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

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

For The

VILLAGE of Hamburg

County of Erie

For the Fiscal Year Ended 05/31/2009

****

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICPAL LAW:

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

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller within sixty days after the close of the fiscal year of such Municipal Corporation *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

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

VILLAGE OF Hamburg

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2008 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2009:

(A) GENERAL
(CD) SPECIAL GRANT
(EE) ENTERPRISE UTILITY
(G) SEWER
(H) CAPITAL PROJECTS
(K) GENERAL FIXED ASSETS
(TA) AGENCY
(TE) PRIVATE PURPOSE TRUST
(W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2008 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

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

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

(A) GENERAL

Balance Sheet

Code Description	2008	EdpCode	2009
Assets			
Cash	3,027,850	A200	3,209,611
Petty Cash	1,300	A210	1,300
TOTAL Cash	**3,029,150**		**3,210,911**
Accounts Receivable	42,258	A380	59,243
TOTAL Other Receivables (net)	**42,258**		**59,243**
State & Federal, Other	38,873	A410	44,530
TOTAL State And Federal Aid Receivables	**38,873**		**44,530**
Due From Other Funds	552	A391	156
TOTAL Due From Other Funds	**552**		**156**
Due From Other Governments	276,280	A440	241,965
TOTAL Due From Other Governments	**276,280**		**241,965**
Prepaid Expenses	188,614	A480	89,115
TOTAL Prepaid Expenses	**188,614**		**89,115**
Cash, Special Reserves	316,947	A230	327,753
TOTAL Restricted Assets	**316,947**		**327,753**
TOTAL Assets	**3,892,674**		**3,973,673**

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2009

(A) GENERAL

Balance Sheet

Code Description	2008	EdpCode	2009
Liabilities And Fund Equity			
Accounts Payable	41,837	A600	63,606
TOTAL Accounts Payable	**41,837**		**63,606**
Accrued Liabilities	99,757	A601	120,012
TOTAL Accrued Liabilities	**99,757**		**120,012**
Compensated Absences	319,510	A687	344,396
Overpayments & Clearing Account	10,547	A690	12,890
TOTAL Other Liabilities	**330,057**		**357,286**
Due To Other Governments		A631	293
TOTAL Due To Other Governments	**0**		**293**
Deferred Revenues	488,886	A691	245,741
TOTAL Deferred Revenues	**488,886**		**245,741**
TOTAL Liabilities	**960,537**		**786,938**
Reserve For Encumbrances	114,119	A821	197,154
TOTAL Reserve For Encumbrances	**114,119**		**197,154**
Insurance Reserve	155,168	A863	158,194
Capital Reserve	316,947	A878	327,753
Reserve For Debt	95,907	A884	104,425
Miscellaneous Reserve (specify)		A889	89,115
TOTAL Special Reserves	**568,022**		**679,487**
Unreserved Fund Balance Appropriated	220,000	A910	215,000
TOTAL Unreserved Fund Balance - Appropriated	**220,000**		**215,000**
Unreserved Fund Balance Unappropriated	2,029,995	A911	2,095,094
TOTAL Unreserved Fund Balance - Unappropriated	**2,029,995**		**2,095,094**
TOTAL Fund Equity	**2,932,136**		**3,186,735**
TOTAL Liabilities And Fund Equity	**3,892,673**		**3,973,673**

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2009

(A) GENERAL

Results of Operation

Code Description	2008	EdpCode	2009
Detail Revenues And Other Sources			
Real Property Taxes	5,031,778	A1001	5,322,290
TOTAL Real Property Taxes	**5,031,778**		**5,322,290**
Other Payments In Lieu of Taxes	89,237	A1081	124,826
Interest & Penalties On Real Prop Taxes	30,628	A1090	36,959
TOTAL Real Property Tax Items	**119,865**		**161,785**
Non Prop Tax Dist By County	1,026,926	A1120	1,002,341
Utilities Gross Receipts Tax	109,097	A1130	104,841
Franchises	96,055	A1170	119,467
TOTAL Non Property Tax Items	**1,232,078**		**1,226,649**
Treasurer Fees	1,991	A1230	1,777
Other Public Safety Departmental Income	24,225	A1589	12,825
Park And Recreational Charges	52,012	A2001	72,170
Special Recreational Facility Charges	84,791	A2025	77,347
Zoning Fees	225	A2110	
Sewer Charges		A2122	19,000
TOTAL Departmental Income	**163,244**		**183,119**
Fire Protection Services Other Govts	146,227	A2262	148,166
Snow Removal Services, Other Govts	4,626	A2302	
Misc Revenue, Other Govts	50	A2389	
TOTAL Intergovernmental Charges	**150,903**		**148,166**
Interest And Earnings	207,172	A2401	103,750
Rental of Real Property	6,029	A2410	7,552
Rental, Other (specify)	156,571	A2440	155,898
TOTAL Use of Money And Property	**369,772**		**267,200**
Business & Occupational License	2,900	A2501	3,033
Games of Chance	70	A2530	325
Bingo Licenses	788	A2540	1,172
Building And Alteration Permits	6,493	A2555	33,090
TOTAL Licenses And Permits	**10,251**		**37,620**
Fines And Forfeited Bail	106,670	A2610	79,582
TOTAL Fines And Forfeitures	**106,670**		**79,582**
Sales of Scrap & Excess Materials	130	A2650	125
Sales of Refuse For Recycling	9,801	A2651	6,734
Sales of Real Property		A2660	100,773
Sales of Equipment		A2665	2,010
Insurance Recoveries	30,105	A2680	31,937
Other Compensation For Loss	1,095	A2690	2,050
TOTAL Sale of Property And Compensation For Loss	**41,131**		**143,629**
Refunds of Prior Year's Expenditures	4,820	A2701	5,207
Gifts And Donations	1,000	A2705	2,500
Premium On Obligations	25,000	A2710	12,548
Unclassified (specify)	22,604	A2770	26,852
TOTAL Miscellaneous Local Sources	**53,424**		**47,107**
St Aid, Revenue Sharing	101,798	A3001	111,468
St Aid, Mortgage Tax	90,467	A3005	76,162

(A) GENERAL

Results of Operation

Code	Description	2008	EdpCode	2009
Detail Revenues And Other Sources				
	St Aid - Other (specify)	22,328	A3089	33,439
	St Aid, Consolidated Highway Aid	49,852	A3501	89,947
	St Aid, Youth Programs	2,993	A3820	2,865
TOTAL State Aid		**267,438**		**313,881**
	Fed Aid, Emergency Disaster Assistance	3,481	A4960	
TOTAL Federal Aid		**3,481**		**0**
TOTAL Revenues		**7,550,036**		**7,931,028**
	Interfund Transfers	53,037	A5031	13,752
TOTAL Interfund Transfers		**53,037**		**13,752**
TOTAL Other Sources		**53,037**		**13,752**
TOTAL Detail Revenues And Other Sources		**7,603,072**		**7,944,780**

(A) GENERAL

Results of Operation

Code Description	2008	EdpCode	2009
Detail Expenditures And Other Uses			
Legislative Board, Pers Serv	19,999	A10101	20,675
Legislative Board, Contr Expend	64,895	A10104	59,109
TOTAL Legislative Board	**84,894**		**79,784**
Municipal Court, Pers Serv	52,552	A11101	53,468
Municipal Court, Equip & Cap Outlay	500	A11102	297
Municipal Court, Contr Expend	6,288	A11104	7,334
TOTAL Municipal Court	**59,340**		**61,099**
Mayor, Pers Serv	9,500	A12101	9,821
Mayor, Contr Expend	960	A12104	1,079
TOTAL Mayor	**10,460**		**10,900**
Auditor, Contr Expend	28,801	A13204	33,220
TOTAL Auditor	**28,801**		**33,220**
Treasurer, Pers Serv	181,984	A13251	201,926
Treasurer, Equip & Cap Outlay	4,520	A13252	6,323
Treasurer, Contr Expend	43,811	A13254	48,196
TOTAL Treasurer	**230,315**		**256,445**
Purchasing, Contr Expend	6,604	A13454	6,704
TOTAL Purchasing	**6,604**		**6,704**
Law, Pers Serv	6,986	A14201	7,222
Law, Contr Expend	80,732	A14204	53,342
TOTAL Law	**87,718**		**60,564**
Engineer, Contr Expend	12,786	A14404	
TOTAL Engineer	**12,786**		**0**
Elections, Pers Serv	730	A14501	
Elections, Contr Expend	536	A14504	
TOTAL Elections	**1,266**		**0**
Records Mgmt, Contr Expend	8,951	A14604	6,533
TOTAL Records Mgmt	**8,951**		**6,533**
Public Works Admin, Pers Serv	102,354	A14901	111,753
Public Works Admin, Equip & Cap Outlay	3,059	A14902	3,643
Public Works Admin, Contr Expend	29,503	A14904	25,689
TOTAL Public Works Admin	**134,916**		**141,085**
Buildings, Contr Expend	43,263	A16204	31,210
TOTAL Buildings	**43,263**		**31,210**
Central Garage, Pers Serv	171,027	A16401	179,530
Central Garage, Equip & Cap Outlay	1,563	A16402	835
Central Garage, Contr Expend	239,608	A16404	238,078
TOTAL Central Garage	**412,198**		**418,443**
Central Print & Mail,contr Expend	6,636	A16704	10,806
TOTAL Central Print & Mail	**6,636**		**10,806**
Unallocated Insurance, Contr Expend	145,306	A19104	146,443
TOTAL Unallocated Insurance	**145,306**		**146,443**
Municipal Assn Dues, Contr Expend	4,527	A19204	4,535
TOTAL Municipal Assn Dues	**4,527**		**4,535**

(A) GENERAL

Results of Operation

Code Description	2008	EdpCode	2009
Detail Expenditures And Other Uses			
Judgements And Claims, Contr Expend	7,714	A19304	2,425
TOTAL Judgements And Claims	**7,714**		**2,425**
Taxes & Assess On Munic Prop, Contr Expend	16,032	A19504	14,062
TOTAL Taxes & Assess On Munic Prop	**16,032**		**14,062**
Other Gen Govt Support, Contr Expend	731	A19894	6,944
TOTAL Other Gen Govt Support	**731**		**6,944**
TOTAL General Government Support	**1,302,468**		**1,291,202**
Police, Pers Serv	1,232,961	A31201	1,303,862
Police, Equip & Cap Outlay	57,790	A31202	34,129
Police, Contr Expend	25,351	A31204	37,767
TOTAL Police	**1,316,102**		**1,375,758**
Traffic Control, Contr Expen	14,859	A33104	10,029
TOTAL Traffic Control	**14,859**		**10,029**
Fire, Equip & Cap Outlay	17,958	A34102	17,351
Fire, Contr Expend	303,574	A34104	338,940
TOTAL Fire	**321,532**		**356,291**
Misc Public Safety, Contr Expend	3,860	A39894	3,860
TOTAL Misc Public Safety	**3,860**		**3,860**
TOTAL Public Safety	**1,656,353**		**1,745,938**
Public Health, Contr Expend	1,065	A40104	1,130
TOTAL Public Health	**1,065**		**1,130**
Ambulance, Equip & Cap Outlay	3,036	A45402	4,496
Ambulance, Contr Expend	3,484	A45404	3,377
TOTAL Ambulance	**6,520**		**7,873**
TOTAL Health	**7,585**		**9,003**
Street Admin, Empl Bnfts	17,914	A50108	59,634
TOTAL Street Admin	**17,914**		**59,634**
Maint of Streets, Pers Serv	763,813	A51101	798,213
Maint of Streets, Equip & Cap Outlay	17,591	A51102	1,035
Maint of Streets, Contr Expend	32,041	A51104	83,637
TOTAL Maint of Streets	**813,445**		**882,885**
Snow Removal, Equip & Cap Outlay	5,800	A51422	2,878
Snow Removal, Contr Expend	35,924	A51424	38,375
TOTAL Snow Removal	**41,724**		**41,253**
Street Lighting, Contr Expend	129,343	A51824	108,108
TOTAL Street Lighting	**129,343**		**108,108**
Escalators, Contr Expend	2,103	A54204	1,949
TOTAL Escalators	**2,103**		**1,949**
TOTAL Transportation	**1,004,529**		**1,093,829**
Parks, Contr Expend	1,349	A71104	1,044
TOTAL Parks	**1,349**		**1,044**
Playgr & Rec Centers, Pers Serv	61,943	A71401	65,231
Playgr & Rec Centers, Equip & Cap Outlay	4,848	A71402	4,760

(A) GENERAL

Results of Operation

Code Description	2008	EdpCode	2009
Detail Expenditures And Other Uses			
Playgr & Rec Centers, Contr Expend	7,066	A71404	3,594
TOTAL Playgr & Rec Centers	**73,857**		**73,585**
Joint Rec Proj, Pers Serv	50,170	A71451	47,631
Joint Rec Proj, Contr Expend	32,499	A71454	38,762
TOTAL Joint Rec Proj	**82,669**		**86,393**
Youth Prog, Pers Serv	241,923	A73101	282,441
Youth Prog, Equip & Cap Outlay	12,510	A73102	13,634
Youth Prog, Contr Expend	49,697	A73104	43,573
TOTAL Youth Prog	**304,130**		**339,648**
Historical Property, Contr Expend	555	A75204	2,185
TOTAL Historical Property	**555**		**2,185**
Adult Recreation, Pers Serv	1,337	A76201	1,377
Adult Recreation, Equip & Cap Outlay		A76202	115
Adult Recreation, Contr Expend	11,180	A76204	21,390
TOTAL Adult Recreation	**12,517**		**22,882**
Other Culture And Rec, Contr Expend	2,000	A79894	5,000
TOTAL Other Culture And Rec	**2,000**		**5,000**
TOTAL Culture And Recreation	**477,077**	✓	**530,737** ✓
Zoning, Pers Serv	157	A80101	243
Zoning, Contr Expend	243	A80104	168
TOTAL Zoning	**400**		**411**
Planning, Pers Serv	510	A80201	324
Planning, Contr Expend	1,153	A80204	150
TOTAL Planning	**1,663**		**474**
Refuse & Garbage, Pers Serv	197,941	A81601	201,056
Refuse & Garbage, Contr Expend	145,887	A81604	163,608
TOTAL Refuse & Garbage	**343,828**		**364,664**
Street Cleaning, Equip & Cap Outlay	1,341	A81702	617
TOTAL Street Cleaning	**1,341**		**617**
Shade Tree, Contr Expend	7,157	A85604	2,586
TOTAL Shade Tree	**7,157**		**2,586**
TOTAL Home And Community Services	**354,389** ✓		**368,752** ✓
State Retirement System	316,048	A90108	317,861
Social Security, Employer Cont	230,610	A90308	273,748
Worker's Compensation, Empl Bnfts	170,021	A90408	147,025
Unemployment Insurance, Empl Bnfts	3,251	A90508	2,422
Hospital & Medical (dental) Ins, Empl Bnft	838,960	A90608	922,660
TOTAL Employee Benefits	**1,558,890** ✓		**1,663,716** ✓
Debt Principal, Serial Bonds	415,000	A97106	295,000
Debt Principal, Bond Anticipation Notes		A97306	197,500
TOTAL Debt Principal	**415,000**		**492,500**
Debt Interest, Serial Bonds	106,605	A97107	89,695

(A) GENERAL

Results of Operation

Code Description	2008	EdpCode	2009
Detail Expenditures And Other Uses			
Debt Interest, Bond Anticipation Notes	138,265	A97307	72,812
TOTAL Debt Interest	**244,870**		**162,507**
TOTAL Expenditures	**7,021,151**		**7,358,184**
Transfers, Capital Projects Fund	293,226	A99509	331,998
TOTAL Operating Transfers	**293,226**		**331,998**
TOTAL Other Uses	**293,226**		**331,998**
TOTAL Detail Expenditures And Other Uses	**7,314,377**		**7,690,182**

(A) GENERAL

Changes in Fund Equity

Code	Description	2008	EdpCode	2009
	ANALYSIS OF CHANGES IN FUND EQUITY			
	Fund Equity-Beginning of Year	**2,643,441**	**A8021**	**2,932,136**
	Restated Fund Equity - Beg of Year	**2,643,441**	**A8022**	**2,932,136**
	ADD - REVENUES AND OTHER SOURCES	7,603,072		7,944,780
	DEDUCT - EXPENDITURES AND OTHER USES	7,314,377		7,690,182
	Fund Equity-End of Year	**2,932,136**	**A8029**	**3,186,734**

(A) GENERAL

Budget Summary

Code Description	2009	EdpCode	2010
Estimated Revenues And Other Sources			
Est Rev - Real Property Taxes	5,322,290	A1049N	5,500,089
Est Rev - Real Property Tax Items	139,996	A1099N	152,106
Est Rev - Non Property Tax Items	1,140,816	A1199N	1,152,816
Est Rev - Departmental Income	185,000	A1299N	175,350
Est Rev - Intergovernmental Charges	152,372	A2399N	149,166
Est Rev - Use of Money And Property	283,641	A2499N	280,491
Est Rev - Licenses And Permits	3,475	A2599N	3,575
Est Rev - Fines And Forfeitures	100,000	A2649N	85,000
Est Rev - Sale of Prop And Comp For Loss	99,150	A2699N	7,100
Est Rev - Miscellaneous Local Sources	20,000	A2799N	17,000
Est Rev - State Aid	279,783	A3099N	240,648
TOTAL Estimated Revenues	**7,726,523**		**7,763,341**
Estimated - Interfund Transfer	0	A5031N	
Appropriated Fund Balance	220,000	A599N	215,000
TOTAL Estimated Other Sources	**220,000**		**215,000**
TOTAL Estimated Revenues And Other Sources	**7,946,523**		**7,978,341**

(A) GENERAL

Budget Summary

Code Description	2009	EdpCode	2010
Appropriations And Other Uses			
App - General Government Support	1,495,308	A1999N	1,471,343
App - Public Safety	1,671,011	A3999N	1,707,038
App - Health	9,930	A4999N	9,850
App - Transportation	1,044,051	A5999N	1,190,446
App - Culture And Recreation	502,232	A7999N	528,255
App - Home And Community Services	369,003	A8999N	380,381
App - Employee Benefits	1,896,320	A9199N	1,808,738
App - Debt Service	655,748	A9899N	667,290
TOTAL Appropriations	**7,643,603**		**7,763,341**
App - Interfund Transfer	302,920	A9999N	215,000
TOTAL Other Uses	**302,920**		**215,000**
TOTAL Appropriations And Other Uses	**7,946,523**		**7,978,341**

Balance Sheet

Code Description	2008	EdpCode	2009

Balance Sheet

Code	Description	2008	EdpCode	2009

Results of Operation

Code	Description	2008	EdpCode	2009

Results of Operation

Code	Description	2008	EdpCode	2009

(CD) SPECIAL GRANT

Changes in Fund Equity

Code	Description	2008	EdbCode	2009
	ANALYSIS OF CHANGES IN FUND EQUITY			
	Fund Equity-Beginning of Year		**CD8021**	
	Restated Fund Equity - Beg of Year		**CD8022**	
	Fund Equity-End of Year		**CD8029**	

(EE) ENTERPRISE UTILITY

Balance Sheet

Code	Description	2008	Ed	Code	2009
Assets					
	Cash	142,766		EE200	78,314
	Petty Cash	100		EE210	100
	TOTAL Cash	**142,866**			**78,414**
	Accounts Receivable	301		EE380	47,652
	TOTAL Other Receivables (net)	**301**			**47,652**
	TOTAL Assets	**143,167**			**126,066**

(EE) ENTERPRISE UTILITY

Balance Sheet

Code Description	2008	EdpCode 1	2009
Liabilities And Fund Equity			
Accounts Payable	3,401	EE600	1,194
TOTAL Accounts Payable	**3,401**		**1,194**
TOTAL Liabilities	**3,401**		**1,194**
Net Assets-Unrestricted (deficit)	139,766	EE924	124,872
TOTAL Retained Earnings	**139,766**		**124,872**
TOTAL Fund Equity	**139,766**		**124,872**
TOTAL Liabilities And Fund Equity	**143,167**		**126,066**

(EE) ENTERPRISE UTILITY

Results of Operation

Code Description	2008	EqpCode	2009
Non Operating Revenue			
Sale of Natural Gas	890,007	EE2154	905,192
TOTAL Charges For Services Within Locality	**890,007**		**905,192**
Interest And Earnings	2,156	EE2401	669
TOTAL Use of Money And Property	**2,156**		**669**
TOTAL Revenues	**892,163**		**905,861**
TOTAL Non Operating Revenue	**892,163**		**905,861**

(EE) ENTERPRISE UTILITY

Results of Operation

Code Description	2008	EdpCode	2009
Expenses And Transfers			
Gas Distribution, Cont Expend	930,908	EE84304	920,755
TOTAL Gas Distribution	**930,908**		**920,755**
TOTAL Contractual Expenses	**930,908**		**920,755**
TOTAL Expenses	**930,908**		**920,755**
TOTAL Expenses And Transfers	**930,908**		**920,755**

(EE) ENTERPRISE UTILITY

Changes in Fund Equity

Code	Description	2008	EdpCode	2009
	ANALYSIS OF CHANGES IN FUND EQUITY			
	Fund Equity - Beginning of Year	178,511	EE8021	139,766
	Restated Fund Equity - Beg of Year	178,511	EE8022	139,766
	ADD - REVENUES AND OTHER SOURCES	892,163		905,861
	DEDUCT - EXPENDITURES AND OTHER USES	930,908		920,755
	Fund Equity - End of Year	139,766	EE8029	124,872

(EE) ENTERPRISE UTILITY

Cash Flow

Code Description	2008	EqpCode	2009
Net Inc(dec) In Cash&cash Equiv	-136,325	EE7161	-64,425
Cash&cash Equiv Beg of Year	279,191	EE7171	142,866
	142,866		**78,441**
Reconciliation of Operating Income To Cash			
Operating Income (loss)	-38,745	EE7181	-14,894
Inc/dec In Assets-Other Than Cash	-233	EE7183	-47,351
Inc/dec In Liabilities Other Than Cash	-97,347	EE7184	-2,207
TOTAL Reconciliation of Operating Income To Cash	**-136,325**		**-64,452**

Balance Sheet

Code	Description	2008	EdpCode	2009

Balance Sheet

Code	Description	2008	EqpCode	2009

Results of Operation

Code Description	2008	EdpCode	2009

Results of Operation

Code Description	2008	EdpCode	2009

(G) SEWER

Changes in Fund Equity

Code	Description	2008	EdpCode	2009
ANALYSIS OF CHANGES IN FUND EQUITY				
	Fund Equity - Beginning of Year		**G8021**	
	Restated Fund Equity - Beg of Year		**G8022**	
	Fund Equity - End of Year		**G8029**	

Budget Summary

Code Description	2009	EdpCode	2010

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2008	EdpCode	2009
Assets			
Cash	288,620	H200	401,831
TOTAL Cash	**288,620**		**401,831**
Accounts Receivable		H380	9,483
TOTAL Other Receivables (net)	**0**		**9,483**
TOTAL Assets	**288,620**		**411,314**

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2008	SubCode	2009
Liabilities And Fund Equity			
Bond Anticipation Notes Payable	3,652,500	H626	3,455,000
TOTAL Notes Payable	**3,652,500**		**3,455,000**
Due To Other Funds	552	H630	156
TOTAL Due To Other Funds	**552**		**156**
TOTAL Liabilities	**3,653,052**		**3,455,156**
Reserve For Encumbrances	118,379	H821	222,974
TOTAL Reserve For Encumbrances	**118,379**		**222,974**
Unreserved Fund Balance Unappropriated	-3,482,811	H911	-3,266,816
TOTAL Unreserved Fund Balance - Unappropriated	**-3,482,811**		**-3,266,816**
TOTAL Fund Equity	**-3,364,432**		**-3,043,842**
TOTAL Liabilities And Fund Equity	**288,620**		**411,314**

(H) CAPITAL PROJECTS

Results of Operation

Code	Description	2008	EdpCode	2009
Detail Revenues And Other Sources				
	Interest And Earnings	25,462	H2401	6,710
TOTAL	**Use of Money And Property**	**25,462**		**6,710**
	Unclassified (specify)		H2770	500
TOTAL	**Miscellaneous Local Sources**	**0**		**500**
	St Aid-Capital Projects	2,500	H3097	11,000
TOTAL	**State Aid**	**2,500**		**11,000**
TOTAL	**Revenues**	**27,962**		**18,210**
	Interfund Transfers	293,226	H5031	331,998
TOTAL	**Interfund Transfers**	**293,226**		**331,998**
	Bans Redeemed From Appropriations		H5731	197,500
TOTAL	**Proceeds of Obligations**	**0**		**197,500**
TOTAL	**Other Sources**	**293,226**		**529,498**
TOTAL	**Detail Revenues And Other Sources**	**321,188**		**547,708**

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2008	EdpCode	2009
Detail Expenditures And Other Uses			
Buildings, Equip & Cap Outlay	3,769	H16202	1,777
TOTAL Buildings	**3,769**		**1,777**
TOTAL General Government Support	**3,769**		**1,777**
Highway, Capital Projects	135,420	H51972	64,833
TOTAL Highway	**135,420**		**64,833**
TOTAL Transportation	**135,420**		**64,833**
Recreation, Equip & Cap Outlay		H71972	26,000
TOTAL Recreation	**0**		**26,000**
TOTAL Culture And Recreation	**0**		**26,000**
Sewer, Equip & Cap Outlay	462,970	H81972	120,756
TOTAL Sewer	**462,970**		**120,756**
TOTAL Home And Community Services	**462,970**		**120,756**
TOTAL Expenditures	**602,159**		**213,366**
Transfers, Other Funds	53,038	H99019	13,752
TOTAL Operating Transfers	**53,038**		**13,752**
TOTAL Other Uses	**53,038**		**13,752**
TOTAL Detail Expenditures And Other Uses	**655,197**		**227,118**

(H) CAPITAL PROJECTS

Changes in Fund Equity

Code Description	2008	EdpCode	2009
ANALYSIS OF CHANGES IN FUND EQUITY			
Fund Equity - Beginning of Year	**-3,030,423**	**H8021**	**-3,364,432**
Restated Fund Equity - Beg of Year	**-3,030,423**	**H8022**	**-3,364,432**
ADD - REVENUES AND OTHER SOURCES	321,188		547,708
DEDUCT - EXPENDITURES AND OTHER USES	655,197		227,118
Fund Equity - End of Year	**-3,364,432**	**H8029**	**-3,043,842**

(K) GENERAL FIXED ASSETS

Balance Sheet

Code	Description	2008	EdpCode	2009
	Assets			
	Land	1,762,805	K101	1,762,805
	Buildings	4,177,834	K102	4,177,834
	Machinery & Equipment	3,743,925	K104	3,765,178
	Construction Work In Progress	3,815,950	K105	401,705
	Infrastructure	29,218,777	K106	32,957,976
	Accum Deprec, Buildings	-950,044	K112	-991,838
	Accum Depr, Machinery & Equip	-2,363,004	K114	-2,595,694
	Accum Deprec, Infrastructure	-11,442,550	K116	-11,861,897
	TOTAL Fixed Assets (net)	**27,963,693**		**27,616,069**
	TOTAL Assets	**27,963,693**		**27,616,069**

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2008	EdpCode	2009
Liabilities And Fund Equity			
Total Non-Current Govt Assets	27,963,693	K159	27,616,069
TOTAL Investments In Non-Current Government Assets	**27,963,693**		**27,616,069**
TOTAL Fund Equity	**27,963,693**		**27,616,069**
TOTAL Liabilities And Fund Equity	**27,963,693**		**27,616,069**

(TA) AGENCY

Balance Sheet

Code Description	2008	EqpCode	2009
Assets			
Cash	74,262	TA200	143,331
Time Deposits	64,365	TA201	
TOTAL Cash	**138,627**		**143,331**
TOTAL Assets	**138,627**		**143,331**

(TA) AGENCY

Balance Sheet

Code Description	2008	EqpCode	2009
Liabilities And Fund Equity			
Disability Insurance	2,971	TA19	3,368
Other Funds (specify)	135,656	TA85	139,963
TOTAL Agency Liabilities	**138,627**		**143,331**
TOTAL Liabilities	**138,627**		**143,331**
TOTAL Liabilities And Fund Equity	**138,627**		**143,331**

Balance Sheet

Code	Description	2008	EdpCode	2009

Balance Sheet

Code	Description	2008	Edp Code	2009

Results of Operation

Code Description	2008	Edp Code	2009

Results of Operation

Code Description	2008	EdpCode	2009

(TE) PRIVATE PURPOSE TRUST

Changes in Fund Equity

Code	Description	2008	EdpCode	2009
ANALYSIS OF CHANGES IN FUND EQUITY				
	Fund Equity Beginning of Year		**TE8021**	
	Restated Fund Equity - Beg of Year		**TE8022**	
	Fund Equity End of Year		**TE8029**	

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code	Description	2008	EdpCode	2009
Assets				
	Total Non-Current Govt Liabilities	3,203,976	W129	3,174,807
	TOTAL Provision To Be Made In Future Budgets	**3,203,976**		**3,174,807**
	TOTAL Assets	**3,203,976**		**3,174,807**

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2008	EqpCode	2009
Liabilities And Fund Equity			
Compensated Absences	818,233	W687	1,072,220
TOTAL Other Liabilities	**818,233**		**1,072,220**
Due To Employees' Retirement System	50,743	W637	62,587
TOTAL Due To Other Governments	**50,743**		**62,587**
Bonds Payable	2,335,000	W628	2,040,000
TOTAL Bond And Long Term Liabilities	**2,335,000**		**2,040,000**
TOTAL Liabilities	**3,203,976**		**3,174,807**
TOTAL Liabilities And Fund Equity	**3,203,976**		**3,174,807**

VILLAGE OF Hamburg
Statement of Indebtedness
For the Fiscal Year Ending 2009

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond Anticipation Note No. 2007000001	EDPCODE	Amount
Month and Year of Issue		2/27/2007
Purpose of Issue		ter Line Improvements
Current Interest Rate		2.2500
Outstanding Beginning of Year	2P18661	3,000,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18663	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18665	0
Outstanding End of the Fiscal Year	2P18667	3,000,000
Final Maturity Date		2/5/2009

Total Bond Anticipation Note		Amount
Outstanding Beginning of Year		3,000,000
Prior Year Adjustment		0
Issued During Fiscal Year		0
Paid During Fiscal Year		0
Outstanding End of Year		3,000,000
*** Bond Anticipation Notes Redeemed		
From Bond Proceeds During Fiscal Year	2P18885	0

VILLAGE OF Hamburg
Statement of Indebtedness
For the Fiscal Year Ending 2009

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond No. 2001000005	EDPCODE	Amount
Month and Year of Issue		6/15/1999
Purpose of Issue		DPW
Current Interest Rate		4.8000
Outstanding Beginning of Year	2P18671	60,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	30,000
Outstanding End of the Fiscal Year	2P18677	30,000
Final Maturity Date		6/15/2009

Total Bond		Amount
Outstanding Beginning of Year		60,000
Prior Year Adjustment		0
Issued During Fiscal Year		0
Paid During Fiscal Year		30,000
Outstanding End of Year		30,000

0

VILLAGE OF Hamburg
Statement of Indebtedness
For the Fiscal Year Ending 2009

Indebtedness Not Exempt From Constitutional Debt Limit

Bond Anticipation Note No. 2008000002	EDPCODE	Amount
Month and Year of Issue		9/27/2007
Purpose of Issue		Artwork
Current Interest Rate		2.2500
Outstanding Beginning of Year	2P18761	102,500
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18763	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18765	22,500
Outstanding End of the Fiscal Year	2P18767	80,000
Final Maturity Date		2/4/2010

Bond Anticipation Note No. 2008000004	EDPCODE	Amount
Month and Year of Issue		9/27/2007
Purpose of Issue		Sewer Improvements
Current Interest Rate		2.2500
Outstanding Beginning of Year	2P18761	50,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18763	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18765	10,000
Outstanding End of the Fiscal Year	2P18767	40,000
Final Maturity Date		2/4/2010

Bond Anticipation Note No. 2008000003	EDPCODE	Amount
Month and Year of Issue		2/27/2007
Purpose of Issue		Sewer Improvements
Current Interest Rate		3.7300
Outstanding Beginning of Year	2P18761	500,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18763	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18765	165,000
Outstanding End of the Fiscal Year	2P18767	335,000
Final Maturity Date		2/14/2010

Total Bond Anticipation Note		Amount
Outstanding Beginning of Year		652,500
Prior Year Adjustment		0
Issued During Fiscal Year		0
Paid During Fiscal Year		197,500
Outstanding End of Year		455,000
*** Bond Anticipation Notes Redeemed		
From Bond Proceeds During Fiscal Year	2P18885	0

VILLAGE OF Hamburg
Statement of Indebtedness
For the Fiscal Year Ending 2009

Indebtedness Not Exempt From Constitutional Debt Limit

Bond No. 2004000001	EDPCODE	Amount
Month and Year of Issue		7/15/2003
Purpose of Issue		Fire Hall
Current Interest Rate		3.5000
Outstanding Beginning of Year	2P18771	1,240,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	100,000
Outstanding End of the Fiscal Year	2P18777	1,140,000
Final Maturity Date		7/15/2020

Bond No. 2001000001	EDPCODE	Amount
Month and Year of Issue		5/15/2000
Purpose of Issue		Public Improv
Current Interest Rate		5.3000
Outstanding Beginning of Year	2P18771	380,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	70,000
Outstanding End of the Fiscal Year	2P18777	310,000
Final Maturity Date		6/15/2014

Bond No. 2004000002	EDPCODE	Amount
Month and Year of Issue		2/15/2004
Purpose of Issue		Sidewalk And Sewer
Current Interest Rate		4.7000
Outstanding Beginning of Year	2P18771	190,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	35,000
Outstanding End of the Fiscal Year	2P18777	155,000
Final Maturity Date		4/15/2014

VILLAGE OF Hamburg
Statement of Indebtedness
For the Fiscal Year Ending 2009

Indebtedness Not Exempt From Constitutional Debt Limit

Bond No. 2005000002	EDPCODE	Amount
Month and Year of Issue		9/15/2004
Purpose of Issue		Public Improvements
Current Interest Rate		3.7000
Outstanding Beginning of Year	2P18771	465,000
Prior Year Adjustment		0
Issued During the Fiscal Year		
(do not include renewals here)	2P18773	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18775	60,000
Outstanding End of the Fiscal Year	2P18777	405,000
Final Maturity Date		9/15/2015

Total Bond		Amount
Outstanding Beginning of Year		2,275,000
Prior Year Adjustment		0
Issued During Fiscal Year		0
Paid During Fiscal Year		265,000
Outstanding End of Year		2,010,000

0

****
****

Total of All Indebtedness
Includes Total of Bonds and Notes - Exempt and Not Exempt

Total Bond		Amount
Outstanding Beginning of Year		5,987,500
Prior Year Adjustment		0
Issued During Fiscal Year		0
Paid During Fiscal Year		492,500
Outstanding End of Year		5,495,000

VILLAGE OF Hamburg
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2009

	EDP Code	Amount
CASH:		
On Hand	9Z2001	$1,400.00
Demand Deposits	9Z2011	$4,171,074.00
Time Deposits	9Z2021	$0.00
Total		$4,172,474.00
COLLATERAL:		
- FDIC Insurance	9Z2014	$468,276.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	$3,704,198.00
Total		$4,172,474.00
INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

VILLAGE OF Hamburg
Bank Reconciliation
For the Fiscal Year Ending 2009

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-0446	$57,220	$0	$20,255	$36,965
*****-4257	$0	$0	$0	$0
*****-8018	$57,588	$0	$0	$57,588
*****-6645	$3,750,710	$0	$0	$3,750,710
*****-2732	$78,789	$0	$475	$78,314
*****-5217	$4,126	$0	$745	$3,381
*****-3194	$163,736	$9,840	$0	$173,576
*****-4625	$5,765	$0	$0	$5,765
*****-0001	$43,657	$0	$0	$43,657
*****-0006	$10,884	$0	$0	$10,884

Total Adjusted Bank Balance			$4,160,840
Petty Cash			$1,400.00
Adjustments			$.00
Total Cash	9ZCASH	*	$4,162,240
Total Cash Balance All Funds	9ZCASHB	*	$4,162,240

* Must be equal

VILLAGE OF Hamburg
Local Government Questionnaire
For the Fiscal Year Ending 2009

	Response
1) Does your municipality have a written procurement policy?	Yes
2) Have the financial statements for your municipality been independently audited?	Yes
If not, are you planning on having an audit conducted?	
3) Does your local government participate in an insurance pool with other local governments?	No
4) Does your local government participate in an investment pool with other local governments?	Yes
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	Yes
6) Does your municipality have a Capital Plan?	Yes
7) Has your municipality prepared and documented a risk assessment plan?	Yes
If yes, has your municipality used the results to design the system of internal controls?	Yes
8) Have you had a change in chief executive or chief fiscal officer during the last year?	No
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	Yes

VILLAGE OF Hamburg
Employee and Retiree Benefits
For the Fiscal Year Ending 2009

	Total Full Time Employees:	56			
	Total Part Time Employees:	44			
Account Code	**Description**	**Total Expenditures (All Funds)**	**# of Full Time Employees**	**# of Part Time Employees**	**# of Retirees**
90108	State Retirement System	$317,861.00	56	44	25
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	$273,748.00	56	44	25
90408	Worker's Compensation Insurance	$147,025.00	56	44	25
90458	Life Insurance				
90508	Unemployment Insurance	$2,422.00	56	44	25
90558	Disability Insurance				
90608	Hospital and Medical (Dental) Insurance	$922,660.00	56	44	25
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
	Total	**$1,663,716.00**			
	Computed Total From Financial Section (comparative purposes only)	**$1,723,350.00**			

VILLAGE OF Hamburg
Energy Costs and Consumption
For the Fiscal Year Ending 2009

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	$50,890	22,752	gallons	
Diesel Fuel	$57,633	25,785	gallons	
Fuel Oil			gallons	
Natural Gas	$66,865	51,795	cubic feet	
Electricity	$66,036	1,246,640	kilowatts	
Coal			tons	

CERTIFICATION OF CHIEF FISCAL OFFICER

I, Donald Witkowski, hereby certify that I am the Chief Fiscal Officer of the Village of Hamburg, and that the information provided in the annual financial report of the Village of Hamburg, for the fiscal year ended 05/31/2009, is TRUE and correct to the best of my knowledge and belief.

By entering the personal indentification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Village of Hamburg, and adopted by me as my signature for use in conjunction with the filing of the Village of Hamburg's annual financial report, I am evidencing my express intent to authenticate my certification of the Village of Hamburg's annual financial report for the fiscal year ended 05/31/2009 and filed by means of electronic data transmission.

Amato, Fox & Company
Name of Report Preparer if different than Chief Fiscal Officer

(716) 694-0336
Telephone Number

08/03/2009
Date of Certification

Richard K. Ertel, CPA
Name

Partner
Title

36 Niagara Street
Official Address

(716) 694-0336
Official Telephone Number

Note 1 - Summary of Significant Accounting Policies

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

A) Financial Reporting Entity

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

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

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

B) Government-wide and Fund Financial Statements

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

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

B) Government-wide and Fund Financial Statements (Cont.)

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

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

C) Fund Accounting

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

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

Fund Categories

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

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

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

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

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

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

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

D) Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

Expenditures are recorded when incurred except when:

a) Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.

b) Principal and interest on long-term debt are not recognized as expenditure until due.

c) Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as expenditure when paid.

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

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

Modified Accrual Basis (Cont.)

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

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

The Village reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

E) Property Taxes

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

The Village receives the full amount of their levies annually. The uncollected portion of the tax roll is sent to the Erie County Commissioner of Finance at which time all unpaid taxes and penalties are payable to that office. The County enforces all liens.

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

F) Budgetary Data

1. **Budget Policies** - The budget policies are as follows:

   a. No later than March 31 the budget officer submits a tentative budget to the Village Board for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except the Capital Projects Fund.

   b. After public hearings are conducted to obtain taxpayer comments, no later than May 1, the Village Board adopts the budget.

   c. All modifications of the budget must be approved by the Village Board.

   d. Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects, which remain in effect for the life of the projects.

   e. Budgetary controls are established by applicable grant agreements, which cover a period other than the Village's fiscal year.

2. **Encumbrances**

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

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

2. Encumbrances (Cont.)

The following is a reconciliation of the budgetary and GAAP basis operating results for the General Fund:

Excess of Revenues and Other Sources Over Expenditures and Other Uses - GAAP Basis	$	254,598
Less: Current Year Encumbrances		(197,154)
Excess of Revenues and Other Sources Over Expenditures and Other Uses - Budgetary Basis	$	57,444

3. Budget Basis of Accounting

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

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

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

G) Insurance

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

H) Vacation and Sick Leave and Compensated Absences

Most Village employees are granted vacation, personal and sick leave and earn compensatory time in varying amounts. Employees may accumulate compensated absences and sick leave. Sick leave may accumulate up to a maximum of 300 days and are considered additional service time for those employees who retire.

I) Post Employment Benefits

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

J) Pensions

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

K) Capitalized Interest

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

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

L) Statement of Cash Flows

For the purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

M) Inventory

Inventory type items are stated at cost.

N) Capital Assets

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

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

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

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

O) Restrictions, Reserves and Designations

The government-wide fund financial statements utilize a net assets presentation: capital assets (net of related debt), restricted and unrestricted.

Net assets are categorized as invested in:

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

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

Unrestricted Net Assets – This category represents net assets of the Village not restricted for any project or other purpose.

In the fund financial statements, reserves represent that portion of fund balance that has been legally segregated for a specific use or is not appropriable for expenditure by the Village at May 31, 2009, and include:

Reserved for Encumbrances – representing commitments related to unperformed (executory) contracts for goods and/or services.

Reserved for Insurance – represents resources that must be used for liability insurance payments that will be made in future periods.

Reserved for Debt – represents resources that have been restricted for principal payments that will be made in future periods.

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

O) Restrictions, Reserves and Designations (Cont.)

Reserved for Capital Projects – represents resources that must be used for equipment and capital improvement payments will be made in future periods.

Reserved for Prepaid Expenditures – represents goods or services paid for during the current fiscal year, but the expenditures are associated with the next fiscal year.

In the fund financial statements, designations are not legally required segregations, but are segregated for a specific purpose by the Village. Designations at May 31, 2009 were as follows:

Designated for Subsequent Years' Expenditures – representing available fund balances being appropriated to meet future years' expenditure requirements.

P) Reclassifications

Certain prior year accounts may have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Note 2 - Detail Notes on All Funds

A) Assets

1. Cash and Investments

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

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

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

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

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity. The Statutory Basis Statement of Cash Flows uses the indirect method of reporting cash flows.

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

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

1. Cash and Investments (Cont.)

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

	Bank Balance	Carrying Amount
Cash on Hand	$ -	$ 1,400
Insured (FDIC)	468,276	468,276
Collaterized:		
Collarteral Held by Bank's Agent in Village's Name	3,704,198	3,692,564
Total Deposits	**$ 4,172,474**	**$ 4,162,240**

2. State and Federal Aid Receivable

Major revenues accrued by the Village at May 31, 2009 include the following:

General Fund

New York State - Mortgage Tax	$ 33,530
New York State - Peace Park Payment	11,000
Total	**$ 44,530**

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

3. Due From Other Governments

Major other government revenues accrued by the Village at May 31, 2009 include the following:

General Fund	
Erie County - Sales Tax	$ 222,293
Justice Courts	16,305
New York State	3,367
Total	**$ 241,965**

4. Interfund Activity

	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General Fund	$ 156	$ -	$ 13,752	$ 331,998
Capital Projects	-	156	331,998	13,752
Total	**$ 156**	**$ 156**	**$ 345,750**	**$ 345,750**

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

B) Liabilities

1. Pension Plans

General Information

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

Plan Descriptions

Police and Fire Retirement System (PFRS)

The New York State and Local Police and Fire Retirement System provide retirement benefits as well as death and disability benefits. Obligations of employers to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Governor Alfred E. Smith Office Building, Albany, New York 12244.

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

1. Pension Plans (Cont.)

Funding Policy

The System is non-contributory. For the New York State and Local Police and Fire Retirement System, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

Employees Retirement System (ERS)

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Governor Alfred E. Smith State Office Building, Albany, New York 12244.

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. Effective October 1, 2000 employees with ten years of service credit or membership in the System are not required to make the 3% contribution.

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

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

1. Pension Plans (Cont.)

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

	ERS	PRFS
2009	$ 148,036	$ 168,609
2008	153,996	162,052
2007	192,834	177,320

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

2. Long-term Debt

a. At May 31, 2009, the total outstanding indebtedness of the Village aggregated $3,174,807. Of this amount, $1,589,302 was subject to the constitutional debt limit and represented approximately 7.27% of its debt limit.

b. Serial Bonds

The Village borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

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

2. Long-term Debt

c. The following is a summary of changes in long-term liabilities for the year ended May 31, 2009:

	Balance June 1, 2008	Additions	Deletions	Balance May 31, 2009
General Obligation Bonds	$ 2,335,000	$ -	$ 295,000	$ 2,040,000
Retirement Loan	50,743	11,844		62,587
Compensated Absences	818,233	253,987	-	1,072,220
Long Term Debt	**$ 3,203,976**	**$ 265,831**	**$ 295,000**	**$ 3,174,807**

d. Long-term Maturity Schedule

The following is a statement of serial bonds with corresponding maturity schedules.

Description by Fund	Date Issued	Original Amount	Rate	Final Maturity	Outstanding
General Fund:					
Fire Hall	7/15/03	$ 1,905,000	3.50-3.60	7/15/20	$ 1,140,000
Public Improvement	4/15/04	310,000	4.70	4/15/14	155,000
Department of Public Works	12/15/99	268,000	4.80	6/15/09	30,000
Public Improvements 2000	5/15/00	1,287,500	5.30-5.50	6/15/13	310,000
Public Improvements	9/16/04	632,000	3.70	9/15/15	405,000
Total					**$ 2,040,000**

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

e. The following table summarizes the Village's future debt service requirements as of May 31, 2009:

Year Ending	Principal	Interest
2010	$ 295,000	$ 77,180
2011	260,000	65,518
2012	265,000	54,583
2013	260,000	43,398
2014	245,000	33,015
2015-2019	605,000	79,408
2020	110,000	3,960
	$ 2,040,000	**$ 357,062**

f. Other Long-term Debt

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

Compensated Absences - represents the value of earned and unused portion of the liability for compensated absences. At May 31, 2009, the balance is $1,072,220 ($818,233 for 2008).

Retirement Loan – represents amount of borrowed from the retirement system for portion of retirement expenses to be amortized over the next ten years.

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

3. Short-term Debt

Bond Anticipation Notes

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

Description	Issue Date	Maturity Date	Interest Rate	Balance at May 31, 2009
Capital Projects Fund:				
Water and Sewer Improvements	2/5/09	2/4/10	2.25%	$ 3,050,000
Water and Sewer Improvements	2/5/09	2/4/10	2.25%	325,000
Artwork	2/5/09	2/4/10	2.25%	80,000
Total				**$ 3,455,000**

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

C) Fund Equity

1. Reserves

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

Specific reservations of the fund balance accounts are summarized below.

Fund	Amount
General Fund:	
Reserve for Encumbrances	$ 197,154
Reserve for Insurance	158,194
Reserve for Debt	104,425
Reserve for Capital Projects	327,753
Reserve for Prepaid Expenditures	89,115
Total General Fund	876,641
Capital Projects Fund:	
Reserve for Encumbrances	222,974
Total	**$ 1,099,615**

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

C) Fund Equity

2. Designations

Designations are not legally required segregations but are segregated for a specific purpose by the Village at May 31, 2009 and consist of the following:

Designated for subsequent years' expenditures represents available fund balances that have been appropriated as a financing source for fiscal year ended May 31, 2010 expenditures and consist of the following:

Fund	Balance
Governmental Fund Types:	
General Fund	$ 215,000

D) Agency Fund

An Agency Fund exists to account for funds held by the Village as agent for employee's withholdings, guarantee and bid deposits, monies due other governments and other miscellaneous items.

Note 3 - Capital Assets

Capital asset activity for the year ended May 31, 2009 is as follows:

	Balance June 1, 2008	Increases	Decreases	Balance May 31, 2009
Capital Assets, Not Being Depreciated:				
Land	$ 1,762,805	$ -	$ -	$ 1,762,805
Construction in Progress	3,815,950	324,954	(3,739,199)	401,705
Total Capital Assets, not being Depreciated	**$ 5,578,755**	**$ 324,954**	**$ (3,739,199)**	**$ 2,164,510**
Capital Assets Being Depreciated:				
Buildings and Improvements	$ 4,177,834	$ -	$ -	$ 4,177,834
Machinery and Equipment	3,743,925	21,253	-	3,765,178
Infrastructure	29,218,777	3,739,199	-	32,957,976
Total Capital Assets, being Depreciated	37,140,536	3,760,452	-	40,900,988
Less: Accumulated Depreciation for:				
Buildings and Improvements	950,044	41,794	-	991,838
Machinery and Equipment	2,363,004	232,691	-	2,595,695
Infrastructure	11,442,550	419,347	-	11,861,897
Total Accumulated Depreciation	14,755,598	693,832	-	15,449,430
Total Capital Assets, being Depreciated, Net	**$ 22,384,938**	**$ 3,066,620**	**$ -**	**$ 25,451,558**

Note 4 - Commitments and Contingencies

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

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

Length of Service Awards Program – LOSAP

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

Program Description

Participation, Vesting and Service Credit

In a defined LOSAP, participating volunteers begin to be paid a Service Award upon attainment of the Program's Entitlement Age. An eligible Program Participant is defined by the Program sponsor to be an active volunteer firefighter who is at least 18 years of age and has earned on (1) year of Service Award Program service credit in a complete calendar year. The amount of the Service Award paid to a volunteer is based upon the number of years of service credit the volunteer earned under the Program for performing active volunteer firefighter activities.

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

Program Description (Cont.)

Participation, Vesting and Service Credit (Cont.)

Participants acquire a non-forfeitable right to be paid a Service Award after earning credit for five (5) years of service or upon attaining the Program's entitlement Age while an active volunteer. The Program's Entitlement Age is age 62. An active volunteer firefighter earns a year of Service Award Program service credit for each calendar year after the establishment of the Program in which he or she accumulates fifty (50) points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point value. A Participant may also receive Service Award Program service credit for five (5) years of active volunteer firefighting service rendered prior to the established of the Program as an active volunteer firefighter member of the Village of Hamburg Volunteer Fire Department, Inc.

Benefits

A Participant's Service Award benefit is paid as a ten year certain and continuous monthly payment life annuity. The amount payable each month equals $20 multiplied by the total number of years of Service Award Program service credit earned by the Participant under the point system. The maximum number of years of service credit a Participant may earn under the Program is 40 years. Currently, there are no other forms of payment of a volunteer's earned service award under the Program. Except in the case of Pre-Entitlement Age death or total and permanent disablement, a Participant's Service Award will not be paid until he or she attains the Entitlement Age. Volunteers who continue to be active after attaining the Entitlement age and beginning to be paid a Service Award continue to have the opportunity to earn Program credit and to thereby increase their Service Award payments.

The Pre-Entitlement Age death and disability benefit is equal to the actuarial value of the Participant's earned service award at the time of death or disablement. The Program does not provide extra line-of-duty death or disability benefits. All death and disability benefits are self-insured and are paid from the Program Trust Fund.

For a complete explanation of he Program, see the Program Document (a copy of which is available from the Village Clerk.)

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

Fiduciary Investment and Control

After the end of each calendar year, the Fire Department prepares and certifies a list of name of all persons who were active volunteer members of the Fire Department during the year indicating which volunteers earned fifty points. The certified list is delivered to the Board of Trustees for the Board's review and approval. The Fire Department must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Board of Trustees.

The Board of Trustees has retained Penflex, Inc. to assist in the administration of the Program. The services provided by Penflex, Inc. are described in the attached agreement between Penflex, Inc. and the Village of Hamburg.

Based on the certified calendar year volunteer firefighter listings Penflex determines and certifies in writing to the Board of Trustees the amount of the service award to be paid to a Participant or to a Participant's designated beneficiary. The person(s) authorized by the Board of Trustees then authorizes, in writing, the custodian of he Village of Hamburg LOSAP Trust funds to pay the Service Award. No Service Award benefit payment is made without the written certification from Penflex the written directive from an authorized representative of the Board of Trustees.

Penflex bills the Village of Hamburg for the services it provides. Penflex's invoices are authorized for payment by the Board of Trustees in the same manner as any other invoices presented to the Village for payment. The Village pays from the LOSAP trust fund (the Village reimburses the trust fund for amounts paid to Penflex).

Program assets are required to be held in trust by Article 11-A, 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 Board of Trustees created a Service Award Program Trust Fund through the adoption of a Trust Document, a copy of which is available from the Village Clerk. The Board of Trustees is the program trustee.

Authority to invest the Program assets is vested in the Program trustee. Program assets are invested in accordance with a statutory prudent person rule.

The Board of Trustees has retained Janney Montgomery Scott, LLC to provide investment management and custodial services.

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

Fiduciary Investment and Control (Cont.)

The Board of Trustee is required to retain an actuary to determine the amount of the Village's contributions to the plan. The actuary retained by the Village for this purpose is Edward J. Holohan of Penflex, Inc.: Mr. Holohan is an Association of the American Society of Actuaries. Portions of the following information are derived from a report prepared by the actuary dated May 7, 2009.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Accrued Service Awards as of 12/31/08		$ 1,617,314
Less: Assets Available for Benefits		
Cash and Money Market	29,428	
Equities	781,989	
Other Investments	472,644	
Less: Liabilities	-	
Total Net Assets Available for Benefits	1,284,060	
Total Unfunded Benefits		
Less: Unfunded Liability for Separately Amortized Costs		-
Unfunded Normal Benefits		333,254

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

Program Financial Condition (Cont.)

Separately Amortized Costs

Prior service costs have been amortized and paid.

Receipts and Disbursements

Plan net Assets, beginning of year		$ 1,962,312
Changes during the year:		
Plan contributions	50,000	
Investment income earned	54,108	
Changes in fair market value of investments	(676,733)	
Administrative Fees [Penflex]	(4,512)	
Benefits Paid	(101,115)	
Plan Net Assets, end of year		$ 1,284,060

Contribution

Amount of Village's contribution recommended by actuary:	$ 27,939
Amount of Village's actual contribution:	$ 50,000

Administrative Fees

Fees paid to administrative/actuarial services provider	$ 4,512 *

* *For information regarding investment management fees, contact Michael Everth at 425 Essajay Road, Suite # 180, Williamsville, NY 14221 or (716) 565-3310.*

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

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 he actuarial present value of benefits are:

Assumed rate of return of Program investment	6.5%
Table used for:	
Post Entitlement Age mortality:	1994 Unisex Pensioner Male Mortality Table Projected with scale AA to 2007
* Pre-Entitlement Age mortality:	None
* Pre-Entitlement Age disability	None
* Pre-Entitlement Age withdrawal:	None
* Pre-Entitlement Age service credit accruals	100%

* For Program cost calculation purposes, all Pre-Entitlement Age active volunteer firefighter Participants are assumed to: survive to the Entitlement Age; remain active and earn 50 points each year; and begin to be paid Service Awards upon attainment of Entitlement Age.

Note 6 - Other Postemployment Benefits/implementation of GASB Statement 45

Village

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

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

Plan Description

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

Note 6 - Other Postemployment Benefits/implementation of GASB Statement 45, (Cont.)

Funding Policy

The obligations of the Plan members, employers and other entities are established by employment agreements. The required contribution rates of the employer and the members varies depending on the applicable agreement covering the retiree, the retiree's hiring date and number of years of service to the Village. The Village currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. For 2009, the Village contributed approximately $305,988 for current premiums. The costs of administering this plan are paid by the Village.

Funded Status and Funding Progress

The schedule of funding progress presents multi year (when available) trend information that is useful in determining whether the actuary's value of Plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liability. The following table sets forth the actuarial accrued liability and funded status of the Plan as of May 31, 2009 the latest valuation date.

Actuarial Accrued Liability (AAL)

Actuarial accrued liability	$ 11,786,391
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	11,786,391
Funded ratio	0%
Annual covered payroll	-
Ratio of unfunded actuarial accrued liability to covered payroll	0.00%
2009 normal cost	280,324

Note 6 - Other Postemployment Benefits/implementation of GASB Statement 45, (Cont.)

Funded Status and Funding Progress, (cont.)

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

UAAL	$ 11,786,391
Amortization period (years)	30
Amortization discount rate	4.00%
Present value factor	17.9837
2009 UAAL amortization amount	655,393

Annual OPEB Cost and Net OPEB Obligation

The Village's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfounded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for 2009:

Normal cost	$ 280,324
Amortization of UAAL	655,393
Interest	37,429
ARC	973,146
Interest on OPEB obligation	-
Adjustment to ARC	-
OPEB expense	$ 973,146

Note 6 - Other Postemployment Benefits/implementation of GASB Statement 45, (Cont.)

Funded Status and Funding Progress, (cont.)

The following table reconciles the Village's OPEB obligation at May 31, 2009:

Net OPEB obligation at beginning of year	$ -
2008 OPEB expense	973,146
2008 OPEB contributions	(305,988)
Net OPEB obligation at end of year	667,158
Less: estimated current portion of OPEB obligation	305,988
Estimated long-term portion of OPEB obligation	$ 361,170
Percentage of expense contributed	31.40%

Actuarial Methods and Assumptions

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

Note 6 - Other Postemployment Benefits/implementation of GASB Statement 45, (Cont.)

Actuarial Methods and Assumptions, (cont.)

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

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

Year	Medical Trend Rate
2009	12.0%
2010	10.0%
2011	8.0%
2012	7.0%
2013	6.0%
2013 and later	5.0%