

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
VILLAGE of Hamburg
County of Erie
For the Fiscal Year Ended 05/31/2018

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

VILLAGE OF Hamburg

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2017 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2018:

- (A) GENERAL
- (EE) ENTERPRISE UTILITY
- (G) SEWER
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (TA) AGENCY
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2017 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption

All numbers in this report will be rounded to the nearest dollar.

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(A) GENERAL

Balance Sheet

Code Description	2017	EdpCode	2018
Assets			
Cash	4,997,823	A200	3,653,128
Petty Cash	1,050	A210	1,050
TOTAL Cash	4,998,873		3,654,178
Investments In Securities	17,862	A450	2,022,173
TOTAL Investments	17,862		2,022,173
Accounts Receivable	34,545	A380	63,594
TOTAL Other Receivables (net)	34,545		63,594
Due From Other Funds	724,617	A391	190,926
TOTAL Due From Other Funds	724,617		190,926
Due From Other Governments	406,687	A440	806,697
TOTAL Due From Other Governments	406,687		806,697
Prepaid Expenses	99,029	A480	419,260
TOTAL Prepaid Expenses	99,029		419,260
Cash Special Reserves	1,735,023	A230	1,829,813
TOTAL Restricted Assets	1,735,023		1,829,813
TOTAL Assets and Deferred Outflows of Resources	8,016,636		8,986,641

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(A) GENERAL

Balance Sheet

Code Description	2017	EdpCode	2018
Accounts Payable	259,920	A600	344,495
TOTAL Accounts Payable	259,920		344,495
Compensated Absences	286,472	A687	330,209
TOTAL Other Liabilities	286,472		330,209
Due To Other Funds		A630	26,407
TOTAL Due To Other Funds	0		26,407
TOTAL Liabilities	546,392		701,111
Deferred Inflows of Resources			
Deferred Inflow of Resources	711,407	A691	833,424
TOTAL Deferred Inflows of Resources	711,407		833,424
TOTAL Deferred Inflows of Resources	711,407		833,424
Fund Balance			
Not in Spendable Form	99,029	A806	419,260
TOTAL Nonspendable Fund Balance	99,029		419,260
Insurance Reserve	219,410	A863	240,931
Capital Reserve	952,131	A878	1,068,602
Reserve For Debt	563,482	A884	520,280
TOTAL Restricted Fund Balance	1,735,023		1,829,813
Assigned Appropriated Fund Balance	180,000	A914	209,000
Assigned Unappropriated Fund Balance	141,822	A915	488,456
TOTAL Assigned Fund Balance	321,822		697,456
Unassigned Fund Balance	4,602,963	A917	4,505,577
TOTAL Unassigned Fund Balance	4,602,963		4,505,577
TOTAL Fund Balance	6,758,837		7,452,106
TOTAL Liabilities, Deferred Inflows And Fund Balance	8,016,636		8,986,641

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(A) GENERAL

Results of Operation

Code Description	2017	EdpCode	2018
Revenues			
Real Property Taxes	6,618,699	A1001	6,674,468
TOTAL Real Property Taxes	6,618,699		6,674,468
Other Payments In Lieu of Taxes	121,211	A1081	128,695
Interest & Penalties On Real Prop Taxes	32,560	A1090	34,030
TOTAL Real Property Tax Items	153,771		162,725
Non Prop Tax Dist By County	1,200,092	A1120	1,211,399
Utilities Gross Receipts Tax	58,881	A1130	100,203
Franchises	186,171	A1170	177,601
Interest & Penalties On Non-Property Taxes		A1190	1,471
TOTAL Non Property Tax Items	1,445,144		1,490,674
Treasurer Fees	2,219	A1230	2,138
Other Public Safety Departmental Income	6,700	A1589	3,080
Public Works Charges	2,464	A1710	5,190
Park And Recreational Charges	168,038	A2001	243,810
Special Recreational Facility Charges	77,748	A2025	79,944
Refuse & Garbage Charges	4,295	A2130	266,116
TOTAL Departmental Income	261,464		600,278
Fire Protection Services Other Govts	163,487	A2262	193,630
TOTAL Intergovernmental Charges	163,487		193,630
Interest And Earnings	4,723	A2401	25,446
Rental of Real Property	203,045	A2410	204,269
TOTAL Use of Money And Property	207,768		229,715
Business & Occupational License	5,370	A2501	6,415
Games of Chance	65	A2530	38
Bingo Licenses	517	A2540	658
Building And Alteration Permits	140	A2555	38,390
TOTAL Licenses And Permits	6,092		45,501
Fines And Forfeited Bail	98,801	A2610	88,367
TOTAL Fines And Forfeitures	98,801		88,367
Sales of Scrap & Excess Materials	115	A2650	95
Sales of Refuse For Recycling	4,376	A2651	3,776
Sales of Equipment		A2665	10,200
Insurance Recoveries	44,001	A2680	71,624
Other Compensation For Loss	14,610	A2690	2,330
TOTAL Sale of Property And Compensation For Loss	63,102		88,025
Refunds of Prior Year's Expenditures	14,019	A2701	3,788
Gifts And Donations	1,287	A2705	105
Premium On Obligations		A2710	199,642
Unclassified (specify)	43,900	A2770	64,087
TOTAL Miscellaneous Local Sources	59,206		267,622
St Aid, Revenue Sharing	112,676	A3001	102,635
St Aid, Mortgage Tax	123,767	A3005	97,531
St Aid - Other (specify)	93,276	A3089	545,422
St Aid, Consolidated Highway Aid	192,588	A3501	204,557

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(A) GENERAL

Results of Operation

Code Description	2017	EdpCode	2018
Revenues			
St Aid, Youth Programs	472	A3820	2,529
TOTAL State Aid	522,779		952,674
Fed Aid, Other Home And Comm Services		A4989	
TOTAL Federal Aid	0		0
TOTAL Revenues	9,600,313		10,793,679
Interfund Transfers	133	A5031	155,173
TOTAL Interfund Transfers	133		155,173
TOTAL Other Sources	133		155,173
TOTAL Detail Revenues And Other Sources	9,600,446		10,948,852

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(A) GENERAL

Results of Operation

Code Description	2017	EdpCode	2018
Expenditures			
Legislative Board, Pers Serv	20,264	A10101	22,068
Legislative Board, Contr Expend	333,204	A10104	152,685
TOTAL Legislative Board	353,468		174,753
Municipal Court, Pers Serv	68,557	A11101	70,573
Municipal Court, Equip & Cap Outlay	77	A11102	326
Municipal Court, Contr Expend	4,435	A11104	4,447
TOTAL Municipal Court	73,069		75,346
Mayor, Pers Serv	10,484	A12101	10,484
Mayor, Contr Expend	1,330	A12104	2,027
TOTAL Mayor	11,814		12,511
Auditor, Contr Expend	27,675	A13204	28,738
TOTAL Auditor	27,675		28,738
Treasurer, Pers Serv	324,898	A13251	280,965
Treasurer, Equip & Cap Outlay	7,718	A13252	3,208
Treasurer, Contr Expend	53,677	A13254	50,017
TOTAL Treasurer	386,293		334,190
Purchasing, Contr Expend	3,817	A13454	3,811
TOTAL Purchasing	3,817		3,811
Fiscal Agents Fees, Contr Expend		A13804	76,786
TOTAL Fiscal Agents Fees	0		76,786
Law, Pers Serv	8,838	A14201	9,015
Law, Contr Expend	71,857	A14204	94,455
TOTAL Law	80,695		103,470
Elections, Pers Serv	370	A14501	610
Elections, Contr Expend	437	A14504	62
TOTAL Elections	807		672
Records Mgmt, Contr Expend	3,674	A14604	5,060
TOTAL Records Mgmt	3,674		5,060
Public Works Admin, Pers Serv	75,357	A14901	82,861
Public Works Admin, Equip & Cap Outlay	2,550	A14902	1,878
Public Works Admin, Contr Expend	19,438	A14904	21,554
TOTAL Public Works Admin	97,345		106,293
Buildings, Pers Serv	15,791	A16201	15,674
Buildings, Contr Expend	17,247	A16204	48,558
TOTAL Buildings	33,038		64,232
Central Garage, Pers Serv	195,715	A16401	233,183
Central Garage, Equip & Cap Outlay	15,269	A16402	4,199
Central Garage, Contr Expend	274,796	A16404	265,270
TOTAL Central Garage	485,780		502,652
Central Print & Mail, contr Expend	16,161	A16704	8,714
TOTAL Central Print & Mail	16,161		8,714
Unallocated Insurance, Contr Expend	147,560	A19104	147,641
TOTAL Unallocated Insurance	147,560		147,641
Municipal Assn Dues, Contr Expend	4,819	A19204	4,579
TOTAL Municipal Assn Dues	4,819		4,579

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(A) GENERAL

Results of Operation

Code Description	2017	EdpCode	2018
Expenditures			
Judgements And Claims, Contr Expend	18,701	A19304	3,500
TOTAL Judgements And Claims	18,701		3,500
Pur of Land/right of Way, Contr Expend		A19404	7,239
TOTAL Pur of Land/right of Way	0		7,239
Taxes & Assess On Munic Prop, Contr Expend	19,366	A19504	20,583
TOTAL Taxes & Assess On Munic Prop	19,366		20,583
Other Gen Govt Support, Contr Expend	3,181	A19894	3,368
TOTAL Other Gen Govt Support	3,181		3,368
TOTAL General Government Support	1,767,263		1,684,138
Police, Pers Serv	1,336,789	A31201	1,497,220
Police, Equip & Cap Outlay	39,607	A31202	49,076
Police, Contr Expend	24,059	A31204	39,718
TOTAL Police	1,400,455		1,586,014
Traffic Control, Contr Expen	5,526	A33104	3,397
TOTAL Traffic Control	5,526		3,397
Fire, Equip & Cap Outlay	45,629	A34102	29,628
Fire, Contr Expend	242,941	A34104	250,499
TOTAL Fire	288,570		280,127
Misc Public Safety, Contr Expend	86,812	A39894	12,099
TOTAL Misc Public Safety	86,812		12,099
TOTAL Public Safety	1,781,363		1,881,637
Public Health, Contr Expend	4,226	A40104	5,115
TOTAL Public Health	4,226		5,115
Ambulance, Equip & Cap Outlay	2,877	A45402	4,500
Ambulance, Contr Expend	6,190	A45404	6,550
TOTAL Ambulance	9,067		11,050
TOTAL Health	13,293		16,165
Maint of Streets, Pers Serv	916,326	A51101	904,076
Maint of Streets, Equip & Cap Outlay		A51102	411
Maint of Streets, Contr Expend	89,022	A51104	107,670
TOTAL Maint of Streets	1,005,348		1,012,157
Snow Removal, Equip & Cap Outlay	4,300	A51422	4,739
Snow Removal, Contr Expend	33,654	A51424	45,644
TOTAL Snow Removal	37,954		50,383
Street Lighting, Contr Expend	124,013	A51824	124,062
TOTAL Street Lighting	124,013		124,062
Sidewalks, Contr Expend	36,957	A54104	22,653
TOTAL Sidewalks	36,957		22,653
Escalators, Contr Expend	4,866	A54204	3,377
TOTAL Escalators	4,866		3,377
TOTAL Transportation	1,209,138		1,212,632
Parks, Contr Expend	22,587	A71104	19,084
TOTAL Parks	22,587		19,084
Playgr & Rec Centers, Pers Serv	76,159	A71401	91,849
Playgr & Rec Centers, Equip & Cap Outlay	5,986	A71402	6,215

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(A) GENERAL

Results of Operation

Code Description	2017	EdpCode	2018
Expenditures			
Playgr & Rec Centers, Contr Expend	18,569	A71404	83,175
TOTAL Playgr & Rec Centers	100,714		181,239
Joint Rec Proj, Pers Serv	68,412	A71451	68,707
Joint Rec Proj, Contr Expend	58,812	A71454	47,114
TOTAL Joint Rec Proj	127,224		115,821
Band Concerts, Contr Expend	5,000	A72704	5,000
TOTAL Band Concerts	5,000		5,000
Youth Prog, Pers Serv	336,906	A73101	351,344
Youth Prog, Equip & Cap Outlay	5,141	A73102	4,699
Youth Prog, Contr Expend	47,666	A73104	45,435
TOTAL Youth Prog	389,713		401,478
Historical Property, Contr Expend	2,868	A75204	1,445
TOTAL Historical Property	2,868		1,445
Adult Recreation, Pers Serv	1,773	A76201	1,843
Adult Recreation, Equip & Cap Outlay	458	A76202	448
Adult Recreation, Contr Expend	11,698	A76204	12,859
TOTAL Adult Recreation	13,929		15,150
TOTAL Culture And Recreation	662,035		739,217
Zoning, Pers Serv	347	A80101	254
TOTAL Zoning	347		254
Planning, Pers Serv	546	A80201	506
Planning, Contr Expend	826	A80204	506
TOTAL Planning	1,372		1,012
Refuse & Garbage, Pers Serv	260,697	A81601	248,581
Refuse & Garbage, Contr Expend	166,215	A81604	173,258
TOTAL Refuse & Garbage	426,912		421,839
Street Cleaning, Equip & Cap Outlay	1,829	A81702	2,500
TOTAL Street Cleaning	1,829		2,500
Shade Tree, Contr Expend	7,475	A85604	10,782
TOTAL Shade Tree	7,475		10,782
TOTAL Home And Community Services	437,935		436,387
State Retirement System	616,706	A90108	634,940
Local Pension Fund, Empl Bnfts	60,000	A90258	71,000
Social Security, Employer Cont	283,401	A90308	283,579
Worker's Compensation, Empl Bnfts	290,181	A90408	353,521
Unemployment Insurance, Empl Bnfts	2,625	A90508	2,493
Hospital & Medical (dental) Ins, Empl Bnft	1,157,502	A90608	1,223,001
TOTAL Employee Benefits	2,410,415		2,568,534
Debt Principal, Serial Bonds	425,000	A97106	575,000
TOTAL Debt Principal	425,000		575,000

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(A) GENERAL

Results of Operation

Code Description	2017	EdpCode	2018
Expenditures			
Debt Interest, Serial Bonds	143,559	A97107	138,335
TOTAL Debt Interest	143,559		138,335
TOTAL Expenditures	8,850,001		9,252,045
Transfers, Other Funds		A99019	26,000
Transfers, Capital Projects Fund	514,387	A99509	977,536
TOTAL Operating Transfers	514,387		1,003,536
TOTAL Other Uses	514,387		1,003,536
TOTAL Detail Expenditures And Other Uses	9,364,388		10,255,581

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(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2017	EdpCode	2018
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	6,522,775	A8021	6,758,833
Restated Fund Balance - Beg of Year	6,522,775	A8022	6,758,833
ADD - REVENUES AND OTHER SOURCES	9,600,446		10,948,852
DEDUCT - EXPENDITURES AND OTHER USES	9,364,388		10,255,581
Fund Balance - End of Year	6,758,833	A8029	7,452,104

VILLAGE OF Hamburg
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(A) GENERAL

Budget Summary

Code Description	2018	EdpCode	2019
Estimated Revenues			
Est Rev - Real Property Taxes	6,675,381	A1049N	6,837,592
Est Rev - Real Property Tax Items	179,352	A1099N	165,159
Est Rev - Non Property Tax Items	1,440,000	A1199N	1,470,000
Est Rev - Departmental Income	554,398	A1299N	285,405
Est Rev - Intergovernmental Charges	165,105	A2399N	256,582
Est Rev - Use of Money And Property	182,934	A2499N	189,006
Est Rev - Licenses And Permits	6,365	A2599N	5,990
Est Rev - Fines And Forfeitures	95,000	A2649N	85,000
Est Rev - Sale of Prop And Comp For Loss	3,080	A2699N	3,080
Est Rev - Miscellaneous Local Sources	61,000	A2799N	52,000
Est Rev - Interfund Revenues	0	A2801N	
Est Rev - State Aid	437,067	A3099N	455,207
TOTAL Estimated Revenues	9,799,682		9,805,021
Appropriated Fund Balance	180,000	A599N	209,000
TOTAL Estimated Other Sources	180,000		209,000
TOTAL Estimated Revenues And Other Sources	9,979,682		10,014,021

VILLAGE OF Hamburg
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(A) GENERAL

Budget Summary

Code Description	2018	EdpCode	2019
Appropriations			
App - General Government Support	1,810,665	A1999N	1,802,107
App - Public Safety	1,801,092	A3999N	1,891,437
App - Health	17,850	A4999N	17,850
App - Transportation	1,274,438	A5999N	1,287,233
App - Culture And Recreation	740,703	A7999N	719,970
App - Home And Community Services	448,135	A8999N	451,445
App - Employee Benefits	2,707,480	A9199N	2,780,037
App - Debt Service	556,394	A9899N	549,156
Unappropriated Revenues	252,993	A990N	
TOTAL Appropriations	9,609,750		9,499,235
App - Interfund Transfer	369,932	A9999N	514,786
TOTAL Other Uses	369,932		514,786
TOTAL Appropriations And Other Uses	9,979,682		10,014,021

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(EE) ENTERPRISE UTILITY

Statement of Net Position

Code Description	2017	EdpCode	2018
Assets			
Cash	28,876	EE200	5,189
Petty Cash	100	EE210	100
TOTAL Cash	28,976		5,289
Accounts Receivable	14,457	EE380	12,876
TOTAL Other Receivables (net)	14,457		12,876
Inventory Of Materials And Supplies	10,328	EE445	11,098
TOTAL Inventories	10,328		11,098
TOTAL Assets and Deferred Outflows of Resources	53,761		29,263

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(EE) ENTERPRISE UTILITY

Statement of Net Position

Code Description	2017	EdpCode	2018
Accounts Payable	1,125	EE600	20,226
TOTAL Accounts Payable	1,125		20,226
Due To Other Funds	194,535	EE630	163,535
TOTAL Due To Other Funds	194,535		163,535
TOTAL Liabilities	195,660		183,761
Fund Balance			
Net Assets-Unrestricted (deficit)	-141,899	EE924	-154,498
TOTAL Net Position	-141,899		-154,498
TOTAL Fund Balance	-141,899		-154,498
TOTAL Liabilities, Deferred Inflows And Fund Balance	53,761		29,263

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(EE) ENTERPRISE UTILITY

Results of Operation

Code Description	2017	EdpCode	2018
Revenues			
Sale of Natural Gas	254,592	EE2154	292,954
TOTAL Charges For Services Within Locality	254,592		292,954
Interest And Earnings	12	EE2401	9
TOTAL Use of Money And Property	12		9
TOTAL Revenues	254,604		292,963
Interfund Transfers	25,500	EE5031	26,000
TOTAL Interfund Transfers	25,500		26,000
	25,500		26,000
TOTAL Operating Revenue	280,104		318,963

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(EE) ENTERPRISE UTILITY

Results of Operation

Code Description	2017	EdpCode	2018
Expenses			
Gas Distribution, Cont Expend	259,176	EE84304	331,562
TOTAL Gas Distribution	259,176		331,562
TOTAL Contractual Expenses	259,176		331,562
TOTAL Expenses	259,176		331,562
TOTAL Operating Expenses	259,176		331,562

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(EE) ENTERPRISE UTILITY

Analysis of Changes in Net Position

Code Description	2017	EdpCode	2018
Analysis of Changes in Net Position			
Net Position - Beginning of Year	-162,828	EE8021	-141,900
Restated Net Position - Beg of Year	-162,828	EE8022	-141,900
ADD - REVENUES AND OTHER SOURCES	280,104		318,963
DEDUCT - EXPENDITURES AND OTHER USES	259,176		331,562
Net Position - End of Year	-141,900	EE8029	-154,499

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Cash Flow

Code Description	2017	EdpCode	2018
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(G) SEWER

Balance Sheet

Code Description	2017	EdpCode	2018
Assets			
Cash	26,018	G200	25,679
TOTAL Cash	26,018		25,679
Cash Special Reserves	101,762	G230	32
TOTAL Restricted Assets	101,762		32
TOTAL Assets and Deferred Outflows of Resources	127,780		25,711

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(G) SEWER

Balance Sheet

Code Description	2017	EdpCode	2018
Deferred Inflows of Resources			
Deferred Inflow of Resources	14,374	G691	13,887
TOTAL Deferred Inflows of Resources	14,374		13,887
TOTAL Deferred Inflows of Resources	14,374		13,887
Fund Balance			
Reserve For Debt	101,762	G884	32
TOTAL Restricted Fund Balance	101,762		32
Assigned Unappropriated Fund Balance	11,644	G915	11,792
TOTAL Assigned Fund Balance	11,644		11,792
TOTAL Fund Balance	113,406		11,824
TOTAL Liabilities, Deferred Inflows And Fund Balance	127,780		25,711

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(G) SEWER

Results of Operation

Code Description	2017	EdpCode	2018
Revenues			
Debt Service, Other Govts	15,135	G2392	14,374
TOTAL Intergovernmental Charges	15,135		14,374
Interest And Earnings	116	G2401	186
TOTAL Use of Money And Property	116		186
TOTAL Revenues	15,251		14,560
Interfund Transfers		G5031	
TOTAL Interfund Transfers	0		0
TOTAL Other Sources	0		0
TOTAL Detail Revenues And Other Sources	15,251		14,560

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(G) SEWER

Results of Operation

Code Description	2017	EdpCode	2018
Expenditures			
Fiscal Agents Fees, Contr Expend	6,060	G13804	5,886
TOTAL Fiscal Agents Fees	6,060		5,886
TOTAL General Government Support	6,060		5,886
Debt Principal, Serial Bonds	70,000	G97106	70,000
Other Debt, Principal		G97896	
TOTAL Debt Principal	70,000		70,000
Debt Interest, Serial Bonds	40,473	G97107	40,256
TOTAL Debt Interest	40,473		40,256
TOTAL Expenditures	116,533		116,142
TOTAL Detail Expenditures And Other Uses	116,533		116,142

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(G) SEWER

Analysis of Changes in Fund Balance

Code Description	2017	EdpCode	2018
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	214,689	G8021	113,407
Restated Fund Balance - Beg of Year	214,689	G8022	113,407
ADD - REVENUES AND OTHER SOURCES	15,251		14,560
DEDUCT - EXPENDITURES AND OTHER USES	116,533		116,142
Fund Balance - End of Year	113,407	G8029	11,825

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(G) SEWER

Budget Summary

Code Description	2018	EdpCode	2019
Estimated Revenues			
Est Rev - Intergovernmental Charges	14,405	G2399N	13,898
Est Rev - Miscellaneous Local Sources	0	G2799N	
TOTAL Estimated Revenues	14,405		13,898
Appropriated Reserve	101,737	G511N	101,737
Estimated - Proceeds of Obligations	0	G5799N	
Appropriated Fund Balance	0	G599N	
TOTAL Estimated Other Sources	101,737		101,737
TOTAL Estimated Revenues And Other Sources	116,142		115,635

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(G) SEWER

Budget Summary

Code Description	2018	EdpCode	2019
Appropriations			
App - General Government Support	5,886	G1999N	5,712
App - Debt Service	110,256	G9899N	109,923
TOTAL Appropriations	116,142		115,635
TOTAL Appropriations And Other Uses	116,142		115,635

VILLAGE OF Hamburg
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For the Fiscal Year Ending 2018

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2017	EdpCode	2018
Assets			
Cash	36,871	H200	2,344,122
TOTAL Cash	36,871		2,344,122
Due From Other Funds		H391	26,407
TOTAL Due From Other Funds	0		26,407
TOTAL Assets and Deferred Outflows of Resources	36,871		2,370,529

VILLAGE OF Hamburg
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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2017	EdpCode	2018
Accounts Payable		H600	56,708
TOTAL Accounts Payable	0		56,708
Bond Anticipation Notes Payable		H626	3,003,000
TOTAL Notes Payable	0		3,003,000
Due To Other Funds	350,771	H630	27,366
TOTAL Due To Other Funds	350,771		27,366
TOTAL Liabilities	350,771		3,087,074
Fund Balance			
Assigned Appropriated Fund Balance		H914	
TOTAL Assigned Fund Balance	0		0
Unassigned Fund Balance	-313,900	H917	-716,545
TOTAL Unassigned Fund Balance	-313,900		-716,545
TOTAL Fund Balance	-313,900		-716,545
TOTAL Liabilities, Deferred Inflows And Fund Balance	36,871		2,370,529

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2017	EdpCode	2018
Revenues			
Interest And Earnings	133	H2401	6,954
TOTAL Use of Money And Property	133		6,954
Gifts And Donations	3,649	H2705	14,076
TOTAL Miscellaneous Local Sources	3,649		14,076
St Aid, Highway Cap Projects		H3591	531,825
TOTAL State Aid	0		531,825
TOTAL Revenues	3,782		552,855
Interfund Transfers	488,887	H5031	977,536
TOTAL Interfund Transfers	488,887		977,536
TOTAL Other Sources	488,887		977,536
TOTAL Detail Revenues And Other Sources	492,669		1,530,391

VILLAGE OF Hamburg
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For the Fiscal Year Ending 2018

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2017	EdpCode	2018
Expenditures			
Highway, Capital Projects	192,588	H51972	204,557
TOTAL Highway	192,588		204,557
TOTAL Transportation	192,588		204,557
Recreation, Equip & Cap Outlay		H71972	688,663
TOTAL Recreation	0		688,663
TOTAL Culture And Recreation	0		688,663
Other Home & Comm Serv, Equip & Cap Outlay	701,494	H89972	946,603
TOTAL Other Home & Comm Serv	701,494		946,603
TOTAL Home And Community Services	701,494		946,603
TOTAL Expenditures	894,082		1,839,823
Transfers, Other Funds	133	H99019	93,211
TOTAL Operating Transfers	133		93,211
TOTAL Other Uses	133		93,211
TOTAL Detail Expenditures And Other Uses	894,215		1,933,034

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2017	EdpCode	2018
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	87,646	H8021	-313,900
Restated Fund Balance - Beg of Year	87,646	H8022	-313,900
ADD - REVENUES AND OTHER SOURCES	492,669		1,530,391
DEDUCT - EXPENDITURES AND OTHER USES	894,215		1,933,034
Fund Balance - End of Year	-313,900	H8029	-716,543

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2017	EdpCode	2018
Assets			
Land	1,774,805	K101	1,774,805
Buildings	4,185,654	K102	4,185,654
Machinery And Equipment	5,188,286	K104	6,136,019
Construction Work In Progress	1,454,598	K105	2,670,583
Infrastructure	39,803,381	K106	39,855,035
Accum Deprec, Buildings	-1,327,677	K112	-1,369,758
Accum Depr, Machinery & Equip	-3,997,823	K114	-4,177,069
Accum Deprec, Infrastructure	-15,610,721	K116	-16,157,212
TOTAL Fixed Assets (net)	31,470,503		32,918,057
TOTAL Assets and Deferred Outflows of Resources	31,470,503		32,918,057

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2017	EdpCode	2018
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	31,470,503	K159	32,918,057
TOTAL Investments in Non-Current Government Assets	31,470,503		32,918,057
TOTAL Fund Balance	31,470,503		32,918,057
TOTAL	31,470,503		32,918,057

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(TA) AGENCY

Balance Sheet

Code Description	2017	EdpCode	2018
Assets			
Cash	153,675	TA200	94,095
TOTAL Cash	153,675		94,095
Investments In Securities	20,608	TA450	17,192
Service Award Program Assets	2,640,378	TA461	3,554,814
TOTAL Investments	2,660,986		3,572,006
Due From Other Funds		TA391	
TOTAL Due From Other Funds	0		0
Miscellaneous Current Assets	179,586	TA489	
TOTAL Other	179,586		0
TOTAL Assets and Deferred Outflows of Resources	2,994,247		3,666,101

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(TA) AGENCY

Balance Sheet

Code Description	2017	EdpCode	2018
Due To Other Funds	179,311	TA630	26
TOTAL Due To Other Funds	179,311		26
Consolidated Payroll	174,558	TA10	111,261
Service Awards	2,640,378	TA13	3,554,814
Other Funds (specify)		TA85	
TOTAL Agency Liabilities	2,814,936		3,666,075
TOTAL Liabilities	2,994,247		3,666,101
TOTAL Liabilities, Deferred Inflows And Fund Balance	2,994,247		3,666,101

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2017	EdpCode	2018
Assets			
Total Non-Current Govt Liabilities	12,492,741	W129	12,110,520
TOTAL Provision To Be Made In Future Budgets	12,492,741		12,110,520
TOTAL Assets and Deferred Outflows of Resources	12,492,741		12,110,520

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2018

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2017	EdpCode	2018
Net Pension Liability -Proportionate Share	745,334	W638	646,328
Total OPEB Liability	4,331,121	W683	4,755,197
Compensated Absences	1,121,286	W687	1,058,995
TOTAL Other Liabilities	6,197,741		6,460,520
Bonds Payable	6,295,000	W628	5,650,000
TOTAL Bond And Long Term Liabilities	6,295,000		5,650,000
TOTAL Liabilities	12,492,741		12,110,520
TOTAL Liabilities	12,492,741		12,110,520

VILLAGE OF Hamburg
Statement of Indebtedness
For the Fiscal Year Ending 2018

8/30/2018

County of: Erie

Municipal Code: 140436102100

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2018	BAN N	Cap. Projects - sidewalks			07/12/2017	07/25/2018	1.40%		\$3,003,000	\$0	\$0		\$0		\$3,003,000
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									\$3,003,000	\$0	\$0	\$0	\$0	\$0	\$3,003,000
2004	BOND N	Fire Hall			07/15/2003	07/15/2020	3.50%		\$1,905,000	\$330,000	\$110,000	\$0	\$0		\$220,000
2010	BOND N	2010 Bonds - Refinanced in 18			02/01/2010	05/31/2028	2.00%		\$3,255,000	\$2,015,000	\$315,000	\$0	\$0		\$1,700,000
2014	BOND N	Road Improvement			07/18/2013	07/15/2027	2.25%		\$2,015,000	\$1,595,000	\$150,000	\$0	\$0		\$1,445,000
2015	BOND N	Sewer- EFC			07/02/2014	05/01/2044	0.952%		\$2,576,468	\$2,355,000	\$70,000	\$0	\$0		\$2,285,000
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									\$0	\$6,295,000	\$645,000	\$0	\$0	\$0	\$5,650,000
AFR Year Total for All Debt Types - Sums Issued Amts only made in AFR Year									\$3,003,000	\$6,295,000	\$645,000	\$0	\$0	\$0	\$8,653,000

VILLAGE OF Hamburg
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2018

	EDP Code	Amount
CASH:		
On Hand	9Z2001	
Demand Deposits	9Z2011	\$1,311,571.00
Time Deposits	9Z2021	\$7,021,957.00
Total		\$8,333,528.00
 COLLATERAL:		
- FDIC Insurance	9Z2014	\$500,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$7,833,528.00
Total		\$8,333,528.00
 INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
 - Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

VILLAGE OF Hamburg
Bank Reconciliation
For the Fiscal Year Ending 2018

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-0446	\$1,138,860	\$8,027	\$346,280	\$800,607
****-1968	\$25,679	\$0	\$0	\$25,679
****-2606	\$75,299	\$0	\$0	\$75,299
****-2732	\$45,164	\$0	\$39,975	\$5,189
****-4257	\$1	\$0	\$0	\$1
****-4265	\$587	\$0	\$587	\$0
****-4625	\$22,496	\$0	\$0	\$22,496
****-5217	\$3,486	\$173	\$2,606	\$1,053
****-6645	\$6,956,172	\$0	\$0	\$6,956,172
****-8018	\$65,785	\$50	\$173	\$65,662
	Total Adjusted Bank Balance			\$7,952,158
	Petty Cash			\$1,050.00
	Adjustments			\$.00
	Total Cash			\$7,953,208
	Total Cash Balance All Funds			\$7,953,208
	* Must be equal			

VILLAGE OF Hamburg
Employee and Retiree Benefits
For the Fiscal Year Ending 2018

Total Full Time Employees:					
Total Part Time Employees:					
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$327,232.00			
90158	Police and Fire Retirement	\$307,708.00			
90258	Local Pension Fund	\$71,000.00			
90308	Social Security	\$283,579.00			
90408	Worker's Compensation Insurance	\$353,521.00			
90458	Life Insurance				
90508	Unemployment Insurance	\$2,493.00			
90558	Disability Insurance				
90608	Hospital and Medical (Dental) Insurance	\$1,223,001.00			
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$2,568,534.00			
Computed Total From Financial Section (comparative purposes only)		\$2,568,534.00			

VILLAGE OF Hamburg
 Energy Costs and Consumption
 For the Fiscal Year Ending 2018

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline			gallons	
Diesel Fuel			gallons	
Fuel Oil			gallons	
Natural Gas			cubic feet	
Electricity			kilowatt-hours	
Coal			tons	
Propane			gallons	

VILLAGE OF Hamburg
Financial Comments
For the Fiscal Year Ending 2018

(A) GENERAL

Section Comment

A3089 is made up of \$225,000 NYS housing grant, \$111,019 Recycling grant, \$90,700 garbage tote grant, DOT grant \$37,500, Grant for underutilized site study \$30,000, DWI program \$26,026, miscellaneous\$25,177

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document May 31, 2018

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Village of Hamburg, New York (the “Village”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The more significant of the Village’s accounting policies are described below.

Financial Reporting Entity - The Village of Hamburg is governed by its Charter, the Village law and other general laws of the State of New York and various local laws. The Village Board is the legislative body responsible for overall operations, the Mayor serves as chief executive officer and the Village Clerk-Treasurer serves as chief fiscal officer.

The following basic services are provided: police and law enforcement, fire protection, highway, recreation and natural gas service.

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

Government-wide and Fund Financial Statements - The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effects of interfund activity have been removed from these statements. Government activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document May 31, 2018

Note 1 - Summary of Significant Accounting Policies (cont.)

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

Fund Categories

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

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

Sewer Fund - This fund accounts for the revenues and expenditures derived from providing sanitary sewer services to Village residents.

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

Proprietary Fund - used to account for organizations or activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and changes in financial position. The Village's proprietary fund is an enterprise fund used for its municipal natural gas system.

Fiduciary Funds - used to account for assets held by the local government in a trustee or custodial capacity:

Agency Fund - used to account for money (and/or property) received and held in the capacity of trustee, custodian or agent. These include private purpose trusts, permanent trusts and agency funds. The private purpose trust is accounted for in essentially the same manner as governmental funds. The permanent trust funds are proprietary in nature and use the accrual basis of accounting. The agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve measurement of results of operations.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document May 31, 2018

Note 1 - Summary of Significant Accounting Policies (cont.)

Measurement Focus, Basis of Accounting and Financial Statement Presentation - Measurement focus is the determination of what is expressed in reporting an entity's financial performance and position, (i.e., expenditures or expenses). A particular measurement focus is accomplished both by considering what resources will be measured and the basis of accounting.

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

Accrual Basis - Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Modified Accrual Basis - All governmental funds are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except when:

- a) Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b) Principal and interest on long-term debt are not recognized as expenditure until due.
- c) Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document May 31, 2018

Note 1 - Summary of Significant Accounting Policies (cont.)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

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

Sewer Fund – this fund accounts for the revenues and expenditures derived from providing sanitary sewer services to Village residents.

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

Additionally, the Village reports the following fiduciary fund type that is used to account for assets held by the Village in a custodial capacity:

Agency Fund - used to account for money and property received and held in the capacity of custodian or agent. The Agency Fund is custodial in nature and does not involve measurement of results and operations. Agency funds, such as payroll withholdings, are reported as liabilities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues are those that cannot be associated directly with program activities.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document May 31, 2018

Note 1 - Summary of Significant Accounting Policies (cont.)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

Property Taxes - Village property taxes are levied annually by June 1. The Village tax rate is based on the amount per \$1,000 assessed valuation. Taxes may be paid without penalties on or before June 1 through July 1. Interest of 7.5% is added if paid between July 2 and July 31. An additional 1.5% is added for each month thereafter.

The Village receives the full amount of their levies annually. The uncollected portion of the tax roll is sent to the Erie County Commissioner of Finance at which time all unpaid taxes and penalties are re-levied onto the town/county tax bill. The County enforces all liens.

Budgetary Data

Budget Policies - The budget policies are as follows:

- a) No later than March 31 the budget officer submits a tentative budget to the Village Board for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except the Capital Projects Fund.
- b) After public hearings are conducted to obtain taxpayer comments, no later than May 1, the Village Board adopts the budget.
- c) All modifications of the budget must be approved by the Village Board.
- d) Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects, which remain in effect for the life of the projects.
- e) Budgetary controls are established by applicable grant agreements, which cover a period other than the Village's fiscal year.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document May 31, 2018

Note 1 - Summary of Significant Accounting Policies (cont.)

Budgetary Data

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

Budget Basis of Accounting - Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

General Fund comparisons of budgetary and actual data at the legal level of budgetary control, i.e. the object level, are not presented in this report due to the excessive detail involved. However, a separate budgetary comparison report is available which contains this information.

Insurance - The Village purchases insurance covering liability for most risks including, but not limited to, property damage, general liability, vehicle liability, workers' compensation and excess liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred, the amount of loss can be reasonably estimated and the estimated amount of loss exceeds insurance coverage.

Vacation and Sick Leave and Compensated Absences - Most Village employees are granted vacation, personal and sick leave and earn compensatory time in varying amounts. Employees may accumulate compensated absences and sick leave. Sick leave may accumulate up to a maximum of 300 days and are considered additional service time for those employees who retire. Some employees hired after June 1, 2010 may accumulate a maximum of 450 days which they can use to pay their cost of continuing their health insurance coverage upon retirement.

Post Employment Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Village provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the fifteenth (15th) day of the month prior to the actual month covered. There is no associated cost to the Village under this program.

Pensions - Nearly all Village employees are members of various New York State retirement systems. The Village is invoiced annually by the systems for its share of the costs.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 1 - Summary of Significant Accounting Policies (cont.)

Capitalized Interest - The Village generally capitalizes interest during construction as part of the cost of constructing capital projects when material.

Inventory - Inventory type items are stated at cost.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., streets and water lines), are reported in the governmental activities column on the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost equal to or greater than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated cost if purchased or constructed after 1980. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives is not capitalized. Property, plant and equipment are depreciated using the straight-line method over the estimated useful lives as follows:

Building and Building Improvements	15-40 years
Machinery and Equipment	3-25 years
Transportation Network	20-100 years
Water Treatment and Distribution Network	20-100 years

When capital assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period in the government-wide statements. Amortization of capital leases is computed using the straight-line method over the lease term or the estimated useful lives of the assets, whichever is shorter. Maintenance and repairs are charged to expense as incurred; significant renewals and betterments are capitalized.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document May 31, 2018

Note 1 - Summary of Significant Accounting Policies (cont.)

Equity Categories - The government-wide fund financial statements utilize a net position presentation.

Net position is categorized as:

Net Invested in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

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

The Fund financial statements utilize a fund balance presentation.

Fund Balance is categorized as:

Non-Spendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or law or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance.

Committed - Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision making authority, i.e., the Common Council.

Assigned - Included amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted or committed. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General fund.

Unassigned - Includes all other General Fund net position that do not meet the definition of the above four classifications and are deemed to be available for general use by the Village.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 2 - Detail Notes on All Funds

Assets

Cash and Investments - The Village investment policies are governed by state statutes. In addition, the Village also has its own written investment policy.

Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Clerk Treasurer is authorized to use demand accounts and certificates of deposit.

Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 102-105% of the amount of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

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

Deposits - All deposits including certificates of deposit are carried at cost plus accrued interest.

	Bank Balance
Insured (FDIC)	\$ 500,000
Collateralized:	
Collateral held by Bank's Agent in Village's name	<u>7,833,528</u>
Total deposits	<u>\$ 8,333,528</u>

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 2 - Detail Notes on All Funds (cont.)

Accounts Receivable - Major revenues accrued by the Village at May 31, 2018 include the following:

General Fund	
Franchise fees	\$ 30,000
NYSEG	7,904
National Fuel	7,339
Other receivables	<u>18,351</u>
Total	<u>\$ 63,594</u>

Due From Other Governments - Major other government revenues accrued by the Village at May 31, 2018 include the following:

General Fund	
Erie County - Sales Tax	\$ 265,000
NYS Grant - Palace	225,000
Recycle Grant	111,019
Miscellaneous	56,132
Mortgage Tax	45,639
Creekbend rentals	40,000
DOT Grant	37,500
CHIPS	<u>26,407</u>
Total	<u>\$ 806,697</u>

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 2 - Detail Notes on All Funds (cont.)

Interfund Activity – All interfund receivables and payables are expected to be paid back within one year.

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 190,926	\$ 26,407	\$ 155,173	\$ 1,003,536
Enterprise Fund	-	163,535	26,000	-
Sewer Fund	-	-	-	-
Capital Projects Fund	26,407	27,366	977,536	93,211
Trust & Agency Fund	<u>-</u>	<u>25</u>	<u>-</u>	<u>61,962</u>
Total	<u>\$ 217,333</u>	<u>\$ 217,333</u>	<u>\$ 1,158,709</u>	<u>\$ 1,158,709</u>

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document May 31, 2018

Note 2 - Detail Notes on All Funds (cont.)

Liabilities

Pension Plans

General Information - The Village of Hamburg participates in the New York State and Local Employees' Retirement System (ERS) and the New York State Police and Fire Retirement Systems (PFRS). These are cost sharing multiple employers, public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Descriptions

Employees Retirement System (ERS)

The New York State and Local Employees' Retirement System provides 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 System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues 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 System, Governor Alfred E. Smith State Office Building, Albany, New York 12244.

Police and Fire Retirement System (PFRS)

The New York State and Local Police and Fire Retirement System provide retirement benefits as well as death and disability benefits. Obligations of employers 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 System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues 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 System, Governor Alfred E. Smith Office Building, Albany, New York 12244.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 2 - Detail Notes on All Funds (cont.)

Pension Plans (Cont.)

Policy Funding

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. Effective October 1, 2000, employees with ten years of service credit or membership in the system are no longer required to make the 3% contribution. Employees who joined service on or after January 10, 2010 (Tier 5) must contribute 3% of salary for their entire length of service. Those joining after April 1, 2012 (Tier 6) are required to contribute 3.5% of their salary until March 31, 2013, after which the contribution percentage will be based on salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Village of Hamburg is required to contribute at an actuarially determined rate. The required contributions for the current year and the preceding two years were:

	<u>ERS</u>	<u>PFRS</u>
2018	\$ 327,232	\$ 307,708
2017	317,027	299,679
2016	388,648	289,530

The Village of Hamburg contributions made to the Systems were equal to 100% of the contributions required for each year.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 2 - Detail Notes on All Funds (cont.)

Bond anticipation notes payable – The Village issued bond anticipation notes during the year in the amount of \$3,003,000 to be used for capital projects.

Long-term Debt – At May 31, 2018, the total outstanding indebtedness of the Village aggregated \$8,653,000. This is comprised of BANs totaling \$3,003,000 and Serial Bonds totaling \$5,650,000. Of this amount, \$4,173,000 was subject to the constitutional debt limit and represented approximately 18.33% of its debt limit.

The following is a summary of changes in long-term liabilities for the year ended May 31, 2018

	Balance			Balance
	May 31, 2017	Additions	Deletions	May 31, 2018
Net pension liability	\$ 1,455,840	\$ -	\$ 809,512	\$ 646,328
OPEB liability	4,331,121	424,076	-	4,755,197
Compensated absences	1,121,286	-	62,291	1,058,995
General obligation bonds	<u>6,295,000</u>	<u>-</u>	<u>645,000</u>	<u>5,650,000</u>
Long term debt	<u>\$ 13,203,247</u>	<u>\$ 424,076</u>	<u>\$ 1,516,803</u>	<u>\$ 12,110,520</u>

Serial Bonds - The Village borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. 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.

VILLAGE OF HAMBURG, NEW YORK

**Notes to the Annual Update Document
May 31, 2018**

Note 2 - Detail Notes on All Funds (cont.)

Serial Bonds Maturity Schedule - The following is a statement of serial bonds with corresponding maturity schedules.

Description	Original Date Issued	Original Amount	Rate (%)	Date of Final Maturity	Outstanding
Public Improvements 2003	7/15/03	\$ 1,905,000	3.50-3.60	7/15/20	\$ 220,000
Public Improvements 2010	2/1/10	1,705,000	2.00-5.00	5/31/28	1,700,000
Roads 2013	7/18/13	2,015,000	2.25-3.50	7/15/27	1,445,000
Sewer 2014	7/2/14	2,576,468	1.82-4.30	5/1/44	2,285,000
Total					<u>\$ 5,650,000</u>

The following table summarizes the Village's future debt service requirements for serial bonds as of May 31, 2018:

Year Ending	Principal	Interest
2019	490,000	150,987
2020	500,000	139,573
2021	395,000	127,895
2022	400,000	119,974
2023	405,000	106,555
2024-2028	1,925,000	324,442
2028-2032	420,000	140,699
2033-2037	475,000	97,759
2038-2042	525,000	46,529
2043-2044	115,000	2,468
	<u>\$ 5,650,000</u>	<u>\$ 1,256,881</u>

VILLAGE OF HAMBURG, NEW YORK

**Notes to the Annual Update Document
May 31, 2018**

Note 2 - Detail Notes on All Funds (cont.)

Other Long-term Debt - In addition to the above long-term debt the Village had the following noncurrent liabilities:

Net pension liability – This amount represents the amounts by which the Village’s pension plan liability exceeds the pension plan’s net assets available to pay employee pension benefits. The pension liability is made up of the Employee Retirement System and the Police and Fire Retirement System. The net pension liabilities for these plans amounted to \$261,740 for ERS and \$384,588 for PFRS, for a grand total of \$646,328.

OPEB liability – This amount represents future obligations, usually health care benefits, owed to employees upon their retirement. The OPEB liability at December 31, 2018 was \$4,755,197 (\$4,331,121 for 2017).

Compensated Absences – This amount represents the value of earned and unused portion of the liability for compensated absences. At May 31, 2018, the balance is \$1,058,995 (\$1,121,286 for 2017).

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 2 - Detail Notes on All Funds (cont.)

Fund Equity

The following table presents fund balances by fund by category as of May 31, 2018:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Non-spendable	\$ 419,260	\$ -	\$ -	\$ -	\$ 419,260
Restricted:					
Insurance	240,931	-	-	-	240,931
Capital	1,068,602	-	-	-	1,068,602
Debt	520,280	-	32	-	520,312
Assigned	697,456	-	11,792	-	709,248
Unassigned	4,505,577	(154,498)	-	(716,545)	3,634,534
Total	<u>\$ 7,452,106</u>	<u>\$ (154,498)</u>	<u>\$ 11,824</u>	<u>\$ (716,545)</u>	<u>\$ 6,592,887</u>

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 3 - Capital Assets

Capital asset activity for the year ended May 31, 2018 is as follows:

	Balance June 1, 2017	Increases	Decreases	Balance May 31, 2018
Capital assets, not being depreciated:				
Land	\$ 1,774,805	\$ -	\$ -	\$ 1,774,805
Construction in progress	1,454,598	1,933,034	(717,049)	2,670,583
Total capital assets, not being depreciated	3,229,403	1,933,034	(717,049)	4,445,388
Capital assets being depreciated:				
Buildings and improvements	4,185,654	-	-	4,185,654
Machinery and equipment	5,188,286	947,733	-	6,136,019
Infrastructure	39,803,381	51,654	-	39,855,035
Total capital assets, being depreciated	49,177,321	999,387	-	50,176,708
Less: accumulated depreciation for:				
Buildings and improvements	1,327,678	42,080	-	1,369,758
Machinery and equipment	3,997,823	179,246	-	4,177,069
Infrastructure	15,610,721	546,491	-	16,157,212
Total accumulated depreciation	20,936,222	767,817	-	21,704,039
Total capital assets, being depreciated, net	28,241,099	231,570	-	28,472,669
Total capital assets, net	\$ 31,470,502	\$ 2,164,604	\$ (717,049)	\$ 32,918,057

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document May 31, 2018

Note 4 - Commitments and Contingencies

The Village receives financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds.

Note 5 - Fiduciary Fund – Defined Benefit Volunteer Firefighter Service Award Program

Program description - The Village established a defined benefit Service Award Program (referred to as a “LOSAP” – Length of Service Award Program – under Section 457(e)(11) of the Internal Revenue Code” effective January 1, 1993 for the active volunteer firefighter members of the Village of Hamburg Volunteer Fire Department, Inc. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the Program and the Program administrator.

An eligible Program Participant is defined to be an active volunteer firefighter who is at least 18 years of age and has earned one year of Service Award Program Service Credit. An active volunteer firefighter earns a year of Service Credit for each calendar year after the establishment of the program in which he or she accumulates 50 points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the Sponsor on the basis of a statutory list of activities and point values. A Participant may also receive Service Credit for five years of active volunteer firefighting service rendered prior to the establishment of the Program.

Participants acquire a non-forfeitable right to be paid a Service Award after earning five years of Service Credit, becoming totally and permanently disabled, dying while an active volunteer or upon attaining the Program’s Entitlement Age while an active volunteer. The Program’s Entitlement Age is age 62, and is the age at which benefits begin to be paid to Participants.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 5 - Fiduciary Fund – Defined Benefit Volunteer Firefighter Service Award Program (cont.)

Benefits - A Participant's Service Award benefit is paid as a ten year certain and continuous monthly payment life annuity. The amount payable each month equals \$20 multiplied by the total number of years of Service Credit earned by the Participant under the point system. The maximum number of years of Service Credit a Participant may earn under the Program is 40 years. Currently, there are no other forms of payment of a volunteer's earned Service Award under the Program.

Except in the case of Pre-Entitlement Age death or total and permanent disablement, a Participant's Service Award will not be paid until he or she attains the Entitlement Age. Volunteers who continue to be active after attaining the Entitlement age and beginning to be paid a Service Award continue to have the opportunity to earn Program credit and to thereby increase their Service Award payments. The pre-Entitlement Age death and disability benefit is equal to the actuarial value of the Participant's earned Service Award at the time of death or disablement. The Program does not provide extra line-of-duty death or disability benefits. All death and disability benefits are self-insured and are paid from the Program Trust Fund.

Participants covered by the benefit terms – At the December 31, 2017 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	37
Inactive participants entitled to but not yet receiving benefit payments	22
Active participants	<u>45</u>
Total	104

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

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

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 5 - Fiduciary Fund – Defined Benefit Volunteer Firefighter Service Award Program (cont.)

Measurement of Total Pension Liability

The total pension liability at the December 31, 2017 measurement date was determined using an actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Discount Rate – The discount rate used to measure the total pension liability was 3.16%. This was the yield to maturity of the S&P Municipal bond 20 Year High Grade Rate Index as of December 31, 2017. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody’s Investors Service’s, AA by Fitch, or AA by Standard & Poor’s Rating Services.

Changes in the Total Pension Liability

Balance as of 12/31/2016 measurement date	\$ 3,277,446
Service cost	50,765
Interest	120,776
Changes of assumptions or other inputs	244,187
Differences between expected and actual experience	7,200
Benefit payments	<u>(145,560)</u>
Net changes	<u>277,368</u>
Balance as of 12/31/2017 measurement date	<u>\$ 3,554,814</u>

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 5 - Fiduciary Fund – Defined Benefit Volunteer Firefighter Service Award Program (cont.)

Sensitivity of the Total Pension Liability to changes in the discount rate – The following presents the total pension liability of the Village as of the December 31, 2017 measurement date, calculated using the discount rate of 3.16 percent, as well as what the Village’s total pension liability would be if it were calculated using a discount rate that is 1- percentage point lower (2.16 percent) or 1-percentage point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	\$ 4,076,910	\$ 3,554,814	\$ 3,129,912

Pension Expense

For the year ended May 31, 2018, the Village recognized pension expense of \$212,361.

Components of Pension Expense

Service cost	\$ 50,765
Interest on total pension liability	120,776
Changes of assumptions or other inputs	30,147
Difference between expected and actual experience	889
Pension plan administrative expenses	9,785
Total pension expense	<u>\$ 212,362</u>

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document May 31, 2018

Note 6 - Other Postemployment Benefits

Village - In addition to providing pension benefits, the Village also provides health care benefits for retired employees, their dependents and certain survivors. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. Prior to 2009, the Village recognized the cost of providing postretirement health insurance benefits by expensing those costs when paid.

During 2009, the Village implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, prospectively. This statement establishes standards for the recognition, measurement, and display of other postemployment benefits (retiree health insurance) expenses and related liabilities and note disclosure.

Plan Description - The Village administers its Retiree Medical Plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for the continuation of medical benefits to certain qualifying retirees of the Village, and their spouses and can be amended by action of the Village. The Plan does not carry a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy - The obligations of the Plan members, employers and other entities are established by employment agreements. The required contribution rates of the employer and the members varies depending on the applicable agreement covering the retiree, the retiree's hiring date and number of years of service to the Village. The Village currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. For 2018, the Village contributed approximately \$463,000 for current premiums. The costs of administering this plan are paid by the Village.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 6 - Other Postemployment Benefits (cont.)

Funded Status and Funding Progress The schedule of funding progress presents multi-year (when available) trend information that is useful in determining whether the actuary's value of Plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liability. The following table sets forth the actuarial accrued liability and funded status of the Plan as of May 31, 2015 the latest valuation date.

Actuarial Accrued Liability (AAL)

Actuarial accrued liability	\$ 11,084,557
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>11,084,557</u>
Funded ratio	<u>0%</u>
Annual covered payroll	<u>3,742,103</u>
Ratio of unfunded actuarial accrued liability to covered payroll	<u>33.76%</u>
2018 normal cost	<u>289,033</u>

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 6 - Other Postemployment Benefits (cont.)

Funded Status and Funding Progress, (cont.)

The following table summarizes the amortization calculation of the UAAL as of the latest valuation date:

UAAL	\$ 11,084,557
Amortization period (years)	30
Amortization discount rate	4.00%
Present value factor	17.9837
2018 UAAL amortization amount	616,367

Annual OPEB Cost and Net OPEB Obligation - The Village's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfounded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for 2018:

Normal cost	\$ 289,033
Amortization of UAAL	616,367
Interest	<u>36,216</u>
ARR	941,616
Interest on OPEB obligation	122,356
Adjustment to ARC	<u>(176,896)</u>
OPEB expense	<u><u>\$ 887,076</u></u>

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 6 - Other Postemployment Benefits (cont.)

Funded Status and Funding Progress, (cont.)

The following table reconciles the Village's OPEB obligation at May 31, 2018:

Net OPEB obligation at beginning of year	\$ 4,331,121
2018 OPEB expense	887,076
2018 OPEB contributions	<u>(463,000)</u>
Net OPEB obligation at end of year	4,755,197
Less: estimated current portion of OPEB obligatic	<u>463,000</u>
Estimated long-term portion of OPEB obligation	<u>\$ 4,292,197</u>
Percentage of expense contributed	<u>20.67%</u>

Actuarial Methods and Assumptions - Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs (if any) between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

VILLAGE OF HAMBURG, NEW YORK

Notes to the Annual Update Document
May 31, 2018

Note 6 - Other Postemployment Benefits (cont.)

Actuarial Methods and Assumptions, (cont.)

The actuarial cost method used to calculate the costs of the Plan for age, disability, vested and surviving spouse's benefits is the Projected Unit Credit Actuarial Cost Method. Under this method, each participant's projected benefit is calculated at all possible ages based on the Plan provisions as well as the initial data and actuarial assumptions. For active participants, that AAL is determined by pro-rating the projected benefit based upon service accrued to the valuation date divided by service projected to be accrued at the first age of benefit eligibility. The normal cost is determined by dividing the projected benefit by service projected to be accrued at the first age of benefit eligibility.

The measurement date for the calculation was May 31st and the discount rate utilized was 4%. No salary increases were assumed since benefits are not based on compensation. Health care costs for both governmental and business-type activities were assumed to increase as follows:

<u>Year</u>	<u>Trend Increase Medical Trend Rate</u>
2016 and thereafter	5.0%

Note 7 - Subsequent Events

The Village has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 31, 2018, the date the Annual Update Document was available to be issued.

* * * * *