

VILLAGE OF LEWISTON, NEW YORK

FINANCIAL STATEMENTS

MAY 31, 2026

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INDEPENDENT AUDITORS' REPORT

The Village Board of Trustees
Village of Lewiston, New York

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of Village of Lewiston, New York (the Village) as of and for the year ended May 31, 2026, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the Village as of May 31, 2026, and the respective changes in financial position and the budgetary comparisons for the general, water, and sewer funds for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

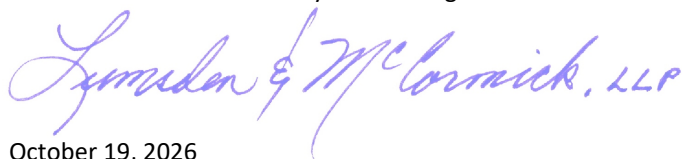
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquires 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.

Management's Discussion and Analysis

The Village has omitted management's discussion and analysis that GAAP requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the GASB, 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. Our opinion on the basic financial statements is not affected by this missing information.

A handwritten signature in blue ink that reads "Lyndon & McCormick, LLP". The signature is written in a cursive, flowing style.

October 19, 2026

Statement of Net Position

May 31, 2026

(with comparative totals as of May 31, 2025)

	2026	2025
Assets		
Cash	\$ 1,008,633	\$ 919,886
Investments	2,031,402	1,727,165
Accounts receivable	171,178	186,752
Due from other governments	112,406	472,938
Due from state	-	345,000
Leases receivable	511,219	533,280
Capital assets (Note 5)	11,302,169	11,311,328
Accumulated depreciation and amortization	(4,760,972)	(4,521,984)
Total assets	10,376,035	10,974,365
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	196,373	274,602
Deferred outflows of resources related to LOSAP	62,154	80,051
Deferred outflows of resources related to OPEB	459,279	313,715
Total deferred outflows of resources	717,806	668,368
Liabilities		
Accounts payable	71,421	615,762
Accrued liabilities	153,963	140,725
Due to retirement systems	28,298	26,376
Due to other governments	157,346	103,053
Long-term liabilities		
Due within one year		
Leases	-	14,620
Bonds	175,000	190,000
Compensated absences	14,500	11,900
Due beyond one year		
Bonds	2,000,000	2,175,000
Compensated absences	130,300	106,700
Net pension liability	199,060	599,158
Total LOSAP pension liability	1,798,854	1,806,619
Total OPEB liability	4,301,488	3,902,648
Total liabilities	9,030,230	9,692,561
Deferred Inflows of Resources		
Deferred inflows of resources related to leases	511,219	533,280
Deferred inflows of resources related to pensions	444,170	95,657
Deferred inflows of resources related to LOSAP	90,497	125,978
Deferred inflows of resources related to OPEB	1,653,697	2,032,876
Total deferred inflows of resources	2,699,583	2,787,791
Net Position		
Net investment in capital assets	4,366,197	4,409,724
Restricted	778,541	590,687
Unrestricted (deficit)	(5,780,710)	(5,838,030)
Total net position (deficit)	\$ (635,972)	\$ (837,619)

See accompanying notes.

VILLAGE OF LEWISTON, NEW YORK

Statement of Activities

For the year ended May 31, 2026
(with summarized comparative totals for May 31, 2025)

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions	2026	2025
Governmental activities:					
General government support	\$ 1,089,842	\$ 455,364	\$ 133,613	\$ (500,865)	\$ 273,521
Public safety	941,464	4,775	-	(936,689)	(869,424)
Health	3,150	-	-	(3,150)	(3,201)
Transportation	698,099	-	199,173	(498,926)	(514,564)
Economic assistance and opportunity	4,000	-	-	(4,000)	(4,000)
Culture and recreation	567,431	-	-	(567,431)	(140,905)
Home and community services	1,420,678	895,552	-	(525,126)	(607,005)
Interest expense	75,793	-	-	(75,793)	(69,307)
	<u>\$ 4,800,457</u>	<u>\$ 1,355,691</u>	<u>\$ 332,786</u>	<u>(3,111,980)</u>	<u>(1,934,885)</u>
General revenues					
Real property taxes				1,357,464	1,319,068
Nonproperty taxes				1,298,796	1,201,112
Miscellaneous				657,367	244,483
Total general revenues				<u>3,313,627</u>	<u>2,764,663</u>
Change in net position				201,647	829,778
Net position (deficit) - beginning				(837,619)	(1,667,397)
Net position (deficit) - ending				<u>\$ (635,972)</u>	<u>\$ (837,619)</u>

See accompanying notes.

VILLAGE OF LEWISTON, NEW YORK

Balance Sheet - Governmental Funds

May 31, 2026

(with summarized comparative totals as of May 31, 2025)

	General	Water	Sewer	Capital Projects	Total Governmental Funds	
					2026	2025
Assets						
Cash	\$ 650,868	\$ 12,143	\$ 176,358	\$ 169,264	\$ 1,008,633	\$ 919,886
Investments	1,873,807	-	157,595	-	2,031,402	1,727,165
Accounts receivable	-	80,639	90,539	-	171,178	186,752
Due from other governments	112,406	-	-	-	112,406	472,938
Due from state	-	-	-	-	-	345,000
Due from other funds, net	184,671	-	7,258	-	191,929	84,995
Leases receivable	511,219	-	-	-	511,219	533,280
Total assets	\$ 3,332,971	\$ 92,782	\$ 431,750	\$ 169,264	\$ 4,026,767	\$ 4,270,016
Liabilities						
Accounts payable	\$ 50,237	\$ 10,570	\$ 10,614	\$ -	\$ 71,421	\$ 615,762
Accrued liabilities	143,624	868	3,471	-	147,963	133,725
Due to retirement systems	22,638	2,830	2,830	-	28,298	26,376
Due to other funds, net	-	138,768	-	53,161	191,929	84,995
Due to other governments	-	101,921	55,425	-	157,346	103,053
Total liabilities	216,499	254,957	72,340	53,161	596,957	963,911
Deferred Inflows of Resources						
Deferred inflows of resources related to leases	511,219	-	-	-	511,219	533,280
Fund Balances						
Nonspendable:						
Cemetery	14,061	-	-	-	14,061	14,061
Restricted:						
Sewer	-	-	347,645	-	347,645	360,122
Capital	169,943	-	-	116,103	286,046	85,715
Employee benefits	115,622	-	-	-	115,622	115,622
Debt service	28,483	-	-	-	28,483	28,483
LOSAP	1,246,288	-	-	-	1,246,288	1,069,619
Unemployment	745	-	-	-	745	745
Assigned:						
Designated for subsequent year's expenditures	509,168	-	11,765	-	520,933	585,833
Unassigned (deficit)	520,943	(162,175)	-	-	358,768	512,625
Total fund balances (deficit)	2,605,253	(162,175)	359,410	116,103	2,918,591	2,772,825
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,332,971	\$ 92,782	\$ 431,750	\$ 169,264	\$ 4,026,767	\$ 4,270,016

See accompanying notes.

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

May 31, 2026

Total fund balances - governmental funds \$ 2,918,591

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

Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds. 6,541,197

The Village's pension and postemployment benefits and related deferred outflows and deferred inflows of resources are recognized in the government-wide financial statements and include:

Pension	(446,857)	
LOSAP	(1,827,197)	
OPEB	<u>(5,495,906)</u>	(7,769,960)

Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:

Accrued interest	(6,000)	
Bonds	(2,175,000)	
Compensated absences	<u>(144,800)</u>	(2,325,800)

Net position (deficit) - governmental activities \$ (635,972)

VILLAGE OF LEWISTON, NEW YORK

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

For the year ended May 31, 2026
(with summarized comparative totals for May 31, 2025)

	General	Water	Sewer	Capital Projects	Total Governmental Funds	
					2026	2025
Revenues						
Real property taxes	\$ 1,357,464	\$ -	\$ -	\$ -	\$ 1,357,464	\$ 1,319,068
Nonproperty taxes	1,298,796	-	-	-	1,298,796	1,201,112
Departmental income	49,808	379,320	440,420	73,566	943,114	944,189
Intergovernmental charges	387,004	-	-	-	387,004	370,882
Use of money and property	309,068	-	5,853	-	314,921	201,393
Licenses and permits	20,798	-	-	-	20,798	23,442
Fines and forfeitures	4,775	-	-	-	4,775	3,807
Miscellaneous local sources	34,257	-	-	-	34,257	378,620
Sale of property and compensation for loss	329,073	-	-	-	329,073	-
State sources	332,786	-	-	-	332,786	690,257
Federal sources	-	-	-	-	-	307,606
Total revenues	4,123,829	379,320	446,273	73,566	5,022,988	5,440,376
Expenditures						
General government support	758,084	15,358	16,001	15,058	804,501	1,218,170
Public safety	829,657	-	-	-	829,657	806,170
Health	2,000	-	-	-	2,000	2,000
Transportation	656,080	-	-	-	656,080	593,684
Economic assistance and opportunity	4,000	-	-	-	4,000	4,000
Culture and recreation	416,007	-	-	-	416,007	732,440
Home and community services	348,894	376,444	367,970	-	1,093,308	1,437,643
Employee benefits	662,386	64,856	63,014	-	790,256	763,908
Debt service						
Principal	204,620	-	-	-	204,620	172,642
Interest	76,793	-	-	-	76,793	70,307
Total expenditures	3,958,521	456,658	446,985	15,058	4,877,222	5,800,964
Excess revenues (expenditures)	165,308	(77,338)	(712)	58,508	145,766	(360,588)
Other financing sources (uses)						
Proceeds from issuance of debt	-	-	-	-	-	310,000
Net change in fund balances	165,308	(77,338)	(712)	58,508	145,766	(50,588)
Fund balances (deficit) - beginning	2,439,945	(84,837)	360,122	57,595	2,772,825	2,823,413
Fund balances (deficit) - ending	\$ 2,605,253	\$ (162,175)	\$ 359,410	\$ 116,103	\$ 2,918,591	\$ 2,772,825

See accompanying notes.

**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities**

For the year ended May 31, 2026

Total net change in fund balances - governmental funds		\$	145,766
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which depreciation and amortization expense and disposals exceed capital outlays.			
			(248,147)
Pension, LOSAP, and OPEB revenue (expense) are recognized when paid on the statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities:			
Pension	(26,644)		
LOSAP	25,349		
OPEB	125,903		124,608
Payments of long-term liabilities are reported as expenditures in governmental funds and as a reduction of debt in the statement of net position.			
			204,620
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:			
Interest	1,000		
Compensated absences	(26,200)		(25,200)
Change in net position - governmental activities		\$	201,647

VILLAGE OF LEWISTON, NEW YORK

**Statement of General and Major Special Revenue Funds Revenues,
Expenditures, and Changes in Fund Balances Budget (Non-GAAP) and Actual**

For the year ended May 31, 2026

	General Fund				Water Fund				Sewer Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)
	Original	Final			Original	Final			Original	Final		
Revenues												
Real property taxes	\$ 1,359,733	\$ 1,359,733	\$ 1,357,464	\$ (2,269)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonproperty taxes	1,350,000	1,350,000	1,298,796	(51,204)	-	-	-	-	-	-	-	-
Departmental income	81,500	81,500	49,808	(31,692)	467,222	467,222	379,320	(87,902)	486,186	486,186	440,420	(45,766)
Intergovernmental charges	388,620	388,620	387,004	(1,616)	-	-	-	-	-	-	-	-
Use of money and property	160,000	160,000	309,068	149,068	-	-	-	-	9,000	9,000	5,853	(3,147)
Licenses and permits	25,050	25,050	20,798	(4,252)	-	-	-	-	-	-	-	-
Fines and forfeitures	7,000	7,000	4,775	(2,225)	-	-	-	-	-	-	-	-
Miscellaneous local sources	69,328	69,328	34,257	(35,071)	-	-	-	-	-	-	-	-
Sale of property and compensation for loss	1,500	14,470	329,073	314,603	-	-	-	-	-	-	-	-
State sources	270,000	270,000	332,786	62,786	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	3,712,731	3,725,701	4,123,829	398,128	467,222	467,222	379,320	(87,902)	495,186	495,186	446,273	(48,913)
Expenditures												
General government support	920,518	946,011	758,084	(187,927)	16,025	16,025	15,358	(667)	16,525	16,525	16,001	(524)
Public safety	926,450	902,783	829,657	(73,126)	-	-	-	-	-	-	-	-
Health	2,000	2,000	2,000	-	-	-	-	-	-	-	-	-
Transportation	714,460	725,755	656,080	(69,675)	-	-	-	-	-	-	-	-
Economic assistance and opportunity	5,000	5,000	4,000	(1,000)	-	-	-	-	-	-	-	-
Culture and recreation	387,222	387,222	416,007	28,785	-	-	-	-	-	-	-	-
Home and community services	409,120	408,969	348,894	(60,075)	380,432	380,432	376,444	(3,988)	416,176	416,176	367,970	(48,206)
Employee benefits	646,632	646,632	662,386	15,754	70,765	70,765	64,856	(5,909)	71,485	71,485	63,014	(8,471)
Debt service												
Principal	209,000	195,231	204,620	9,389	-	-	-	-	-	-	-	-
Interest	78,162	91,931	76,793	(15,138)	-	-	-	-	-	-	-	-
Total expenditures	4,298,564	4,311,534	3,958,521	(353,013)	467,222	467,222	456,658	(10,564)	504,186	504,186	446,985	(57,201)
Excess revenues (expenditures)	(585,833)	(585,833)	165,308	751,141	-	-	(77,338)	(77,338)	(9,000)	(9,000)	(712)	8,288
Other financing sources (uses)												
Appropriated fund balance	585,833	585,833	-	(585,833)	-	-	-	-	9,000	9,000	-	(9,000)
Total other financing sources (uses)	585,833	585,833	-	(585,833)	-	-	-	-	9,000	9,000	-	(9,000)
Excess revenues (expenditures) and other financing sources (uses)	\$ -	\$ -	\$ 165,308	\$ 165,308	\$ -	\$ -	\$ (77,338)	\$ (77,338)	\$ -	\$ -	\$ (712)	\$ (712)

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Village of Lewiston, New York (the Village) is governed by local laws and ordinances, Village law, General Municipal Law, and other laws of the State of New York (the State). The governing body is the elected Village Board (the Board). The Mayor serves as the chief executive officer and the Treasurer serves as the chief fiscal officer. The scope of activities included within the financial statements are those transactions that comprise the Village's operations and are governed by, or significantly influenced by, the Board. The primary functions of the Village are to provide basic services such as governmental administration, tax collection, street maintenance, public safety, water, sewer, and recreational services.

The financial reporting entity includes all funds, account groups, functions, and organizations over which Village officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Village has no component units as defined by accounting principles generally accepted in the United States of America (GAAP).

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

Basis of Presentation

Government-Wide Financial Statements: The statement of net position and the statement of activities display financial activities of the overall Village, except for fiduciary activities, if any. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the Village. Governmental activities generally are financed through real property, sales, and franchise taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Village does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities:

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the Village's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and fines and assessments collected for violations of traffic laws or Village ordinances, (b) grants and contributions that are restricted to meeting the operational requirements of a particular program, and (c) capital grants and contributions limited to the purchase or construction of specific capital assets, if any. Revenues that are not classified as program revenues, including real property, sales, and franchise taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Village's funds. Separate statements for each fund category – *governmental and fiduciary* – are presented. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column. The Village does not maintain any fiduciary funds.

The Village reports the following major funds:

- *General fund.* This is the Village's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Water fund.* This is a special revenue fund whose specific revenue sources are restricted for the operations and support of the Village's water delivery system.
- *Sewer fund.* This is a special revenue fund whose specific revenue sources are restricted for the operations and support of the infrastructure surrounding the Village's sewer system.

The Village also elected to display the following as a major fund:

- *Capital projects fund.* This fund is used to account for and report financial resource or improvement that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition, construction, or improvement of capital assets and capital improvements financed through state and federal grants or proceeds from debt.

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Village's financial statements for the year ended May 31, 2025, from which the summarized information was derived.

Basis of Accounting and Measurement Focus

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 flows take place. Nonexchange transactions, in which the Village receives value directly without giving equal value in exchange, include real property, sales, and franchise taxes, grants, and donations. Revenue from real property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset additions are reported as expenditures in the governmental funds. Proceeds of long-term liabilities are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

Subsequent Events

The Village has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 19, 2026, the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

Real Property Taxes

Real property taxes are levied annually no later than May 1 and become a lien on June 1. Taxes are collected by the Village Tax Collector during the period June 1 to October 31. Niagara County assumes enforcement responsibility for all unpaid taxes levied by the Village.

Budget Process, Amendments, and Encumbrances

Annual appropriations are adopted and employed for control of the general and special revenue funds. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year may be increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

No later than March 31st of each year, a tentative budget is submitted to the Board for the fiscal year commencing the following June 1. The tentative budget includes both proposed expenditures and the means of financing for all funds requiring a budget. After public hearings are conducted to obtain comments from interested parties, the Board adopts the budget. The Mayor exercises administrative budgetary control throughout the year. All modifications of the budget must be approved by the Board.

Major capital expenditures are subject to individual project budgets based on the cost of the project and external financing rather than annual appropriations. For the capital projects fund, when necessary, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and again in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At June 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

Cash and Investments

Cash and investment management is governed by State laws and as established in the Village's written policies. Cash must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village's policies permit the Treasurer to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit 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. At May 31, 2026, the Village's bank deposits were fully insured by FDIC coverage or collateralized with securities held by the pledging institution's agent in the Village's name.

Leases Receivable and Deferred Inflows of Resources Related to Leases

Leases receivable and deferred inflows of resources related to leases are initially recorded at the present value of the expected future lease payments. Principal repayments and interest revenue are recognized as payments are received. Lease revenue is recognized using the effective interest rate over the lease term as deferred inflows of resources are amortized.

Capital Assets

Capital assets including infrastructure are generally reported at actual or estimated historical cost based on appraisals. Financed right-to-use lease assets are recorded at the present value of the initial lease liability. Contributed assets are recorded at fair value at the time received. Depreciation and amortization are provided in the government-wide financial statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which assets are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Buildings and improvements	\$ 10,000-25,000	5 – 40
Infrastructure	\$ 25,000	20 – 30
Machinery and equipment	\$ 2,500	3 – 10
Vehicles	\$ 5,000	5 – 10

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid and unused accumulated vacation and sick time that is more likely than not to be used, paid, or settled by noncash means prior to or at termination of employment. Such accumulated time is valued based on a combination of the applicable employees' rates of pay at year end and contractual rates of payout at retirement, based on estimates of amounts to be used for each. Year to year changes in the liability are presented as a net increase or decrease (Note 6).

Pension

The Village participates in the New York State and Local Employees' Retirement System (ERS), as mandated by State law. ERS recognizes benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide financial statements, the Village recognizes its proportionate share of the net pension position, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position (Note 7) on the same basis as reported by the defined benefit pension plan.

Length of Service Award Program (LOSAP)

On the government wide financial statements, the LOSAP pension liability, deferred outflows and deferred inflows of resources, and LOSAP pension expense for the Village's defined benefit LOSAP pension plan (Note 8) have been measured on the same basis as reported by the plan. Benefit payments are recognized when due and payable in accordance with benefit terms.

Other Postemployment Benefits (OPEB)

On the government-wide financial statements, the total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense for the Village's defined benefit healthcare plan (Note 9) have been measured on the same basis as reported by the plan. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Equity Classifications

Government-Wide Financial Statements

The Village is required to classify net position into three categories:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by related liabilities and deferred inflows of resources. Restrictions are imposed by external organizations such as federal or state laws or the terms of the Village's bonds.
- *Unrestricted* – the net amount of assets and deferred outflows of resources less liabilities and deferred inflows of resources that is not included in the determination of net investment in capital assets or the restricted component of net position and therefore is available for general use by the Village.

Governmental Fund Financial Statements

The Village considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget or the revenue source is specifically restricted or committed for expenditure. Within unrestricted fund balance, the Village considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash and include amounts permanently restricted to cemetery maintenance.

Restricted fund balances generally result from reserves established by the State of New York Legislature and included in General Municipal Law as authorized for use by the Board as well as investments restricted to the Village's LOSAP, net of benefits payable, if any. Earnings on invested resources are required to be added to the various reserves.

Fund balance restrictions include the following reserves:

- *Capital* – used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued.
- *Employee benefits* – used to account for payments of accumulated vacation and sick time due upon termination of an employee's services. It is established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- *Debt service* – is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond premiums), and remaining bond proceeds not needed for their original purpose as required under §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Unemployment* – used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the Village uses the benefit reimbursement method.

Committed fund balances are authorized by the Board as recommended by the Village's management prior to the end of the year, although funding of the commitment may be established subsequent to year end.

Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. The Board has also given the Village's management the authority to assign fund balances for specific purposes that are neither restricted nor committed.

Interfund Balances

The operations of the Village include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are generally repaid within one year. Permanent transfers of funds provide financing or other services.

If applicable, interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the Village's practice to settle these amounts at the net balances due between funds.

2. Stewardship and Compliance

The water fund has a deficit fund balance of \$162,175.

3. Investments

At May 31, 2026, a portion of the Village's investments were held in an external investment pool comprised of U.S. Treasury Securities, repurchase agreements, and deposits held by custodian banks. The external investment pool issues its own financial statements which are included in its annual report available at www.newyorkclass.org. The Village also maintains investments, including resources restricted to its LOSAP, which consist primarily of fixed income and equity securities. Investments are recognized at fair value using quoted prices for similar assets and liabilities in active markets.

Credit risk is the risk of loss attributed to the magnitude of the Village's investments in a single issuer. The Village's external investment pool is rated AAAM by S&P's Global Ratings.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit its exposure, the Village's external investment pool limits the maturity dates of its investments. The dollar weighted average days to maturity (WAM) at May 31, 2026 is 39 days. Next interest reset dates for floating rate securities are used in calculation of the WAM. The weighted average life of the pool is 68 days.

4. Interfund Transactions – Fund Financial Statements

Fund	Receivable	Payable
General	\$ 184,671	\$ -
Water	-	138,768
Sewer	7,258	-
Capital projects	-	53,161
	<u>\$ 191,929</u>	<u>\$ 191,929</u>

The Village's general fund provides cash flow to various other funds; these amounts are repaid in the subsequent year when funds are received from various state and local sources or when permanent financing is obtained.

5. Capital Assets

	June 1, 2025	Increases	Retirements/ Reclassifications	May 31, 2026
Non-depreciable and non-amortizable capital assets:				
Land	\$ 147,384	\$ -	\$ (20,884)	\$ 126,500
Depreciable capital assets:				
Buildings and improvements	3,021,065	-	-	3,021,065
Infrastructure	5,951,547	93,186	-	6,044,733
Vehicles and equipment	2,088,552	104,493	(185,954)	2,007,091
Total depreciable assets	11,061,164	197,679	(185,954)	11,072,889
Accumulated depreciation:				
Buildings and improvements	(548,263)	(113,937)	-	(662,200)
Infrastructure	(2,181,138)	(239,616)	-	(2,420,754)
Vehicles and equipment	(1,741,193)	(61,111)	185,954	(1,616,350)
Total accumulated depreciation	(4,470,594)	(414,664)	185,954	(4,699,304)
Total depreciable assets, net	6,590,570	(216,985)	-	6,373,585
Right-to-use lease assets:				
Equipment	102,780	-	-	102,780
Accumulated amortization	(51,390)	(10,278)	-	(61,668)
Total right-to-use assets, net	51,390	(10,278)	-	41,112
	\$ 6,789,344	\$ (227,263)	\$ (20,884)	\$ 6,541,197

Depreciation and amortization expense has been allocated to the following functions: general government support \$87,113, public safety \$94,337, transportation \$73,515, home and community \$121,958, and culture and recreation \$48,019.

The Village leases certain building space, easements, and land to various third parties under noncancellable agreements through February 2050 with interest rates at 3%. Outstanding leases receivable and corresponding deferred inflows of resources amounted to \$511,219 at May 31, 2026. For the year ended May 31, 2026, the Village recognized lease revenue of \$22,061 and interest revenue of \$15,995.

As of May 31, 2026, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation and amortization	\$ 6,541,197
Bonds	(2,175,000)
	<u>\$ 4,366,197</u>

6. Long-Term Liabilities

	June 1, 2025	Increases	Decreases	May 31, 2026	Amount Due In One Year
Leases	\$ 14,620	\$ -	\$ 14,620	\$ -	\$ -
Bonds	2,365,000	-	190,000	2,175,000	175,000
Compensated absences	118,600	26,200	-	144,800	14,500
	<u>\$ 2,498,220</u>	<u>\$ 26,200</u>	<u>\$ 204,620</u>	<u>\$ 2,319,800</u>	<u>\$ 189,500</u>

Existing Obligations

Description	Maturity	Rate	Balance
2016 Public improvement serial bonds	November 2041	1.99%	\$ 825,000
2023 Public improvement serial bonds	November 2041	4.00%-4.25%	1,095,000
2025 Public improvement serial bonds	May 2030	3.80%-4.79%	255,000
			<u>\$ 2,175,000</u>

Debt Service Requirements

Years ending May 31,	Bonds	
	Principal	Interest
2027	\$ 175,000	\$ 69,379
2028	180,000	63,343
2029	180,000	57,048
2030	185,000	50,522
2031	130,000	43,363
2032-2036	655,000	151,840
2037-2041	550,000	61,187
2042	120,000	1,872
	<u>\$ 2,175,000</u>	<u>\$ 498,554</u>

7. Pension Plan

Plan Description

The Village participates in ERS, which is a cost-sharing, multiple-employer, public employee retirement system that provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues publicly available financial reports that include financial statements and required supplementary information. Those reports may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: ERS provides retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. ERS requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The State Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Village to the pension accumulation fund. For 2026, these rates ranged from 12.7% - 19.5%.

A liability to ERS of \$28,298 is accrued based on the Village's legally required contribution for employee services rendered from April 1 through May 31, 2026.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At May 31, 2026, the Village reported a liability of \$199,060 for its proportionate share of the ERS net pension position.

The total pension liability at the March 31, 2026 measurement date was determined by an actuarial valuation as of April 1, 2025, with update procedures applied to roll forward the total pension liability to March 31, 2026. The Village's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for ERS's fiscal year ended on the measurement date. At March 31, 2026, the Village's proportion was 0.0035283%, an increase of 0.0000338 from its proportion measured as of March 31, 2025.

For the year ended May 31, 2026, the Village recognized pension expense of \$175,634 on the government-wide financial statements. At May 31, 2026, the Village reported deferred outflows and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 113,914	\$ -
Changes of assumptions	34,170	-
Net difference between projected and actual earnings on pension plan investments	-	(356,925)
Changes in proportion and differences between Village contributions and proportionate share of contributions	19,991	(87,245)
Village contributions subsequent to the measurement date	28,298	-
	<u>\$ 196,373</u>	<u>\$ (444,170)</u>

Contributions subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending May 31,	
2027	\$ 54,090
2028	(149,309)
2029	(91,924)
2030	(88,952)
2031	-
	<u>\$ (276,095)</u>

Actuarial Assumptions

The actuarial assumptions used in the April 1, 2025 valuation, with update procedures used to roll forward the total pension liability to March 31, 2026, were based on the results of an actuarial experience study for the period April 1, 2020 to March 31, 2025. These assumptions are:

Inflation – 2.9%

Salary increases – 5.2%

Cost of living adjustments – 1.5% annually

Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation

Mortality – Society of Actuaries' Scale MP-2021

Discount rate – 5.9%

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.

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and the System's target asset allocations as of the valuation date are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	25%	3.3%
Global and international equities	14%	5.9%
Private equities	15%	7.0%
Real estate equities	12%	5.2%
Domestic fixed income securities	22%	1.8%
Cash and cash equivalents	1%	0.3%
Other	11%	5.1%-5.5%
	<u>100%</u>	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, ERS' 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.

The following presents the Village's proportionate share of its net pension position calculated using the discount rate of 5.9% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
Village's proportionate share of the net pension asset (liability)	\$ (1,359,523)	\$ (199,060)	\$ 771,139

8. LOSAP

Plan Description

Pursuant to Article 11-A of the New York State General Municipal Law, the Village established a defined benefit LOSAP (the Program) for the active volunteer firefighters of the Lewiston Fire Company No. 1 (the Company). The Program became effective January 1, 1994. The Program provides municipally funded benefits to volunteer firefighters. The Village is the sponsor and administrator of the Program.

Active volunteer firefighters who have reached the age of 18 and who have earned one year of service credit are eligible to participate in the Program. In general, an active volunteer firefighter earns service credit for each calendar year after the establishment of the Program in which he or she accumulates 50 points. Points are granted for attending various activities of the Company in accordance with a point system adopted by the Village in accordance with General Municipal Law.

A participant acquires a non-forfeitable right to be paid a benefit from the Program 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 of 60. The benefit payable is equal to \$20 for each year of service credit earned, up to a maximum of \$800 for 40 years of service credit. This benefit is paid as a lifetime monthly annuity guaranteed for 10 years. The monthly benefit of a participant that remains active after the entitlement age and earns additional service credit is increased by \$20 beginning with the January 1 payment after the year in which the service credit was earned.

The Program provides a pre-entitlement age death benefit of a lump sum equal to the actuarial present value of the accrued benefit. The minimum pre-entitlement age death benefit payable for active members is \$20,000. If a participant dies after the entitlement age, the beneficiary shall continue to receive the remaining portion of the guaranteed monthly payments. The Program provides a pre-entitlement age disability benefit of a lump sum equal to the actuarial present value of the accrued benefit.

As of December 31, 2025, participants covered by the program include:

Active participants	22
Inactive participants entitled to but not yet receiving benefit payments	14
Participants currently receiving benefit payments	36
	<u>72</u>

Total LOSAP Pension Liability

At May 31, 2026, the Village reported a total LOSAP pension liability of \$1,798,854 in the government-wide financial statements. The total LOSAP pension liability was measured as of December 31, 2025 and was determined by an actuarial valuation as of the same date.

The total LOSAP pension liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Salary increases – not applicable

Inflation – not applicable

Mortality – RP2014 male/female, no projection for mortality improvement

Discount rate – 4.43% based on the Fidelity General Obligation 20-Year AA Municipal Bond Index

Changes in the Total LOSAP Pension Liability

	Total LOSAP Pension Liability
Balance at May 31, 2025	<u>\$ (1,806,619)</u>
Changes for the year:	
Service cost	(53,532)
Interest	(77,782)
Changes of benefit terms	-
Changes of assumptions or other inputs	32,833
Differences between expected and actual experience	19,726
Benefit payments	<u>86,520</u>
Net changes	<u>7,765</u>
Balance at May 31, 2026	<u>\$ (1,798,854)</u>

The following presents the Village's total LOSAP pension liability calculated using the discount rate of 4.43% and the impact of using a discount rate that is 1% higher or lower than the current rate:

	1.0% Decrease	At Current Discount Rate	1.0% Increase
Total LOSAP pension liability	<u>\$ (2,037,562)</u>	<u>\$ (1,798,854)</u>	<u>\$ 1,602,745)</u>

LOSAP Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to LOSAP

For the year ended May 31, 2026, the Village recognized LOSAP pension expense of \$62,460 on the government-wide financial statements. At May 31, 2026, the Village reported deferred outflows and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (50,785)
Changes of assumptions	16,044	(39,712)
Benefit payments subsequent to the measurement date	46,110	-
	<u>\$ 62,154</u>	<u>\$ (90,497)</u>

Benefit payments subsequent to the measurement date will be recognized as a reduction of the total LOSAP pension liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to LOSAP will be recognized in pension expense as follows:

Years ending May 31,	
2027	\$ (60,650)
2028	(13,803)
2029	-
2030	-
2031	-
Thereafter	-
	<u>\$ (74,453)</u>

9. OPEB

Plan Description

The Village maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical benefits to certain eligible retirees and their spouses. The Village contributes toward the single or family coverage of the health insurance plan available to active employees for the life of its retirees. The Village's contribution is based on years of service at retirement. The Village pays 25% of a retiree's cost of premiums for 10-14.9 years of service, 50% of a retiree's cost of premiums for 15-19.9 years of service, 75% of a retiree's cost of premiums for 20-24.9 years of service, and 100% of a retiree's cost of premiums for 25 or more years of service. Eligibility is based on covered employees who are eligible to retire under ERS and have at least 10 years of continuous service with the Village. The Plan has no assets, does not issue financial statements, and is not a trust.

At June 1, 2024, employees covered by the Plan include:

Active employees	13
Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	-
	<u>27</u>

Total OPEB Liability

The Village's total OPEB liability of \$4,301,488 was measured as of May 31, 2026, and was determined by an actuarial valuation as of June 1, 2024, rolled forward to May 31, 2026.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Healthcare cost trend rates – based on the Village’s actual premiums for pre-65 and post-65 retirees, initially 7.0% with an ultimate rate of 4.5% after 2036

Salary increases – 3.0%

Mortality – Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre- and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021

Discount rate – 4.32% based on the average of two 20-year tax exempt general obligation municipal bond indices as of the measurement date

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at May 31, 2025	<u>\$ (3,902,648)</u>
Changes for the year:	
Service cost	(105,003)
Interest	(165,366)
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(277,928)
Benefit payments	<u>149,457</u>
Net changes	<u>(398,840)</u>
Balance at May 31, 2026	<u>\$ (4,301,488)</u>

The following presents the sensitivity of the Village’s total OPEB liability to changes in the discount rate, including what the Village’s total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (3.32%)	At Current Discount Rate (4.32%)	1.0% Increase (5.32%)
Total OPEB liability	<u>\$ (5,078,517)</u>	<u>\$ (4,301,488)</u>	<u>\$ (3,687,998)</u>

The following presents the sensitivity of the Village’s total OPEB liability to changes in the healthcare cost trend rates, including what the Village’s total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current rates:

	1.0% Decrease (6.0% to 3.5%)	Healthcare Cost Trend Rate (7.0% to 4.5%)	1.0% Increase (8.0% to 5.5%)
Total OPEB liability	<u>\$ (3,565,149)</u>	<u>\$ (4,301,488)</u>	<u>\$ (5,288,921)</u>

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

For the year ended May 31, 2026, the Village recognized OPEB income of \$125,903. At May 31, 2026, the Village reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	<u>\$ 459,279</u>	<u>\$ (1,653,697)</u>

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

Years ending May 31,		
2027	\$	(246,815)
2028		(246,813)
2029		(351,387)
2030		(249,207)
2031		(64,830)
Thereafter		(35,366)
	\$	<u>(1,194,418)</u>

10. Risk Management

General Liability

The Village purchases commercial insurance for various risks of loss due to torts, thefts, damage, errors and omissions, injuries to employees, and natural disasters. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years.

Litigation

The Village is subject to claims and lawsuits that arise in the ordinary course of business. In the opinion of management, these claims and lawsuits will not have a material adverse effect upon the financial position of the Village.

VILLAGE OF LEWISTON, NEW YORK

Required Supplementary Information (Unaudited)
Schedule of the Village's Proportionate Share of the
Net Pension Position and Related Ratios and Notes
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Village's proportion of the net pension position	0.0035283%	0.0034945%	0.0035615%	0.0032153%	0.0028677%	0.0033671%	0.0025696%	0.0022824%	0.0021819%	0.0018661%
Village's proportionate share of the net pension asset (liability)	\$ (199,060)	\$ (599,158)	\$ (524,394)	\$ (689,499)	\$ 234,421	\$ (3,353)	\$ (680,480)	\$ (161,717)	\$ (70,421)	\$ (175,346)
Village's covered payroll	\$ 1,024,082	\$ 988,897	\$ 894,183	\$ 777,368	\$ 717,568	\$ 825,810	\$ 801,288	\$ 794,507	\$ 754,592	\$ 718,818
Village's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(19.44%)	(60.59%)	(58.65%)	(88.70%)	32.67%	(0.41%)	(84.92%)	(20.35%)	(9.33%)	(24.39%)
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%

The following is a summary of changes of assumptions:

Inflation	2.9%	2.9%	2.9%	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%
Salary increases	5.2%	4.3%	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%
Cost of living adjustments	1.5%	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014

VILLAGE OF LEWISTON, NEW YORK

Required Supplementary Information (Unaudited)
Schedule of Village Contributions and Related Ratios
New York State and Local Employees' Retirement System

For the years ended May 31,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 147,068	\$ 129,031	\$ 99,271	\$ 75,296	\$ 90,706	\$ 86,904	\$ 85,742	\$ 81,836	\$ 78,731	\$ 83,669
Contribution in relation to the contractually required contribution	(147,068)	(129,031)	(99,271)	(75,296)	(90,706)	(86,904)	(85,742)	(81,836)	(78,731)	(83,669)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 1,024,082	\$ 988,897	\$ 894,183	\$ 777,368	\$ 717,568	\$ 825,810	\$ 801,288	\$ 794,507	\$ 754,592	\$ 718,818
Contributions as a percentage of covered payroll	14.36%	13.05%	11.10%	9.69%	12.64%	10.52%	10.70%	10.30%	10.43%	11.64%

Required Supplementary Information (Unaudited)
Schedule of Changes in the Village's
Total LOSAP Pension Liability and Related Ratios and Notes

For the years ended May 31,	2026	2025	2024
Total LOSAP pension liability - beginning	\$ (1,806,619)	\$ (1,878,381)	\$ (1,877,789)
Changes for the year:			
Service cost	(53,532)	(48,474)	(48,830)
Interest	(77,782)	(75,231)	(81,364)
Changes of benefit terms	-	-	-
Changes of assumptions or other inputs	32,833	64,540	(73,604)
Differences between expected and actual experience	19,726	37,871	124,746
Benefit payments	86,520	93,056	78,460
Net change in total LOSAP pension liability	7,765	71,762	(592)
Total LOSAP pension liability - ending	\$ (1,798,854)	\$ (1,806,619)	\$ (1,878,381)

The Village has no covered-employee payroll.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

Differences between expected and actual experience include differences in inflation and changes in the discount rate.

The following is a summary of changes of assumptions:

Salary increases	N/A	N/A	N/A
Inflation	N/A	N/A	N/A
Discount rate	4.43%	4.28%	4.00%
Mortality table	RP-2014	RP-2014	RP-2014

Data prior to 2024 is unavailable.

VILLAGE OF LEWISTON, NEW YORK

Required Supplementary Information (Unaudited)
Schedule of Changes in the Village's
Total OPEB Liability and Related Ratios and Notes

For the years ended May 31,	2026	2025	2024	2023	2022	2021	2020	2019
Total OPEB liability - beginning	\$ (3,902,648)	\$ (3,977,259)	\$ (3,968,192)	\$ (4,376,649)	\$ (5,819,971)	\$ (6,534,457)	\$ (5,392,073)	\$ (5,209,205)
Changes for the year:								
Service cost	(105,003)	(89,030)	(124,744)	(129,390)	(101,386)	(156,931)	(96,068)	(83,261)
Interest	(165,366)	(184,960)	(166,844)	(175,524)	(202,736)	(135,656)	(163,900)	(160,541)
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-	-
Changes of assumptions or other inputs	(277,928)	198,285	142,587	585,354	1,659,393	919,612	(941,141)	-
Benefit payments	149,457	150,316	139,934	128,017	88,051	87,461	58,725	60,934
Net change in total OPEB liability	(398,840)	74,611	(9,067)	408,457	1,443,322	714,486	(1,142,384)	(182,868)
Total OPEB liability - ending	\$ (4,301,488)	\$ (3,902,648)	\$ (3,977,259)	\$ (3,968,192)	\$ (4,376,649)	\$ (5,819,971)	\$ (6,534,457)	\$ (5,392,073)
Covered-employee payroll	\$ 692,842	\$ 692,842	\$ 763,063	\$ 763,063	\$ 572,080	\$ 572,080	\$ 536,692	\$ 536,692
Total OPEB liability as a percentage of covered-employee payroll	620.8%	563.3%	521.2%	520.0%	765.0%	1,017.3%	1,217.5%	1,004.7%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes of assumptions or other inputs include changes in the discount rate and updated mortality rates.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	7.0%-4.5%	7.0%-4.5%	7.0%-4.5%	7.0%-4.5%	7.0%-4.5%	7.0%-4.5%	5.0%-8.0%	5.0%-8.0%
Inflation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Salary increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Discount rate	4.32%	4.74%	4.28%	4.07%	3.51%	2.09%	N/A	N/A
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2019	MP-2019	MP-2018	MP-2018

Data prior to 2019 is unavailable.