
Covered-employee payroll	\$ 3,233	\$ 2,974	\$ 324							
Total OPEB liability as a percentage of covered-employee payroll	103.5%	90.6%	1199.7%							

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	2.16%	3.51%	3.19%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

SUPPLEMENTARY INFORMATION

VILLAGE OF MEDINA, NEW YORK

Combining Balance Sheet - Nonmajor Governmental Funds
 May 31, 2021

	Special Grants Fund	Permanent Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash - restricted	\$ 220,043	\$ 91,068	\$ 311,111
Due from other governments	<u>16,988</u>	<u>-</u>	<u>16,988</u>
Total assets	<u>\$ 237,031</u>	<u>\$ 91,068</u>	<u>\$ 328,099</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 11,256	\$ -	\$ 11,256
Total liabilities	<u>11,256</u>	<u>-</u>	<u>11,256</u>
FUND BALANCES:			
Restricted	<u>225,775</u>	<u>91,068</u>	<u>316,843</u>
Total fund balances	<u>225,775</u>	<u>91,068</u>	<u>316,843</u>
Total liabilities and fund balances	<u>\$ 237,031</u>	<u>\$ 91,068</u>	<u>\$ 328,099</u>

VILLAGE OF MEDINA, NEW YORK

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

For the year ended May 31, 2021

	Special Grants Fund	Permanent Fund	Total Nonmajor Governmental Funds
REVENUES:			
Use of money and property	\$ 22	\$ 264	\$ 286
Miscellaneous	3,095	-	3,095
Federal aid	38,553	-	38,553
Total revenues	<u>41,670</u>	<u>264</u>	<u>41,934</u>
EXPENDITURES:			
General governmental support	<u>38,553</u>	-	<u>38,553</u>
Total expenditures	<u>38,553</u>	-	<u>38,553</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,117</u>	<u>264</u>	<u>3,381</u>
CHANGE IN FUND BALANCE	<u>3,117</u>	<u>264</u>	<u>3,381</u>
FUND BALANCE - beginning of year, as previously reported	222,658	-	222,658
PRIOR PERIOD ADJUSTMENT (Note 15)	-	<u>90,804</u>	<u>90,804</u>
FUND BALANCE- beginning of year, as restated	<u>222,658</u>	<u>90,804</u>	<u>313,462</u>
FUND BALANCE - end of year	<u>\$ 225,775</u>	<u>\$ 91,068</u>	<u>\$ 316,843</u>