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 05/31/2014

****

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 *** 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 2013 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2014:

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

All amounts included in this update document for 2013 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
7) Schedule of Other Post Employment Benefits (OPEB)

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

(A) GENERAL

Balance Sheet

Code Description	2013	EdpCode	2014
Assets			
Cash	5,728,197	A200	5,251,605
Petty Cash	850	A210	1,050
TOTAL Cash	**5,729,047**		**5,252,655**
Investments In Securities	17,750	A450	17,756
TOTAL Investments	**17,750**		**17,756**
Accounts Receivable	61,626	A380	122,267
TOTAL Other Receivables (net)	**61,626**		**122,267**
Due From Other Funds	179,970	A391	254,913
TOTAL Due From Other Funds	**179,970**		**254,913**
Due From Other Governments	259,736	A440	286,094
TOTAL Due From Other Governments	**259,736**		**286,094**
Prepaid Expenses	20,748	A480	335,742
TOTAL Prepaid Expenses	**20,748**		**335,742**
TOTAL Assets and Deferred Outflows of Resources	**6,268,877**		**6,269,427**

(A) GENERAL

Balance Sheet

Code Description	2013	EdpCode	2014
Accounts Payable	191,180	A600	213,316
TOTAL Accounts Payable	**191,180**		**213,316**
Accrued Liabilities		A601	
TOTAL Accrued Liabilities	**0**		**0**
Compensated Absences	262,351	A687	372,178
TOTAL Other Liabilities	**262,351**		**372,178**
TOTAL Liabilities	**453,531**		**585,494**
Deferred Inflows of Resources			
Deferred Inflow of Resources	1,027,742	A691	820,069
TOTAL Deferred Inflows of Resources	**1,027,742**		**820,069**
TOTAL Deferred Inflows of Resources	**1,027,742**		**820,069**
Fund Balance			
Not in Spendable Form	20,748	A806	335,742
TOTAL Nonspendable Fund Balance	**20,748**		**335,742**
Insurance Reserve	209,129	A863	209,400
Capital Reserve	678,075	A878	797,339
Reserve For Debt	590,118	A884	544,931
TOTAL Restricted Fund Balance	**1,477,322**		**1,551,670**
Assigned Appropriated Fund Balance	418,600	A914	569,908
TOTAL Assigned Fund Balance	**418,600**		**569,908**
Unassigned Fund Balance	2,870,934	A917	2,406,543
TOTAL Unassigned Fund Balance	**2,870,934**		**2,406,543**
TOTAL Fund Balance	**4,787,604**		**4,863,863**
TOTAL Liabilities, Deferred Inflows And Fund Balance	**6,268,877**		**6,269,426**

VILLAGE OF Hamburg
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Results of Operation

Code Description	2016	EqpCode	2014
Revenues			
Real Property Taxes	6,129,971	A1001	6,333,602
TOTAL Real Property Taxes	**6,129,971**		**6,333,602**
Other Payments In Lieu of Taxes	84,525	A1081	100,391
Interest & Penalties On Real Prop Taxes	37,475	A1090	35,909
TOTAL Real Property Tax Items	**122,000**		**136,300**
Non Prop Tax Dist By County	1,121,018	A1120	1,167,888
Utilities Gross Receipts Tax	77,156	A1130	78,243
Franchises	169,510	A1170	203,600
TOTAL Non Property Tax Items	**1,367,684**		**1,449,731**
Treasurer Fees	2,471	A1230	2,062
Other Public Safety Departmental Income	16,194	A1589	14,144
Park And Recreational Charges	126,313	A2001	178,600
Special Recreational Facility Charges	78,576	A2025	80,142
TOTAL Departmental Income	**223,554**		**274,948**
Fire Protection Services Other Govts	154,931	A2262	156,839
TOTAL Intergovernmental Charges	**154,931**		**156,839**
Interest And Earnings	11,927	A2401	7,438
Rental of Real Property	175,180	A2410	199,089
TOTAL Use of Money And Property	**187,107**		**206,527**
Business & Occupational License	2,890	A2501	3,850
Games of Chance	279	A2530	233
Bingo Licenses	1,164	A2540	1,098
Building And Alteration Permits	150	A2555	350
TOTAL Licenses And Permits	**4,483**		**5,531**
Fines And Forfeited Bail	96,854	A2610	87,992
TOTAL Fines And Forfeitures	**96,854**		**87,992**
Sales of Scrap & Excess Materials	95	A2650	438
Sales of Refuse For Recycling	14,428	A2651	13,842
Sales of Real Property	82,960	A2660	
Sales of Equipment	12,400	A2665	7,900
Insurance Recoveries	1,573	A2680	34,737
Other Compensation For Loss	64,793	A2690	3,471
TOTAL Sale of Property And Compensation For Loss	**176,249**		**60,388**
Refunds of Prior Year's Expenditures	18,651	A2701	18,230
Gifts And Donations	5,126	A2705	2,060
Premium On Obligations	18,058	A2710	1,558
Unclassified (specify)	20,382	A2770	31,867
TOTAL Miscellaneous Local Sources	**62,217**		**53,715**
St Aid, Revenue Sharing	102,635	A3001	110,135
St Aid, Mortgage Tax	92,742	A3005	88,369
St Aid - Other (specify)	27,531	A3089	25,312
St Aid, Consolidated Highway Aid	102,878	A3501	42,735
St Aid, Youth Programs	1,012	A3820	2,073
TOTAL State Aid	**326,798**		**268,624**
TOTAL Revenues	**8,851,848**		**9,034,197**

(A) GENERAL

Results of Operation

Code Description	2013	EqpCode	2014
Other Sources			
Interfund Transfers	7,354	A5031	5,580
TOTAL Interfund Transfers	**7,354**		**5,580**
TOTAL Other Sources	**7,354**		**5,580**
TOTAL Detail Revenues And Other Sources	**8,859,202**		**9,039,777**

(A) GENERAL

Results of Operation

Code Description	2013	EdpCode	2014
Expenditures			
Legislative Board, Pers Serv	20,676	A10101	21,212
Legislative Board, Contr Expend	64,375	A10104	108,541
TOTAL Legislative Board	**85,051**		**129,753**
Municipal Court, Pers Serv	62,529	A11101	63,868
Municipal Court, Equip & Cap Outlay	138	A11102	
Municipal Court, Contr Expend	5,684	A11104	5,415
TOTAL Municipal Court	**68,351**		**69,283**
Mayor, Pers Serv	9,821	A12101	10,076
Mayor, Contr Expend	1,808	A12104	919
TOTAL Mayor	**11,629**		**10,995**
Auditor, Contr Expend	26,424	A13204	26,242
TOTAL Auditor	**26,424**		**26,242**
Treasurer, Pers Serv	227,833	A13251	236,179
Treasurer, Equip & Cap Outlay	6,071	A13252	4,167
Treasurer, Contr Expend	29,134	A13254	61,946
TOTAL Treasurer	**263,038**		**302,292**
Purchasing, Contr Expend	4,161	A13454	3,738
TOTAL Purchasing	**4,161**		**3,738**
Law, Pers Serv	8,117	A14201	8,328
Law, Contr Expend	74,434	A14204	41,994
TOTAL Law	**82,551**		**50,322**
Elections, Pers Serv		A14501	730
Elections, Contr Expend		A14504	204
TOTAL Elections	**0**		**934**
Records Mgmt, Contr Expend	5,622	A14604	4,879
TOTAL Records Mgmt	**5,622**		**4,879**
Public Works Admin, Pers Serv	68,959	A14901	70,752
Public Works Admin, Equip & Cap Outlay	3,517	A14902	2,915
Public Works Admin, Contr Expend	18,340	A14904	26,591
TOTAL Public Works Admin	**90,816**		**100,258**
Buildings, Pers Serv		A16201	14,494
Buildings, Contr Expend	31,656	A16204	28,368
TOTAL Buildings	**31,656**		**42,862**
Central Garage, Pers Serv	181,868	A16401	167,389
Central Garage, Equip & Cap Outlay	2,291	A16402	1,542
Central Garage, Contr Expend	289,659	A16404	277,561
TOTAL Central Garage	**473,818**		**446,492**
Central Print & Mail,contr Expend	9,206	A16704	14,112
TOTAL Central Print & Mail	**9,206**		**14,112**
Unallocated Insurance, Contr Expend	143,759	A19104	140,270
TOTAL Unallocated Insurance	**143,759**		**140,270**
Municipal Assn Dues, Contr Expend	4,862	A19204	4,887
TOTAL Municipal Assn Dues	**4,862**		**4,887**
Judgements And Claims, Contr Expend	1,517	A19304	
TOTAL Judgements And Claims	**1,517**		**0**

(A) GENERAL

Results of Operation

Code Description	2013	EdpCode	2014
Expenditures			
Taxes & Assess On Munic Prop, Contr Expend	21,100	A19504	17,113
TOTAL Taxes & Assess On Munic Prop	**21,100**		**17,113**
Other Gen Govt Support, Contr Expend	972	A19894	624
TOTAL Other Gen Govt Support	**972**		**624**
TOTAL General Government Support	**1,324,533**		**1,365,056**
Police, Pers Serv	1,364,659	A31201	1,382,174
Police, Equip & Cap Outlay	35,479	A31202	37,914
Police, Contr Expend	22,767	A31204	20,855
TOTAL Police	**1,422,905**		**1,440,943**
Traffic Control, Contr Expen	11,856	A33104	10,390
TOTAL Traffic Control	**11,856**		**10,390**
Fire, Equip & Cap Outlay	34,307	A34102	28,058
Fire, Contr Expend	239,025	A34104	248,742
TOTAL Fire	**273,332**		**276,800**
Misc Public Safety, Contr Expend	3,860	A39894	3,860
TOTAL Misc Public Safety	**3,860**		**3,860**
TOTAL Public Safety	**1,711,953**		**1,731,993**
Public Health, Contr Expend	1,152	A40104	988
TOTAL Public Health	**1,152**		**988**
Ambulance, Equip & Cap Outlay	4,695	A45402	2,828
Ambulance, Contr Expend	7,446	A45404	3,079
TOTAL Ambulance	**12,141**		**5,907**
TOTAL Health	**13,293**		**6,895**
Maint of Streets, Pers Serv	797,187	A51101	957,519
Maint of Streets, Equip & Cap Outlay	1,559	A51102	1,477
Maint of Streets, Contr Expend	98,954	A51104	126,225
TOTAL Maint of Streets	**897,700**		**1,085,221**
Snow Removal, Equip & Cap Outlay	276	A51422	6,102
Snow Removal, Contr Expend	34,508	A51424	46,452
TOTAL Snow Removal	**34,784**		**52,554**
Street Lighting, Contr Expend	123,620	A51824	121,172
TOTAL Street Lighting	**123,620**		**121,172**
Sidewalks, Contr Expend	6,544	A54104	7,851
TOTAL Sidewalks	**6,544**		**7,851**
Escalators, Contr Expend	3,287	A54204	3,515
TOTAL Escalators	**3,287**		**3,515**
TOTAL Transportation	**1,065,935**		**1,270,313**
Parks, Equip & Cap Outlay		A71102	
Parks, Contr Expend	5,298	A71104	1,699
TOTAL Parks	**5,298**		**1,699**
Playgr & Rec Centers, Pers Serv	63,296	A71401	72,540
Playgr & Rec Centers, Equip & Cap Outlay	6,036	A71402	8,548
Playgr & Rec Centers, Contr Expend	8,709	A71404	8,151
TOTAL Playgr & Rec Centers	**78,041**		**89,239**
Joint Rec Proj, Pers Serv	57,747	A71451	56,697

(A) GENERAL

Results of Operation

Code Description	2013	EdpCode	2014
Expenditures			
Joint Rec Proj, Contr Expend	29,941	A71454	43,077
TOTAL Joint Rec Proj	**87,688**		**99,774**
Youth Prog, Pers Serv	323,735	A73101	326,181
Youth Prog, Equip & Cap Outlay	8,001	A73102	7,290
Youth Prog, Contr Expend	44,547	A73104	67,594
TOTAL Youth Prog	**376,283**		**401,065**
Historical Property, Contr Expend	418	A75204	6,035
TOTAL Historical Property	**418**		**6,035**
Adult Recreation, Pers Serv	1,545	A76201	1,760
Adult Recreation, Equip & Cap Outlay	80	A76202	366
Adult Recreation, Contr Expend	7,505	A76204	8,445
TOTAL Adult Recreation	**9,130**		**10,571**
Other Culture And Rec, Contr Expend	5,000	A79894	5,000
TOTAL Other Culture And Rec	**5,000**		**5,000**
TOTAL Culture And Recreation	**561,858**		**613,383**
Zoning, Pers Serv	273	A80101	94
TOTAL Zoning	**273**		**94**
Planning, Pers Serv	365	A80201	468
Planning, Contr Expend	1,004	A80204	771
TOTAL Planning	**1,369**		**1,239**
Refuse & Garbage, Pers Serv	260,366	A81601	249,519
Refuse & Garbage, Contr Expend	118,455	A81604	146,591
TOTAL Refuse & Garbage	**378,821**		**396,110**
Street Cleaning, Equip & Cap Outlay	250	A81702	1,300
TOTAL Street Cleaning	**250**		**1,300**
Shade Tree, Contr Expend	6,223	A85604	11,238
TOTAL Shade Tree	**6,223**		**11,238**
TOTAL Home And Community Services	**386,936**		**409,981**
State Retirement System	658,182	A90108	721,156
Local Pension Fund, Empl Bnfts	100,000	A90258	108,000
Social Security, Employer Cont	270,321	A90308	272,969
Worker's Compensation, Empl Bnfts	226,834	A90408	229,001
Unemployment Insurance, Empl Bnfts	6,160	A90508	4,597
Hospital & Medical (dental) Ins, Empl Bnft	1,124,616	A90608	1,213,855
TOTAL Employee Benefits	**2,386,113**		**2,549,578**
Debt Principal, Serial Bonds	430,000	A97106	415,000
Debt Principal, Bond Anticipation Notes	115,000	A97306	120,000
TOTAL Debt Principal	**545,000**		**535,000**
Debt Interest, Serial Bonds	142,029	A97107	154,214

(A) GENERAL

Results of Operation

Code Description	2013	EdpCode	2014
Expenditures			
Debt Interest, Bond Anticipation Notes	22,375	A97307	21,291
TOTAL Debt Interest	**164,404**		**175,505**
TOTAL Expenditures	**8,160,025**		**8,657,704**
Transfers, Capital Projects Fund	406,139	A99509	305,818
TOTAL Operating Transfers	**406,139**		**305,818**
TOTAL Other Uses	**406,139**		**305,818**
TOTAL Detail Expenditures And Other Uses	**8,566,164**		**8,963,522**

(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2013	EdpCode	2014
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	**4,494,565**	**A8021**	**4,787,603**
Restated Fund Balance - Beg of Year	**4,494,565**	**A8022**	**4,787,603**
ADD - REVENUES AND OTHER SOURCES	8,859,202		9,039,777
DEDUCT - EXPENDITURES AND OTHER USES	8,566,164		8,963,522
Fund Balance - End of Year	**4,787,603**	**A8029**	**4,863,858**

(A) GENERAL

Budget Summary

Code Description	2014	EdpCode	2015
Estimated Revenues			
Est Rev - Real Property Taxes	6,336,675	A1049N	6,473,855
Est Rev - Real Property Tax Items	137,765	A1099N	145,673
Est Rev - Non Property Tax Items	1,391,000	A1199N	1,395,000
Est Rev - Departmental Income	258,787	A1299N	275,087
Est Rev - Intergovernmental Charges	156,141	A2399N	157,536
Est Rev - Use of Money And Property	183,609	A2499N	215,223
Est Rev - Licenses And Permits	2,825	A2599N	4,555
Est Rev - Fines And Forfeitures	96,000	A2649N	96,000
Est Rev - Sale of Prop And Comp For Loss	12,100	A2699N	12,600
Est Rev - Miscellaneous Local Sources	14,000	A2799N	21,275
Est Rev - State Aid	295,115	A3099N	339,445
TOTAL Estimated Revenues	**8,884,017**		**9,136,249**
Appropriated Fund Balance	418,600	A599N	377,500
TOTAL Estimated Other Sources	**418,600**		**377,500**
TOTAL Estimated Revenues And Other Sources	**9,302,617**		**9,513,749**

(A) GENERAL

Budget Summary

Code Description	2014	EdpCode	2015
Appropriations			
App - General Government Support	1,650,116	A1999N	1,725,495
App - Public Safety	1,732,327	A3999N	1,806,210
App - Health	9,250	A4999N	16,200
App - Transportation	1,122,237	A5999N	1,191,273
App - Culture And Recreation	613,770	A7999N	642,817
App - Home And Community Services	457,693	A8999N	441,649
App - Employee Benefits	2,759,612	A9199N	2,723,523
App - Debt Service	683,689	A9899N	649,329
TOTAL Appropriations	**9,028,694**		**9,196,496**
App - Interfund Transfer	273,923	A9999N	317,253
TOTAL Other Uses	**273,923**		**317,253**
TOTAL Appropriations And Other Uses	**9,302,617**		**9,513,749**

(EE) ENTERPRISE UTILITY

Statement of Net Position

Code Description	2013	EqpCode	2014
Assets			
Cash	47,593	EE200	75,664
Petty Cash	100	EE210	100
TOTAL Cash	**47,693**		**75,764**
Accounts Receivable	20,089	EE380	28,715
TOTAL Other Receivables (net)	**20,089**		**28,715**
Inventory		EE445	21,094
TOTAL Inventories	**0**		**21,094**
TOTAL Assets and Deferred Outflows of Resources	**67,782**		**125,573**

(EE) ENTERPRISE UTILITY

Statement of Net Position

Code Description	2013	EdpCode	2014
Accounts Payable	20,299	EE600	25,403
TOTAL Accounts Payable	**20,299**		**25,403**
Due To Other Funds	178,535	EE630	249,035
TOTAL Due To Other Funds	**178,535**		**249,035**
TOTAL Liabilities	**198,834**		**274,438**
Fund Balance			
Net Assets-Unrestricted (deficit)	-131,052	EE924	-148,865
TOTAL Net Position	**-131,052**		**-148,865**
TOTAL Fund Balance	**-131,052**		**-148,865**
TOTAL Liabilities, Deferred Inflows And Fund Balance	**67,782**		**125,573**

(EE) ENTERPRISE UTILITY

Results of Operation

Code Description	2013	EdpCode	2014
Revenues			
Sale of Natural Gas	352,131	EE2154	484,774
TOTAL Charges For Services Within Locality	**352,131**		**484,774**
Interest And Earnings	17	EE2401	26
TOTAL Use of Money And Property	**17**		**26**
TOTAL Revenues	**352,148**		**484,800**
TOTAL Operating Revenue	**352,148**		**484,800**

(EE) ENTERPRISE UTILITY

Results of Operation

Code Description	2013	EdpCode	2014
Expenses			
Gas Distribution, Cont Expend	388,196	EE84304	528,374
TOTAL Gas Distribution	**388,196**		**528,374**
TOTAL Contractual Expenses	**388,196**		**528,374**
TOTAL Expenses	**388,196**		**528,374**
TOTAL Operating Expenses	**388,196**		**528,374**

(EE) ENTERPRISE UTILITY

Analysis of Changes in Net Position

Code	Description	2013	EqpCode	2014
Analysis of Changes in Net Position				
	Net Position - Beginning of Year	-95,003	EE8021	-131,051
	Prior Period Adj -Increase In Net Position		EE8012	25,760
	Restated Net Position - Beg of Year	-95,003	EE8022	-105,291
	ADD - REVENUES AND OTHER SOURCES	352,148		484,800
	DEDUCT - EXPENDITURES AND OTHER USES	388,196		528,374
	Net Position - End of Year	-131,051	EE8029	-148,865

(EE) ENTERPRISE UTILITY

Cash Flow

Code	Description	2013	Edit Code	2014
	Net Inc(dec) In Cash&cash Equiv	22,843	EE7161	28,071
	Cash&cash Equiv Beg of Year	24,850	EE7171	47,693
		47,693		75,764
	Operating Income (loss)	-36,048	EE7181	-43,574
	Inc/dec In Assets-Other Than Cash	6,417	EE7183	-3,959
	Inc/dec In Liabilities Other Than Cash	65,309	EE7184	5,104
	TOTAL Reconciliation of Operating Income To Cash	35,678		-42,429

(G) SEWER

Balance Sheet

Code Description	2013	EdpCode	2014
Assets			
Cash	75,348	G200	119,375
TOTAL Cash	**75,348**		**119,375**
Due From Other Governments		G440	17,211
TOTAL Due From Other Governments	**0**		**17,211**
TOTAL Assets and Deferred Outflows of Resources	**75,348**		**136,586**

(G) SEWER

Balance Sheet

Code Description	2013	EdpCode	2014
Deferred Inflows of Resources			
Deferred Inflow of Resources	75,314	G691	136,509
TOTAL Deferred Inflows of Resources	**75,314**		**136,509**
TOTAL Deferred Inflows of Resources	**75,314**		**136,509**
Fund Balance			
Assigned Appropriated Fund Balance	34	G914	77
TOTAL Assigned Fund Balance	**34**		**77**
TOTAL Fund Balance	**34**		**77**
TOTAL Liabilities, Deferred Inflows And Fund Balance	**75,348**		**136,586**

(G) SEWER

Results of Operation

Code Description	2013	EdpCode	2014
Revenues			
Debt Service, Other Govts	80,000	G2392	87,374
TOTAL Intergovernmental Charges	**80,000**		**87,374**
Interest And Earnings	34	G2401	9
TOTAL Use of Money And Property	**34**		**9**
TOTAL Revenues	**80,034**		**87,383**
TOTAL Detail Revenues And Other Sources	**80,034**		**87,383**

(G) SEWER

Results of Operation

Code Description	2013	EdpCode	2014
Expenditures			
Debt Principal, Bond Anticipation Notes	60,000	G97306	60,000
TOTAL Debt Principal	**60,000**		**60,000**
Debt Interest, Bond Anticipation Notes	20,000	G97307	27,374
TOTAL Debt Interest	**20,000**		**27,374**
TOTAL Expenditures	**80,000**		**87,374**
TOTAL Detail Expenditures And Other Uses	**80,000**		**87,374**

(G) SEWER

Analysis of Changes in Fund Balance

Code Description	2013	EdpCode	2014
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	**34**	**G8021**	**68**
Restated Fund Balance - Beg of Year	**34**	**G8022**	
ADD - REVENUES AND OTHER SOURCES	80,034		87,383
DEDUCT - EXPENDITURES AND OTHER USES	80,000		87,374
Fund Balance - End of Year	**68**	**G8029**	**77**

(G) SEWER

Budget Summary

Code Description	2014	EqpCode	2015
Estimated Other Sources			
Estimated - Proceeds of Obligations	137,617	G5799N	279,561
TOTAL Estimated Other Sources	**137,617**		**279,561**
TOTAL Estimated Revenues And Other Sources	**137,617**		**279,561**

(G) SEWER

Budget Summary

Code Description	2014	EditCode	2015
Appropriations			
App - Debt Service	137,617	G9899N	279,561
TOTAL Appropriations	**137,617**		**279,561**
TOTAL Appropriations And Other Uses	**137,617**		**279,561**

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2013	EdpCode	2014
Assets			
Cash	3,679,093	H200	1,010,091
TOTAL Cash	**3,679,093**		**1,010,091**
TOTAL Assets and Deferred Outflows of Resources	**3,679,093**		**1,010,091**

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2013	EdpCode	2014
Accounts Payable	32,705	H600	1,680
TOTAL Accounts Payable	**32,705**		**1,680**
Bond Anticipation Notes Payable	4,880,000	H626	2,685,000
TOTAL Notes Payable	**4,880,000**		**2,685,000**
Due To Other Funds	1,435	H630	5,878
TOTAL Due To Other Funds	**1,435**		**5,878**
TOTAL Liabilities	**4,914,140**		**2,692,558**
Deferred Inflows of Resources			
Deferred Inflow of Resources		H691	
TOTAL Deferred Inflows of Resources	**0**		**0**
TOTAL Deferred Inflows of Resources	**0**		**0**
Fund Balance			
Assigned Appropriated Fund Balance		H914	
TOTAL Assigned Fund Balance	**0**		**0**
Unassigned Fund Balance	-1,235,047	H917	-1,682,467
TOTAL Unassigned Fund Balance	**-1,235,047**		**-1,682,467**
TOTAL Fund Balance	**-1,235,047**		**-1,682,467**
TOTAL Liabilities, Deferred Inflows And Fund Balance	**3,679,093**		**1,010,091**

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2013	EdpCode	2014
Revenues			
Interest And Earnings	7,004	H2401	2,945
TOTAL Use of Money And Property	**7,004**		**2,945**
Premium & Accrued Interest On Obligations		H2710	
TOTAL Miscellaneous Local Sources	**0**		**0**
St Aid-Capital Projects	13,374	H3097	
TOTAL State Aid	**13,374**		**0**
TOTAL Revenues	**20,378**		**2,945**
Interfund Transfers	406,139	H5031	321,444
TOTAL Interfund Transfers	**406,139**		**321,444**
Serial Bonds		H5710	2,015,000
Bans Redeemed From Appropriations	175,000	H5731	180,000
TOTAL Proceeds of Obligations	**175,000**		**2,195,000**
TOTAL Other Sources	**581,139**		**2,516,444**
TOTAL Detail Revenues And Other Sources	**601,517**		**2,519,389**

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2013	EdpCode	2014
Expenditures			
Highway, Capital Projects	679,754	H51972	940,431
TOTAL Highway	**679,754**		**940,431**
TOTAL Transportation	**679,754**		**940,431**
Recreation, Equip & Cap Outlay	26,313	H71972	2,914
TOTAL Recreation	**26,313**		**2,914**
TOTAL Culture And Recreation	**26,313**		**2,914**
Other Home & Comm Serv, Equip & Cap Outlay		H89972	2,002,258
TOTAL Other Home & Comm Serv	**0**		**2,002,258**
TOTAL Home And Community Services	**0**		**2,002,258**
Debt Interest, Bond Anticipation Notes	144,642	H97307	
TOTAL Debt Interest	**144,642**		**0**
TOTAL Expenditures	**850,709**		**2,945,603**
Transfers, Other Funds	7,354	H99019	21,206
TOTAL Operating Transfers	**7,354**		**21,206**
TOTAL Other Uses	**7,354**		**21,206**
TOTAL Detail Expenditures And Other Uses	**858,063**		**2,966,809**

(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2013	EdpCode	2014
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	**-978,500**	**H8021**	**-1,235,046**
Restated Fund Balance - Beg of Year	**-978,500**	**H8022**	**-1,235,046**
ADD - REVENUES AND OTHER SOURCES	601,517		2,519,389
DEDUCT - EXPENDITURES AND OTHER USES	858,063		2,966,809
Fund Balance - End of Year	**-1,235,046**	**H8029**	**-1,682,466**

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2013	FdpCode	2014
Assets			
Land	1,774,805	K101	1,774,805
Buildings	4,185,654	K102	4,185,654
Machinery And Equipment	4,594,317	K104	4,594,317
Construction Work In Progress	1,077,815	K105	3,883,005
Infrastructure	34,883,655	K106	35,057,467
Accum Deprec, Buildings	-1,159,329	K112	-1,201,436
Accum Depr, Machinery & Equip	-3,330,071	K114	-3,497,998
Accum Deprec, Infrastructure	-13,515,041	K116	-14,003,416
TOTAL Fixed Assets (net)	**28,511,805**		**30,792,398**
TOTAL Assets and Deferred Outflows of Resources	**28,511,805**		**30,792,398**

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2013	EdpCode	2014
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	28,511,805	K159	30,792,398
TOTAL Investments in Non-Current Government Assets	**28,511,805**		**30,792,398**
TOTAL Fund Balance	**28,511,805**		**30,792,398**
TOTAL	**28,511,805**		**30,792,398**

(TA) AGENCY

Balance Sheet

Code Description	2013	EdpCode	2014
Assets			
Cash	192,784	TA200	202,505
TOTAL Cash	**192,784**		**202,505**
Service Award Program Assets	2,119,373	TA461	2,110,408
TOTAL Investments	**2,119,373**		**2,110,408**
TOTAL Assets and Deferred Outflows of Resources	**2,312,157**		**2,312,913**

(TA) AGENCY

Balance Sheet

Code Description	2013	Rpt Code	2014
Due To Other Funds		TA630	
TOTAL Due To Other Funds	**0**		**0**
Service Awards	2,119,373	TA13	2,110,408
Other Funds (specify)	192,776	TA85	202,505
TOTAL Agency Liabilities	**2,312,149**		**2,312,913**
TOTAL Liabilities	**2,312,149**		**2,312,913**
TOTAL Liabilities, Deferred Inflows And Fund Balance	**2,312,149**		**2,312,913**

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2013	EdpCode	2014
Assets			
Total Non-Current Govt Liabilities	4,725,689	W129	6,304,817
TOTAL Provision To Be Made In Future Budgets	**4,725,689**		**6,304,817**
TOTAL Assets and Deferred Outflows of Resources	**4,725,689**		**6,304,817**

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2013	EdpCode	2014
Compensated Absences	1,043,875	W687	1,031,933
TOTAL Other Liabilities	**1,043,875**		**1,031,933**
Due To Employees' Retirement System	26,814	W637	17,884
TOTAL Due To Other Governments	**26,814**		**17,884**
Bonds Payable	3,655,000	W628	5,255,000
TOTAL Bond And Long Term Liabilities	**3,655,000**		**5,255,000**
TOTAL Liabilities	**4,725,689**		**6,304,817**
TOTAL Liabilities	**4,725,689**		**6,304,817**

County of: Erie

Municipal Code: 140436102100

First Year	Debt Code		Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2013	BAN	E	Sewer			07/21/2012	07/21/2013	2.50%		$1,265,000	$1,265,000	$0	$0	$0		$1,265,000
2010	BAN	E	Sewers			07/21/2009	07/21/2011	2.50%		$1,600,000	$1,480,000	$60,000	$0	$0		$1,420,000
2012	BAN	E	Road Improvements			07/21/2011	07/21/2012	2.50%		$2,250,000	$2,135,000	$2,135,000	$2,015,000	$0		$0
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year										$0	$4,880,000	$2,195,000	$2,015,000	$0	$0	$2,685,000
2001	BOND	N	Public Improv			05/15/2000	06/15/2014	5.30%		$0	$45,000	$45,000	$0	$0		$0
2004	BOND	N	Fire Hall			07/15/2003	07/15/2020	3.50%		$1,905,000	$740,000	$100,000	$0	$0		$640,000
2010	BOND	N	Public Improvements			02/01/2010	02/01/2018	2.50%		$3,255,000	$2,695,000	$170,000	$0	$0		$2,525,000
2014	BOND	N	Road Improvement			07/18/2013	07/15/2027	2.25%		$2,015,000	$0	$0		$0		$2,015,000
2004	BOND	N	Sidewalk And Sewer			02/15/2004	04/15/2014	4.70%		$310,000	$25,000	$25,000	$0	$0		$0
2005	BOND	N	Public Improvements			09/15/2004	09/15/2015	3.70%		$632,000	$150,000	$75,000	$0	$0		$75,000
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year										$2,015,000	$3,655,000	$415,000	$0	$0	$0	$5,255,000
AFR Year Total for All Debt Types - Sums Issued Amts only made in AFR Year										$2,015,000	$8,535,000	$2,610,000	$2,015,000	$0	$0	$7,940,000

VILLAGE OF Hamburg
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2014

	EDP Code	Amount
CASH:		
On Hand	9Z2001	$1,250.00
Demand Deposits	9Z2011	$6,456,635.00
Time Deposits	9Z2021	
Total		$6,457,885.00
COLLATERAL:		
- FDIC Insurance	9Z2014	$500,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	$5,956,635.00
Total		$6,456,635.00
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 2014

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-0446	$879,812	$2,640	$7,288	$875,164
*****-1968	$119,299	$0	$0	$119,299
*****-2732	$75,664	$0	$0	$75,664
*****-4257	$2,908	$0	$1,228	$1,680
*****-4265	$24,078	$0	$24,078	$0
*****-4625	$10,779	$0	$0	$10,779
*****-5217	$67,584	$0	$6,989	$60,595
*****-6645	$5,451,479	$0	$0	$5,451,479
*****-8018	$64,330	$250	$0	$64,580

Total Adjusted Bank Balance			$6,659,240
Petty Cash			$1,150.00
Adjustments			$.00
Total Cash	9ZCASH	*	$6,660,390
Total Cash Balance All Funds	9ZCASHB	*	$6,660,390

* Must be equal

VILLAGE OF Hamburg
Local Government Questionnaire
For the Fiscal Year Ending 2014

	Response
1) Does your municipality have a written procurement policy?	Yes
2) Have the financial statements for your municipality been independently audited?	No
If not, are you planning on having an audit conducted?	Yes
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?	No
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 2014

	Total Full Time Employees:	183			
	Total Part Time Employees:	137			
Account Code	**Description**	**Total Expenditures (All Funds)**	**# of Full Time Employees**	**# of Part Time Employees**	**# of Retirees**
90108	State Retirement System	$721,156.00	33	26	
90158	Police and Fire Retirement		13		
90258	Local Pension Fund	$108,000.00			
90308	Social Security	$272,969.00	46	54	
90408	Worker's Compensation Insurance	$229,001.00	46	54	
90458	Life Insurance				
90508	Unemployment Insurance	$4,597.00			
90558	Disability Insurance				
90608	Hospital and Medical (Dental) Insurance	$1,213,855.00	45	3	39
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
	Total	**$2,549,578.00**			
	Computed Total From Financial Section (comparative purposes only)	**$2,549,578.00**			

VILLAGE OF Hamburg
Energy Costs and Consumption
For the Fiscal Year Ending 2014

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	$55,720	21,778	gallons	
Diesel Fuel	$78,842	26,525	gallons	
Fuel Oil			gallons	
Natural Gas	$54,889	65,755	cubic feet	
Electricity	$106,656	985,325	kilowatt-hours	
Coal			tons	

VILLAGE OF Hamburg
Schedule of Other Post Employment Benefits (OPEB)
For the Fiscal Year Ending 2014

Annual OPEB Cost and Net OPEB Obligation

1. Type of Other Post Employment Benefits Plan	Single-Employer Defined Benefits
2. Annual Required Contribution(ARC)	$795,055.00
3. Interest on Net OPEB Obligation	$80,059.00
4. Adjustment to Annual Required Contribution	($115,745.00)
5. Annual OPEB Expense	$759,369.00
6. Less: Actual Contribution Made	$305,172.00
7. Increase in Net OPEB Obligation	$454,197.00
8. Net OPEB Obligation - beginning of year	$2,604,696.00
9. Net OPEB Obligation - end of year	$3,058,893.00
10. Total Other Post Employment Benefits as reported in Accounts 683 in Financial Section, Current Fiscal Year	
11. Percentage of Annual OPEB Cost Contributed (Actual Contribution Made/Annual OPEB Cost)	40.19%

Funded Status and Funding Process

12. Actuarial Accrued Liability(AAL)	$9,075,080.00
13. Less: Actuarial Value of Plan Assets	$0.00
14. Unfunded Actuarial Accrued Liability(UAAL)	$9,075,080.00
15. Funded Ratio(Actuarial Value of Plan Assets/AAL)	0.0000
16. Annual Covered Payroll (of active employees covered by the plan)	$0.00
17. UAAL as Percentage of Annual Covered Payroll	

Other OPEB Information

18. Date of most recent actuarial valuation	05/31/2012
19. Actuarial method used	Projected Unit Credit
20. Assumed rate of return on Investments discount rate	4.00%
21. Amortization period of UAAL(in years)	30.00

CERTIFICATION OF CHIEF FISCAL OFFICER

I, Don 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 05/31/2013, 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 05/31/2013 and filed by means of electronic data transmission.

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

Richard Ertel
Name

(716) 694-0336
Telephone Number

Partner
Title

36 Niagara Street, Tonawanda, NY 1
Official Address

08/29/2014
Date of Certification

(716) 694-0336
Official Telephone Number

(EE) ENTERPRISE UTILITY

Adjustment Reason

Account Code EE8012 Adjustment to beginning inventory not previously recorded
Account Code EE8015 Adjustment to beginning inventory not previously recorded
Account Code EE8022 Adjustment to beginning inventory not previously recorded
Account Code EE8029 .

Note 1 - Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

Fund Categories

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

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

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

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

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

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

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

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

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

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

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

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

Expenditures are recorded when incurred except when:

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

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

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

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

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

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

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

The Village reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

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 relevied onto the town/county tax bill. The County enforces all liens.

Budgetary Data

Budget Policies - The budget policies are as follows:

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

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

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

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

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

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

Budgetary Data

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

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

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

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

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

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

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

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

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

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.

Inventory - Inventory type items are stated at cost.

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

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.)

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

Net position is categorized as:

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

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

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

The Fund financial statements utilize a fund balance presentation.

Fund Balance is categorized as:

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

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

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

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

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

Note 2 - Detail Notes on All Funds

Assets

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

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

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

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

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.

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

Cash and Investments (Cont.)

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:

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

	Bank Balance	Carrying Amount
Cash on Hand	$ -	$ 1,150
Insured (FDIC)	500,000	500,000
Collaterized:		
Collarteral Held by Bank's Agent in Village's Name	6,195,933	6,159,340
Total Deposits	**$ 6,695,933**	**$ 6,660,490**

Accounts Receivable - Major revenues accrued by the Village at May 31, 2014 include the following:

General Fund	
Creek Bend	$ 39,599
National Fuel Gas	9,041
NYSEG	8,821
Verizon	25,000
Worker's Compensation	34,737
Other Receivables	5,069
Total	**$ 122,267**

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

Due From Other Governments - Major other government revenues accrued by the Village at May 31, 2014 include the following:

General Fund	
Erie County - Sales Tax	$ 269,417
Urban & Forestry Grant	6,584
Video Recording	4,337
Fines and Fees	5,756
Total	**$ 286,094**

Interfund Activity

	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General Fund	$ 254,913	$ -	$ 5,580	$ 305,818
Capital Projects	-	249,035	-	-
Enterprise Fund	-	5,878	321,444	21,206
Total	**$ 254,913**	**$ 254,913**	**$ 327,024**	**$ 327,024**

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

Liabilities

Pension Plans

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

Plan Descriptions

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.)

Pension Plans (Cont.)

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.

Policy Funding

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

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

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

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	PFRS
2014	$ 374,409	$ 346,622
2013	355,362	302,820
2012	294,799	193,050

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

Long-term Debt - At May 31, 2014, the total outstanding indebtedness of the Village aggregated $6,304,817. Of this amount, $5,255,000 was subject to the constitutional debt limit and represented approximately 23.4% of its debt limit.

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.)

Long-term Debt - The following is a summary of changes in long-term liabilities for the year ended May 31, 2014

	Balance June 1, 2013	Additions	Deletions	Balance May 31, 2014
General Obligation Bonds	$ 3,655,000	$ 2,015,000	$ 415,000	$ 5,255,000
Retirement Loan	26,826	-	8,942	17,884
Compensated Absences	1,043,875	-	11,942	1,031,933
Long Term Debt	**$ 4,725,701**	**$ 2,015,000**	**$ 435,884**	**$ 6,304,817**

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

Description by Fund	Original Date Issued	Original Amount	Rate	Date of Final Maturity	Outstanding
General Fund:					
Public Improvements 2003	7/15/03	$ 1,905,000	3.50-3.60	7/15/20	$ 640,000
Public Improvements 2004	4/15/04	632,000	3.7	9/15/15	75,000
Public Improvements 2010	2/1/10	3,255,000	2.5-4.00	2/1/28	2,525,000
Roads 2013	7/18/13	2,015,000	2.25-3.50	7/15/27	2,015,000
Total					**$ 5,255,000**

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

The following table summarizes the Village's future debt service requirements as of May 31, 2014:

Year Ending	Principal	Interest
2015	$ 475,000	$ 167,328
2016	415,000	154,884
2017	425,000	143,559
2018	425,000	131,392
2019	430,000	118,714
2020-2024	1,825,000	404,454
2025-2028	1,260,000	101,497
	$ 5,255,000	**$ 1,221,828**

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, 2014, the balance is $1,031,933 ($1,043,875 for 2013).

Retirement Loan - represents amount borrowed for the retirement system for retirement expenses amortized over ten years.

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

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, 2014
Capital Project Fund:				
Water and Sewer Improvements	7/21/2013	7/02/2014	2.50%	$ 2,685,000
Total				**$ 2,685,000**

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

Fund Equity

Restricted fund balances are as follows:

Fund	Balances
General Fund - Insurance Reserve	$ 209,400
General Fund - Debt Reserve	544,931
General Fund - Capital Reserve	797,339
Total	**$ 1,551,670**

Non-Spendable Fund Balances are a follows:

General Fund - Prepaid Expenditures	**$ 335,742**

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

Fund Equity -

Assigned Fund Balances are as follows:

General Fund - Encumbrances	$	192,408
General Fund - Designated		377,500
Sewer Fund		77
Total	**$**	**569,985**

Unassigned Fund Balances are as follows:

General Fund	$	2,406,543
Capital Projects		(1,682,467)
Total	**$**	**724,076**

Note 3 - Capital Assets

Capital asset activity for the year ended May 31, 2014 is as follows:

	June 1, 2013	Increases	Decreases	May 31, 2014
Capital Assets, Not Being Depreciated:				
Land	$ 1,774,805	$ -	$ -	$ 1,774,805
Construction in Progress	1,077,815	2,966,809	(161,619)	3,883,005
Total Capital Assets, not being Depreciated	**$ 2,852,620**	**$ 2,966,809**	**$ (161,619)**	**$ 5,657,810**
Capital Assets Being Depreciated:				
Buildings and Improvements	$ 4,185,654	$ -	$ -	$ 4,185,654
Machinery and Equipment	4,594,317	-	-	4,594,317
Infrastructure	34,883,655	173,812	-	35,057,467
Total Capital Assets, being Depreciated	43,663,626	173,812	-	43,837,438
Less: Accumulated Depreciation for:				
Buildings and Improvements	1,159,329	42,107	-	1,201,436
Machinery and Equipment	3,330,071	167,927	-	3,497,998
Infrastructure	13,515,041	488,375	-	14,003,416
Total Accumulated Depreciation	18,004,441	698,409	-	18,702,850
Total Capital Assets, being Depreciated, Net	**$ 25,659,185**	**$ (524,597)**	**$ -**	**$ 25,134,588**

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 the 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 Anthony Fiorillo 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 1, 2014.

Program Financial Condition

Assets and Liabilities

Actuarial Present Value of Accrued Service Awards as of 1/1/14		$ 2,110,408
Less: Assets Available for Benefits		
Cash and Money Market	$ 62,407	
Equities	1,965,966	
Fixed Income	487,894	
Total Net Position Available for Benefits	$ 2,516,267	
Total Overfunded Benefits		-
Less: Unfunded Liability for Separately Amortized Costs		-
Overfunded Normal Benefits		$ -

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 Position, beginning of year		$ 2,119,373
Changes during the year:		
Plan contributions	$ 108,000	
Investment income earned	101,425	
Changes in fair market value of investments	330,162	
Administrative Fees	(6,030)	
Inestment Managemet Fees	(22,784)	
Benefits Paid	(113,880)	
Total changes	396,893	
Plan Net Position, end of year		$ 2,516,266

Contribution

Amount of Village's contribution recommended by actuary:	$ 91,548
Amount of Village's actual contribution:	$ 108,000

Administrative Fees

Fees paid to administrative/actuarial services provider	$ 6,030
Fees paid for investment management	22,784
	$ 28,814

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	6.0%

Table used for:

Post Entitlement Age mortality:	1994 Uninsured 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.

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 2014, the Village contributed approximately $305,172 for current premiums. The costs of administering this plan are paid by the Village.

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

Funded Status and Funding Progress The schedule of funding progress presents multi year (when available) trend information that is useful in determining whether the actuary's value of Plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liability. The following table sets forth the actuarial accrued liability and funded status of the Plan as of May 31, 2013 the latest valuation date.

Actuarial Accrued Liability (AAL)	
Actuarial accrued liability	$ 9,075,080
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	9,075,080
Funded ratio	0%
Annual covered payroll	-
Ratio of unfunded actuarial accrued liability to covered payroll	0.00%
2014 normal cost	259,848

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	$	9,075,080
Amortization period (years)		30
Amortization discount rate		4.00%
Present value factor		17.9837
2014 UAAL amortization amount		504,628

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 2014:

Normal cost	$	259,848
Amortization of UAAL		504,628
Interest		30,579
ARC		795,055
Interest on OPEB obligation		80,059
Adjustment to ARC		(115,745)
OPEB expense	$	759,369

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, 2014:

Net OPEB obligation at beginning of year	$ 2,604,696
2014 OPEB expense	759,369
2014 OPEB contributions	(305,172)
Net OPEB obligation at end of year	3,058,893
Less: estimated current portion of OPEB obligation	305,172
Estimated long-term portion of OPEB obligation	$ 2,753,721
Percentage of expense contributed	40.2%

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
2013	8.0%
2014	7.0%
2015	6.0%

Note 7 - Subsequent Events

The Village has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 1, 2014, the date the financial statements were available to be issued.

* * * * *