

June 9, 2014

To the Village Board of the
Village of Dansville, New York:

We have audited the balance sheet – statutory basis of the Village of Dansville, New York (the Village) as of May 31, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 27, 2012. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note 1 to the financial statements.

The Village adopted Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, during fiscal year 2013. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

There were no particularly sensitive estimates contained in the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

There were no particularly sensitive disclosures contained in the financial statements. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

The completion of our audit was delayed because of the vacancy in the Village Clerk position and the inability of the Village to timely reconcile the financial transactions.

Our audit report disclaims an opinion on fixed assets because we were not able to apply sufficient audit procedures to obtain evidence regarding the fixed assets recorded in the accompanying balance sheet at May 31, 2013.

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SIGNIFICANT AUDIT FINDINGS (Continued)

Difficulties Encountered in Performing the Audit (continued)

We also disclaimed our opinion on the results of operations for the year ended May 31, 2013 as we could not rely on the opening fund balance amounts since the Village elected not to have fiscal year 2012 audited. Since there has been turnover and lack of qualified accounting personnel within the Village, we believe there is a significant risk to the Village by not auditing the year ended May 31, 2012.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The misstatements identified in our audit, and corrected by management, are displayed on Exhibit A.

The prior period adjustments identified in our audit, and corrected by management, are displayed on Exhibit B.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 9, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors.

However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

SIGNIFICANT AUDIT FINDINGS (Continued)

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the statutory basis of accounting as prescribed by the New York State Office of the Comptroller and the method of preparing it has not changed from the prior period.

* * * *

This information is intended solely for the use of the Village Board and management of the Village and is not intended to be and should not be used by anyone other than these specified parties.

Bonadio & Co., LLP

VILLAGE OF DANSVILLE, NEW YORK

SUMMARY OF AUDIT ADJUSTMENTS
FOR THE YEAR ENDED MAY 31, 2013General Fund

Change in fund balance - unadjusted	\$ 424,757
Current year audit adjustment:	
To record accrued payroll.	(33,187)
To record current year activity for ambulance.	<u>194,953</u>
Change in fund balance - adjusted	<u>\$ 586,523</u>

Water Fund

Change in fund balance - unadjusted	\$ (112,836)
Current year audit adjustments:	
To record accrued payroll.	(8,489)
To accrue fourth quarter water billings for the period 4/30/13 to 5/31/13.	<u>192,891</u>
Change in fund balance - adjusted	<u>\$ 71,566</u>

Sewer Fund

Change in fund balance - unadjusted	\$ (1,059)
Current year audit adjustments:	
To record accrued payroll.	(4,507)
To accrue fourth quarter sewer billings for the period 4/30/13 to 5/31/13.	<u>155,807</u>
Change in fund balance - adjusted	<u>\$ 150,241</u>

Capital Projects Fund

Change in fund balance - unadjusted	\$ (1,247,934)
Current year audit adjustment:	
To record accounts payable related to WWTP construction.	<u>(979,529)</u>
Change in fund balance - adjusted	<u>\$ (2,227,463)</u>

VILLAGE OF DANSVILLE, NEW YORK

**SUMMARY OF PRIOR PERIOD ADJUSTMENTS
FOR THE YEAR ENDED MAY 31, 2013**

The beginning fund balance for the General Fund was presented improperly because amounts related to property taxes were recognized as an asset at May 31, 2011. Following September 30 of each year, the County makes the Village whole on its outstanding taxes and assumes all collection responsibility. To correct this error, an adjustment of \$24,281 was made at May 31, to decrease beginning fund balance in the General Fund.

The beginning fund balance for the Water Fund was presented improperly because: 1) two months of fiscal year 2012 revenue of \$154,819 were incorrectly reported in fiscal year 2013 and 2) bookkeeping errors caused revenue to be overstated by \$173,510. The effect of this prior period adjustment was to increase beginning fund balance by \$328,329 in the Water Fund.

The beginning fund balance for the Sewer Fund was presented improperly because: 1) two months of fiscal year 2012 revenue of \$121,924 were incorrectly reported in fiscal year 2013 and 2) bookkeeping errors caused revenue to be overstated by \$154,098. The effect of this prior period adjustment was to increase beginning fund balance by \$276,022 in the Sewer Fund.

VILLAGE OF DANSVILLE, NEW YORK

**Financial Statements - Statutory Basis
as of May 31, 2013
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

VILLAGE OF DANSVILLE, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

June 9, 2014

To the Village Board of the
Village of Dansville:

Report on the Financial Statements

We have audited the accompanying balance sheet - all fund types and account groups - statutory basis of the Village of Dansville, New York (the Village) as of May 31, 2013, and were engaged to audit the related statement of revenues, expenditures, and changes in fund balance - governmental fund types - statutory basis, for the year then ended, and the related notes to the financial statements.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the statutory basis of accounting as prescribed by the New York State Office of the Comptroller as described in Note 1; this includes determining that the statutory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the results of operations or the consistency of application of accounting principles with the preceding year or on the fixed assets.

We conducted our audit of the balance sheet - all fund types and account groups - statutory basis in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet - all fund types and account groups - statutory basis is free from material misstatement.

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

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(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the balance sheet - all fund types and account groups - statutory basis.

Basis for Disclaimer of Opinion

Results of Operations - Statutory Basis

Because we were not engaged as auditors for the year ended May 31, 2012, we have not applied audit procedures necessary to obtain sufficient appropriate audit evidence about the classifications and amounts comprising the balance sheet - all fund types and account groups - statutory basis at May 31, 2012. The significant aspects of the balance sheet - all fund types and account groups - statutory basis at May 31, 2012, including classifications and amounts, materially affect the determination of the results of operations for the year ended May 31, 2013, and the consistency of application of accounting principles between 2012 and 2013.

Fixed Assets

Detailed property records have not been maintained and certain prior-year records and supporting data were not available for our audit. Therefore, we were not able to obtain sufficient appropriate audit evidence about the amounts at which fixed assets are recorded in the accompanying balance sheet - all fund types and account groups - statutory basis at May 31, 2013 (stated at \$11,596,390).

Disclaimer of Opinion

Results of Operations - Statutory Basis

Because of the significance of the matter discussed in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the results of operations for the year ended May 31, 2013, and accordingly, we do not express an opinion on the results of operations for the year ended May 31, 2013.

Fixed Assets

Because of the significance of the matter discussed in the Basis for Disclaimer of Opinion on Fixed Assets paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the fixed assets for the year ended May 31, 2013, and accordingly, we do not express an opinion on the fixed assets for the year ended May 31, 2013.

Opinion on the Balance Sheet

In our opinion, the balance sheet - all fund types and the non-current governmental liabilities account group - statutory basis referred to in the first paragraph presents fairly, in all material respects, the financial position of the Village as of May 31, 2013, in accordance with the statutory basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the statutory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements - statutory basis of the Village as a whole. The statements of revenues, expenditures, and changes in fund balance - budget and actual - statutory basis on pages 19 - 21, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matters discussed above, it is inappropriate to and we do not, express an opinion on the supplementary information referred to above.

VILLAGE OF DANSVILLE, NEW YORK

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS - STATUTORY BASIS
MAY 31, 2013

	Governmental Funds					Fiduciary Fund Types		Account Groups	
	Special Revenue Funds					Private Purpose Trust Fund	Agency Fund	Non-current Governmental Assets	Non-current Governmental Liabilities
	General Fund	Special Grant Fund	Water Fund	Sewer Fund	Capital Projects Fund				
ASSETS									
Cash and cash equivalents	\$ 858,722	\$ 542	\$ 380,197	\$ 404,365	\$ 293,997	\$ 1,937,823	\$ 235	\$ 10,788	\$ -
Accounts receivable	56,706	-	322,245	262,331	234	641,516	-	-	-
Due from other funds	892,942	-	422,506	59,816	24,907	1,400,171	-	-	-
Amounts to be provided for retirement of long-term debt	-	-	-	-	-	-	-	-	5,208,000
Fixed assets	-	-	-	-	-	-	-	11,596,390	-
Total assets	\$ 1,808,370	\$ 542	\$ 1,124,948	\$ 726,512	\$ 319,138	\$ 3,979,510	\$ 235	\$ 10,788	\$ 5,208,000
LIABILITIES AND FUND BALANCES									
LIABILITIES:									
Accounts payable	\$ 105,759	\$ -	\$ 32,339	\$ 10,003	\$ 996,997	\$ 1,145,098	\$ -	\$ 10,788	\$ -
Accrued liabilities	39,498	-	8,489	4,507	-	52,494	-	-	-
Bond anticipation notes payable	-	-	-	-	3,282,403	3,282,403	-	-	-
Due to other funds	64,292	-	627,888	303,800	404,191	1,400,171	-	-	-
Due to other governments	124	-	-	-	-	124	-	-	-
Bonds payable	-	-	-	-	-	-	-	-	5,208,000
Investment in general fixed assets	-	-	-	-	-	-	-	11,596,390	-
Total liabilities	209,673	-	668,716	318,310	4,683,591	5,880,290	-	10,788	5,208,000
FUND BALANCES:									
Restricted	-	-	-	-	-	-	235	-	-
Assigned - appropriated	174,920	-	-	-	-	174,920	-	-	-
Assigned - other spendable amounts	-	542	456,232	408,202	-	864,976	-	-	-
Unassigned	1,423,777	-	-	-	(4,364,453)	(2,940,576)	-	-	-
Total fund balances	1,598,697	542	456,232	408,202	(4,364,453)	(1,900,780)	235	-	-
Total liabilities and fund balances	\$ 1,808,370	\$ 542	\$ 1,124,948	\$ 726,512	\$ 319,138	\$ 3,979,510	\$ 235	\$ 10,788	\$ 5,208,000

The accompanying notes are an integral part of these statements.

VILLAGE OF DANSVILLE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES - STATUTORY BASIS FOR THE YEAR ENDED MAY 31, 2013

	Governmental Fund Types						Fiduciary Fund Type
	General Fund	Special Grant Fund	Water Fund	Sewer Fund	Capital Projects Fund	Total	Private-Purpose Trust
REVENUES:							
Real property taxes and tax items	\$ 2,052,946	\$ -	\$ -	\$ -	\$ -	\$ 2,052,946	\$ -
Nonproperty tax items	167,989	-	-	-	-	167,989	-
Departmental income	502,647	-	1,160,465	881,804	-	2,544,916	-
Intergovernmental charges	71,582	-	-	-	-	71,582	-
Use of money and property	305	-	249	238	1,939	2,731	-
Licenses and permits	932	-	322	-	-	1,254	-
Fines and forfeitures	96,993	-	-	-	-	96,993	-
Sale of property and compensation for loss	378,011	-	1,856	-	-	379,867	-
Miscellaneous	16,624	-	-	-	-	16,624	-
State aid	265,441	146,435	-	-	303,850	715,726	-
Total revenues	3,553,470	146,435	1,162,892	882,042	305,789	6,050,628	-
EXPENDITURES:							
General governmental support	331,346	-	65,824	43,909	2,293,135	2,734,214	-
Public safety	504,995	-	-	-	-	504,995	-
Public health	285,274	-	-	-	-	285,274	-
Transportation	1,059,032	-	-	-	-	1,059,032	-
Economic assistance	-	145,993	-	-	-	145,993	-
Culture and recreation	72,062	-	-	-	-	72,062	-
Home and community services	35,172	-	379,788	488,665	1,025,025	1,928,650	-
Employee benefits	482,285	-	115,208	63,165	-	660,658	-
DEBT SERVICE:							
Principal	164,719	-	409,975	90,426	-	665,120	-
Interest	32,062	-	120,531	45,636	18,212	216,441	-
Total expenditures	2,966,947	145,993	1,091,326	731,801	3,336,372	8,272,439	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	586,523	442	71,566	150,241	(3,030,583)	(2,221,811)	-
OTHER FINANCING SOURCES:							
Proceeds of issuance of bonds	-	-	-	-	696,011	696,011	-
Bond anticipation notes redeemed from appropriations	-	-	-	-	107,109	107,109	-
Total other financing sources	-	-	-	-	803,120	803,120	-
CHANGE IN FUND BALANCE	586,523	442	71,566	150,241	(2,227,463)	(1,418,691)	-
FUND BALANCE - beginning of year, as previously reported	912,702	100	56,337	(18,061)	(2,136,990)	(1,185,912)	235
Prior period adjustments (see Note 2)	99,472	-	328,329	276,022	-	703,823	-
FUND BALANCE - beginning of year, as restated	1,012,174	100	384,666	257,961	(2,136,990)	(482,089)	235
FUND BALANCE - end of year	\$ 1,598,697	\$ 542	\$ 456,232	\$ 408,202	\$ (4,364,453)	\$ (1,900,780)	\$ 235

The accompanying notes are an integral part of these statements.

VILLAGE OF DANSVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

The Village of Dansville, New York (the Village), incorporated in 1845, is governed by Village Law, other general laws of the State of New York, and various local laws and ordinances. The Village is a municipal corporation governed by the Board of Trustees and served by the Mayor.

The Village provides the following basic services: public safety, public health, highway maintenance, recreational programs, water, and sewer services.

A. Financial Reporting Entity

The Village of Dansville, New York (Village) has elected to prepare its financial statements on the statutory basis of accounting as prescribed by the New York State Office of the State Comptroller for annual reports to that office. This statutory basis is an other comprehensive basis of accounting which varies from accounting principles generally accepted in the United States of America (GAAP) primarily in accounting for governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The statutory basis under the New York State Office of the Comptroller, uses the modified accrual basis of accounting for governmental funds and fiduciary funds; accrual basis accounting is used for the account groups. This basis differs from GAAP primarily in that no government-wide financial statements are prepared, nor is a Management's Discussion and Analysis prepared.

B. Basic Financial Statements

The Village's basic financial statements include only fund financial statements, which report all of the Village's funds. The financial transactions of the Village are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The Village records its transactions in the funds described below:

- **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 based upon determination of financial position and changes in financial position. The following are the Village's Governmental Funds:

General Fund - Principal operating fund which includes all operations not required to be recorded in other funds.

Capital Projects Fund - Accounts for financial resources for the acquisition, construction, or renovation of major capital facilities, or equipment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

- **Governmental Funds (Continued)**

Special Grant Fund - This fund was established to account for various state and federally aided programs.

Water Fund - This fund was established by law to account for revenues derived from charges for water usage and benefited assessments. The application of these revenues is used toward related operating expenses and debt retirement.

Sewer Fund - This fund was established by law to account for revenues derived from charges for sewer usage and benefited assessments. The application of these revenues is used toward related operating expenses and debt retirement.

- **Fiduciary Funds**

Fiduciary Funds are used to account for assets held by the local government in a trustee or custodial capacity. Fiduciary activities are those in which the Village acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements because their resources do not belong to the Village and are not available to be used.

Agency Fund - This fund accounts for those funds held in trust for subsequent distribution, transmittal or release to other governments, persons, or funds.

Private Purpose Trust Funds - are used to report certain trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

- **Account Groups**

General Fixed Assets Account Group - used to account for land, buildings, improvements other than buildings, and equipment utilized for general government purposes.

General Long-term Debt Group - used to account for all long-term debt such as serial bonds, capital notes, and statutory bonds not accounted for in any other fund. General long-term liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity.

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures 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 the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

The governmental fund financial statements are presented 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 of the current period (within 60 days after year-end for the Village). Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting/Measurement Focus (Continued)

Expenditures are recorded when incurred except that the cost of capital assets is recognized when the related liability is incurred. Exceptions to this general rule are that 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

D. Property Taxes

Real property taxes are levied annually by June 1st by the Village Board. Taxes are collected during the period from June 1st – September 30th at the Village and from October 1st through November 30th at the County offices. The tax collector for the Village keeps a separate account for the receipt of all tax money. From this, payments are made to the General Fund during the collection period. The Village receives its tax warrant and relevy amounts in full along with uncollected real property taxes subsequently enforced by Livingston County.

E. Cash and Cash Equivalents

The Village's cash and cash equivalents consist of cash on hand, time and demand deposits.

The Village's investment policies are governed by State statutes. Village monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Village is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the United States Treasury and United States agencies, repurchase agreements, and obligations of New York State or its localities.

All deposits shall be fully secured by insurance of the FDIC or by obligations of New York State, or obligations of federal agencies, the principal and interest of which is guaranteed by the United States or obligations of New York State local governments.

F. Accounts Receivable

Accounts receivable represents unpaid charges of the Water and Sewer Fund at year-end. The Village establishes an allowance for doubtful accounts based on a review of outstanding amounts and the past history of collections. The Village has determined that no allowance was necessary at year-end.

G. Interfund Receivables and Payables

During the course of operations, the Village processes several transactions that affect more than one fund and other transactions between the various funds. Interfund services provided and used are accounted for as revenues in the provider funds and expenditures or expenses in the user funds. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Advances or loans from one fund to another are recorded as receivables in the remitting fund and payables in the receiving fund. Other interfund transactions generally represent transfers of resources from one fund to be utilized in another fund and are reported as transfers. Interfund transactions that are unpaid between funds are recorded in the financial statements as due from other funds (receivables) and due to other funds (payables).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the schedule of non-current governmental assets.

Accounting principles under the statutory basis require that all purchased fixed assets be valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Fixed assets are not depreciated nor has interest on construction in progress been capitalized.

I. Compensated Absences

Village employees are granted vacation leave and earn compensatory time in varying amounts in accordance with various negotiated contracts. In the event of retirement, an employee is entitled to payment for accumulated compensatory time. The expenditures for these fringe benefits are recorded in the governmental funds at the time benefits are paid.

J. Unearned Revenue

Unearned revenue arises when the Village receives resources before it has a legal claim to them. In subsequent periods, when both recognition criteria are met or when the Village has legal claim to the resources, the unearned revenue is recognized as revenue.

K. Postemployment Benefits

The Village provides certain health care benefits for retired employees based on various collective bargaining agreements. The Village administers the Retirement Benefits Plan (the "Retirement Plan") as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB). Benefits for retirees are recorded on a pay-as-you-go basis as an expenditure in the funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Equity Classifications

Accounting principles generally accepted in the United States provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

a. Nonspendable Fund Balances

These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

b. Restricted Fund Balances

These are amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

c. Committed Fund Balances

These are amounts that can be used only for specific purposes determined by a formal action of the Village Board prior to year-end. The Village Board is the highest level of decision-making authority for the Village. Commitments may be established, modified, or rescinded only through resolutions approved by the Village Board. At year-end, the Village had no committed fund balance.

d. Assigned Fund Balances

These are amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Assignments may be established, modified, or rescinded only through resolutions approved by the Village Board.

e. Unassigned Fund Balances

These are all other spendable amounts.

Absent a Village-wide policy, when an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

M. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the Village's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

N. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could differ from those estimates.

2. PRIOR PERIOD ADJUSTMENTS

The beginning fund balance for the General Fund was presented improperly because: 1) amounts related to property taxes were recognized as an asset of \$24,281 at May 31, 2011 and 2) ambulance services of \$123,753 provided by the Village were not properly accrued. The effect of this prior period adjustment was to increase beginning fund balance by \$99,472 in the General Fund.

The beginning fund balance for the Water Fund was presented improperly because: 1) two months of fiscal year 2012 revenue of \$154,819 were incorrectly reported in fiscal year 2013 and 2) bookkeeping errors caused revenue to be overstated by \$173,510. The effect of this prior period adjustment was to increase beginning fund balance by \$328,329 in the Water Fund.

The beginning fund balance for the Sewer Fund was presented improperly because: 1) two months of fiscal year 2012 revenue of \$121,924 were incorrectly reported in fiscal year 2013 and 2) bookkeeping errors caused revenue to be overstated by \$154,098. The effect of this prior period adjustment was to increase beginning fund balance by \$276,022 in the Sewer Fund.

	<u>General Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Beginning Fund Balance, as previously presented	\$ 912,702	\$ 56,337	\$ (18,061)
Prior Period Adjustment	<u>99,472</u>	<u>328,329</u>	<u>276,022</u>
Beginning Fund Balance, as restated	<u>\$ 1,012,174</u>	<u>\$ 384,666</u>	<u>\$ 257,961</u>

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary policies

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States. On or before March 1 of each year, all departments of the Village submit requests for appropriations to the Village Clerk and the Board of Trustees, so that a budget may be prepared. Public hearings are conducted to obtain taxpayer comments prior to the budget being approved by the Board of Trustees by April 15. The Board of Trustees adopts a final budget no later than May 1. All modifications of the budget must be approved by the governing Board. However, the Clerk/Treasurer is authorized to transfer certain budgeted amounts within departments.

Fund Balance Deficits

The deficit of the Capital Fund was \$4,364,453 at May 31, 2013. This deficit results from the issuance of several BANs that have not yet been converted to permanent financing. It is expected that the deficit will be eliminated when the Village converts the BANs into bonds.

Budget Deficit

In 2013, the District overspent its general fund budget appropriations by approximately \$373,200 because of unanticipated expenditures. These amounts were satisfied with additional revenues. The District does not anticipate the budget deficit to recur in 2014.

4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The Village's cash and cash equivalents consist of cash on hand, time and demand deposits. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. The Village has no specific policies other than the guidance in New York State General Municipal Law.

Primary Government, Including Fiduciary Funds

Total deposits of cash and cash equivalents and investments are as follows for the year ended May 31, 2013:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand deposits	\$ 1,948,846	\$ 2,996,002
Total cash and investments	\$ 1,948,846	\$ 2,996,002
Insured cash - FDIC		\$ 792,404
Uninsured - collateralized with securities held by pledging financial institution		<u>2,625,101</u>
Total insured and collateralized cash and cash equivalents		<u>\$ 3,417,505</u>

Overall, the Village was in compliance with its collateral requirements; however, for one bank account, the Village was uncollateralized by \$11,001 at May 31, 2013.

5. FIXED ASSET ACCOUNT GROUP

A summary of changes in the fixed asset account group for the year ended May 31, 2013 is as follows:

	<u>Balance at 5/31/12</u>	<u>Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 5/31/13</u>
Construction in progress	\$ -	\$ -	\$ 979,529	\$ -	\$ 979,529
Land	405,346	-	-	-	405,346
Buildings	4,289,056	-	-	-	4,289,056
Equipment	<u>6,144,552</u>	<u>-</u>	<u>58,249</u>	<u>(280,342)</u>	<u>5,922,459</u>
Total capital assets	<u>\$ 10,838,954</u>	<u>\$ -</u>	<u>\$ 1,037,778</u>	<u>\$ (280,342)</u>	<u>\$ 11,596,390</u>

6. PENSION PLAN

New York State and Local Employees' Retirement System Plan Description

The Village participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) (collectively, the Systems).

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

Funding Policy

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Systems. They are as follows:

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983.
- Tier 5 - Those persons who last became members of the System on or after January 1, 2010.
- Tier 6 - Those persons who last became members of the System on or after April 1, 2012.

The Systems are noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010, employees in NYSERS contribute 3% of their salary throughout their active membership and those in NYSPFRS contribute 3.5% throughout their active membership. For NYSERS, the Comptroller certifies the rates expressed as proportions of members' payroll annually which are used in computing the contributions required to be made by employers to the pension accumulation fund. Employees who join on or after April 1, 2012 will contribute 3% of their reportable salary. Beginning April 1, 2013, the contribution rate for Tier 6 members will vary based on each member's annual compensation varying between 3-6%.

6. PENSION PLAN (Continued)

Funding Policy (Continued)

The Systems cannot be diminished or impaired. Benefits can be reduced for future membership only by an act of the New York State Legislature. The Village's contributions for the years 2013, 2012 and 2011 were equal to the required contributions for the plan fiscal year as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2013	\$ 135,688	\$ 113,142
2012	\$ 125,759	\$ 75,490
2011	\$ 109,407	\$ 75,765

7. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The Village provides certain health care benefits for retired employees. The Village administers the Retirement Benefits Plan (the "Retirement Plan") as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB). There were approximately 38 active employees and 4 retired employees covered under the Retirement Plan at May 31, 2013.

The contribution requirements of Retirement Plan members and the Village are established pursuant to applicable collective bargaining and employment agreements. The required rates of the employer and the members may vary depending on the applicable agreement. The Retirement Plan does not issue a standalone 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 and employer are established by action of the Village pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by Village.

8. SHORT-TERM DEBT

The Village has issued short-term debt in the form of bond anticipation notes (BANs) to finance short-term projects. A summary of the Village's short-term debt activity is as follows for the year ended May 31, 2013:

<u>Description</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Street paving, issued 7/24/03, renewed 7/16/12, maturing 7/16/13 at 1.39%	\$ 60,000	\$ 30,000	\$ (60,000)	\$ 30,000
Plant renovation, issued 11/23/98, renewed 11/23/11, matured 11/23/12 at 4.69%	110,885	-	(110,885)	-
Sewer plant repairs, issued 3/17/10, renewed 3/16/13, maturing 3/15/14 at 2.35%	51,000	31,800	(51,000)	31,800
Sewer plant study, issued 3/18/10, renewed 3/16/13, maturing 3/15/14 at 1.65%	47,700	34,000	(47,700)	34,000
Street paving, issued 6/13/07, renewed 6/13/11, matured 6/13/12 at 4.30%	52,800	-	(52,800)	-
Pros fire truck 1, issued 11/26/06, renewed 11/26/11, matured 11/26/12 at 4.30%	72,725	-	(72,725)	-
WWTP heating, issued 10/19/06, renewed 10/19/11, matured 10/19/12 at 4.15%	130,000	-	(130,000)	-
Ambulance, issued 12/8/10, renewed 12/9/11, matured 12/9/12 at 1.79%	252,436	-	(252,436)	-
Water meter, issued 5/30/12, renewed on 5/3/13, maturing on 5/3/14 at 0%	500,000	500,000	(500,000)	500,000
Sewer improvements, issued 11/21/11, renewed on 5/3/13, maturing on 5/3/14 at 0%	850,000	250,000	(850,000)	250,000
Sewer improvements, issued 11/21/11, renewed on 5/4/12, matured on 5/3/13 at 1.65%	700,000	-	(700,000)	-

8. SHORT-TERM DEBT (Continued)

<u>Description</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
John Deere Loader, issued on 10/19/06, matured on 10/19/12 at 1.66%	9,434	-	(9,434)	-
Wastewater plant, issued on 2/6/04, matured on 1/28/13 at 2.58%	18,000	-	(18,000)	-
EFC Sewer Project, issued on 2/28/13, maturing on 2/28/16 at 12%	-	2,436,603	-	2,436,603
Total BANs	<u>\$ 2,854,980</u>	<u>\$ 3,282,403</u>	<u>\$ (2,854,980)</u>	<u>\$ 3,282,403</u>

Interest paid on short-term obligations totaled \$70,655 in 2013.

9. LONG-TERM DEBT FUND GROUP

The following is a summary of changes in the long-term debt fund group for the year ended May 31, 2013:

<u>Description</u>	<u>Outstanding 5/31/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding 5/31/13</u>
Governmental Activities:				
Serial bonds				
Fire Truck	\$ 315,000	\$ -	\$ (35,000)	\$ 280,000
Water Mains	20,000	-	(20,000)	-
Intake Project	140,000	-	(15,000)	125,000
Water Treatment Plant	1,271,000	-	(39,000)	1,232,000
Filtration Plant	3,060,000	-	(320,000)	2,740,000
Filtration Plant	264,000	-	(8,000)	256,000
Various Improvements	-	566,071	(96,071)	470,000
Various Improvements	-	129,940	(24,940)	105,000
Total	<u>\$ 5,070,000</u>	<u>\$ 696,011</u>	<u>\$ (558,011)</u>	<u>\$ 5,208,000</u>

For the year ended May 31, 2013, the Village recognized interest expenditures of \$145,786 on long-term debt in the Governmental Funds.

9. LONG-TERM DEBT FUND GROUP (Continued)

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

<u>Bonds Payable</u>	<u>Issue Date</u>	<u>Maturity</u>	<u>Interest</u>	<u>5/31/13 Balance</u>	<u>Amount Due Within One Year</u>
Filtration Plant	9/1999	9/2032	4.50%	\$ 256,000	\$ 8,000
Filtration Plant	7/2000	1/2021	2.60%	2,740,000	325,000
Water Treatment Plant	3/2001	3/2033	4.85%	1,232,000	40,000
Intake Project	3/2001	11/2020	3.23%	125,000	15,000
Fire Truck	1/2001	7/2020	4.75%	280,000	35,000
Various Improvements	9/2012	10/2018	1.00%	470,000	100,000
Various Improvements	9/2012	4/2018	2.00%	105,000	25,000
Total				<u>\$5,208,000</u>	<u>\$ 548,000</u>

The following is a schedule of the future minimum payments under the Village's bond agreements as of May 31:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 548,000	\$ 174,931	\$ 722,931
2015	556,000	163,271	719,271
2016	564,000	149,409	713,409
2017	572,000	133,804	705,804
2018	514,000	116,864	630,864
2019 – 2023	1,561,000	332,403	1,893,403
2024 – 2028	396,000	156,357	552,357
2029 – 2033	<u>497,000</u>	<u>56,097</u>	<u>553,097</u>
Total	<u>\$ 5,208,000</u>	<u>\$ 1,283,136</u>	<u>\$ 6,491,136</u>

10. INTERFUND ACTIVITIES

Interfund receivables and payables between governmental activities are eliminated on the balance sheet. The Village typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. It is not clear if all interfund payables are expected to be repaid within one year.

Interfund receivables and payables at May 31, 2013 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 892,942	\$ 64,292
Water	422,506	627,888
Sewer	59,816	303,800
Capital	<u>24,907</u>	<u>404,191</u>
Total	<u>\$ 1,400,171</u>	<u>\$ 1,400,171</u>

11. RISK MANAGEMENT

Liability

The Village assumes the liability for some risk including, but not limited to, general and personal injury liability. The Village's risk relating to general liability is limited to \$1,000,000 per incident and \$3,000,000 in the aggregate.

Workers' Compensation

The Village, along with 17 towns and 8 other villages have joined together to self-insure for workers' compensation coverage which is maintained and administered by the County. Each participant pays annual premiums as determined by the County each year. No liabilities for workers' compensation claims are recorded at May 31, 2013.

12. COMMITMENTS AND CONTINGENCIES

Judgments and Claims

The Village and/or its agencies are named in several lawsuits, some of which are for substantial amounts. These claims are either adequately covered by insurance or, in the opinion of Village officials, will not result in material judgments against the Village or will not be pursued and; therefore, are not expected to have a material effect on the basic financial statements.

Collective Bargaining Agreements

Certain of the Village's employees are covered by various collective bargaining agreements. These collective bargaining agreements expire on May 31, 2014.

Lease Agreements

The Village leases office space from the Town of North Dansville (the Town) under an operating lease agreement requiring an annual payment of \$24,000, which was in effect through June 11, 2003. The Village had not obtained a revised or amended agreement through May 30, 2013, but had increased the annual payment to \$35,000. On August 13, 2013, the Village obtained a new agreement from the Town, requiring an annual payment of \$35,000 through May 31, 2014.

Fire Protection

The Village is required to provide fire protection services to its residents. The Village has entered into a contract with the Fire Department of the Village of Dansville (the Fire Department) to provide these services using the equipment and facilities owned by the Village, under the terms of an annual contract concurrent with the Village's fiscal year. For the year ended May 31, 2013, the Village paid \$26,000 for these services.

EMS Services

The Village is required to provide first responder (EMS) services to its residents. The Village has entered into a contract with the Dansville Ambulance Company, Inc. (DAC) to provide these services using certain equipment owned by the Village, under the terms of the contract. For the year ended May 31, 2013, the Village paid \$10,000 for these services. Under the terms of the agreement, the Village and DAC split the billing revenue evenly. The Village is responsible for providing, insuring, repairing, and replacing the ambulances required for DAC to provide services to the Village. Supplies, manpower, and equipment for the ambulances are the responsibility of DAC.

12. COMMITMENTS AND CONTINGENCIES (Continued)

Purchase Commitment

On November 24, 2010, the Village entered into a purchase commitment in the amount of \$1,250,000 for 10.30 acres of land in the Village of Dansville which was to be acquired in connection with the development of a new wastewater treatment plant. The closing was anticipated to occur prior to May 31, 2011. In fiscal year 2013, the Village signed an agreement to purchase 2.36 acres at a price of \$125,000. The Village expects to purchase the remainder of the land for a new wastewater plant during the year ended May 31, 2014.

Public Safety Services

The Village has agreements with the neighboring Towns of Groveland, Dansville, North Dansville, Ossian, Sparta and West Sparta to provide fire and EMS services to its residents. The revenue received in 2013 for fire and EMS services totaled \$61,249 and \$276,003, respectively.

Waste Water Treatment Plant Project

The Village has an agreement with the New York State Environmental Facilities Corporation for a Bond Anticipation Note for a maximum principal amount of \$12,850,000 in order to finance its new Waste Water Treatment Plant. The amount disbursed as of May 31, 2013 was \$2,436,603 and is recognized as a Bond Anticipation Note. The Village expects to spend \$10,413,397 by February 28, 2016 in order to complete construction and engineering of the new plant.

VILLAGE OF DANSVILLE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - STATUTORY BASIS
FOR THE YEAR ENDED MAY 31, 2013

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual (Budgetary Basis)</i>	<i>Final Budget Variance with Budgetary Actual</i>
REVENUE:				
Real property taxes and tax items	\$ 2,086,376	\$ 2,086,136	\$ 2,052,946	\$ (33,190)
Nonproperty tax items	154,000	146,000	167,989	21,989
Departmental income	14,000	18,500	502,647	484,147
Intergovernmental charges	96,024	63,380	71,582	8,202
Miscellaneous	7,100	9,100	16,624	7,524
Use of money and property	3,000	1,500	305	(1,195)
Licenses and permits	600	600	932	332
Fines and forfeitures	50,000	45,000	96,993	51,993
Sale of property and compensation for loss	11,906	10,000	378,011	368,011
State aid	153,516	213,490	265,441	51,951
Total revenue	<u>2,576,522</u>	<u>2,593,706</u>	<u>3,553,470</u>	<u>959,764</u>
EXPENDITURES:				
General governmental support	458,731	398,085	331,346	66,739
Public safety	652,807	640,975	504,995	135,980
Public Health	36,227	9,667	285,274	(275,607)
Transportation	661,473	805,350	1,059,032	(253,682)
Culture and recreation	53,753	62,927	72,062	(9,135)
Home and community services	27,259	33,800	35,172	(1,372)
Employee benefits	492,812	470,363	482,285	(11,922)
Debt service	193,460	172,539	196,781	(24,242)
Total expenditures	<u>2,576,522</u>	<u>2,593,706</u>	<u>2,966,947</u>	<u>(373,241)</u>
CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>586,523</u>	<u>586,523</u>
FUND BALANCE - beginning of year, as previously reported	912,702	912,702	912,702	-
Prior period adjustments (see Note 2)	<u>-</u>	<u>-</u>	<u>99,472</u>	<u>99,472</u>
FUND BALANCE - beginning of year, as restated	<u>912,702</u>	<u>912,702</u>	<u>1,012,174</u>	<u>99,472</u>
FUND BALANCE - end of year	<u>\$ 912,702</u>	<u>\$ 912,702</u>	<u>\$ 1,598,697</u>	<u>\$ 685,995</u>

The accompanying notes are an integral part of this supplementary information.

VILLAGE OF DANSVILLE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
WATER FUND - STATUTORY BASIS
FOR THE YEAR ENDED MAY 31, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE:				
Use of money and property	\$ -	\$ -	\$ 249	\$ 249
Departmental income	1,057,947	1,168,945	1,160,465	(8,480)
Licenses and permits	500	250	322	72
Sale of property and compensation for loss	1,000	300	1,856	1,556
Total revenue	<u>1,059,447</u>	<u>1,169,495</u>	<u>1,162,892</u>	<u>(6,603)</u>
EXPENDITURES:				
General governmental support	48,364	88,078	65,824	22,254
Home and community services	350,009	461,159	379,788	81,371
Employee Benefits	135,675	142,511	115,208	27,303
Debt service	525,399	477,747	530,506	(52,759)
Total expenditures	<u>1,059,447</u>	<u>1,169,495</u>	<u>1,091,326</u>	<u>78,169</u>
CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>71,566</u>	<u>71,566</u>
FUND BALANCE - beginning of year, as previously reported	56,337	56,337	56,337	-
Prior period adjustments (see Note 2)	<u>-</u>	<u>-</u>	<u>328,329</u>	<u>328,329</u>
FUND BALANCE - beginning of year, as restated	<u>56,337</u>	<u>56,337</u>	<u>384,666</u>	<u>328,329</u>
FUND BALANCE - end of year	<u>\$ 56,337</u>	<u>\$ 56,337</u>	<u>\$ 456,232</u>	<u>\$ 399,895</u>

VILLAGE OF DANSVILLE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
SEWER FUND - STATUTORY BASIS
FOR THE YEAR ENDED MAY 31, 2013

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual (Budgetary Basis)</i>	<i>Final Budget Variance with Budgetary Actual</i>
REVENUE:				
Departmental income	\$ 609,302	\$ 886,760	\$ 881,804	\$ (4,956)
Use of money and property	500	500	238	(262)
Sale of property and compensation for loss	100	50	-	(50)
Total revenue	<u>609,902</u>	<u>887,310</u>	<u>882,042</u>	<u>(5,268)</u>
EXPENDITURES:				
General governmental support	15,564	58,800	43,909	14,891
Home and community services	428,363	592,427	488,665	103,762
Employee Benefits	48,387	59,808	63,165	(3,357)
Debt service	<u>117,588</u>	<u>176,275</u>	<u>136,062</u>	<u>40,213</u>
Total expenditures	<u>609,902</u>	<u>887,310</u>	<u>731,801</u>	<u>155,509</u>
CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>150,241</u>	<u>150,241</u>
FUND BALANCE - beginning of year, as previously reported	(18,061)	(18,061)	(18,061)	-
Prior period adjustments (see Note 2)	<u>-</u>	<u>-</u>	<u>276,022</u>	<u>276,022</u>
FUND BALANCE - beginning of year, as restated	<u>(18,061)</u>	<u>(18,061)</u>	<u>257,961</u>	<u>276,022</u>
FUND BALANCE - end of year	<u>\$ (18,061)</u>	<u>\$ (18,061)</u>	<u>\$ 408,202</u>	<u>\$ 426,263</u>

The accompanying notes are an integral part of this supplementary information.