

**VILLAGE OF WILLIAMSVILLE,
NEW YORK**

*Basic Financial Statements, Required Supplementary
Information and Supplementary Information
for the Year Ended May 31, 2015 and
Independent Auditors' Reports*

VILLAGE OF WILLIAMSVILLE, NEW YORK
Table of Contents
Year Ended May 31, 2015

Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet—Governmental Funds	13
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)—Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities	16
Statement of Net Position—Agency Fund.....	17
Notes to Financial Statements	18
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget to Actual—General Fund	43
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget to Actual—Water Fund	44
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget to Actual—Sewer Fund	45
Notes to the Required Supplementary Information.....	46
Supplementary Information:	
Combining Balance Sheet—Capital Projects Fund.....	47
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)—Capital Projects Fund	48
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	49
Schedule of Findings and Reponses	51

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees
Village of Williamsville, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Williamsville, New York (the "Village"), as of and for the year ended May 31, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2015 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Drescher & Malecki LLP

September 24, 2015

VILLAGE OF WILLIAMSVILLE, NEW YORK
Management's Discussion and Analysis
Year Ended May 31, 2015

As management of the Village of Williamsville, New York (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the year ended May 31, 2015. This document should be read in conjunction with additional information that we have furnished in the Village's financial statements, which follow this narrative.

Financial Highlights

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$5,774,975 (net position). Of this amount, \$455,046 represents unrestricted net position which may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position decreased \$1,908,870 during the year ended May 31, 2015. The decrease is attributable to the transfer of water operations to the Erie County Water Authority.
- At the end of the current fiscal year, the Village's governmental funds reported a combined ending fund balance of \$1,672,101 a decrease of \$891,523 from the prior year ending fund balance in comparison with the prior year's fund balance of \$2,563,624.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$1,490,800, or approximately 42.7 percent of total General Fund expenditures. This total amount is *available for spending* at the Village's discretion and constitutes approximately 65.3 percent of the General Fund's total fund balance of \$2,284,201 at May 31, 2015.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements—The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village's assets, liabilities and deferred inflows/outflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in prior or future fiscal periods (e.g., earned but unused vacation leave and depreciation expense on capital assets).

Both of the government-wide financial statements classify the functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include general government support, public safety,

transportation, economic assistance and opportunity, culture and recreation, home and community services, and interest on long-term debt.

The government-wide financial statements can be found on pages 11-12 of this report.

Fund financial statements—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and a fiduciary fund.

Governmental funds—*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Community Development Fund, Water Fund, Sewer Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Village’s own programs. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The Village maintains one fiduciary fund, the Agency Fund.

The fiduciary fund financial statement can be found on page 17 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-42 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Village’s budgetary comparison schedules for the General Fund, Water Fund, and Sewer Fund. Required Supplementary Information and related note to the required supplementary information can be found on pages 43-46 of this report.

The supplementary information section presents combining schedules for the Capital Projects Fund. This section can be found on pages 47-48 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$5,774,975 at the close of the year ended May 31, 2015 as compared to \$7,683,845 at May 31, 2014.

Table 1, shown below, presents a condensed statement of net position compared to the prior year.

Table 1—Condensed Statements of Net Position

	May 31,	
	2015	2014
Current and other assets	\$ 2,423,911	\$ 3,241,776
Capital assets	<u>8,394,558</u>	<u>9,766,132</u>
Total assets	<u>10,818,469</u>	<u>13,007,908</u>
Current liabilities	697,152	558,830
Non-current liabilities	<u>4,241,678</u>	<u>4,610,183</u>
Total liabilities	<u>4,938,830</u>	<u>5,169,013</u>
Deferred inflows of resources	<u>104,664</u>	<u>155,050</u>
Net investment in capital assets	4,956,558	5,262,982
Restricted	363,371	135,516
Unrestricted	<u>455,046</u>	<u>2,285,347</u>
Total net position	<u>\$ 5,774,975</u>	<u>\$ 7,683,845</u>

The largest portion of the Village's net position (86.0%) reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets. The Village uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position, \$363,371, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining balance of \$455,046 is unrestricted and represents resources that may be used to meet the Village's ongoing obligations.

Table 2, as presented on the following page, shows the changes in net position for the years ended May 31, 2015 and May 31, 2014.

Table 2—Condensed Statements of Changes in Net Position

	Year Ended May 31,	
	2015	2014
Program revenues:		
Charges for services	\$ 1,755,973	\$ 2,533,778
Operating grants and contributions	119,595	33,986
Capital grants and contributions	144,357	61,625
General revenues	<u>3,011,320</u>	<u>2,816,193</u>
Total revenues	<u>5,031,245</u>	<u>5,445,582</u>
Program expenses	5,373,114	5,570,502
Special items - transfer of water operations	<u>1,567,001</u>	<u>-</u>
Change in net position	(1,908,870)	(124,920)
Net position beginning of year	<u>7,683,845</u>	<u>7,808,765</u>
Net position end of year	<u>\$ 5,774,975</u>	<u>\$ 7,683,845</u>

Overall revenues of the primary government decreased by 7.6 percent primarily due to the loss of revenues associated with departmental income after the transfer of the water system to the Erie County Water Authority. Total program expenses decreased by 3.5 percent from the year ended May 31, 2014, primarily due to decreases in public safety and home and community services related to the transfer of water operations to the ECWA.

A summary of sources of revenues for the years ended May 31, 2015 and May 31, 2014 is presented below in Table 3.

Table 3—Summary of Sources of Revenues

	Year Ended May 31,		Increase/(Decrease)	
	2015	2014	Dollars	Percent %
Charges for services	\$ 1,755,973	\$ 2,533,778	\$ (777,805)	-30.7
Operating grants and contributions	119,595	33,986	85,609	251.9
Capital grants and contributions	144,357	61,625	82,732	134.3
Real property taxes and tax items	1,699,820	1,563,603	136,217	8.7
Other non-property taxes	949,998	939,908	10,090	1.1
Use of money and property	17,828	14,912	2,916	19.6
Sale of property and compensation for loss	45,672	70,956	(25,284)	-35.6
Miscellaneous	6,863	25,379	(18,516)	-73.0
State aid	<u>291,139</u>	<u>201,435</u>	<u>89,704</u>	<u>44.5</u>
Total revenues	<u>\$ 5,031,245</u>	<u>\$ 5,445,582</u>	<u>\$ (414,337)</u>	<u>-7.6</u>

The Village's most significant source of revenues for the year ended May 31, 2015 were for charges for services which account for \$1,755,973 or 34.9 percent of total revenues, and \$2,533,778, or 46.5 percent of

total revenues, for the year ended May 31, 2014. The next largest sources of revenues are real property taxes and tax items, which account for \$1,699,820, or 33.8 percent of total revenues, for the year ended May 31, 2015 and \$1,563,603 or 28.7 percent of total revenues, for the year ended May 31, 2014.

A summary of program expenses for the years ended May 31, 2015 and May 31, 2014 is presented below in Table 4.

Table 4—Summary of Program Expenses

	Year Ended May 31,		Increase/(Decrease)	
	2015	2014	Dollars	Percent %
General government	\$ 785,491	\$ 796,383	\$ (10,892)	14.3
Public safety	735,735	860,360	(124,625)	15.4
Transportation	772,740	770,477	2,263	13.8
Economic assistance	71,872	60,632	11,240	1.1
Culture and recreation	312,492	267,830	44,662	4.8
Home and community services	2,517,736	2,657,040	(139,304)	47.7
Interest on long-term debt	177,048	157,780	19,268	2.8
Total program expenses	<u>\$ 5,373,114</u>	<u>\$ 5,570,502</u>	<u>\$ (197,388)</u>	-3.5

The Village’s significant expense items for the year ended May 31, 2015 were home and community services of \$2,517,736 or 46.9 percent of total expenses (primarily water, sewer, and fire protection services), general government support of \$785,491, or 14.6 percent of total expenses, and transportation of \$772,749 or 14.3 percent of total expenses. For the year ended May 31, 2014 significant expense items were home and community services of \$2,657,040 or 47.7 percent of total expenses, general government support of \$796,383 or 14.3 percent of total expenses, and public safety of \$860,360 or 15.4 percent of total expenses.

Financial Analysis of the Governmental Funds

Governmental funds—The focus of the Village’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Board.

At May 31, 2015, the Village’s governmental funds reported a combined ending fund balance of \$1,672,101, a decrease of \$891,523 from the prior year. Excluding the Capital Projects Fund, the Village’s governmental funds combined ending fund balances totaled \$3,234,902. Approximately 46.1 percent of this amount (\$1,490,800) constitutes *unassigned fund balance*, which is available for spending at the Village’s discretion. The remainder of fund balance is either *nonspendable*, *restricted* or *assigned* to indicate that it is (1) not in spendable form (\$231,228) (2) restricted for particular purposes (\$363,371) or (3) assigned for particular purposes (\$1,179,503).

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,490,800 while the total fund balance increased to \$2,284,201. As a

measure of the General Fund’s liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 42.7 percent of total General Fund expenditures, while total fund balance represents 65.4 percent of that same amount.

The fund balance of the Village’s Community Development Fund realized an increase of \$4 during the year ended May 31, 2015 due to interest earnings.

The Water Fund increased \$116,693 during the year ended May 31, 2015, primarily due to a decrease in expenditures associated with home and community services, reflecting lower cost form the transfer of services.

The Sewer Fund decreased \$26,606 during the year ended May 31, 2015, resulting from an increase in expenditures associated with home and community services and general government support.

The Debt Service Fund increased by \$1,838 due to the close out of capital projects and the excess proceeds of long term debt.

The Village’s Capital Projects Fund balance deficit was increased by \$1,126,403, due to expenditures associated with ongoing capital projects.

General Fund Budgetary Highlights

The Village adopts an annual appropriated budget for the General Fund, Water Fund, Sewer Fund, and Debt Service Fund. The Village’s General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year’s encumbrances since the funds were allocated under the previous year’s budget, and the Village has appropriately assigned an equal amount of fund balance at year-end for the purpose. Furthermore, the budget allowed to be amended upward (increased for additional current year appropriations supported by an increase in budgeted revenues or appropriated fund balance. Budgetary comparison schedules within the required supplementary information section of this report have been provided to demonstrate compliance with their budget.

A summary of the General Fund results of operations for the year ended May 31, 2015 is presented below in Table 5.

Table 5—Summary of General Fund Results of Operations

	Budget Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues and other financing sources	\$ 3,219,699	\$ 3,477,870	\$ 3,634,094	\$ 156,224
Expenditures and other financing uses	<u>3,417,677</u>	<u>3,890,440</u>	<u>3,491,143</u>	<u>399,297</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (197,978)</u>	<u>\$ (412,570)</u>	<u>\$ 142,951</u>	<u>\$ 555,521</u>

Original budget compared to final budget—During the year ended May 31, 2015, there was a \$472,765 increase in appropriations between the original and final amended General Fund budget. The increase was attributable to additional costs associated with public safety, transportation, culture and recreation, and home and community that were not anticipated during the adoption of the original budget. The increase in

appropriations was supported by an increase in estimated revenues of \$258,171 and additional appropriated fund balance. However, due to favorable variances for certain expenditure items the Village was not required to use any of their appropriated fund balance.

Final budget compared to actual results—A review of actual revenues and expenditures compared to the estimated revenues and appropriations in the final budget yield favorable variances in public safety and transportation of \$106,115 and \$115,322, respectively.

Capital Asset and Debt Administration

Capital assets—The Village’s investment in capital assets for its governmental activities as of May 31, 2015, amounted to \$8,394,558 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, buildings improvements, machinery and equipment and infrastructure.

All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the Village’s capital asset policy.

Capital assets, net of depreciation for the governmental activities at the years ended May 31, 2015 and May 31, 2014 are presented on the below in Table 6.

Table 6—Summary of Capital Assets (Net of Depreciation)

	May 31,	
	2015	2014
Land	\$ 370,427	\$ 370,427
Land improvements	522,772	-
Buildings	483,220	525,691
Building improvements	197,605	251,880
Machinery and equipment	538,843	1,858,271
Infrastructure	<u>6,281,691</u>	<u>6,759,863</u>
Total	<u>\$ 8,394,558</u>	<u>\$ 9,766,132</u>

Additional information on the Village’s capital assets can be found in Note 4 of this report.

Long-term debt—At May 31, 2015, the Village had total bonded debt outstanding of \$4,145,000 as compared to \$4,503,150 in the prior year. During the year ended May 31, 2015, the Village made scheduled debt payments of \$358,150.

A summary of the Village’s long-term debt liabilities at May 31, 2015 and May 31, 2014 are presented on the following page in Table 7.

Table 7—Comparison of Long-Term Liabilities

	May 31,	
	2015	2014
Serial bonds	\$ 4,145,000	\$ 4,503,150
Compensated absences	<u>96,678</u>	<u>107,033</u>
Total	<u>\$ 4,241,678</u>	<u>\$ 4,610,183</u>

Additional information on the Village's long-term liabilities can be found in Note 9 to the financial statements.

Economic Factors

The unemployment rate, not seasonally adjusted, for the Buffalo-Niagara region during May 31, 2015 was 5.7 percent. This compares favorably to New York State's average unemployment rate of 5.8 percent and the national unemployment rate of 5.7 percent. These factors are considered in preparing the Village's budget.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer, Village of Williamsville, 5565 Main Street, Williamsville, New York 14221.

BASIC FINANCIAL STATEMENTS

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Statement of Net Position
May 31, 2015

	Primary Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,583,882
Restricted cash and cash equivalents	260,983
Receivables	101,721
Due from Agency Fund	4,113
Intergovernmental receivables	466,984
Prepaid items	6,228
Capital assets not being depreciated	370,427
Capital assets, net of accumulated depreciation	8,024,131
Total assets	10,818,469
LIABILITIES	
Accounts payable	293,430
Accrued liabilities	108,689
Intergovernmental payables	240,887
Unearned revenue	54,146
Noncurrent liabilities:	
Due within one year	354,834
Due within more than one year	3,886,844
Total liabilities	4,938,830
DEFERRED INFLOWS OF RESOURCES	
Grant funding receivable	104,664
Total deferred inflows of resources	104,664
NET POSITION	
Net investment in capital assets	4,956,558
Restricted for:	
Unemployment insurance	10,590
Capital	244,747
Debt	34,253
Community development	3,339
DPW equipment	45,187
Fire equipment	25,255
Unrestricted	455,046
Total net position	\$ 5,774,975

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Statement of Activities
Year Ended May 31, 2015

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and Changes</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>in Net Position</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Primary</u>
					<u>Governmental</u>
					<u>Activities</u>
Primary government:					
Governmental activities:					
General government support	\$ 785,491	\$ 91,771	\$ 82,468	\$ -	\$ (611,252)
Public safety	735,735	383,359	-	-	(352,376)
Transportation	772,740	9,617	639	137,847	(624,637)
Economic assistance and opportunity	71,872	-	-	-	(71,872)
Culture and recreation	312,492	24,720	-	6,510	(281,262)
Home and community services	2,517,736	1,246,506	36,488	-	(1,234,742)
Interest and other fiscal charges	177,048	-	-	-	(177,048)
Total primary government	<u>\$ 5,373,114</u>	<u>\$ 1,755,973</u>	<u>\$ 119,595</u>	<u>\$ 144,357</u>	(3,353,189)
General revenues:					
					1,699,820
					949,998
					17,828
					45,672
					6,863
					291,139
Special item - transfer of water operations					<u>(1,567,001)</u>
Total general revenues and special items					<u>1,444,319</u>
Change in net position					(1,908,870)
Net position - beginning					<u>7,683,845</u>
Net position - ending					<u>\$ 5,774,975</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Balance Sheet—Governmental Funds
May 31, 2015

	<u>Special Revenue</u>				<u>Debt</u>	<u>Capital</u>	<u>Total</u>
	<u>General</u>	<u>Community</u>	<u>Water</u>	<u>Sewer</u>			
ASSETS		Development					Funds
Cash and cash equivalents	\$ 715,588	\$ -	\$ -	\$ 868,294	\$ -	\$ -	\$ 1,583,882
Restricted cash and cash equivalents	81,032	3,339	92,220	-	34,253	50,139	260,983
Receivables	25,713	-	45,061	30,947	-	-	101,721
Due from other funds	1,512,528	-	290,230	-	-	5,836	1,808,594
Intergovernmental receivables	283,439	104,664	42,393	36,488	-	-	466,984
Prepaid items	6,228	-	-	-	-	-	6,228
Total assets	\$ 2,624,528	\$ 108,003	\$ 469,904	\$ 935,729	\$ 34,253	\$ 55,975	\$ 4,228,392
LIABILITIES							
Accounts payable	\$ 214,224	\$ -	\$ 157	\$ 3,918	\$ -	\$ 75,131	\$ 293,430
Accrued liabilities	52,520	-	-	6,163	-	-	58,683
Due to other funds	5,836	-	225,000	-	-	1,573,645	1,804,481
Intergovernmental payables	13,867	-	-	227,020	-	-	240,887
Unearned revenue	53,880	-	-	266	-	-	54,146
Total liabilities	340,327	-	225,157	237,367	-	1,648,776	2,451,627
DEFERRED INFLOWS OF RESOURCES							
Grant funding receivable	-	104,664	-	-	-	-	104,664
Total deferred inflows of resources	-	104,664	-	-	-	-	104,664
FUND BALANCES (DEFICIT)							
Nonspendable	231,228	-	-	-	-	-	231,228
Restricted	81,032	3,339	244,747	-	34,253	-	363,371
Assigned	481,141	-	-	698,362	-	-	1,179,503
Unassigned	1,490,800	-	-	-	-	(1,592,801)	(102,001)
Total fund balances (deficit)	2,284,201	3,339	244,747	698,362	34,253	(1,592,801)	1,672,101
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 2,624,528	\$ 108,003	\$ 469,904	\$ 935,729	\$ 34,253	\$ 55,975	\$ 4,228,392

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
May 31, 2015

Amounts reported for governmental activities in the statement of net position (page 11) are different because:

Total fund balances - governmental funds (page 13)		\$ 1,672,101
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$16,732,011 and the accumulated depreciation is \$8,337,453.		8,394,558
Net accrued interest expense for general obligation bonds not recorded in the funds at year end.		(50,006)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effect of these items are:		
Serial bonds	\$ (4,145,000)	
Compensated absences	<u>(96,678)</u>	<u>(4,241,678)</u>
Total net position - governmental activities		<u>\$ 5,774,975</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Statement of Revenues, Expenditures and Changes in
Fund Balance (Deficit)—Governmental Funds
Year Ended May 31, 2015

	Special Revenue				Debt Service	Capital Projects	Total Governmental Funds
	General	Community Development	Water	Sewer			
REVENUES							
Real property taxes	\$ 1,669,777	\$ -	\$ -	\$ 956	\$ -	\$ -	\$ 1,670,733
Real property tax items	29,087	-	-	-	-	-	29,087
Non property tax items	949,998	-	-	-	-	-	949,998
Departmental income	79,128	-	222,667	1,023,839	-	-	1,325,634
Intergovernmental charges	320,438	-	-	-	-	-	320,438
Use of money and property	17,298	4	30	442	19	35	17,828
Licenses and permits	35,820	-	-	-	-	-	35,820
Fines and forfeitures	74,081	-	-	-	-	-	74,081
Sale of property and compensation for loss	45,672	-	-	-	-	-	45,672
State support	399,809	-	-	36,488	-	29,177	465,474
Federal support	-	82,468	-	-	-	-	82,468
Miscellaneous	12,923	-	-	450	-	639	14,012
Total revenues	<u>3,634,031</u>	<u>82,472</u>	<u>222,697</u>	<u>1,062,175</u>	<u>19</u>	<u>29,851</u>	<u>5,031,245</u>
EXPENDITURES							
Current:							
General government support	615,009	-	-	35,356	-	-	650,365
Public safety	699,948	-	-	-	-	-	699,948
Transportation	516,170	-	-	-	-	-	516,170
Economic assistance and opportunity	61,841	-	-	-	-	-	61,841
Culture and recreation	264,009	-	-	-	-	-	264,009
Home and community services	592,268	-	8,841	869,008	-	-	1,470,117
Employee benefits	391,133	-	-	59,576	-	-	450,709
Debt service:							
Principal	-	-	-	-	358,150	-	358,150
Interest	-	-	-	-	162,770	-	162,770
Capital outlay	-	-	-	-	-	1,288,689	1,288,689
Total expenditures	<u>3,140,378</u>	<u>-</u>	<u>8,841</u>	<u>963,940</u>	<u>520,920</u>	<u>1,288,689</u>	<u>5,922,768</u>
Excess (deficiency) of revenues over expenditures	<u>493,653</u>	<u>82,472</u>	<u>213,856</u>	<u>98,235</u>	<u>(520,901)</u>	<u>(1,258,838)</u>	<u>(891,523)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	63	-	-	-	522,739	134,318	657,120
Transfers out	(350,765)	(82,468)	(97,163)	(124,841)	-	(1,883)	(657,120)
Total other financing sources (uses)	<u>(350,702)</u>	<u>(82,468)</u>	<u>(97,163)</u>	<u>(124,841)</u>	<u>522,739</u>	<u>132,435</u>	<u>-</u>
Net change in fund balances (deficits)	142,951	4	116,693	(26,606)	1,838	(1,126,403)	(891,523)
Fund balances (deficit) - beginning	<u>2,141,250</u>	<u>3,335</u>	<u>128,054</u>	<u>724,968</u>	<u>32,415</u>	<u>(466,398)</u>	<u>2,563,624</u>
Fund balances (deficit) - ending	<u>\$ 2,284,201</u>	<u>\$ 3,339</u>	<u>\$ 244,747</u>	<u>\$ 698,362</u>	<u>\$ 34,253</u>	<u>\$ (1,592,801)</u>	<u>\$ 1,672,101</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities
Year Ended May 31, 2015

Amounts reported for governmental activities in the statement of activities (page 12) are different because:

Net change in fund balances (deficit) - total governmental funds (page 15) \$ (891,523)

Governmental funds report capital asset additions as expenditures. However, in the statement of activities the cost is allocated over their estimated useful lives and reported as depreciation expense. Additionally, miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) affect the change in net assets. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital asset additions	\$ 930,381	
Loss on capital asset disposals	(18,862)	
Special item - transfer of water operations	(1,567,001)	
Depreciation expense	<u>(716,092)</u>	(1,371,574)

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. (14,278)

The issuance of long-term debt (e.g. serial bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred amortized into the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Principal payments of serial bonds	358,150	
Change in compensated absences	<u>10,355</u>	<u>368,505</u>

Change in net position of governmental activities \$ (1,908,870)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Statement of Net Position—Agency Fund
May 31, 2015

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 41,705
Service award program assets	<u>2,283,998</u>
Total assets	<u>\$ 2,325,703</u>
LIABILITIES	
Agency liabilities	\$ 37,592
Due to other funds	4,113
Service award program liabilities	<u>2,283,998</u>
Total liabilities	<u>\$ 2,325,703</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Notes to the Financial Statements
Year Ended May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Williamsville, 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 more significant of the Village's accounting policies are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The Village reports no business type activities. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable. The Village reports no component units.

Reporting Entity

The Village, which was established in 1850, is a unit of local government created by the State of New York. The Village operates under provisions of New York State law and with authority vested by those statutes. The five-member Village Board is the legislative body responsible for overall operations. The Mayor serves as the Chief Executive Officer. The Clerk-Treasurer serves as Chief Fiscal Officer.

Independently elected officials of the Village at May 31, 2015 included:

Mayor
Trustees (4)
Village Justice

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

Transfer to Erie County Water Authority—On June 2, 2014, the Village conveyed to the Erie County Water Authority (the "Authority") the assets, equipment, inventory, water mains, hydrants, appurtenances and infrastructure of the Village's water system in exchange for direct service from the Authority. The conveyance transferred all rights, titles, and interest and all of the personal property of the system to the Authority. As consideration for the transfer, the Village shall impose and the Authority shall bill and collect a surcharge on the users of the system in amounts that are equal to the annual payments of principal and interest to be made by the Village

on outstanding debt it has incurred for capital improvements to the system, accumulated deficits for the water system, and repayment of any additional infrastructure improvements.

Basis of Presentation—Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—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 fund financial statements is on major governmental funds, each displayed in a separate column. The Village does not report any nonmajor funds.

The Village reports the following major governmental funds:

- *General Fund*—The General Fund is the primary operating fund of the Village and includes all operations not required to be recorded in other funds. The principal source of revenue for the General Fund is real property tax.
- *Community Development Fund*—The Community Development Fund is used to record all activity related to the U.S. Department of Housing and Urban Development's Community Development Block Grant Program which is administered through the Town of Amherst, New York.
- *Water Fund*—The Water Fund is used to record all revenues and expenditures related to operation and maintenance of the water system in the Village. However, during the year ended May 31, 2015, the Village conveyed to the Erie County Water Authority (the "Authority") the assets, equipment, inventory, water mains, hydrants, appurtenances and infrastructure of the Village's water system in exchange for direct service from the Authority. The conveyance transferred all rights, titles, and interest and all of the personal property of the system to the Authority. The principal source of revenue for the Water Fund is from water surcharges.
- *Sewer Fund*—The Sewer Fund is used to record all revenues and expenditures related to Village sewer operations. The principal source of revenue for the Sewer Fund is department income from sewer charges.
- *Debt Service Fund*—The Debt Service Fund is used to account for the payment of principal and interest on serial bonds and statutory installment bonds incurred in connection with all funds.

- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities.

Additionally, the Village reports the following fund type:

Fiduciary Fund—These funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Agency Fund*. Activities reported in the fiduciary funds include monies held in trust, deposits that are to be returned, and payroll withholdings due to other entities.

During the course of operations the Village has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except sales tax which is recognized when the exchange that the tax is based on has occurred. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due. General capital asset acquisitions are reported as

expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, charges for services provided, and state and federal aid associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period of availability. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other requirements have been met and the amount is received during the period or within the availability. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Agency fund has no measurement focus, but utilizes the *accrual basis of accounting* for reports its assets and liabilities.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—The Village’s cash, cash equivalents and investments consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. The Village had no investments at May 31, 2015; however, when the Village does have investments they are recorded at fair value based on quoted market value.

Restricted Cash and Cash Equivalents—Represents amounts to support fund balance restrictions and unspent proceeds of debt.

Prepaid Items—Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

Capital Assets—Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than an established threshold for the type of asset and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets are recorded at estimated fair market value at the date of donation. During the year, the Village evaluated capital asset classifications; as a result, the Village has reported the reclassification of capital assets between the capital asset classes.

Land is not depreciated. The other capital assets of the Village are depreciated using the straight line method over the estimated useful lives, as presented on the following page.

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
Land improvements	20
Buildings	40
Building improvements	20
Machinery and equipment	5 - 10
Infrastructure assets	20 - 40

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new truck included as part of *expenditures—transportation*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. At May 31, 2015, the Village does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At May 31, 2015, the Village reported a deferred inflow of resources on the governmental fund financial statements in the amount of \$104,664, which represents grant revenue that was received after eligibility requirements have been met but before time requirements have.

Net Position Flow Assumption—Sometimes the Village will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village’s policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumption—Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The

Village itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Village's highest level of decision-making authority. The Village Board is the highest level of decision-making authority for the Village that can, by Village Board Resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes, but do not meet the criteria to be classified as committed. The Village Board has by resolution authorized the Mayor and Clerk-Treasurer to assign fund balance. The Village Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program Revenues—Amounts reported as *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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial purposes. At May 31, 2015, the Village reported \$53,880 and \$266 of unearned revenue in the General Fund and Sewer Fund, respectively. The Village received rents and charges in advance but has not performed the services and therefore recognizes a liability.

Property Taxes—Village property taxes are levied annually on June 1. The Village tax rate is based on the amount per \$1,000 assessed valuation. Delinquent accounts of water and sewer billings are transferred to the Village real property tax roll annually for re-levy and collection. Taxes may be paid to the Village between June 1 and October 31.

Outstanding taxes as of November 1 are forwarded to Erie County for re-levy and collection. The County pays the Village the amount of its outstanding taxes prior to the end of the Village's fiscal year.

Compensated Absences—Most Village employees are granted vacation, personal leave, and sick leave and earn compensatory absences in varying amounts. Upon retirement, certain eligible employees qualify for payment for fractional values of unused sick leave. These payments are budgeted annually without accrual. Estimated sick leave is accumulated and recorded for government-wide reporting purposes.

Payment of compensated absences recorded in the government-wide financial statements is dependent on many factors; therefore, the timing of future payments is not readily determinable.

However, management believes that sufficient resources will be available for the payment of compensated absences when such payments become due.

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

Other

Estimates—The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

Adoption of New Accounting Pronouncements—During the year ended May 31, 2015, the Village implemented GASB Statements No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, No. 69, *Government Combinations and Disposals of Government Operations*, and No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of GASB Statement No. 67 is to improve financial reporting by state and local governmental pension plans. This Statement replaces GASB Statement No. 25 and Statement No. 50. The objective of GASB Statement No. 69 is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. The objective of GASB Statement No. 70 is to improve financial reporting by state and local governments that extend and receive nonexchange financial guarantees. GASB Statements No. 67, 69, and 70 did not have a material impact on the Village’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The Village has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—and amendment of GASB Statement No. 68*, effective for the year ending May 31, 2016, No. 72, *Fair Value Measurement and Application*, effective for the year ending May 31, 2017, No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for the year ending May 31, 2017, No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for the year ending May 31, 2018, No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the year ending May 31, 2019, and No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending May 31, 2017. The Village is, therefore, unable to disclose the impact that adopting GASB Statements No. 68, 71, 72, 73, 74, 75, 76 and 77 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets

Budgets and Budgetary Accounting—The Village follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- No later than March 20, the budget officer prepares and files a tentative budget with the Village Clerk.
- No later than March 31, the Village Clerk submits the tentative budget to the Board of Trustees for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing them.
- A public hearing is required to be held on or before April 15 in order to obtain taxpayer comments.
- By May 1st the Board of Trustees is required to adopt a budget and appended salary and wage schedule.
- The Village Treasurer exercises administrative budgetary control throughout the year. Adjustment of programs or appropriations is made only after an appropriation and transfer resolution is adopted by the Board of Trustees. The Board of Trustees, pursuant to the laws of the State of New York, has the authority to establish rates for water and sewer department services.
- During the fiscal year, the Village Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for object level budgetary control. All modifications to the budget must be approved by the Village Board. Revisions to the budget were made throughout the year.

Additional information regarding the Village's budgets can be found in the Note to the Required Supplementary Information section of this report.

Deficit Fund Balance—At May 31, 2015, the Capital Projects Fund fund balance is in a deficit position in the amount of \$1,592,801. This deficit is planned to be remedied through proceeds from future debt issuances and anticipated grant reimbursements of incurred project costs.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Village's investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within New York 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, time deposits and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash and cash equivalents at May 31, 2015, are as follows:

	Governmental Funds	Fiduciary Fund	Total Balance
Petty cash (uncollateralized)	\$ 350	\$ -	\$ 350
Deposits	<u>1,844,515</u>	<u>41,705</u>	<u>1,886,220</u>
Total	<u>\$ 1,844,865</u>	<u>\$ 41,705</u>	<u>\$ 1,886,570</u>

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at May 31, 2015 as follows:

	Carrying Amount	Bank Balance
FDIC insured	\$ 500,000	\$ 500,000
Uninsured:		
Collateral held by pledging bank's agent in the Village's name	<u>1,386,220</u>	<u>1,439,869</u>
Total	<u>\$ 1,886,220</u>	<u>\$ 1,939,869</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. As noted above, by New York State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of May 31, 2015, the Village's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the Village's name.

Investments—The Village had no investments at May 31, 2015.

Interest Rate Risk—In accordance with its investment policy, the Village manages exposures by limiting investments to low risk type investments governed by New York State statutes.

Restricted Cash and Cash Equivalents—The Village reports unspent proceeds of debt as restricted cash and cash equivalents. At May 31, 2015, the Village reported \$260,983 of restricted cash within its governmental funds.

3. RECEIVABLES

Major receivables accrued by the Village at May 31, 2015 consisted of the following:

Receivables—Represents amounts due from various sources. Receivables at May 31, 2015 are:

General Fund:

Taxes receivable	\$	189	
National Grid		8,864	
National Fuel		6,883	
Other receivables		<u>9,777</u>	<u>\$ 25,713</u>

Water Fund:

Water rents receivable		<u>45,061</u>	<u>\$ 45,061</u>
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Sewer Fund:

Sewer rents receivable		30,681	
Special assessments		<u>266</u>	<u>\$ 30,947</u>

Water Rents Receivable—Represents outstanding billings for water services that have been provided to Village residents. Water rents receivable at May 31, 2015 were \$45,061 within the Water Fund. The Village believes an allowance for doubtful accounts is not necessary.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State, County of Erie, or other local governments. Intergovernmental receivables at May 31, 2015 are:

General Fund:

Erie County - sales tax	\$	165,021	
New York State - various		53,085	
Justice Department		5,726	
New York State DOT		<u>59,607</u>	<u>\$ 283,439</u>

Community Development Fund:

Town of Amherst - block grant			<u>\$ 104,664</u>
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Water Fund:

Erie County Water Authority - service charges			<u>\$ 42,393</u>
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Sewer Fund:

New York State - grant funds			<u>\$ 36,488</u>
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4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended May 31, 2015 was as follows:

	Balance 6/1/2014	Additions	Deletions	Reclassifications	Balance 5/31/2015
Capital assets, not being depreciated:					
Land	\$ 370,427	\$ -	\$ -	\$ -	\$ 370,427
Total capital assets, not being depreciated	<u>370,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>370,427</u>
Capital assets, being depreciated:					
Land improvements	303,103	-	-	618,456	921,559
Buildings	1,114,107	-	-	(16,066)	1,098,041
Building improvements	1,213,293	-	-	7,072	1,220,365
Machinery and equipment	4,719,858	471,332	(409,575)	(3,188,993)	1,592,622
Infrastructure	<u>10,860,442</u>	<u>459,049</u>	<u>(2,370,025)</u>	<u>2,579,531</u>	<u>11,528,997</u>
Total capital assets, being depreciated	<u>18,210,803</u>	<u>930,381</u>	<u>(2,779,600)</u>	<u>-</u>	<u>16,361,584</u>
Less accumulated depreciation for:					
Land improvements	330,164	37,188	-	31,435	398,787
Buildings	586,899	27,922	-	-	614,821
Building improvements	960,686	35,086	-	26,988	1,022,760
Machinery and equipment	2,856,271	132,242	(280,791)	(1,653,943)	1,053,779
Infrastructure	<u>4,081,078</u>	<u>483,654</u>	<u>(912,946)</u>	<u>1,595,520</u>	<u>5,247,306</u>
Total accumulated depreciation	<u>8,815,098</u>	<u>716,092</u>	<u>(1,193,737)</u>	<u>-</u>	<u>8,337,453</u>
Total capital assets, being depreciated, net	<u>9,395,705</u>	<u>214,289</u>	<u>(1,585,863)</u>	<u>-</u>	<u>8,024,131</u>
Total capital assets, net	<u>\$ 9,766,132</u>	<u>\$ 214,289</u>	<u>\$ (1,585,863)</u>	<u>\$ -</u>	<u>\$ 8,394,558</u>

On June 2, 2014, the Village conveyed to the Erie County Water Authority (the "Authority") the assets, equipment, inventory, water mains, hydrants, appurtenances and infrastructure of the Village's water System in exchange for direct service from the Authority. As a result of this conveyance, the Village's water system capital assets, with an original cost of \$2,584,436 and accumulated depreciation of \$1,017,435, were removed from the Village's capital assets during the year ended May 31, 2015.

Reclassifications—During the year ended May 31, 2015, the Village evaluated capital asset classifications for each capital asset class. Based on this evaluation, the Village has reported the reclassification of capital assets between the classes.

Depreciation expense was charged to functions and programs of the governmental activities as follows:

Governmental activities:	
General government support	\$ 87,954
Public safety	176,103
Transportation	331,123
Culture and recreation	30,170
Home and community services	<u>90,742</u>
	<u>\$ 716,092</u>

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at May 31, 2015, were as follows:

	General	Sewer	Total
	Fund	Fund	Governmental
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
Salary and employee benefits	<u>\$ 52,520</u>	<u>\$ 6,163</u>	<u>\$ 58,683</u>

6. PENSION PLANS

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

Funding Policy—The Systems are noncontributory, except for employees who joined after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership and employees who join on or after January 1, 2010 (ERS) who generally contribute three percent (3%) of their salary for their entire length of service. Those joining after April 1, 2012 (Tier 6) are required to contribute three percent (3%) to six percent (6%) based on salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the Systems’ fiscal year ending March 31st.

The Village is required to contribute at an actuarially determined rate. The required contributions per New York State and Local Retirement Systems invoices for the current year and two preceding years were:

<u>Year</u>	<u>Contributions</u>
2015	\$ 166,041
2014	133,371
2013	151,075

Legislation requires participating employers to make payments on a current basis. The Village’s contributions made to the Systems were equal to 100% of the contributions required for each year, and the Village has not bonded or amortized any of the excess amounts.

7. LENGTH OF SERVICE AWARDS PROGRAM (“LOSAP”)

The Village’s financial statements are for the year ended May 31, 2015. However, the information contained in this note is based on information for the Length of Service Award Program (“LOSAP”) as of December 31, 2014, which is the most recent plan year for which complete information is available.

The Village established a defined benefit LOSAP for the active volunteer firefighters of the Village of Williamsville Volunteer Fire Department. The program took effect on January 1, 1992. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the program.

Program Description

Participation, Vesting and Service Credit—Active volunteer firefighters in the Village of Williamsville Volunteer Fire Department who have reached the age of eighteen and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program’s entitlement age or becoming totally and permanently disabled or dying while an active member. The program’s entitlement age is age fifty-five. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain 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 credit for five years of firefighting service rendered prior to the establishment of the program.

Benefits—A participant’s benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person’s total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty. Benefits are not payable until the first day of the month if the participant attained the entitlement age on that date or the first date of the next month, except in the case of disability or death. In the case of total and permanent disability before attaining entitlement age in the line-of-duty the payment commences immediately, with monthly payments guaranteed for ten years using service to entitlement age. In the case of total and permanent disability before attaining entitlement age not in the line-of-duty the payment commences immediately, with monthly payments guaranteed for ten years using accrued service only. In the case of death before

attaining entitlement age active members would receive the greater of the present value of accrued benefit or \$10,000; inactive members would receive the present value of accrued benefits, which are payable as soon as administratively possible. In the case of death after attaining eligibility, the beneficiary would receive a lump sum payment equal to the present value of the remaining certain period monthly payments, if any.

Fiduciary Investment and Control

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by the fire company having members who participate in the program. The fire company must maintain all required records on forms prescribed by the governing board.

The governing board of the sponsor has retained and designated Ceridian to assist in the administration of the program. The designated program administrator's functions include general administration in questions of eligibility, as well as, to compute, certify, and direct the Trustee with respect to entitlement and payment of benefits. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by Penflex, Inc. who calculates and certifies monthly and other lump sum amounts to be paid.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The original trust agreement was dated December 15, 1997. The current trustee is RBC Wealth Management.

Authority to invest program assets is vested in the Village's Board of Trustees, subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" standard and the Investment Policy Statement for the LOSAP as approved by the Board of Trustees.

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is Penflex, Inc. Portions of the following information are derived from the most recent report prepared by the actuary with a valuation date of January 1, 2015.

Program Financial Condition

Assets and Liabilities:

Actuarial Present Value of Benefits at December 31, 2014		\$ 2,510,317
Less: Assets available for benefits	<u>% of total</u>	
<i>Cash and short-term investments:</i>		
Cash and cash equivalents	15.65%	\$ 361,473
<i>Investments at fair value:</i>		
U.S. equities	9.59%	221,581
International equities	6.84%	157,984
Fixed income	22.36%	516,541
Mixed assets	39.74%	918,039
<i>Other assets:</i>		
Other assets	5.26%	121,483
Interest receivable	0.05%	1,106
Benefits payable	0.51%	<u>11,780</u>
Total net assets available for benefits		<u>2,309,987</u>
Total unfunded benefits		<u>\$ (200,330)</u>

Receipts and Disbursements:

Plan net assets, January 1, 2014		\$ 2,328,274
Changes during the year:		
Add: Plan contributions		\$ 101,977
Investment income earned		19,823
Less: Plan benefit withdrawals		(139,700)
Change in benefits payable		640
Administrative fees		<u>(1,027)</u>
Net change		<u>(18,287)</u>
Plan net assets, December 31, 2014		<u>\$ 2,309,987</u>

Contributions

Amount of sponsor's contribution recommended by actuary for 2015	\$ 107,291
Amount of sponsor's actual contribution	101,977

Administrative Fees

Fees paid to designated program administrator	\$ 1,026
Fee paid to actuary	3,100

Funding Methodology and Actuarial Assumptions

Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the attained age normal frozen initial liability method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are based on an assumed rate of return on investment of 6%.

Mortality Tables used for retirement are based on the 1994 Uninsured Pensioner Male Mortality Table projected with scale AA to 2007.

The Village accounts for service award program assets within its Agency Fund. As of May 31, 2015, program asset information was available which totaled \$2,283,998.

8. RISK MANAGEMENT

The Village is exposed to various risks of losses related to damage and destruction of assets, injuries to employees, and natural disasters. The Village purchases commercial insurance to cover such potential risks. There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have exceeded commercial insurance coverage in the past three fiscal years.

The Village purchases insurance for: automobile, general, and umbrella liability. Automobile insurance is limited to \$1 million per accident. The general liability coverage is limited to \$1 million per occurrence, and an annual aggregate \$3 million limit. The umbrella liability insurance is limited to \$10 million per occurrence, and an aggregate \$20 million limit.

9. LONG-TERM DEBT

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period when debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principle of general long-term debt does not require current appropriation and expenditure of general fund financial resources.

The Village's outstanding long-term liabilities include serial bonds payable and compensated absences. The bonds payable of the Village are secured by its general credit and revenue raising powers, as per New York State statute.

A summary of the Village’s long-term liabilities at May 31, 2015 follows:

	Balance 6/1/2014	Additions	Reductions	Balance 5/31/2015	Due Within One Year
Serial bonds	\$ 4,503,150	\$ -	\$ 358,150	\$ 4,145,000	\$ 350,000
Compensated absences	<u>107,033</u>	<u>15,872</u>	<u>26,227</u>	<u>96,678</u>	<u>4,834</u>
Total	<u>\$ 4,610,183</u>	<u>\$ 15,872</u>	<u>\$ 384,377</u>	<u>\$ 4,241,678</u>	<u>\$ 354,834</u>

Serial Bonds—The Village issues general obligation bonds to provide funds for building construction, renovations, technology improvements, and capital equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 9 to 20 years. Principal is paid annually, interest is paid semi-annually and are recorded in the Debt Service Fund and transfers are made from the General Fund, Water Fund, and Sewer Fund, respectively.

A summary of reductions, for the year ended May 31, 2015 is presented on the following page.

Fund and Purpose	Year of Issue	Interest Rate	Maturity	Original Amount	Principal		Payments	Principal
					Outstanding 6/1/2014	Additions		Outstanding 5/31/2015
General:								
Village Hall Renovation	2004	3.50 - 4.00	9/15/2024	285,000	105,000	-	20,000	85,000
Street Sweeper	2004	3.50 - 4.00	9/15/2024	140,000	15,000	-	15,000	-
Street Reconstruction - Contract	2004	3.50 - 4.00	9/15/2024	425,000	190,000	-	30,000	160,000
Storm Sewer Replacement	2007	4.38 - 4.50	1/1/2022	20,000	12,000	-	1,500	10,500
Plow Truck	2007	4.38 - 4.50	1/1/2022	125,000	64,900	-	8,200	56,700
Road Reconstruction	2007	4.38 - 4.50	1/1/2022	135,000	72,000	-	9,000	63,000
Village Hall Windows	2007	4.38 - 4.50	1/1/2022	20,000	11,100	-	1,300	9,800
Highway Improvements	2011	3.00 - 4.75	2/15/2031	324,000	279,000	-	17,000	262,000
Road Improvements 7/21/08	2011	3.00 - 4.75	2/15/2031	346,666	299,000	-	17,000	282,000
Highway Improvements 5/26/09	2011	3.00 - 4.75	2/15/2031	225,000	180,000	-	14,000	166,000
Floodgate Rehabilitation 5/26/09	2011	3.00 - 4.75	2/15/2031	79,000	65,000	-	4,000	61,000
Highway Reconstruction 6/28/10	2011	3.00 - 4.75	2/15/2031	335,000	275,000	-	21,000	254,000
DPW Equipment 9/27/10	2011	3.00 - 4.75	2/15/2031	95,000	73,000	-	4,000	69,000
Fire Truck	2013	3.25 - 4.00	6/15/2022	470,250	470,250	-	20,250	450,000
Fire Apparatus	2013	3.25 - 4.00	6/15/2022	72,900	72,900	-	7,900	65,000
Street Sweeper	2013	3.25 - 4.00	6/15/2022	200,000	200,000	-	25,000	175,000
				<u>3,297,816</u>	<u>2,384,150</u>	<u>-</u>	<u>215,150</u>	<u>2,169,000</u>
Water:								
Water Improvements - Contract 9	2004	3.50 - 4.00	9/15/2024	230,000	140,000	-	10,000	130,000
Stanton Waterline - Contract 11	2004	3.50 - 4.00	9/15/2024	170,000	80,000	-	10,000	70,000
Coadman Waterline	2004	3.50 - 4.00	9/15/2024	425,000	240,000	-	20,000	220,000
Farber/Garden Pkwy	2007	4.38 - 4.50	1/1/2022	325,000	185,000	-	20,000	165,000
Public Improvements 2/25/08	2011	3.00 - 4.75	2/15/2031	150,250	129,000	-	7,000	122,000
				<u>1,300,250</u>	<u>774,000</u>	<u>-</u>	<u>67,000</u>	<u>707,000</u>
Sewer:								
Public Improvements	2011	3.00 - 4.75	2/15/2031	1,062,500	935,000	-	56,000	879,000
Public Improvements	2013	3.25 - 4.00	6/15/2022	410,000	410,000	-	20,000	390,000
				<u>1,472,500</u>	<u>1,345,000</u>	<u>-</u>	<u>76,000</u>	<u>1,269,000</u>
Total All Funds				<u>\$ 6,070,566</u>	<u>\$ 4,503,150</u>	<u>\$ -</u>	<u>\$ 358,150</u>	<u>\$ 4,145,000</u>

The following is a maturity schedule of the Village's indebtedness:

Year ending May 31,	Serial Bonds	Compensated Absences	Total
2016	\$ 350,000	\$ 4,834	\$ 354,834
2017	360,000	-	360,000
2018	360,000	-	360,000
2019	370,000	-	370,000
2020	360,000	-	360,000
2021-2025	1,385,000	-	1,385,000
2026-2030	740,000	-	740,000
Beyond	220,000	91,844	311,844
	<u>\$ 4,145,000</u>	<u>\$ 96,678</u>	<u>\$ 4,241,678</u>

Interest requirements on serial bonds payable are as follows:

May 31,	Bonds
2016	\$ 150,953
2017	139,023
2018	126,748
2019	113,972
2020	100,910
2021-2025	331,325
2026-2030	120,895
Beyond	12,102
	<u>\$ 1,095,928</u>

Compensated Absences—As explained in Note 1, the Village records the value of compensated absences. The annual budgets of the operating funds provide funding for these benefits as they become payable. Employees are allowed to accumulate 160 days which can be carried over into the next fiscal year. All days in excess of the 160 days accumulated, but unused, as of June 1st will be paid out at a rate of fifty percent (50%) of the employee's regular rate of pay. The liability for compensated absences at May 31, 2015 amounts to \$96,678, of which \$4,834 has been included as due within one year. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable.

10. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- **Net Investment 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 (net of amounts reserved to pay debt) that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. The following is a reconciliation of the Village’s governmental activities net investment in capital assets.

Capital assets, net of accumulated depreciation	\$ 8,394,558
Deduct:	
Serial bonds, net of water bonds	<u>(3,438,000)</u>
Net investment in capital assets	<u>\$ 4,956,558</u>

- **Restricted Net Position**—This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. At May 31, 2015, the Village reported \$455,046 of restricted net position.
- **Unrestricted Net Position**—This category represents net position of the Village not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the Village at May 31, 2015 includes:

- **Prepaid Items**—The General Fund reported \$6,228 of nonspendable fund balance at May 31, 2015.
- **Long-Term Receivable**—The General Fund reported \$225,000 of nonspendable fund balance at May 31, 2015 associated with amounts due from the Water Fund.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balance maintained by the Village at May 31, 2015 includes:

	General Fund	Water Fund	Community Development Fund	Debt Service Fund	Total Governmental Funds
Unemployment insurance	\$ 10,590	\$ -	\$ -	\$ -	\$ 10,590
Capital	-	244,747	-	-	244,747
Restricted for debt	-	-	-	34,253	34,253
Community development	-	-	3,339	-	3,339
DPW equipment	45,187	-	-	-	45,187
Fire equipment	25,255	-	-	-	25,255
Total restricted fund balance	<u>\$ 81,032</u>	<u>\$ 244,747</u>	<u>\$ 3,339</u>	<u>\$ 34,253</u>	<u>\$ 363,371</u>

- ***Restricted for Unemployment Insurance***—Represents funds reserved for costs associated with noninsured unemployment claims.
- ***Restricted for Capital***—Represents resources that have been restricted related to the water system for capital improvements of the water system, and repayment of any additional infrastructure improvements.
- ***Restricted for Debt***—Represents resources that have been legally restricted for principal and interest payments that will be made in future periods.
- ***Restricted for Community Development***—Represents resources that are restricted for expenditures pursuant to Community Development Block Grant requirements.
- ***Restricted for DPW Equipment***—Represents funds accumulated for future purchases of Department of Public Works equipment.
- ***Restricted for Fire Equipment***—Represents funds that have been legally restricted for the future purchase of fire equipment.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the Village’s highest level of decision-making authority. As of May 31, 2015, the Village reported no committed fund balance.

In the fund financial statements, assignments are not legally required to be segregations but are segregated for specific purposes by the Village. At May 31, 2015, the Village reported the following fund balance assignments:

	General Fund	Sewer Fund	Governmental Funds
Encumbrances	\$ 24,245	\$ -	\$ 24,245
Subsequent year's expenditures	201,500	135,850	337,350
Youth and recreation	2,219	-	2,219
Trees	65,901	-	65,901
Village Hall expenditures	31,481	-	31,481
Meeting house	31,529	-	31,529
Parks	52,384	-	52,384
DPW	71,882	-	71,882
Specific use:			
Sewer	-	562,512	562,512
Total assigned fund balance	<u>\$ 481,141</u>	<u>\$ 698,362</u>	<u>\$ 1,179,503</u>

- **Assigned to Encumbrances**—Represents amounts related to unperformed (executory) contracts for goods and services.
- **Assigned to Subsequent Year's Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements.
- **Assigned to Youth and Recreation**—Represents available fund balance being appropriated to meet Youth and Recreation program expenditures.
- **Assigned to Trees**—Represents available fund balance being appropriated to meet expenditures for replacement tree requirements.
- **Assigned to Village Hall Expenditures**—Represents available fund balance being appropriated to meet expenditures for Village Hall improvements.
- **Assigned to Meeting House**—Represents available fund balance being appropriated for Meeting House improvements.
- **Assigned to Parks**—Represents available fund balance being appropriated to meet expenditures for park improvements.
- **Assigned to DPW**—Represents available fund balance being appropriated to meet expenditures for the Department of Public Works.

- **Assigned to Sewer Fund**—Represents available fund balance for expenditures from the Sewer Fund.

Unassigned fund balance represents the residual classification of the government’s General Fund surplus, and Capital Projects Fund deficit.

If the Village must use funds for emergency expenditures the Board shall authorize the Clerk-Treasurer to expend funds first from funds classified under GASB as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds as classified by GASB will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available, the Village will use unassigned fund balance.

12. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. The composition of interfund balances as of May 31, 2015 is as follows:

Fund	Interfund	
	Receivables	Payables
General Fund	\$ 1,512,528	\$ 5,836
Water Fund	290,230	225,000
Capital Projects Fund	5,836	1,573,645
Agency Fund	-	4,113
Total	<u>\$ 1,808,594</u>	<u>\$ 1,808,594</u>

The outstanding balances between funds result from payments made on behalf of other funds or temporary advances. At May 31, 2015, a long-term interfund receivable within the General Fund and due from the Water Fund of \$225,000 was outstanding and was not anticipated to be repaid within a year. The Village has reported this balance as nonspendable within the General Fund. All other balances are expected to be collected/paid within the subsequent year.

The Village made the following transfers during the year ended May 31, 2015:

Fund	Transfers in:			Total
	General Fund	Debt Service Fund	Capital Projects Fund	
Transfer out:				
General Fund	\$ -	\$ 298,915	\$ 51,850	\$ 350,765
Community Development Fund	-	-	82,468	82,468
Water Fund	-	97,163	-	97,163
Sewer Fund	-	124,841	-	124,841
Capital Projects Fund	63	1,820	-	1,883
	<u>\$ 63</u>	<u>\$ 522,739</u>	<u>\$ 134,318</u>	<u>\$ 657,120</u>

Transfers are used primarily to move amounts to fulfill commitments to finance various capital projects or pay down on outstanding debt.

13. AGENCY FUND

An agency fund exists for employee withholding and temporary deposit funds. A summary of changes in the assets and liabilities for the year ended May 31, 2015 is presented below:

	Balance 6/1/2014	Additions	Deductions	Balance 5/31/2015
Assets:				
Cash	\$ 38,135	\$ 1,395,933	\$ (1,392,363)	\$ 41,705
Service Awards Program Assets	<u>2,316,193</u>	<u>-</u>	<u>(32,195)</u>	<u>2,283,998</u>
Total assets	<u>\$ 2,354,328</u>	<u>\$ 1,427,219</u>	<u>\$ (1,401,637)</u>	<u>\$ 2,325,703</u>
Liabilities:				
Agency liabilities	\$ 38,135	\$ 439,151	\$ (439,694)	\$ 37,592
Due to other funds	-	4,113	-	4,113
Service Award Program Liabilities	<u>2,316,193</u>	<u>-</u>	<u>(32,195)</u>	<u>2,283,998</u>
Total liabilities	<u>\$ 2,354,328</u>	<u>\$ 445,939</u>	<u>\$ (420,357)</u>	<u>\$ 2,325,703</u>

14. LABOR RELATIONS

Village employees are represented by a bargaining unit with the balance governed by Village Board rules and regulations. The bargaining unit has a negotiated contract in place through May 31, 2016.

15. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expended in the next year) and re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The Village considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. There were no significant encumbrances at May 31, 2015. The Village assigned \$24,245 of fund balance for encumbrances at May 31, 2015.

16. CONTINGENCIES

Litigation—The Village is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the Village. The outcome of these matters is not presently determinable but, in the opinion of management, the ultimate liability will not have a material adverse effect on the financial condition or results of operation of the Village.

Grants—In the normal course of operations, the Village receives grant funds from various federal and state agencies. The disbursement of funds received under these programs generally requires

compliance with terms and conditions that are specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the Village. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

17. JOINT VENTURE

The Village and Town of Amherst jointly own the Glen Park. The venture operates under the terms of an agreement dated July 11, 1977 and amended September 2, 1980. Significant provisions of the agreement are as follows:

The Boards of each municipality jointly act as the governing body for the joint venture. The Village and Town have created a Glen Park Joint Board to make studies and advise the Village and Town on the development and maintenance of the Park. Neither the Village nor the Town shall take any action with respect to Glen Park without submitting the matter to the Glen Park Joint Board for recommendation.

The Village and Town share equally in all expenses of development and maintenance of Glen Park. Such contribution is determined on an annual basis. The joint venture has not accumulated significant surpluses or deficits. The following is a summary of the balance sheet:

Total assets	\$	44,886
Total liabilities	\$	5,073
Fund balance	\$	39,813

The Village has appropriated \$48,000 for spending in fiscal year 2016.

The Treasurer of the Village has custody of all monies appropriated by the Village and the Town, and the Town pays over to the Village Treasurer the total sum appropriated by the Town as its share of park maintenance on or about the 1st of June each year.

The joint venture's financial statements can be obtained from the Village Administrator's office at 5565 Main Street, Williamsville, New York 14221.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 24, 2015, which is the date the financial statements are available for issuance, except as noted below, there are no other subsequent events that require disclosure under generally accepted accounting principles.

On July 14, 2015, the Village issued a \$2 million Bond Anticipation Note ("BAN") for the East Spring Street project. The BAN bears an interest rate of 1.50 percent and matures on July 13, 2016.

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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in
Fund Balances—Budget and Actual—General Fund
Year Ended May 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget</u>
REVENUES				
Real property taxes	\$ 1,666,914	\$ 1,666,914	\$ 1,669,777	\$ 2,863
Real property tax items	24,800	24,800	29,087	4,287
Non property tax items	885,000	885,000	949,998	64,998
Departmental income	46,200	50,617	79,128	28,511
Intergovernmental charges	283,950	296,406	320,438	24,032
Use of money and property	6,950	8,142	17,298	9,156
Licenses and permits	25,000	25,726	35,820	10,094
Fines and forfeitures	80,000	80,000	74,081	(5,919)
Sale of property and compensation for loss	12,600	42,093	45,672	3,579
Miscellaneous	3,250	9,445	12,923	3,478
State support	185,035	388,727	399,809	11,082
Total revenues	<u>3,219,699</u>	<u>3,477,870</u>	<u>3,634,031</u>	<u>156,161</u>
EXPENDITURES				
Current:				
General government support	691,821	687,049	615,009	72,040
Public safety	643,142	806,063	699,948	106,115
Transportation	458,870	631,492	516,170	115,322
Economic assistance and opportunity	78,265	64,511	61,841	2,670
Culture and recreation	189,798	282,901	264,009	18,892
Home and community services	540,199	640,347	592,268	48,079
Employee benefits	427,312	427,312	391,133	36,179
Total expenditures	<u>3,029,407</u>	<u>3,539,675</u>	<u>3,140,378</u>	<u>399,297</u>
Excess of revenues over expenditures	<u>190,292</u>	<u>(61,805)</u>	<u>493,653</u>	<u>555,458</u>
OTHER FINANCING USES				
Transfers in	-	-	63	63
Transfers out	<u>(388,270)</u>	<u>(350,765)</u>	<u>(350,765)</u>	<u>-</u>
Total other financing uses	<u>(388,270)</u>	<u>(350,765)</u>	<u>(350,702)</u>	<u>63</u>
Net change in fund balances*	(197,978)	(412,570)	142,951	555,521
Fund balances - beginning	<u>2,141,250</u>	<u>2,141,250</u>	<u>2,141,250</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,943,272</u>	<u>\$ 1,728,680</u>	<u>\$ 2,284,201</u>	<u>\$ 555,521</u>

*The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance and re-appropriation of prior year encumbrances.

The note to the required supplementary information is an integral part of this schedule.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in
Fund Balances—Budget and Actual—Water Fund
Year Ended May 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income	\$ 224,288	\$ 224,773	\$ 222,667	\$ (2,106)
Use of money and property	-	-	30	30
Total revenues	<u>224,288</u>	<u>224,773</u>	<u>222,697</u>	<u>(2,076)</u>
EXPENDITURES				
Current:				
Home and community service	<u>127,125</u>	<u>127,610</u>	<u>8,841</u>	<u>118,769</u>
Total expenditures	<u>127,125</u>	<u>127,610</u>	<u>8,841</u>	<u>118,769</u>
Excess of revenues over expenditures	<u>97,163</u>	<u>97,163</u>	<u>213,856</u>	<u>116,693</u>
OTHER FINANCING USES				
Transfers out	<u>(97,163)</u>	<u>(97,163)</u>	<u>(97,163)</u>	-
Total other financing uses	<u>(97,163)</u>	<u>(97,163)</u>	<u>(97,163)</u>	-
Net change in fund balances (deficit)	-	-	116,693	116,693
Fund balances (deficit)- beginning	<u>128,054</u>	<u>128,054</u>	<u>128,054</u>	-
Fund balances (deficit) - ending	<u>\$ 128,054</u>	<u>\$ 128,054</u>	<u>\$ 244,747</u>	<u>\$ 116,693</u>

*The note to the required supplementary information is an integral part of this schedule.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in
Fund Balances—Budget and Actual—Sewer Fund
Year Ended May 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 956	\$ 956	\$ 956	\$ -
Departmental income	1,102,418	1,102,418	1,023,839	(78,579)
Use of money and property	1,000	1,000	442	(558)
Miscellaneous	-	-	450	450
State support	-	36,488	36,488	-
Total revenues	<u>1,104,374</u>	<u>1,140,862</u>	<u>1,062,175</u>	<u>(78,687)</u>
EXPENDITURES				
Current:				
General government support	51,718	36,718	35,356	1,362
Home and community services	926,389	977,877	869,008	108,869
Employee benefits	67,226	67,226	59,576	7,650
Total expenditures	<u>1,045,333</u>	<u>1,081,821</u>	<u>963,940</u>	<u>117,881</u>
Excess of revenues over expenditures	<u>59,041</u>	<u>59,041</u>	<u>98,235</u>	<u>39,194</u>
OTHER FINANCING USES				
Transfers out	<u>(124,841)</u>	<u>(124,841)</u>	<u>(124,841)</u>	<u>-</u>
Total other financing uses	<u>(124,841)</u>	<u>(124,841)</u>	<u>(124,841)</u>	<u>-</u>
Net change in fund balances*	(65,800)	(65,800)	(26,606)	39,194
Fund balances - beginning	<u>724,968</u>	<u>724,968</u>	<u>724,968</u>	<u>-</u>
Fund balances - ending	<u>\$ 659,168</u>	<u>\$ 659,168</u>	<u>\$ 698,362</u>	<u>\$ 39,194</u>

*The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance and re-appropriation of prior year encumbrances.

The note to the required supplementary information is an integral part of this schedule.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Notes to the Required Supplementary Information
Year Ended May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary basis of accounting—Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States for the General Fund, Water Fund, Sewer Fund and Debt Service Fund. The Capital Projects Fund appropriations are not included in the Village’s annual budget. Instead, appropriations are approved through Board resolution at the projects inception and lapse at upon termination of the project. The Community Development Fund does not have an appropriated budget since other means control the use of these resources (e.g., grant awards), and sometimes span a period of more than one fiscal year. The funds are accepted by Board resolution and appropriations lapse upon fully expending such funds.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations require the approval of the Village Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriation and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

SUPPLEMENTARY INFORMATION

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Combining Balance Sheet—Capital Projects Fund
Year Ended May 31, 2015

	<u>Equipment</u>	<u>2010 Roads</u>	<u>Mill Rock</u>	<u>2009 Mill Preservation</u>	<u>2010 Mill Preservation</u>	<u>N. Ellicott Sewers</u>	<u>Water Meter Replacement</u>	<u>Cayuga Waterline</u>	<u>Spring Street</u>	<u>South Long Street</u>	<u>Safe Route to School</u>	<u>Totals</u>
ASSETS												
Restricted cash and cash equivalents	\$ 50,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,139
Due from other funds	-	-	-	-	-	-	-	-	-	5,000	836	5,836
Total assets	<u>50,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>836</u>	<u>55,975</u>
LIABILITIES												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 35,999	\$ -	\$ -	\$ -	\$ 8,880	\$ -	\$ 30,252	\$ 75,131
Due to other funds	181,849	-	-	72,722	351,303	-	585,108	131,128	232,372	11,691	7,472	1,573,645
Total liabilities	<u>181,849</u>	<u>-</u>	<u>-</u>	<u>72,722</u>	<u>387,302</u>	<u>-</u>	<u>585,108</u>	<u>131,128</u>	<u>241,252</u>	<u>11,691</u>	<u>37,724</u>	<u>1,648,776</u>
FUND BALANCES (DEFICITS)												
Unassigned	(131,710)	-	-	(72,722)	(387,302)	-	(585,108)	(131,128)	(241,252)	(6,691)	(36,888)	(1,592,801)
Total fund balances (deficits)	<u>(131,710)</u>	<u>-</u>	<u>-</u>	<u>(72,722)</u>	<u>(387,302)</u>	<u>-</u>	<u>(585,108)</u>	<u>(131,128)</u>	<u>(241,252)</u>	<u>(6,691)</u>	<u>(36,888)</u>	<u>(1,592,801)</u>
Total liabilities and fund balances (deficits)	<u>\$ 50,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 836</u>	<u>\$ 55,975</u>

VILLAGE OF WILLIAMSVILLE, NEW YORK
Combining Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit)—Capital Projects Fund
Year Ended May 31, 2015

	<u>Equipment</u>	<u>2010 Roads</u>	<u>Mill Rock</u>	<u>2009 Mill Preservation</u>	<u>2010 Mill Preservation</u>	<u>N. Ellicott Sewers</u>	<u>Water Meter Replacement</u>	<u>Cayuga Waterline</u>	<u>Spring Street</u>	<u>South Long Street</u>	<u>Safe Route to School</u>	<u>Totals</u>
REVENUES												
Use of money and property	\$ 5	\$ 2	\$ -	\$ -	\$ 18	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35
Miscellaneous	-	-	-	-	-	-	-	-	-	-	639	639
State aid	-	-	-	-	-	-	-	-	-	-	29,177	29,177
Total revenues	<u>5</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,816</u>	<u>29,851</u>
EXPENDITURES												
Capital outlay	181,849	-	-	-	469,794	-	303,538	16,000	239,113	11,691	66,704	1,288,689
Total expenditures	<u>181,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>469,794</u>	<u>-</u>	<u>303,538</u>	<u>16,000</u>	<u>239,113</u>	<u>11,691</u>	<u>66,704</u>	<u>1,288,689</u>
Excess (deficiency) of revenues over expenditures	<u>(181,844)</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>(469,776)</u>	<u>10</u>	<u>(303,538)</u>	<u>(16,000)</u>	<u>(239,113)</u>	<u>(11,691)</u>	<u>(36,888)</u>	<u>(1,258,838)</u>
OTHER FINANCING SOURCES (USES)												
Transfers in	46,850	-	-	-	82,468	-	-	-	-	5,000	-	134,318
Transfers out	-	(1,810)	(63)	-	-	(10)	-	-	-	-	-	(1,883)
Total other financing sources (uses)	<u>46,850</u>	<u>(1,810)</u>	<u>(63)</u>	<u>-</u>	<u>82,468</u>	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>132,435</u>
Net change in fund balances (deficits)	<u>(134,994)</u>	<u>(1,808)</u>	<u>(63)</u>	<u>-</u>	<u>(387,308)</u>	<u>-</u>	<u>(303,538)</u>	<u>(16,000)</u>	<u>(239,113)</u>	<u>(6,691)</u>	<u>(36,888)</u>	<u>(1,126,403)</u>
Fund balances (deficits) - beginning	<u>3,284</u>	<u>1,808</u>	<u>63</u>	<u>(72,722)</u>	<u>6</u>	<u>-</u>	<u>(281,570)</u>	<u>(115,128)</u>	<u>(2,139)</u>	<u>-</u>	<u>-</u>	<u>(466,398)</u>
Fund balances (deficits) - ending	<u>\$ (131,710)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (72,722)</u>	<u>\$ (387,302)</u>	<u>\$ -</u>	<u>\$ (585,108)</u>	<u>\$ (131,128)</u>	<u>\$ (241,252)</u>	<u>\$ (6,691)</u>	<u>\$ (36,888)</u>	<u>\$ (1,592,801)</u>

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Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Board of Trustees
Village of Williamsville, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Williamsville, New York (the "Village"), as of and for the year ended May 31, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated September 24, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Drescher & Malecki LLP

September 24, 2015

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Findings and Responses
Year Ended May 31, 2015

No findings were reported.

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