VILLAGE OF DEPEW

FINANCIAL STATEMENTS

MAY 31, 2014

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May 31, 2014

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Village of Depew, New York

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of Village of Depew, New York (the Village) as of and for the year ended May 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the Village as of May 31, 2014, and the respective changes in financial position and respective budgetary comparisons for the general and sewer funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 7 and the schedule of funding progress postemployment benefit plan on page 29 be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Lumsden & McCormick, LLP

August 29, 2014

Village of Depew, New York
Management's Discussion and Analysis
May 31, 2014
(Unaudited)

Introduction

Management's Discussion and Analysis (MD&A) of Village of Depew, New York (the Village) provides an overview of the Village's financial performance and activities for the year ended May 31, 2014. The information contained in the MD&A should be considered in conjunction with the information presented as part of the Village's financial statements which follow. This MD&A, the financial statements and notes thereto are essential to obtaining a full understanding of the Village's financial position and results of operations. The Village's financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) reconciliations between the government-wide and governmental fund financial statements; (4) agency fund statements; (5) notes to the financial statements; and (6) required supplementary information.

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. The statement of activities presents information showing how the Village's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the Village as a whole. All of the activities of the Village are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the Village's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the Village's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Agency funds are used to account for resources held for the benefit of parties outside of the Village. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's programs. The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide and governmental fund financial statements.

Condensed Statement of Net Position	2014	2013	Change $	Change %
Current assets	$ 3,225,000	$ 4,312,000	$ (1,087,000)	-25.2%
Capital assets	8,754,000	8,222,000	532,000	6.5%
Total assets	11,979,000	12,534,000	(555,000)	-4.4%
Long-term liabilities outstanding	5,654,000	6,121,000	(467,000)	-7.6%
Other liabilities	2,942,000	3,144,000	(202,000)	-6.4%
Total liabilities	8,596,000	9,265,000	(669,000)	-7.2%
Net Position:				
Net investment in capital assets	2,282,000	2,311,000	(29,000)	-1.3%
Restricted	486,000	552,000	(66,000)	-12.0%
Unrestricted	615,000	406,000	209,000	51.5%
Total net position	$ 3,383,000	$ 3,269,000	$ 114,000	3.5%

Net position at May 31, 2014 and 2013 was $3,383,000 and $3,269,000, respectively. Capital assets (infrastructure, buildings, improvements, vehicles and equipment) represent 73.1% (65.6% in 2013) of the Village's total assets. The largest portion of liabilities is outstanding debt directly related to the Village's investment in these capital assets. The Village uses capital assets to provide services to citizens and as such these assets are not available for future use. Although the Village's investment in its assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Current assets decreased by $1,087,000 (increase of $568,000 or 15.2% in 2013). These balances consist of cash and receivables from other governments and third parties and any variances from year to year are generally based on the timing of when cash is received and payments are made. The purchase of vehicles, equipment and infrastructure projects resulted in an increase in capital assets of $1,146,000 which when netted with current year depreciation of $614,000, resulted in an increase of $532,000. The purchases of these capital assets decreased the Village's cash balance at year end. Total liabilities decreased by $669,000 (increase of $1,987,000 or 27.3% in 2013) and reflected the timing of payments made at year end and the Village's required principal payments on its outstanding debt. Compensated absences, which is the estimated dollar value of employees' accumulated vacation and sick time, increased by $30,000 resulting in an estimated balance of $1,549,000 as of May 31, 2014.

The Village's unfunded actuarial accrued liability as of May 31, 2014 pursuant to GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions* is estimated to be $4,248,000 and is being amortized over a 30 year period.

Condensed Statement of Activities	2014	2013	Change $	Change %
Revenues				
Program revenues				
Charges for services	$ 1,463,000	$ 885,000	$ 578,000	65.3%
Operating grants and contributions	700,000	553,000	147,000	26.6%
Capital grants and contributions	139,000	118,000	21,000	17.8%
General revenues				
Property, sales and franchise taxes	11,831,000	11,334,000	497,000	4.4%
Other	189,000	444,000	(255,000)	-57.4%
Total revenues	14,322,000	13,334,000	988,000	7.4%
Expenses				
Support services				
General government	2,712,000	2,642,000	70,000	2.6%
Public safety	6,109,000	5,925,000	184,000	3.1%
Health	2,000	5,000	(3,000)	-60.0%
Transportation	2,443,000	1,905,000	538,000	28.2%
Culture and recreation	767,000	793,000	(26,000)	-3.3%
Home and community services	2,017,000	1,671,000	346,000	20.7%
Interest expense	158,000	206,000	(48,000)	-23.3%
Total expenses	14,208,000	13,147,000	1,061,000	8.1%
Change in net position	114,000	187,000	(73,000)	-39.0%
Net position - beginning of year	3,269,000	3,082,000	187,000	6.1%
Net position - end of year	$ 3,383,000	$ 3,269,000	$ 114,000	3.5%

Total revenues increased by $988,000 ($484,000 or 3.8% in 2013). Village property, sales and franchise taxes for the year ended May 31, 2014 account for 82.6% (85.0% in 2013) of the Village's total revenues and increased by $497,000 ($321,000 or 2.9% in 2013). The increase was due to a 4.2% budgeted increase in the tax levy as well as revenue in the amount of $128,000 received from Erie County for demolition costs on abandoned properties. The $578,000 increase in charges for services (decrease of $63,000 or 6.6% in 2013) resulted from the sale of garbage totes to residents for $643,000, offset by a decrease in fines collected. The increase in operating grants and contributions of $147,000 (increase of $18,000 or 3.4% in 2013) was due to an increase in state aid for road repairs and federal grants received. The decrease in other revenues of $255,000 (increase of $293,000 in 2013) was the result of a reimbursement in the amount of $111,000 received in 2013 for work that was never completed by the U.S. Army Corps of Engineers as well as decreases in the revenue received from insurance recoveries.

Total expenses increased $1,061,000 ($85,000 or 0.7% in 2013). The largest expenditure increase was for the purchase of garbage totes totaling $596,000. This purchase is reflected in home and community expenses but is partially offset by a reallocation of salaries to transportation expenses. Other expense increases included contractual salary increases of $116,000 and an increase in employee benefits as a result of higher mandated contribution rates to the State retirement systems.

Financial Analysis of the Village's Funds

Total fund balances for the governmental funds decreased by $904,000 to a balance of $328,000 ($1,928,000 decrease in 2013) as further described below:

- The increase in total fund revenue of $988,000 is explained in the previous section and results primarily from the sale of garbage totes. Total expenditures for all funds decreased $36,000 or 0.2% ($1,813,000 or 13.5% increase in 2013).
- General fund expenditures increased $947,000 or 7.4% ($457,000 or 3.7% in 2013) due to the cost of the garbage totes as previously mentioned as well as purchases of vehicles. Sewer fund expenditures increased $208,000 or 47.9% (a decrease of $403,000 or 48.1% in 2013) and were largely due to the purchases of equipment. These increases were offset by a decrease in capital projects expenditures of $1,229,000 or 66.2% as a majority of the work on the project had taken place in the 2012-2013 year.
- Payroll expense totaled $5,292,000 and increased $116,000 or 2.25% from the prior year. This increase reflects pay raises for employees as well as additional labor costs associated with a harsher winter.

General Fund Budgetary Highlights

The revised general fund revenue budget for fiscal year 2014 was $13,361,000. Actual revenues (before other financing sources) were greater than budgeted revenues by $245,000, with the largest variances in non-property taxes with actual revenue exceeding the budgeted amount by $147,000 and actual revenue from state sources exceeding budget by $142,000.

Total expenditures including carryover encumbrances were $187,000 under budget (before other financing uses). Controls on spending by department heads contributed to actual expenditures less than budgeted across all departments and functional categories.

Capital Assets

	2014	2013
Land	$ 343,000	$ 343,000
Contruction-in-progress	6,000	1,858,000
Infrastructure	5,413,000	2,952,000
Buildings and improvements	5,145,000	5,091,000
Equipment	9,603,000	9,538,000
Vehicles	4,243,000	3,825,000
	24,753,000	23,607,000
Accumulated depreciation	(15,999,000)	(15,385,000)
	$ 8,754,000	$ 8,222,000

Net capital assets increased by $532,000 from the beginning of the year. Total assets additions of $1,146,000, including $629,000 for the sewer project, were offset by depreciation expense of $614,000.

Debt Administration

At May 31, 2014, the Village had $3,295,000 in bonds outstanding, with $365,000 due within one year ($3,775,000 outstanding in 2013). The Village's energy performance contract amounted to $708,000 with $64,000 due within one year ($770,000 outstanding in 2013). Outstanding compensated absences payable were $1,549,000 with $30,000 expected to be paid during the next year ($1,519,000 outstanding in 2013).

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

Factors Impacting the Village's Future

It is expected that the Village will continue to face increases in health insurance, gasoline, utility costs, and a significant increase in required contributions to public employee retirement systems. These factors will have an impact on the programs the Village offers and the amount of funds it will need to provide services. The property tax levy cap combined with recent legislation that requires a tax "freeze" in order for our residents to receive State funded payments (refunds) further stretches resources.

The Village Trustees have given attention to the rate of growth for both residential and commercial properties and the Trustees are committed to attracting new commercial business to the area.

Contact for Village's Financial Management

This report is designed to provide a general overview of the finances of the Village of Depew for interested parties. Questions concerning any information within this report or requests for additional information should be addressed to Mayor Steven P. Hoffman, 85 Manitou Street, Depew, New York.

Statement of Net Position

May 31, 2014

Assets	
Cash	$ 2,595,044
Due from other governments	475,663
Accounts receivable	80,368
Inventory	74,255
Capital assets (Note 5)	24,752,696
Accumulated depreciation	(15,998,991)
Total assets	11,979,035
Liabilities	
Accounts payable	18,271
Accrued liabilities	423,481
Bond anticipation note	2,500,000
Long-term liabilities	
Due within one year	
Bonds and energy performance contract	428,537
Compensated absences	30,000
Due beyond one year	
Bonds and energy performance contract	3,574,676
Compensated absences	1,519,000
Other postemployment benefits	101,900
Total liabilities	8,595,865
Net Position	
Net investment in capital assets	2,281,635
Restricted	485,952
Unrestricted	615,583
Total net position	$ 3,383,170

See accompanying notes.

VILLAGE OF DEPEW

Statement of Activities

For the year ended May 31, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Governmental activities					
General government	$ 2,712,258	$ 3,650	$ 372,045	$ -	$ (2,336,563)
Public safety	6,109,487	297,307	326,303	-	(5,485,877)
Health	1,720	3,425	-	-	1,705
Transportation	2,442,906	-	-	-	(2,442,906)
Culture and recreation	767,013	350,089	1,487	-	(415,437)
Home and community services	2,017,151	809,046	-	138,571	(1,069,534)
Interest expense	157,852	-	-	-	(157,852)
	$ 14,208,387	$ 1,463,517	$ 699,835	$ 138,571	(11,906,464)
		General revenues			
		Property, sales and franchise taxes			11,830,710
		Other			189,512
		Total general revenues			12,020,222
		Change in net position			113,758
		Net position - beginning			3,269,412
		Net position - ending			$ 3,383,170

See accompanying notes.

Balance Sheet - Governmental Funds

May 31, 2014

	Major			Non-Major	Total
	General	Capital Projects	Sewer	Community Development	Governmental Funds
Assets					
Cash	$ 1,548,543	$ 559,612	$ 486,889	$ -	$ 2,595,044
Due from other governments	475,663	-	-	-	475,663
Accounts receivable	80,368	-	-	-	80,368
Inventory	74,255	-	-	-	74,255
Due from other funds	528,469	-	-	-	528,469
Total assets	$ 2,707,298	$ 559,612	$ 486,889	$ -	$ 3,753,799
Liabilities and Fund Balances					
Accounts payable	$ 17,334	$ -	$ 937	$ -	$ 18,271
Accrued liabilities	378,481	-	-	-	378,481
Due to other funds	-	528,469	-	-	528,469
Bond anticipation note	-	2,500,000	-	-	2,500,000
Total liabilities	395,815	3,028,469	937	-	3,425,221
Fund Balances					
Nonspendable	74,255	-	-	-	74,255
Restricted:					
Sewer	-	-	485,952	-	485,952
Assigned:					
Subsequent year's expenditures	735,000	-	-	-	735,000
Other purposes	124,400	-	-	-	124,400
Unassigned	1,377,828	(2,468,857)	-	-	(1,091,029)
Total fund balances (deficit)	2,311,483	(2,468,857)	485,952	-	328,578
Total liabilities and fund balances	$ 2,707,298	$ 559,612	$ 486,889	$ -	$ 3,753,799

See accompanying notes.

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

May 31, 2014

Total fund balances - governmental funds		$ 328,578
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		8,753,705
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Bonds and energy performance contract	(4,003,213)	
Accrued interest	(45,000)	
Compensated absences	(1,549,000)	
Other postemployment benefits	(101,900)	(5,699,113)
Net position - governmental activities		$ 3,383,170

See accompanying notes.

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

For the year ended May 31, 2014

	Major			Non-Major	Total
	General	Capital Projects	Sewer	Community Development	Governmental Funds
Revenues					
Real property taxes	$ 9,167,399	$ -	$ 575,831	$ -	$ 9,743,230
Nonproperty taxes	2,087,480	-	-	-	2,087,480
Departmental income	373,209	-	-	-	373,209
Use of money and property	7,036	546	774	-	8,356
Licenses and permits	61,083	-	-	-	61,083
Fines and forfeitures	223,481	-	-	-	223,481
Miscellaneous local sources	9,136	-	-	-	9,136
Sale of property and compensation for loss	977,764	-	-	-	977,764
State sources	665,396	-	-	-	665,396
Federal sources	34,439	-	-	138,571	173,010
Total revenues	13,606,423	546	576,605	138,571	14,322,145
Expenditures					
General government	2,131,692	-	-	-	2,131,692
Public safety	3,600,206	-	-	19,990	3,620,196
Health	1,720	-	-	-	1,720
Transportation	1,763,813	-	-	136,840	1,900,653
Culture and recreation	445,670	-	-	18,582	464,252
Home and community services	1,586,355	628,652	331,922	-	2,546,929
Employee benefits	3,777,926	-	63,540	-	3,841,466
Debt service					
Principal	402,054	-	140,000	-	542,054
Interest	69,277	-	107,575	-	176,852
Total expenditures	13,778,713	628,652	643,037	175,412	15,225,814
Excess expenditures	(172,290)	(628,106)	(66,432)	(36,841)	(903,669)
Other financings sources (uses)					
Operating transfers	(36,841)	-	-	36,841	-
Net change in fund balances	(209,131)	(628,106)	(66,432)	-	(903,669)
Fund balances (deficit) - beginning	2,520,614	(1,840,751)	552,384	-	1,232,247
Fund balances (deficit) - ending	$ 2,311,483	$ (2,468,857)	$ 485,952	$ -	$ 328,578

See accompanying notes.

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

For the year ended May 31, 2014

Total net change in fund balances - governmental funds		$ (903,669)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense.		532,033
Payments of long-term liabilities are reported as expenditures in governmental funds and as a reduction of debt in the statement of net position.		542,054
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:		
Compensated absences	(30,000)	
Other postemployment benefits	(45,660)	
Interest	19,000	(56,660)
Change in net position - governmental activities		$ 113,758

See accompanying notes.

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

For the year ended May 31, 2014

	General Fund				Sewer Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)
	Original	Final			Original	Final		
Revenues								
Real property taxes	$ 9,194,905	$ 9,194,905	$ 9,167,399	$ (27,506)	$ 542,680	$ 542,680	$ 575,831	$ 33,151
Nonproperty taxes	1,940,000	1,940,000	2,087,480	147,480	-	-	-	-
Departmental income	380,200	380,200	373,209	(6,991)	-	-	-	-
Use of money and property	15,000	15,000	7,036	(7,964)	2,000	2,000	774	(1,226)
Licenses and permits	89,000	89,000	61,083	(27,917)	-	-	-	-
Fines and forfeitures	275,000	275,000	223,481	(51,519)	-	-	-	-
Miscellaneous local sources	727,520	8,914	9,136	222	-	-	-	-
Sale of property and compensation for loss	230,000	934,956	977,764	42,808	-	-	-	-
State sources	522,280	523,096	665,396	142,300	-	-	-	-
Federal sources	-	-	34,439	34,439	-	-	-	-
Total revenues	13,373,905	13,361,071	13,606,423	245,352	544,680	544,680	576,605	31,925
Expenditures								
General government	2,160,412	2,187,392	2,137,796	(49,596)	-	-	-	-
Public safety	3,525,070	3,671,405	3,669,911	(1,494)	-	-	-	-
Health	4,000	1,900	1,720	(180)	-	-	-	-
Transportation	1,083,628	1,779,749	1,779,749	-	-	-	-	-
Culture and recreation	543,027	475,905	436,990	(38,915)	-	-	-	-
Home and community services	1,994,840	1,682,356	1,587,145	(95,211)	387,314	387,314	235,909	(151,405)
Employee benefits	4,182,898	3,779,288	3,777,926	(1,362)	65,421	65,421	63,540	(1,881)
Debt service								
Principal	340,000	402,054	402,054	-	140,000	140,000	140,000	-
Interest	56,575	69,726	69,277	(449)	107,575	107,575	107,575	-
Total expenditures	13,890,450	14,049,775	13,862,568	(187,207)	700,310	700,310	547,024	(153,286)
Excess revenues (expenditures)	(516,545)	(688,704)	(256,145)	432,559	(155,630)	(155,630)	29,581	185,211
Other financing sources (uses)								
Operating transfers out	(209,000)	(36,841)	(36,841)	-	-	-	-	-
Appropriated fund balance and carryover encumbrances	725,545	725,545	-	(725,545)	155,630	155,630	-	(155,630)
Total other financing sources (uses)	516,545	688,704	(36,841)	(725,545)	155,630	155,630	-	(155,630)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	$ (292,986)	$ (292,986)	$ -	$ -	$ 29,581	$ 29,581

See accompanying notes.

Statement of Fiduciary Net Position

May 31, 2014

	Agency
Assets	
Cash	$ 67,558
Liabilities	
Agency liabilities	$ 67,558

1. Summary of Significant Accounting Policies

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

Financial Reporting Entity

The Village is governed by local laws and ordinances, Village law, General Municipal Law, and other laws of the State of New York (the State). The elected governing body is the Village Board. The Mayor serves as the chief executive officer and the Administrator serves as the chief fiscal officer. The scope of activities included within the financial statements are those transactions that comprise the Village's operations and are governed by, or significantly influenced by, the Village Board. The primary function of the Village is to provide basic services such as governmental administration, tax collection, highway, sewer, public safety, refuse collection, recreation, and community development. The financial reporting entity includes all funds, functions, and organizations over which Village officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Village has no component units as defined by accounting standards.

Basis of Presentation

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

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

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

Fund Financial Statements: The fund financial statements provide information about the Village's funds, including fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column.

The Village reports the following major funds:

- *General fund.* This is the Village's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- *Sewer fund.* This fund is used to account for the operations and support restricted to the infrastructure and operations of the Village's sewer system.

The Village reports the following non-major fund:

- *Community development fund.* This is a special revenue fund used to account for financial resources and expenditures restricted and/or committed for specific economic development activities and restrictions placed by grantors.

The Village reports the following fiduciary fund:

- *Agency fund.* This fund accounts for assets held by the Village as agent for payroll and employee third party withholdings. The agency fund is custodial in nature and does not involve measurement of results of operations.

Basis of Accounting and Measurement Focus

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Village receives value directly without giving equal value in exchange, include property and sales taxes, franchise fees, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Estimates

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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Property Taxes

Pursuant to the Erie County Tax Act, the Village is initially responsible for collecting its general and special assessment tax levies. On May 31, 1980, the County of Erie (the County) began a program whereby it reimburses the Village for all its outstanding delinquent taxes and disposition of any resulting liens. This program has been revised so that the Village is reimbursed in the same fiscal year in which the taxes are levied.

The process for the levy of real property taxes is:

- May 1 – Real property tax levied
- July 1 – Real property tax due; late payments are charged a 7.5% penalty through July 31, thereafter interest added at the rate of 1.5% per month
- November 1 – All outstanding real property taxes turned over to the County
- March 31 – The County reimburses the Village for delinquent taxes

Budget Process, Amendments and Encumbrances

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

No later than March 20th of each year, a tentative budget is submitted to the Village Board for the fiscal year commencing the following June 1. The tentative budget includes both proposed expenditures and the means of financing for the general and all special revenue funds. After public hearings are conducted to obtain taxpayer comments, the Board adopts the Budget no later than May 1st.

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

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

Budgetary comparisons presented in these financial statements are on the budgetary basis and represent the budget as modified. The following is a reconciliation of expenditures and fund balances for those major funds with encumbrances computed on a GAAP and a budgetary basis by fund:

	General	Sewer
GAAP basis expenditures	$ 13,778,713	$ 643,037
Encumbrances at May 31, 2014	124,400	4,617
Encumbrances at May 31, 2013	(40,545)	(100,630)
Budgetary basis expenditures	$ 13,862,568	$ 547,024

Inventory

Inventory consists of items available for resale which are recorded at cost on a first-in, first-out basis.

Capital Assets

Capital assets including infrastructure are reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value at the time received. Depreciation is provided in the government-wide statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

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

	Capitalization Policy	**Estimated Useful Life**
Land improvements	$5,000	20
Infrastructure	$5,000	20-75
Buildings and improvements	$5,000	20-50
Equipment	$5,000	5-15
Vehicles	$5,000	10-15

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated sick and vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and other employees expected to become eligible to receive such payments are included. Sick pay is accrued on the basis of negotiated contracts with employee groups which provide for the payment of accumulated sick time at various amounts at retirement.

The government-wide financial statements reflect the entire liability, while in the governmental funds financial statements, only the amount of matured liabilities is accrued based on expendable available financial resources.

Equity Classifications

Government-wide statements

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

Governmental fund statements

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

Restricted fund balances and net position generally result from residual fund balance in special revenue funds and reserves created by the State Legislature and included in General Municipal Law, as authorized for use by the Village Board. Earnings on invested resources are required to be added to the various reserves.

Committed fund balances are authorized by the Village Board as recommended by the Village's management prior to the end of the year, although funding of the commitment may be established subsequent to year end. Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy provided that it does not result in a deficit unassigned fund balance. Additionally, the Village Board has given the Village's management the authority to assign fund balances for specific purposes that are neither restricted nor committed. Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash and include inventory.

Interfund Balances

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

In the government-wide statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

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

2. Stewardship and Accountability

The capital projects deficit fund balance of $2,468,857 will be funded when the bond anticipation note is replaced with permanent financing.

3. Cash

Cash management is governed by State laws and as established in the Village's written policies. Cash resources must be deposited in 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 its Agencies, repurchase agreements, and obligations of the State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be returned to it. As of May 31, 2014, all bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institutions' trust departments or agents in the Village's name.

4. Interfund Balances – fund financial statements

			Transfers	
Fund	**Receivable**	**Payable**	**In**	**Out**
General	$ 528,469	$ -	$ -	$ 36,841
Capital projects	-	528,469	-	-
Community development	-	-	36,841	-
	$ 528,469	**$ 528,469**	**$ 36,841**	**$ 36,841**

Amounts due to the general fund from the capital projects fund reflect amounts provided to the capital projects fund for future projects. The transfer from the general to the community development fund is to record the general fund's share of expenditures and is considered permanent.

5. Capital Assets

	June 1, 2013	Increases	Retirements/ Reclassifications	May 31, 2014
Non-depreciable capital assets:				
Land	$ 343,221	$ -	$ -	$ 343,221
Construction-in-progress	1,857,905	628,652	(2,480,432)	6,125
Total non-depreciable assets	2,201,126	628,652	(2,480,432)	349,346
Depreciable capital assets:				
Infrastructure	2,952,174	-	2,460,682	5,412,856
Buildings and improvements	5,091,073	34,200	19,750	5,145,023
Equipment	9,537,623	65,306	-	9,602,929
Vehicles	3,824,851	417,691	-	4,242,542
Total depreciable assets	21,405,721	517,197	2,480,432	24,403,350
Less accumulated depreciation:				
Infrastructure	476,680	123,638	-	600,318
Buildings and improvements	3,807,894	103,309	-	3,911,203
Equipment	8,801,668	137,064	-	8,938,732
Vehicles	2,298,933	249,805	-	2,548,738
Total accumulated depreciation	15,385,175	613,816	-	15,998,991
Total depreciable assets, net	6,020,546	(96,619)	2,480,432	8,404,359
	$ 8,221,672	**$ 532,033**	**$ -**	**$ 8,753,705**

Depreciation expense has been allocated to the following functions: general government $83,284, transportation $109,684, home and community $31,077, culture and recreation $41,015, and public safety $348,756.

As of May 31, 2014, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	$ 8,753,705
Cash, net of related payables	31,143
Bond anticipation note	(2,500,000)
Bonds and energy performance contract	(4,003,213)
	$ 2,281,635

6. Short-Term Debt

The bond anticipation note (BAN) outstanding at May 31, 2014 amounted to $2,500,000 ($2,500,000 as of May 31, 2013) and carries interest at .57% (1.25% in 2013). The Village plans to annually reissue the BAN until it is replaced with permanent financing.

7. Long-Term Liabilities

	June 1, 2013	Increases	Decreases	May 31, 2014	Amount Due in One Year
Bonds	$ 3,775,000	$ -	$ 480,000	$ 3,295,000	$ 365,000
Energy performance contract	770,267	-	62,054	708,213	63,537
Compensated absences	1,519,000	30,000	-	1,549,000	30,000
Other postemployment benefits	56,240	263,522	217,862	101,900	-
	$ 6,120,507	**$ 293,522**	**$ 759,916**	**$ 5,654,113**	**$ 458,537**

Existing obligations:

Description	Maturity	Rate		Balance
Public Improvement Serial Bonds	February 2016	4.5%	$	140,000
Public Improvement Serial Bonds	June 2024	4.2 - 5.0%		500,000
Public Improvement Serial Bonds	November 2029	3.0 - 3.8%		2,655,000
Energy performance contract	October 2023	2.4%		708,213
			$	**4,003,213**

Debt service requirements:

	Bonds			
Year ending May 31,		**Principal**		**Interest**
2015	$	365,000	$	112,225
2016		350,000		99,325
2017		285,000		86,674
2018		295,000		77,250
2019		295,000		67,625
2020-2024		980,000		224,850
2025-2029		650,000		63,619
2030		75,000		1,406
	$	**3,295,000**	**$**	**732,974**

Lease obligations:

The Village has an energy performance contract with a finance company requiring future payments totaling $804,560 which is accounted for as a capital lease with annual payments of $80,456. Future minimum rentals to be paid for all leases are:

	Principal		Interest
$	63,537	$	16,919
	65,055		15,401
	66,609		13,847
	68,200		12,256
	69,829		10,627
	374,983		27,297
$	708,213	$	96,347

The carrying value of the related equipment under the capital lease net of accumulated amortization was $599,180 as of May 31, 2014.

8. Contributions to Pension Plans

Public Retirement Systems

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) (the Systems), which are cost-sharing, multiple-employer, public employee retirement systems. The Systems provide retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. The Systems issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

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

The required contributions and rates over the past three years were:

	ERS		PFRS	
	Amount	**Rate**	**Amount**	**Rate**
2014	$ 467,774	11.4%-28.8%	$ 700,506	16.3%-28.8%
2013	451,710	10.1%-25.4%	603,857	14.9%-25.4%
2012	398,085	12.7%-21.5%	426,439	20.3%-21.2%

The Village's contributions were equal to 100% of the amount required for each year.

Length of Service Award Program

The Village maintains a defined benefit Length of Service Award Program (LOSAP) for the active volunteers of the Village’s fire department (the plan). The plan was established pursuant to Article 11-A of State General Municipal Law and provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteers. The Village is the sponsor and administrator of the plan.

Under LOSAP, participating volunteers are paid a service award upon attainment of the program’s entitlement age based upon the number of years of credited service. Active volunteers age 18 and older who have completed one year of service are eligible to participate in the plan. Participants acquire a nonforfeitable right to a service award after being credited with 5 years of service or upon attaining the plan’s entitlement age of 62. In general, an active volunteer is credited with a year of service for each calendar year after the establishment of the plan in which he or she accumulates fifty or more points. Points are granted for the performance of certain activities in accordance with a system established by the Village on the basis of a statutory list of activities and point values. A participant may also receive credit for 5 years of service rendered prior to the establishment of the plan.

A participant's service award benefit is the actuarial equivalent of a monthly payment for life with payments guaranteed for 10 years equal to $20 multiplied by the number of years of service earned under the point system. The number of years of service used to compute the benefit cannot exceed 30 years. Except in the case of disability or death, benefits are payable when the participant reaches entitlement age. The plan provides death and disability benefits equal to the actuarial value of the participant's earned service award at the time of death or disability. The plan does not provide extra line-of-duty death or disability benefits. All death and disability benefits are self-insured and paid from the program trust fund. Volunteers who remain active after attaining the entitlement age and who may receive a service award have the opportunity to earn credit and thereby increase their service award payments.

At the end of each calendar year, the Village prepares and certifies a list of names of all persons who were active members during that year, and denotes which members earned fifty points. The list is then delivered to the Trustees for their review and approval. The Village must maintain the point system records to verify each volunteer's points on forms provided and approved by the Trustees.

The Village has retained and designated Penflex, Inc. (Penflex) to assist in the administration of the plan, RBC Wealth Management to provide investment management and custodial services and Comerica Bank to pay benefits to participants.

Plan 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 plan's operation and administration. The Village maintains a Service Award Program Trust Fund document which is available from the Village Clerk. The Trustees serve as the program trustee. Because Village management does not exercise control nor is otherwise involved in managing plan assets and distributions or benefit determinations, the Trust's assets are not included within the financial statements.

Information for the year ended December 31, 2013 is as follows:

Actuarial present value of benefits at 12/31/2013		$ 3,425,530
Less: Assets available for benefits		
Cash and money market funds	143,414	
U.S. equities	99,812	
International equities	158,807	
Fixed income	1,339,674	
Mixed assets	1,318,166	
Other assets	163,081	
Interest receivable	262	3,223,216
Add: benefits payable		13,040
Total net assets available for benefits		3,236,256
Total unfunded benefits		189,274
Unfunded liability for prior service		(124,477)
Unfunded normal benefits		$ 64,797

The unfunded liability for prior service is being amortized over five years at a discount rate of 6.00%.

Receipts and disbursements:

Plan net assets, beginning of year		$ 3,148,881
Changes during the year		
Sponsor contributions	195,000	
Investment income	167,163	
Change in fair market value	(89,660)	
Investment expense	(24,116)	
Benefits paid	(159,720)	
Adminstrative expenses	(1,292)	87,375
Plan net assets, end of year		$ 3,236,256

Contributions as recommended by the actuary were $147,010. Actual contributions paid by the Village totaled $195,000 for the year ended December 31, 2013.

Administrative fees:

Fees paid to designated program administrator (paid by the Village)	$ 10,005
Fees paid for investment management	$ 24,116
Other administration fees	$ 1,292

The actuarial valuation methodology used to determine the Village's contribution is the Attained Age Normal Frozen Initial Liability method. The assumptions used by the actuary to determine the Village's contribution and the actuarial present value of benefits are as follows:

Assumed rate of return on program investments	6.00%
Tables used for:	
Post-entitlement age mortality	1994 Unisex Pensioner Male Mortality Table projected with scale AA to 2007
* Pre-entitlement age mortality	None
* Pre-entitlement age disability	None
* Pre-entitlement age withdrawal	None
* Pre-entitlement age service credit accruals	100%

* For program cost calculation purposes, all pre-entitlement age active participants are assumed to survive to the entitlement age, remain active and earn 50 points annually, and begin to receive service awards upon attainment of the entitlement age.

9. Postemployment Healthcare Benefits

The Village maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical benefits to certain eligible retirees and their spouses. Benefit provisions are based on individual contracts with the Village, as negotiated from time to time. The Plan does not issue a publicly available financial report. Eligibility is based on covered employees who retire from the Village and are over 55 (50 for police) and with between ten and twenty years of service depending on hire date and contract applicability. The required contribution is based on projected pay-as-you-go financing requirements, with no current funding of actuarially determined liabilities. For the year ended May 31, 2014, the Village contributed $217,862 for plan benefits. Retirees are provided with health insurance at different cost percentages depending on their retirement date and bargaining unit. The Village principally provides a fixed per annum contribution towards insurance for those employee groups covered.

The Village's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution (ARC) which represents a level funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize unfunded actuarial liabilities over 30 years. OPEB expense also includes the following components:

- Amortization of the unfunded actuarial accrued liability (UAAL) for the current year, which is the actuarially-determined, unfunded present value of all future OPEB costs associated with current employees and retirees at the beginning of the year.
- Normal cost which is the actuarially-determined cost of future OPEB earned in the current year.

The following table summarizes the Village's annual OPEB for the year ended May 31, 2014:

Annual required contribution	
Normal cost	$ 87,340
Amortization of unfunded actuarial accrued liability	176,262
Interest	2,250
ARC adjustment	(2,330)
	263,522
Contributions made	(217,862)
Increase in net OPEB obligation	45,660
Net OPEB obligation - beginning of year	56,240
Net OPEB obligation - end of year	$ 101,900

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation were as follows:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	$ 263,522	82.7%	$ 101,900
2013	263,586	83.0%	56,240
2012	196,177	120.3%	11,426

As of January 1, 2013, the actuarial accrued liability for benefits was $4,248,355, all of which is unfunded. The annual payroll of employees covered by the Plan was $5,175,744 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 82.1%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events 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 ARC of the Village are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress is presented as required supplementary information and displays trend data on plan assets (if any) and the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the Plan as understood by the Village and Plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the Village and Plan members. The 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 (if any), consistent with the long-term perspective of the calculations. The following assumptions were made:

Retirement age for active employees – active plan members were assumed to retire beginning at age 50 with 100% retired by age 70

Marital status – 70% married, with male spouses assumed to be three years older than female spouses unless actual ages provided for retirees

Mortality – RP-2000 projected to 2010, weighted 40% white collar, 60% blue collar; separate rates for males and females

Turnover – 2003 Society of Actuaries small plan withdrawal

Healthcare cost trend rate – 4.2% increasing to 10.8% in 2014 with an ultimate trend rate of 4.2% beyond 2050

Actuarial cost method – Entry Age Normal Method

Discount rate – 4% (reduced from 5% in prior valuation)

Salary Scale – 4%

Amortization method – 30 years level percent of pay, open group

10. Risk Management

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

VILLAGE OF DEPEW

Required Supplementary Information
Schedule of Funding Progress
Postemployement Benefit Plan (Unaudited)

May 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 1, 2009	$ -	$ 3,100,804	$ (3,100,804)	-	$ 5,138,462	60.3%
January 1, 2013	$ -	$ 4,248,355	$ (4,248,355)	-	$ 5,175,744	82.1%