

**STATEMENT OF SELECTED FINANCIAL
AND OPERATING INFORMATION**

**VILLAGE OF OAKFIELD
GENESEE COUNTY, NEW YORK**

DATED: MAY 4, 2011

Prepared with the Assistance of
MUNICIPAL SOLUTIONS, INC.
83Myrtle St., LeRoy, NY 14482
2528 State Route 21, Canandaigua, NY 14424
www.municipalsolution.com

**VILLAGE OF OAKFIELD
GENESEE COUNTY, NEW YORK**

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THE VILLAGE

General Information

The Village, incorporated in 1858 has an area of approximately .70 square miles. It is located at the intersection of State Highway Routes 63 and 262 along the northern border of Genesee County in the Town of Oakfield. The Village is approximately six miles north of Batavia, 40 miles northwest of Rochester and 40 miles northeast of Buffalo.

The Village is primarily a residential community, although the surrounding area is rural, with farmland extending in all directions. Residents are employed in the agricultural, educational, health and social service fields, as well as manufacturing and retail trade. Residents are employed at Allen's Inc., located within the Village, and many residents commute to jobs in the nearby City of Batavia or the Cities of Rochester and Buffalo.

The Village provides the bulk of municipal services supplied to the residents thereof and for such purpose furnishes water and sewer facilities, and builds and maintains Village streets. A volunteer fire department provides fire protection. Gas is provided by National Fuel Gas and electricity by National Grid Corporation. Police protection is provided by the Genesee County Sheriff's Department. The New York State Police also protect the Village.

United Memorial Medical Center is located about 8 miles outside of the Village in the City of Batavia. The Genesee County Airport is approximately 8 miles outside the Village in the Town of Batavia. The Village is serviced by the Oakfield-Alabama Elementary School as well as the Oakfield-Alabama Middle and High Schools.

Regulation of building construction and street lighting are Village functions. Social services and health services, to the extent provided on a public basis, are essentially County responsibilities

Public Education is available for grades K-12 through the Oakfield-Alabama Central School District. Higher education is available nearby at Genesee Community College, Batavia, New York. Residents are afforded all the usual commercial services and M & T Bank provides banking services.

Source: Village Officials

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Bonds are to be issued is the Village Law and the Local Finance Law.

The Village is in compliance with the procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the Village is past due.

The fiscal year of the Village is from June 1 to May 31.

This Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the Village.

DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables present certain comparative demographic and statistical information regarding the Village, the County of Genesee, the State of New York and the United States.

	Population			
	<u>Village of Oakfield</u>	<u>Genesee County</u>	<u>New York State</u>	<u>United States</u>
1990	1,818	59,717	17,990,455	249,632,692
2000	1,805	60,370	18,976,457	281,421,906
2010	1,813	60,079	19,378,102	308,745,538

Source: US Census Bureau

	Median Household Income			
	<u>Village of Oakfield</u>	<u>Genesee County</u>	<u>New York State</u>	<u>United States</u>
1990	\$27,208	\$30,955	\$32,965	\$30,056
2000	40,580	40,542	43,393	41,994

Source: US Census Bureau

Selected Listing of Larger Employers

<u>Name</u>	<u>Type</u>	<u>Estimated No. of Employees</u>
Allen Foods	Bottler/Canner	309
Wilson Farms	Convenience Store	18
Caryville, Inn.	Restaurant	14
Santino's Pizza Shop	Restaurant	12
Oakfield Pharmacy	Independent Drug Supplier	10
Crazy Cheap Cars	Auto Sales	15
Allies Cones & Dogs	Restaurant	15

Source: Village Officials

INDEBTEDNESS OF THE VILLAGE

Details of Short-Term Indebtedness Outstanding

As of the date of this Statement, the Village has the following outstanding short-term indebtedness:

<u>Type</u>	<u>Maturity</u>	<u>Purpose</u>	<u>Amount</u>
Bond Anticipation Note	05/26/11	Sanitary Sewer	\$176,965 ¹
Bond Anticipation Note	05/26/11	Water	169,120 ¹
Bond Anticipation Note	05/26/11	Road Improvements	57,415 ²
Bond Anticipation Note	5/26/11	Storm Sewer	180,000 ²
Total			<u>\$583,500</u>

Notes: ¹ To be paid in full with proceeds of the Notes.

² To be paid in full with proceeds of the Bonds.

Revenue and Tax Anticipation Notes

The Village has not found it necessary to borrow in anticipation of taxes and revenues in recent years, nor does it anticipate borrowing in the near future.

Status of Outstanding Bond Issues

Year of Issue:	1989	2010 ¹
Amount Issued	\$1,365,000	\$100,000
Last Maturity:	5/15/2018	4/15/2018
Interest Rate:	7.70%	Various - EFC SB
Purpose:	Water	Sewer
Balance Principal 05/31/10:	\$400,000	\$100,000

Fiscal Year				
<u>Ending May 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$50,000	\$30,800	\$10,000 *	\$1,392
2012	50,000	26,950	10,000	1,169
2013	50,000	23,100	10,000	1,091
2014	50,000	19,250	10,000	1,000
2015	50,000	15,400	15,000	892
2016	50,000	11,550	15,000	704
2017	50,000	7,700	15,000	489
2018	50,000	3,850	15,000	251
Totals:	<u><u>\$400,000</u></u>	<u><u>\$138,600</u></u>	<u><u>\$100,000</u></u>	<u><u>\$6,988</u></u>

Note: ¹ Refunded the New York State Environmental Facilities Corporation (EFC) 1999A serial bonds (50% interest subsidy).

* Principal payment made prior to Statement dated May 4, 2011

Status of Outstanding Bond Issues

Year of Issue:	2010 ¹	2010
Amount Issued	\$966,210	\$760,000
Last Maturity:	10/1/2039	11/15/2034
Interest Rate:	Various - EFC SB	Var - SB
Purpose:	Sewer	Water
Balance Principal 5/31/10:	\$966,210	\$760,000

Fiscal Year

<u>Ending May 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$30,000 *	\$15,845	\$0	\$17,118
2012	21,210	18,788	20,000	37,100
2013	25,000	18,660	20,000	36,150
2014	25,000	18,487	20,000	35,200
2015	30,000	18,239	20,000	34,250
2016	30,000	17,928	20,000	33,300
2017	30,000	17,560	20,000	32,350
2018	30,000	17,146	25,000	31,281
2019	30,000	16,695	25,000	30,094
2020	30,000	16,217	25,000	28,875
2021	30,000	15,706	25,000	27,625
2022	30,000	15,164	30,000	26,250
2023	30,000	14,591	30,000	24,750
2024	30,000	13,994	30,000	23,250
2025	30,000	13,375	30,000	21,750
2026	30,000	12,741	35,000	20,125
2027	30,000	12,081	35,000	18,375
2028	30,000	11,402	35,000	16,625
2029	35,000	10,643	40,000	14,750
2030	35,000	9,819	40,000	12,750
2031	35,000	8,992	45,000	10,625
2032	35,000	8,136	45,000	8,375
2033	35,000	7,253	45,000	6,125
2034	35,000	6,370	50,000	3,750
2035	35,000	5,489	50,000	1,250
2036	40,000	4,537		
2037	40,000	3,522		
2038	40,000	2,502		
2039	40,000	1,481		
2040	40,000	460		
Totals:	<u>\$966,210</u>	<u>\$353,824</u>	<u>\$760,000</u>	<u>\$552,093</u>

Notes: ¹ Refunded the New York State Environmental Facilities Corporation (EFC) 1999 serial bonds (50% interest subsidy).

* Principal payment made prior to Statement dated May 4, 2011

Total Annual Bond Principal and Interest Due

Fiscal Year <u>Ending 5/31</u>	Total			
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>% Paid</u>
2011	\$90,000	\$65,154	\$155,154	4.04%
2012	101,210	84,007	185,217	8.59%
2013	105,000	79,001	184,001	13.31%
2014	105,000	73,938	178,938	18.02%
2015	115,000	68,782	183,782	23.19%
2016	115,000	63,482	178,482	28.35%
2017	115,000	58,099	173,099	33.52%
2018	120,000	52,528	172,528	38.91%
2019	55,000	46,789	101,789	41.38%
2020	55,000	45,092	100,092	43.85%
2021	55,000	43,331	98,331	46.32%
2022	60,000	41,414	101,414	49.02%
2023	60,000	39,341	99,341	51.71%
2024	60,000	37,244	97,244	54.41%
2025	60,000	35,125	95,125	57.10%
2026	65,000	32,866	97,866	60.02%
2027	65,000	30,456	95,456	62.94%
2028	65,000	28,027	93,027	65.86%
2029	75,000	25,393	100,393	69.23%
2030	75,000	22,569	97,569	72.60%
2031	80,000	19,617	99,617	76.19%
2032	80,000	16,511	96,511	79.79%
2033	80,000	13,378	93,378	83.38%
2034	85,000	10,120	95,120	87.20%
2035	85,000	6,739	91,739	91.02%
2036	40,000	4,537	44,537	92.81%
2037	40,000	3,522	43,522	94.61%
2038	40,000	2,502	42,502	96.41%
2039	40,000	1,481	41,481	98.20%
2040	40,000	460	40,460	100.00%
Totals:	<u>\$2,226,210</u>	<u>\$1,051,504</u>	<u>\$3,277,714</u>	

Source: Village Bond Records

Other Obligations

As of the date of this Statement, the Village does not have any outstanding installment purchase agreements or energy performance contracts.

Trend of Outstanding Debt

	Fiscal Year Ending May 31:				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Bonds	\$740,000	\$680,000	\$620,000	\$560,000	\$500,000
Bond Anticipation Notes	<u>171,000</u>	<u>2,374,000</u>	<u>1,814,000</u>	<u>1,744,000</u>	<u>2,306,295</u>
Total Debt Outstanding	<u>\$911,000</u>	<u>\$3,054,000</u>	<u>\$2,434,000</u>	<u>\$2,304,000</u>	<u>\$2,806,295</u>

Source: Financial Reports of the Village

Computation of Debt Limit and Calculation of Net Indebtedness

(As of May 4, 2011)

<u>Fiscal Year Ending May 31:</u>	<u>Assessed Valuation</u>	State Equalization <u>Rate</u> ¹	<u>Full Valuation</u>
2008	42,872,872	96.00%	\$44,659,242
2009	42,807,334	90.00%	47,563,704
2010	45,435,596	100.00%	45,435,596
2011	46,458,220	100.00%	46,458,220
2012	46,729,750	100.00%	46,729,750
Total Five Year Valuation	<u><u>\$224,303,772</u></u>		<u><u>\$230,846,512</u></u>
Average Five Year Full Valuation			\$46,169,302
Debt Limit: 7% of Full Valuation			\$3,231,851
Inclusions:			
Bonds			\$2,186,210
Bond Anticipation Notes			583,500
Total Inclusions			<u><u>\$2,769,710</u></u>
Exclusions: ²			
Water Indebtedness			\$1,329,120
Appropriations			10,000
Total Exclusions			<u><u>\$1,339,120</u></u>
Total Net Indebtedness ³			<u><u>\$1,430,590</u></u>
Net Debt-Contracting Margin			<u><u>\$1,801,261</u></u>

Notes: ¹ The latest completed assessment roll for which a State Equalization Rate has been established.

² Water indebtedness and budgeted appropriations are automatically excluded pursuant to provisions of the New York State Constitution and Section 136.00 of the Local Finance Law.

³ Represents 44.27% of the Debt Limit of the Village.

Authorized and Unissued Indebtedness

As of the date of this Statement the Village has authorized and unissued indebtedness pursuant to various bond resolutions adopted by the Village Board on July 13, 2009 in the amounts of; \$266,585 for improvements to various roads; \$10,888 for water system improvements and \$39,035 for improvements to the sanitary sewer system, The Village also has \$3,464,100 of authorized and unissued indebtedness pursuant to a bond resolution adopted by the Village Board on January 24, 2011 for the reconstruction of and construction of improvements to the Village water system.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Applicable Total Indebtedness	Exclusions ¹	Applicable Net Indebtedness	Full Value of Village in Municipality	Total Full Value of Municipality	% In Village	Estimated Applicable Overlapping Debt
Counties:								
Genesee	2010	\$18,725,000	\$0	\$18,725,000	\$46,729,750	\$2,502,491,188	1.87%	\$349,657
Town:								
Oakfield	2010	301,699	194,955	106,744	46,729,750	108,722,231	42.98%	45,879
School District								
Oakfield-Alabama	2010	12,495,000	11,870,250	624,750	46,729,750	204,320,834	22.87%	142,885
Total Net Overlapping Debt:								\$538,422
Total Net Direct Debt:								1,430,600
Total Overlapping and Direct Debt:								<u>\$1,969,022</u>

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Note: ¹ Exclusions consist of indebtedness deductible from gross indebtedness for debt limit purposes pursuant to constitutional and statutory provisions (including water and sewer debt and revenue anticipation notes).

FINANCES OF THE VILLAGE

Financial Statements and Accounting Procedures

The Village maintains its financial records in accordance with the Uniform System of Accounts for Villages prescribed by the State Comptroller. The financial records of the Village are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended May 31, 2010. A copy of such report is attached hereto as Appendix B. In addition, the financial affairs of the Village are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Village has complied with the requirements of various state and federal statutes.

The Village complies with the Uniform System of Accounts as prescribed for Village's in New York State by the NYS Comptroller. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting and Financial Reporting (GAAFR) documents published by the Governmental Accounting Standards Board ("GASB").

Financial Operations

The Village Treasurer functions as the chief fiscal officer of the Village. The Treasurer is responsible for the Village's accounting and financial reporting activities, which are delegated to and carried out by the Treasurer. The Village Mayor is the Village's budget officer and must therefore prepare the annual tentative budget for submission to the Board of Trustees. Budgetary control during the year is the responsibility of the Mayor. Pursuant to Section 30 of the Local Finance Law, the Treasurer must execute an authorizing certificate, which then becomes a matter of public record.

The Board of Trustees, as a whole, serves as the finance board of the Village and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

Village finances are operated primarily through the General Fund. All real property taxes and most of the other Village revenues are credited to this fund. Current operating expenditures are paid from this fund subject to available appropriations. All revenues (rents and fees) and expenses of the Water and Sewer operations are specifically accounted for in these respective funds.

Expenditures

The major categories of expenditure for the Village are General Government Support, Public Safety, Transportation, Home and Community Services, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years ending May 31, 2010 and the estimated expenditures for the 2011 fiscal year may be found in Appendix A – Financial Information.

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS"). The ERS is generally also known as the "Common Retirement Fund". The Retirement System is cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers.

The following schedule reflects the Village's contribution to the ERS for the last five fiscal years and the amount budgeted for fiscal year 2011 and 2012:

<u>Fiscal Year Ending May 31:</u>	<u>ERS</u>
Budgeted 2012	\$32,073
Budgeted 2011	23,177
2010	13,145
2009	13,392
2008	15,399
2007	17,409
2006	16,556

The Village is current with all required payments to the New York State Retirement System.

Other Post-Employment Benefits

It should also be noted that the Village does not provide post-employment healthcare benefits to retired employees. There is no direct Village expenditure for healthcare benefits to retired employees.

GASB and OPEB. OPEB refers to "other post-employment benefits," and refers to benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed.

Recently enacted accounting rule, GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement benefits and other non-pension benefits ("OPEB"), as it accounts for vested pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance.

GASB 45 requires municipalities and school districts to account for OPEB liabilities in the same manner as they already account for pension liabilities. It will require them to adopt the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30

years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and its compliance in meeting its ARC.

Actuarial valuation will be required every two years for OPEB plans with more than two hundred members, every three years if there are less than two hundred members.

Additional information about GASB 45 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

REAL PROPERTY TAX INFORMATION

	Assessed and Full Valuations				
	Fiscal Year Ending May 31:				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessed Valuations:	\$42,807,334	\$45,435,596	\$45,435,596	\$46,458,220	\$46,729,750
NYS Equalization Rate:	96.00%	90.00%	100.00%	100.00%	100.00%
Full Valuations:	\$44,590,973	\$50,483,996	\$45,435,596	\$46,458,220	\$46,729,750
Net Tax Levy	\$185,211	\$184,928	\$186,286	\$190,608	\$185,984
Tax Rate / \$1000 Assessed Value:	\$4.33	\$4.07	\$4.10	\$4.10	\$3.98

Source: Village officials

Note: The assessed valuations and equalization rates here were issued for apportioning tax levies and may not be the same as those required for debt limit purposes.

Unpaid taxes are turned over to the Genesee County Treasurer on or about November 1st each year. The responsibility for collection of unpaid taxes rests with the County, which reimburses the Village. The Village is thereby assured of 100% collection of its annual levy.

Constitutional Tax Limit

The Constitution limits the amount that may be raised by the Village *ad valorem* tax levy on real estate in any fiscal year to two per centum (2.0%) of the five-year average full valuation of taxable real estate of the Village plus (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes. The tax limit for the Village for the 2010-2011 fiscal year is as follows:

Five Year Average Full Valuation	\$46,169,302
Constitutional Tax Limit: (2%)	923,386
Tax Levy for General Village Purposes	185,984
Less: Exclusions for Debt and Capital Purposes	207,100
Tax Levy Subject to Tax Limit	0
Percentage of Tax Limit Exhausted	0.00%
Constitutional Tax Margin	\$923,386

Source: Constitutional Tax Limit dated March 2011 as submitted to the NYS comptroller by the Village

Ten Largest Taxpayers
2010 Assessment Roll for 2011 Taxes

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuation</u>
Allens Inc.	Commercial	\$2,113,600
National Grid	Utility	1,575,791
National Fuel Gas	Utility	851,941
Schoolhouse Manor, Inc.	Senior Housing	110,000
Riner, Daniel B.	Commercial	121,900
Manufacturers and Traders Trust Company	Financial	272,000
Verizon	Utility	386,948
Oakfield Hotel, Inc.	Accommodations	379,300
Total		<u>\$5,811,480</u> ¹

Source: Village Officials.

Note: ¹ Represents 12.50% of the 2011 Full Valuation of \$46,489,877 of the Village.

LITIGATION

In common with other local government and school districts, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the Village, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Village has not asserted a substantial and adequate defense, nor which, if determined against the Village, would have an adverse material effect on the financial condition of the Village.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Village, threatened against or affecting the Village to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the Village taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the Village.

Source: Village Officials

FINANCIAL ADVISOR

Municipal Solutions, Inc. has assisted the Village as financial advisor in certain matters with respect to the sale and issuance of the Bonds.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the Village at 37 Main Street, Oakfield, New York 14125, telephone: 585-948-5862 or from the office of Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York 14424, telephone number 585-394-4090, fax number 585-394-4092, and website at: <http://www.municipalsolution.com>.

VILLAGE OF OAKFIELD

May 4, 2011
Oakfield, New York

By: s/s Joyce Grazioplene
Village Treasurer and Chief Fiscal Officer

Additional copies of the Notice of Sale and Statement of Selected Financial and Operation Information may be obtained upon request from the office of Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York 14424, telephone (585) 394-4090.
Website: www.municipalsolution.com

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Changes In Fund Balance
General Fund - Village of Oakfield

	Fiscal Year Ending May 31:				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues:					
Real Property Taxes	\$155,559	\$175,384	\$185,211	\$184,928	\$186,286
Real Property Tax Items	1,021	1,325	1,336	1,374	1,286
Non-property Taxes	311,618	304,019	328,744	340,054	297,635
Services & Fees	0	13,262	0	4,058	0
Departmental Income	5,890	0	5,875	0	3,033
Intergovernmental Charges	44,300	45,000	43,684	47,245	48,730
Use of Money and Property	46,394	24,941	56,014	39,889	26,675
Licenses and Permits	1,529	1,851	899	0	0
Fines and Forfeitures	0	0	925	1,080	1,073
Sale of Property and Comp. for Loss	11,022	5,415	0	0	0
Miscellaneous	0	25,749	450	0	0
Other Sources	171,000	0	0	0	17,489
Operating Transfers In	0	128,821	85,000	0	379,466
State Aid	31,365	52,196	53,346	52,455	99,145
Federal Aid	0	23,715	0	0	0
Total Revenues	<u>\$779,698</u>	<u>\$801,678</u>	<u>\$761,484</u>	<u>\$671,083</u>	<u>\$1,060,818</u>
Expenditures:					
General Government Support	\$135,534	\$127,166	\$118,589	\$141,937	\$122,869
Public Safety	211,563	50,640	52,816	55,154	61,839
Health	10	10	10	2,668	10
Transportation	151,889	159,153	168,417	211,873	179,024
Culture and Recreation	52,056	24,590	27,728	30,184	19,745
Home and Community Services	3,769	7,290	7,349	6,869	10,356
Employee Benefits	39,394	36,092	47,426	50,669	56,749
Debt Service	5,217	91,188	65,657	24,850	0
Operating Transfers Out	0	128,821	85,000	0	797,914
Total Expenditures	<u>\$599,432</u>	<u>\$624,950</u>	<u>\$572,992</u>	<u>\$524,204</u>	<u>\$1,248,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$180,266	\$176,728	\$188,492	\$146,879	(\$187,688)
Fund Balance Beginning of Year	266,793	447,059	623,788	810,992	957,871
Other changes in fund equity	0	1	(1,288)	0	0
Fund Balance End of Year	<u>\$447,059</u>	<u>\$623,788</u>	<u>\$810,992</u>	<u>\$957,871</u>	<u>\$770,183</u>

Source: Audited Financial Reports of the Village.

Note: This table NOT audited

**Statement of Revenues, Expenditures and Changes in Fund Balance
Water Fund - Village of Oakfield**

	Fiscal Year Ending May 31:				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues					
Departmental Income	\$219,560	\$231,766	\$226,005	\$220,004	\$229,348
Use of Money & Property	36,873	45,589	37,098	16,542	3,534
Sale of Property and Comp. for Loss	200	210	0	100,000	0
Miscellaneous	0	0	0	62	0
State Aid	0	0	0	0	0
Operating Transfers In	0	96,200	92,350	88,500	87,880
Total Revenues	<u>\$256,633</u>	<u>\$373,765</u>	<u>\$355,453</u>	<u>\$425,108</u>	<u>\$320,762</u>
Expenditures					
General Government Support	\$0	\$4,701	\$8,078	\$4,248	\$9,465
Home and Community Services	218,501	250,403	203,358	183,990	200,619
Employee Benefits	26,998	25,770	21,209	18,012	22,727
Debt Service	100,050	96,200	128,642	134,038	130,026
Operating Transfers Out	0	96,200	92,350	88,500	84,650
Total Expenditures	<u>\$345,549</u>	<u>\$473,274</u>	<u>\$453,637</u>	<u>\$428,788</u>	<u>\$447,487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$88,916)	(\$99,509)	(\$98,184)	(\$3,680)	(\$126,725)
Fund Balance Beginning of Year	\$1,085,028	\$996,112	\$896,605	\$798,421	\$794,741
Other Changes in Fund Balance	0	2	0	0	0
Fund Balance End of Year	<u>\$996,112</u>	<u>\$896,605</u>	<u>\$798,421</u>	<u>\$794,741</u>	<u>\$668,016</u>

Source: Annual Update Documents of the Village

Note: This table NOT audited

**Statement of Revenues, Expenditures and Changes in Fund Balance
Sewer Fund - Village of Oakfield**

	Fiscal Year Ending May 31:				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues					
Departmental Income	\$180,373	\$193,813	\$198,754	\$229,859	\$235,416
Use of Money & Property	9,643	13,707	13,383	5,880	1,245
Miscellaneous	0	0	0	20	19,795
State Aid	0	0	0	0	7,345
Operating Transfers In	0	8,000	18,000	20,913	24,848
Total Revenues	<u>\$190,016</u>	<u>\$215,520</u>	<u>\$230,137</u>	<u>\$256,672</u>	<u>\$288,649</u>
Expenditures					
General Governmental Support	\$0	\$0	\$0	\$0	\$18,181
Home and Community Services	158,087	166,241	172,006	180,828	159,846
Employee Benefits	8,999	8,586	7,069	6,003	5,766
Debt Service	13,419	13,240	56,597	68,053	63,758
Operating Transfers Out	0	8,000	18,000	20,913	35,737
Total Expenditures	<u>\$180,505</u>	<u>\$196,067</u>	<u>\$253,672</u>	<u>\$275,797</u>	<u>\$283,288</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$9,511	\$19,453	(\$23,535)	(\$19,125)	\$5,361
Fund Balance Beginning of Year	\$341,149	\$350,660	\$370,113	\$346,578	\$327,453
Other Changes in Fund Balance	0	0	0	0	0
Fund Balance End of Year	<u>\$350,660</u>	<u>\$370,113</u>	<u>\$346,578</u>	<u>\$327,453</u>	<u>\$332,814</u>

Source: Annual Update Documents of the Village

Note: This table is NOT audited

Balance Sheet
Combined Funds - Village of Oakfield
Fiscal Year Ending May 31, 2010

	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Assets:			
Cash	\$668,322	\$370,449	\$49,207
Other Receivables (net)	12,198	57,823	58,257
Due From Other Funds	500	0	0
Due From Other Governments	121,224	0	0
Prepaid Expenses	2,818	1,327	332
Restricted Assets	151,600	318,355	239,460
Total Assets:	<u>\$956,662</u>	<u>\$747,954</u>	<u>\$347,256</u>
Liabilities:			
Accounts Payable	\$38,662	\$1,074	\$8,283
Accrued Liabilities	0	28,865	0
Due to Other Governments	0	50,000	0
Due to Other Funds	147,817	0	25,955
Deferred Revenues	0	0	0
Total Liabilities:	<u>\$186,479</u>	<u>\$79,939</u>	<u>\$34,238</u>
Fund Balances:			
Reserve for Encumbrances	\$7,733	\$2,000	\$0
Reserve for Capital Projects	151,600	13,901	51,084
Debt Service	0	304,454	188,376
Unreserved Fund Balance - Appropriated	192,540	49,980	30,929
Unreserved Fund Balance - Unappropriated	418,310	297,680	42,629
Total Fund Balance:	<u>\$770,183</u>	<u>\$668,015</u>	<u>\$313,018</u>
Total Liabilities & Fund Balance:	<u>\$956,662</u>	<u>\$747,954</u>	<u>\$347,256</u>

Source: Audited Financial Report of the Village

Note: This table NOT audited

Budget Summary
Combined Funds - Village of Oakfield
Fiscal Year Ending May 31, 2011

	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Revenues:			
Real Property Taxes	\$190,609	\$0	\$0
Real Property Tax Items	1,000	0	0
Non-Property Tax	270,000	0	0
Departmental Income	700	235,139	242,164
Intergovernmental Charges	50,775	0	0
Use of Money & Property	33,271	5,000	1,000
Licenses & Permits	600	0	0
Fines & Forfeitures	300	0	0
Sale of Prop & Comp for Loss	0	0	0
Miscellaneous	0	0	0
State Aid	22,172	0	0
Interfund Transfer	0	80,800	12,344
Use of Fund Balance	0	0	0
Appropriated Fund Balance	<u>\$32,926</u>	<u>34,085</u>	<u>0</u>
Total Revenues:	<u><u>\$602,352</u></u>	<u><u>\$355,024</u></u>	<u><u>\$255,508</u></u>
Expenses:			
General Government Support	\$176,291	\$15,000	\$13,000
Public Safety	61,400	0	0
Health	10	0	0
Transportation	169,160	0	0
Economic Assistance	0	0	0
Culture & Recreation	15,865	0	0
Home & Community Service	10,840	199,320	166,967
Employee Benefits	60,330	28,644	7,161
Interfund Transfers	103,000	0	8,000
Debt Service	<u>5,456</u>	<u>112,060</u>	<u>60,380</u>
Total Expenditures:	<u><u>\$602,352</u></u>	<u><u>\$355,024</u></u>	<u><u>\$255,508</u></u>

Source: Adopted Budget of the Village

Note: This table NOT audited

Budget Summary
Combined Funds - Village of Oakfield
Fiscal Year Ending May 31, 2012

	<u>General</u>	<u>Water</u>	<u>Sewer</u>
Revenues:			
Real Property Taxes	\$185,984	\$0	\$0
Real Property Tax Items	1,000	0	0
Non-Property Tax	283,000	0	0
Departmental Income	700	282,360	233,021
Intergovernmental Charges	49,859	0	0
Use of Money & Property	20,748	5,000	1,000
Licenses & Permits	600	0	0
Fines & Forfeitures	300	0	0
Sale of Prop & Comp for Loss	0	0	0
Miscellaneous	0	0	0
State Aid	43,650	0	0
Interfund Transfer	2,000	76,950	11,169
Use of Fund Balance	0	0	0
Appropriated Fund Balance	<u>\$96,342</u>	<u>45,267</u>	<u>5,358</u>
Total Revenues:	<u><u>\$684,184</u></u>	<u><u>\$409,577</u></u>	<u><u>\$250,548</u></u>
Expenses:			
General Government Support	\$183,021	\$15,000	\$13,000
Public Safety	59,640	0	0
Health	0	0	0
Transportation	204,454	0	0
Economic Assistance	0	0	0
Culture & Recreation	9,565	0	0
Home & Community Service	9,903	187,450	125,069
Employee Benefits	138,045	21,615	10,807
Interfund Transfers	53,000	0	35,000
Debt Service	<u>26,556</u>	<u>185,512</u>	<u>66,672</u>
Total Expenditures:	<u><u>\$684,184</u></u>	<u><u>\$409,577</u></u>	<u><u>\$250,548</u></u>

Source: Adopted Budget of the Village

Note: This table NOT audited

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MAY 31, 2010**

**VILLAGE OF OAKFIELD
GENESEE COUNTY, NEW YORK**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED BY THE VILLAGE'S AUDITORS IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS STATEMENT. CONSENT OF THE AUDITORS FOR INCLUSION OF THE AUDITED FINANCIAL REPORTS IN THIS STATEMENT HAS NEITHER BEEN REQUESTED NOR OBTAINED.

VILLAGE OF OAKFIELD, NEW YORK
Financial Statements and
Supplementary Information
May 31, 2010
(With Independent Auditors' Report Thereon)

VILLAGE OF OAKFIELD, NEW YORK

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TOSKI, SCHAEFFER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Honorable Members of the Village Board
Village of Oakfield, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Oakfield, New York (the Village) as of and for the year ended May 31, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Oakfield, New York, as of May 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on page 24 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Village has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Williamsville, New York
September 13, 2010

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VILLAGE OF OAKFIELD, NEW YORK
Statement of Net Assets
May 31, 2010

<u>Assets</u>	<u>Governmental</u> <u>activities</u>	<u>Business-type</u> <u>activities</u>	<u>Total</u>
Current assets:			
Cash and equivalents	\$ 1,672,712	-	1,672,712
Accounts receivable	128,278	-	128,278
Due from fiduciary fund	500	-	500
Due from other governments	121,224	-	121,224
Prepaid expenses	4,477	-	4,477
Total current assets	<u>1,927,191</u>	<u>-</u>	<u>1,927,191</u>
Noncurrent assets:			
Restricted cash and equivalents	709,415	-	709,415
Capital assets, land	28,680	-	28,680
Construction in process	288,812	-	288,812
Capital assets, depreciable net	4,283,813	-	4,283,813
Total noncurrent assets	<u>5,310,720</u>	<u>-</u>	<u>5,310,720</u>
Total assets	<u>\$ 7,237,911</u>	<u>-</u>	<u>7,237,911</u>
 <u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable and accrued liabilities	87,232	-	87,232
Accrued interest payable	14,752	-	14,752
Due to other governments	50,000	-	50,000
Bond anticipation note payable	2,306,295	-	2,306,295
Serial bonds payable	60,000	-	60,000
Compensated absences	2,313	-	2,313
Total current liabilities	<u>2,520,592</u>	<u>-</u>	<u>2,520,592</u>
Noncurrent liabilities:			
Serial bonds payable	440,000	-	440,000
Compensated absences	20,817	-	20,817
Total noncurrent liabilities	<u>460,817</u>	<u>-</u>	<u>460,817</u>
Total liabilities	<u>2,981,409</u>	<u>-</u>	<u>2,981,409</u>
Net Assets:			
Invested in capital assets, net of related debt	1,795,010	-	1,795,010
Restricted	719,148	-	719,148
Unrestricted	1,742,344	-	1,742,344
Total net assets	<u>4,256,502</u>	<u>-</u>	<u>4,256,502</u>
Total liabilities and net assets	<u>\$ 7,237,911</u>	<u>-</u>	<u>7,237,911</u>

See accompanying notes to financial statements.

VILLAGE OF OAKFIELD, NEW YORK
Statement of Activities
Year ended May 31, 2010

	<u>Expenses</u>	<u>Program revenue</u>		<u>Net revenue (expense) and change in net assets</u>		
		<u>Charges for services</u>	<u>Operating grants</u>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Governmental activities:						
General government support	\$ 186,996	955	26,419	(159,622)	-	(159,622)
Public safety	94,422	50,191	-	(44,231)	-	(44,231)
Health	10	-	-	(10)	-	(10)
Transportation	288,147	-	71,224	(216,923)	-	(216,923)
Culture and recreation	19,745	100	1,502	(18,143)	-	(18,143)
Home and community services	384,996	466,354	7,344	88,702	-	88,702
Interest on debt	76,999	-	-	(76,999)	-	(76,999)
Total governmental activities	<u>1,051,315</u>	<u>517,600</u>	<u>106,489</u>	<u>(427,226)</u>	<u>-</u>	<u>(427,226)</u>
Total primary government	<u>\$ 1,051,315</u>	<u>517,600</u>	<u>106,489</u>	<u>(427,226)</u>	<u>-</u>	<u>(427,226)</u>
General revenue:						
Real property taxes				186,286	-	186,286
Real property tax items				1,286	-	1,286
Non property taxes				297,635	-	297,635
Interest earnings				9,214	-	9,214
Gain on sale of fixed assets				6,629	-	6,629
Miscellaneous				26,260	-	26,260
Total general revenue				<u>527,310</u>	<u>-</u>	<u>527,310</u>
Change in net assets				100,084	-	100,084
Net assets at beginning of year, as restated				<u>4,156,418</u>	<u>-</u>	<u>4,156,418</u>
Net assets at end of year				<u>\$ 4,256,502</u>	<u>-</u>	<u>4,256,502</u>

See accompanying notes to financial statements.

VILLAGE OF OAKFIELD, NEW YORK
Balance Sheets - Governmental Funds
May 31, 2010

	Major Governmental Funds				<u>Total</u>
	<u>General fund</u>	<u>Water fund</u>	<u>Sewer fund</u>	<u>Capital projects fund</u>	
Assets:					
Current assets					
Cash and equivalents	\$ 668,322	370,449	49,207	584,734	1,672,712
Accounts receivable	12,198	57,823	58,257	-	128,278
Due from other funds	500	-	-	173,772	174,272
Due from other governments	121,224	-	-	-	121,224
Prepaid expenses	2,818	1,327	332	-	4,477
Current assets	<u>805,062</u>	<u>429,599</u>	<u>107,796</u>	<u>758,506</u>	<u>2,100,963</u>
Restricted assets - cash and equivalents	<u>151,600</u>	<u>318,355</u>	<u>239,460</u>	<u>-</u>	<u>709,415</u>
Total assets	<u>\$ 956,662</u>	<u>747,954</u>	<u>347,256</u>	<u>758,506</u>	<u>2,810,378</u>
Liabilities and net assets:					
Liabilities:					
Accounts payable	38,662	1,074	8,283	10,348	58,367
Accrued liabilities	-	28,865	-	-	28,865
Bond anticipation notes payable	-	-	-	2,306,295	2,306,295
Due to other funds	147,817	-	25,955	-	173,772
Due to other governments	-	50,000	-	-	50,000
Total liabilities	<u>186,479</u>	<u>79,939</u>	<u>34,238</u>	<u>2,316,643</u>	<u>2,617,299</u>
Fund balance:					
Reserved for:					
Encumbrances	7,733	2,000	-	-	9,733
Capital projects	151,600	13,901	51,084	-	216,585
Debt service	-	304,454	188,376	-	492,830
Unreserved:					
Designated for subsequent years expenditures	192,540	49,980	30,929	-	273,449
Undesignated	<u>418,310</u>	<u>297,680</u>	<u>42,629</u>	<u>(1,558,137)</u>	<u>(799,518)</u>
Total fund balances	<u>770,183</u>	<u>668,015</u>	<u>313,018</u>	<u>(1,558,137)</u>	<u>193,079</u>
Total liabilities and funded balances	<u>\$ 956,662</u>	<u>747,954</u>	<u>347,256</u>	<u>758,506</u>	<u>2,810,378</u>

See accompanying notes to financial statements.

VILLAGE OF OAKFIELD, NEW YORK
 Reconciliation of Governmental Funds Balance Sheet
 to the Statement of Net Assets
 May 31, 2010

Total fund balances - Governmental Funds		\$ 193,079
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The assets consist of:		
Land	\$ 28,680	
Buildings	1,573,508	
Vehicles and equipment	1,696,765	
Infrastructure	5,584,482	
Construction in progress	288,812	
Accumulated depreciation	<u>(4,570,942)</u>	
Total capital assets		4,601,305
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
Accrued compensated absences		(23,130)
Interest payable		(14,752)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.		
		<u>(500,000)</u>
Total net assets at end of year		<u>\$ 4,256,502</u>

See accompanying notes to financial statements.

VILLAGE OF OAKFIELD, NEW YORK
Statement of Revenue, Expenses and Changes in
Fund Balances - Governmental Funds
Year ended May 31, 2010

	Major Governmental Funds				Total
	General fund	Water fund	Sewer fund	Capital projects fund	
Revenue:					
Real property taxes	\$ 186,286	-	-	-	186,286
Real property tax items	1,286	-	-	-	1,286
Non property taxes	297,635	-	-	-	297,635
Departmental income	3,033	229,348	235,416	-	467,797
Intergovernmental charges	48,730	-	-	-	48,730
Use of money and property	26,675	3,533	1,245	232	31,685
Fines and permits	1,073	-	-	-	1,073
State sources	99,145	-	7,344	-	106,489
Other sources	17,489	-	-	-	17,489
Total revenue	<u>681,352</u>	<u>232,881</u>	<u>244,005</u>	<u>232</u>	<u>1,158,470</u>
Expenditures:					
General government support	122,869	9,465	18,181	71,890	222,405
Public safety	61,839	-	-	-	61,839
Health	10	-	-	-	10
Transportation	179,024	-	-	216,582	395,606
Culture and recreation	19,745	-	-	-	19,745
Home and community services	10,356	200,619	159,846	340	371,161
Employee benefits	56,749	22,727	5,756	-	85,232
Debt service:					
Principal	-	71,000	30,000	-	101,000
Interest	-	59,026	33,768	-	92,794
Total expenditures	<u>450,592</u>	<u>362,837</u>	<u>247,551</u>	<u>288,812</u>	<u>1,349,792</u>
Excess (deficiency) of revenue over expenditures	<u>230,760</u>	<u>(129,956)</u>	<u>(3,546)</u>	<u>(288,580)</u>	<u>(191,322)</u>
Other financing sources (uses):					
BANs redeemed from appropriations	-	-	-	41,000	41,000
Transfers in	379,466	87,880	24,848	433,448	925,642
Transfers out	<u>(797,914)</u>	<u>(84,650)</u>	<u>(35,737)</u>	<u>(7,341)</u>	<u>(925,642)</u>
Total other financing sources (uses)	<u>(418,448)</u>	<u>3,230</u>	<u>(10,889)</u>	<u>467,107</u>	<u>41,000</u>
Net change in fund balances	(187,688)	(126,726)	(14,435)	178,527	(150,322)
Fund balances at beginning of year, as restated	957,871	794,741	327,453	(1,736,664)	343,401
Fund balances at end of year	<u>\$ 770,183</u>	<u>668,015</u>	<u>313,018</u>	<u>(1,558,137)</u>	<u>193,079</u>

See accompanying notes to financial statements.

VILLAGE OF OAKFIELD, NEW YORK
 Reconciliation of the Statement of Revenue, Expenditures and
 Changes in Fund Balances of Governmental Funds to
 the Statement of Activities
 Year ended May 31, 2010

Net change in fund balances - total Governmental Funds \$ (150,322)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$	365,265
Depreciation		<u>(180,495)</u>

Excess of capital outlay over depreciation expense	184,770
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds:

Increase (decrease):	
Compensated absences	(3,090)
Accrued interest	15,797

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net assets.	60,000
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Gain in the sale of assets as reported in the Governmental Funds is gross receipts without deducting the undepreciated cost in the statement of activities	<u>(7,071)</u>
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Change in net assets of governmental activities	<u>\$ 100,084</u>
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See accompanying notes to financial statements.

VILLAGE OF OAKFIELD, NEW YORK
Statement of - Fiduciary Fund
May 31, 2010

<u>Assets</u>	<u>Agency</u>
Cash and equivalents	<u>\$ 12,236</u>
<u>Liabilities</u>	
Accounts payable	11,736
Due to other funds	<u>500</u>
Total liabilities	<u>\$ 12,236</u>

See accompanying notes to financial statements.

VILLAGE OF OAKFIELD, NEW YORK

Notes to Financial Statements

May 31, 2010

(1) Summary of Significant Accounting Policies

The basic financial statements of the Village of Oakfield (the Village) have been prepared in conformity 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 more significant of the Village's accounting policies are described below.

(a) Reporting Entity

The Village reports related organizations under the guidance of GASB Statement No. 14 which defines the primary government, and redefines and establishes the criteria for which potential component units are included in the reporting entity. GASB Statement No. 14 defines financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing board, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government.

The accompanying basic financial statements include only the operations of the Village, since management has determined that there are no other organizations that meet the criteria for inclusion in the reporting entity of the Village.

(b) Basis of Presentation

(1) Government-wide financial statements - The statement of net assets and the statement of activities present financial information about the reporting government as a whole. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. The statements distinguish between governmental and business-type activities. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other exchange and nonexchange transactions. Business-type activities in prior years included the water and sewer funds, which are financed in whole or in part by fees charged to external parties for goods or services. As of May 31, 2010 it was determined that these funds will no longer be treated as business type funds and will be restated into governmental funds.

The statement of activities presents a comparison between direct expenses and direct revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Direct revenues include charges paid by the recipients of goods or services offered by the Village, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as direct revenues, including all taxes, are presented as general revenues.

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

(2) 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 fund financial statements is on major governmental funds, each as displayed in a separate column. There are no non-major governmental funds. The Village reports the following major governmental funds:

General fund - The principal operating fund that includes all operations not required to be recorded in other funds.

Water fund - Used to account for monies received from water sales and the expenditures related to daily operations.

Sewer fund - Used to account for monies received from sewer charges and the expenditures related to daily operations.

Capital Project fund - Used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

Agency Fund - Is custodial in nature and does not present result of operations or have measurement focus. The Agency fund is accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

(c) Measurement Focus and Basis of Accounting

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

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Measurement Focus and Basis of Accounting, Continued

The governmental fund financial statements 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 the revenues are collected within sixty days after the end of the fiscal year. Expenditures are generally recorded when the related liability is incurred, except for principal and interest on general long-term debt, claims and judgments, pension costs, and compensated absences, which are recognized as expenditures when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

(d) Property Taxes

Real property taxes are levied annually no later than May 15th and become a lien on June 1st. Taxes are collected during the period June 1st to November 1st.

Unpaid Village taxes are turned over to the County for enforcement. Any such taxes remaining unpaid at year end are relieved as County taxes in the subsequent year.

(e) Budgetary Data

(1) Budget Policies - The budget policies are as follows:

- (a) No later than March 20th, the Village Clerk - Treasurer submits a tentative budget to the Village Board for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except capital projects and fiduciary funds.
- (b) After public hearings are conducted to obtain taxpayer comments, no later than May 1st, the Village Board adopts the budget. Appropriations established by the budget constitute a limitation on expenditures which may be incurred.
- (c) All modifications of the budget must be approved by the Village Board and all appropriations lapse at fiscal year end.

(e) Budgetary Data, Continued

(2) Budget Basis of Accounting - Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary comparisons presented in this report are on a GAAP basis and represent the budget as modified.

(f) Cash and Equivalents

The Village's cash and equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Due To/From Other Funds

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as "due to and from other funds."

The amounts reported on the statement of net assets for due to and due from other funds represents amounts due between different fund types (governmental funds and the fiduciary fund). Eliminations have been made for amounts due to and due from within the governmental funds.

(h) Capital Assets

Government-wide financial statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Prior to January 1, 1980, governmental funds' infrastructure assets were not capitalized. The Village has elected to adopt the provisions of GASB Statement No. 34 that allow retroactive reporting of only major general infrastructure assets acquired, significantly reconstructed or that received significant improvements in fiscal years ending after December 31, 1979. Capital assets are reported at actual cost for acquisitions subsequent to June 1, 2005.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 1,000	straight-line	35-50 years
Infrastructure	20,000	straight-line	20-100 years
Furniture and equipment	1,000	straight-line	10-20 years
Vehicles	1,000	straight-line	5 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

(i) Accounts Receivable

Accounts receivable are shown at gross with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that all accounts receivable will be collected.

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Insurance

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks have not yet exceeded commercial insurance coverage for the past three fiscal years.

(k) Compensated Absences

The Village labor agreements provide for sick leave, vacations and miscellaneous other paid absences. Upon retirement certain eligible employees qualify for paid medical premiums and/or payment for value of unused sick leave. These payments are budgeted annually without accrual.

Compensated absences for governmental fund employees are reported as a fund liability and expenditure in the government-wide financial statements. The compensated absences liability for the governmental funds at May 31, 2010 amounted to \$23,130.

Payment of compensated absences recorded in the government-wide financial statements is dependent upon many factors; therefore, timing of future payment is not readily determinable. However, management believes that sufficient resources will be made available for the payment of compensated absences when such payments become due.

(l) Long-term Debt

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of serial bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest is reported as expenditures.

(m) Fund Equity

(1) Government-wide statements

Equity is classified as net assets and displayed in three components:

(a) Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

(b) Restricted - Consists of net assets with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(m) Fund Equity, Continued

(1) Government-wide statements, Continued

(c) Unrestricted - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

(2) Fund statements

Governmental fund equity is classified as fund balance. Fund balance is classified as reserved and unreserved, with unreserved further split between designated and undesignated. The following is a description of the reserves and designations utilized by the Village:

(a) Capital Reserve - This balance represents amounts reserved to finance future construction, reconstruction, or acquisition of capital improvement type items or equipment as authorized when the reserve was established.

(b) Debt Service Reserve - This balance represents amounts reserved to finance future debt service requirements of the Village.

(c) Reserve for Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as a reservation of fund balance, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Designations represent funds for which there is intent by the Village to be used for a specific purpose. Designations of fund balance at May 31, 2010 include:

(a) Designated for subsequent year's expenditures - represents funds to be used to assist in supporting the subsequent years authorized appropriations.

(n) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Restatement

The Village maintains internal accounting records for the Water fund, Sewer fund and Capital Projects fund and reports them to New York State as governmental funds. Financial statement presentation of the water and sewer activities of the Village has been reported as a proprietary fund since 2006. This presentation requires the blending of the Capital Projects fund and the related capital assets and long-term debt into the presentation and results in an inconsistent financial statement presentation of the same Village operations for the period. These financial statements contain a restatement to present these operations as governmental funds consistent with its internal accounting treatment of the operations and financial reporting to New York State. The effect of the restatement on beginning net assets and fund balances of the Village is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
<u>Government - Wide</u>			
Net assets at May 31, 2009 as previously reported	\$ 2,014,934	2,141,484	
Effect of recording water and sewer operations as Governmental Activities	<u>2,141,484</u>	<u>(2,141,484)</u>	
Net assets at May 31, 2009, as restated	\$ <u>4,156,418</u>	<u> -</u>	
<u>Governmental Funds</u>			
Fund balances at May 31, 2009, as previously reported	\$ -	-	<u>Capital Projects fund</u>
Effect of recording water and sewer operations as Governmental Funds	<u>794,741</u>	<u>327,453</u>	<u>(1,736,664)</u>
Fund balances at May 31, 2009, as restated	\$ <u>794,741</u>	<u>327,453</u>	<u>(1,736,664)</u>

(2) Cash and Investments

Cash and Investments - The Village's investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village Clerk/Treasurer is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(2) Cash and Investments, Continued

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

Investment and Deposit Policy - The Village implemented GASB Statement No. 40 - "Deposit and Investment Risk Disclosures." The Village follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Village Clerk-Treasurer.

Interest Rate Risk - Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Village's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - The Village's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Village's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of the New York State and its localities

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Village's investment and deposit policy, all deposits of the Village including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 102% of the aggregate amount of deposits. The Village restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by the New York State and its localities.

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(3) Receivables

Major revenue accrued by the Village and receivable at May 31, 2010 include the following:

General fund:

Sales tax - presented as "due from other governments"	\$ 50,000
Consolidated Highway Improvement Program - presented as "due from other governments"	71,224
Franchise tax	7,000
Utility tax	5,198
Water fund - sales receivable	57,823
Sewer fund - charges receivable	<u>58,257</u>
	<u>\$ 249,502</u>

(4) Interfund Balances

Interfund receivables and payables at May 31, 2010 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 500	147,817
Agency fund	-	500
Capital Projects fund	173,772	-
Sewer fund	<u>-</u>	<u>25,955</u>
Total	<u>\$ 174,272</u>	<u>174,272</u>

(5) Capital Assets

Capital asset activity for the year ended May 31, 2010 was as follows:

	Balance at June 1, 2009	<u>Additions</u>	<u>Deletions</u>	Balance at May 31, 2010
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 28,680	-	-	28,680
Construction in process	<u>-</u>	<u>288,812</u>	<u>-</u>	<u>288,812</u>
Total capital assets, not being depreciated	<u>28,680</u>	<u>288,812</u>	<u>-</u>	<u>317,492</u>
Capital assets, being depreciated:				
Buildings	1,573,508	-	-	1,573,508
Vehicles and equipment	1,666,339	76,453	(46,027)	1,696,765
Infrastructure	<u>5,584,482</u>	<u>-</u>	<u>-</u>	<u>5,584,482</u>
Total capital assets, being depreciated	<u>8,824,329</u>	<u>76,453</u>	<u>(46,027)</u>	<u>8,854,755</u>

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(5) Capital Assets, Continued

	Balance at June 1, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance at May 31, <u>2010</u>
Less accumulated depreciation:				
Buildings	\$ 793,721	31,919	-	825,640
Vehicles and equipment	1,328,945	32,148	(38,956)	1,322,137
Infrastructure	<u>2,306,737</u>	<u>116,428</u>	<u>-</u>	<u>2,423,165</u>
Total accumulated depreciation	<u>4,429,403</u>	<u>180,495</u>	<u>(38,956)</u>	<u>4,570,942</u>
Net total capital assets, being depreciated, net	<u>4,394,926</u>	<u>(104,042)</u>	<u>(7,071)</u>	<u>4,283,813</u>
Governmental activities capital assets, net	\$ <u>4,423,606</u>	<u>(184,770)</u>	<u>(7,071)</u>	<u>4,601,305</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 9,801
Public safety	50,232
Transportation	<u>120,462</u>
Total depreciation expense	\$ <u>180,495</u>

(6) Short-Term Debt

The Village may issue Bond Anticipation Notes (BAN's), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the fund that actually receives the proceeds from the issuance of BAN's. State law generally requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. Short-term debt activity for the year ended May 31, 2010 is summarized below:

	Balance at June 1 <u>2009</u>	<u>Issued</u>	<u>Redeemed</u>	Balance at May 31, <u>2010</u>
BAN maturing 12/01/09 at 3.07%	\$ 1,744,000	-	1,744,000	-
BAN maturing 12/01/10 at 2.11%	-	773,000	-	773,000
BAN maturing 05/26/11 at 2.00%	-	583,500	-	583,500
BAN maturing 09/30/12 at 1.02%	-	483,897	10,000	473,897
BAN maturing 09/30/12 at 0.00%	<u>-</u>	<u>485,898</u>	<u>10,000</u>	<u>475,898</u>
	\$ <u>1,744,000</u>	<u>2,326,295</u>	<u>1,764,000</u>	<u>2,306,295</u>

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(6) Short-Term Debt, Continued

Interest for short-term debt is recognized on a cash basis, when amounts become due and payable in the governmental funds. Interest amounted to \$55,407 for the year ended May 31, 2010.

(7) Long-Term Debt

Long-term debt at May 31, 2010 consists of the following:

(a) Serial Bonds

The Village borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the Village. The provision to be made in the future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. During the year ended May 31, 2010, the Village recognized \$37,387 of expenditures for long-term debt interest.

(b) Other Long-Term Debt

In addition to the above long-term debt, the Village had a non-current liability for compensated absences, which represents the value of the earned and unused portion of the liability for compensated absences.

The following is a summary of changes in long-term liabilities for the year ended May 31, 2010:

	Balance at June 1, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance at May 31, <u>2010</u>	Due within <u>one year</u>
Governmental activities:					
Serial bonds	\$ 560,000	-	(60,000)	500,000	60,000
Compensated absences	<u>20,040</u>	<u>3,593</u>	<u>(503)</u>	<u>23,130</u>	<u>2,313</u>
Total	\$ <u>580,040</u>	<u>3,593</u>	<u>(60,503)</u>	<u>523,130</u>	<u>62,313</u>

(c) Long-term Debt Maturity Schedule

The following is a summary of serial bonds with corresponding maturity schedules:

<u>Fund and description</u>	<u>Original date issued</u>	<u>Original amount</u>	<u>Interest rate</u>	<u>Date of final maturity</u>	<u>Outstanding at May 31, 2010</u>
Water fund - public improvements	5/89	\$ 1,365,000	7.70%	5/18	400,000
Sewer fund - outfall replacement	3/99	221,143	3.73%	4/18	<u>100,000</u>
					\$ <u>500,000</u>

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(7) Long-Term Debt, Continued

(d) Future Debt Service

The following table summarizes the Village's future debt service requirements as of May 31, 2010:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 60,000	33,144
2012	60,000	29,077
2013	60,000	25,006
2014	60,000	20,929
2015	60,000	16,848
2016-2018	<u>200,000</u>	<u>25,293</u>
Total	<u>\$ 500,000</u>	<u>150,297</u>

There is a statutory debt limit applicable to Villages within New York State. The Village is in compliance with this debt limit.

(8) Employee Retirement Plan

(a) Plan Description

The Village of Oakfield participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System.

The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

(b) Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary for the first ten years of membership. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. Rates for the County's Funding of the ERS plan year ended March 31, 2010 averaged 7.0%.

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(8) Employee Retirement Plan, Continued

(b) Funding Policy, Continued

The required contributions for the current year and two preceding years were:

2010	\$ 13,145
2009	13,392
2008	<u>15,399</u>

The Village's contributions made to the System were equal to 100 percent of the contributions required for each year.

(9) Deferred Compensation

Employees of the Village may elect to participate in the New York State Deferred Compensation Plan. The Plan was established in accordance with Section 457 of the Internal Revenue Code and is administered by the Deferred Compensation Board of the State of New York. Participation is on a voluntary payroll deduction basis. According to Plan provisions, accumulated contributions are available only for termination, retirement, death or unforeseeable emergency. The Village's responsibility under the Plan is limited to deducting voluntary contributions from participant's wages and transmittal of such deductions to the trust fund. It is management's opinion that the Village has no liability for losses under the Plan.

(10) Commitments and Contingencies

The Village is a participant in the Genesee County Self-Insurance Workers' Compensation Plan (the Plan). The Plan was established under the provisions of Workers' Compensation Law of the State of New York and is administered and sponsored by its predominant participant, Genesee County. The Plan provides the Village the opportunity to participate in a cooperative program for providing workers' compensation benefits to its employees.

The Village is one of over 40 participants in the Plan. Eligible participants may become members upon filing with the Executive Secretary of the Plan a certified copy of the resolution of the prospective member's governing board electing participation in the Plan on or before July 15th. Voluntary withdrawal from the Plan is effective only once annually. Withdrawal from the Plan is effective at the end of the current operating year upon filing with the Executive Secretary of the Plan a certified copy of the resolution of the member's governing board electing to withdraw from the Plan on or before July 15th. Upon withdrawal the participant shall pay, in a lump sum or in installments, an equitable share of the outstanding liabilities of the Plan as of the date of withdrawal, as determined by the Plan administrator. Contributions to the Plan are determined annually based on claim payment experience and real property tax assessments.

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(10) Commitments and Contingencies, Continued

No refunds or assessments, other than periodic premiums, are charged to the participant organizations, except in the case where the Plan's assets are not sufficient to meet liabilities. In that instance, a special assessment may be assessed against the participant organizations.

The Plan has established reserve liabilities which provide for current claim expenses. At May 31, 2010 the Plan did not provide sufficient information to disclose the funding status or future claim liabilities for the Village of Oakfield.

(11) Stewardship, Compliance, Accountability

The Village reported a deficit fund balance at May 31, 2010 in the Capital Projects fund in the amount of \$1,558,137. The deficit results from the recognition of the liability for BAN's as a liability in the fund. This deficit will be eliminated in future periods through the issuance of permanent financing in the form of serial bonds or principal payments by the other governmental funds.

(12) Operating Lease - Lessor

The Village leases property for medical purposes under an agreement that matured January 2010 for \$2,069 per month plus annual increases. Rent under the new five year lease was decreased to \$1,229 per month starting March 2010. For the year ended May 31, 2010, the amount received totaled \$22,471.

The following table summarizes the Village's future minimum rental income:

<u>Year ending</u>	<u>Income</u>
2011	\$ 14,750
2012	14,750
2013	14,750
2014	14,750
2015	<u>9,832</u>
Total	\$ <u>68,832</u>

(13) Accounting Standards Issued But Not Yet Implemented

The Government Accounting Standards Board has issued the following which have not yet been implemented:

- GASB Statement No. 51 - "Accounting and Financial Reporting for Intangible Assets."
- GASB Statement No. 52 - "Land and Other Real Estate Held as Investments by Endowments."

VILLAGE OF OAKFIELD, NEW YORK
Notes to Financial Statements, Continued

(13) Accounting Standards Issued But Not Yet Implemented, Continued

- GASB Statement No. 53 - "Accounting and Financial Reporting for Derivative Instruments."
- GASB Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions"
- GASB Statement No. 55 - "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."
- GASB Statement No. 56 - "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards."
- GASB Statement No. 57 - "OPEB Measurements by Agent Employers and Agent Multiple Employer Plans."
- GASB Statement No. 58 - "Accounting and Financial Reporting for Chapter 9 Bankruptcies."

Management has not yet completed the process of evaluating the effect of these statements on the future financial statements of the Village.

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VILLAGE OF OAKFIELD
Budgetary Comparison Schedule for the General Fund
Year ended May 31, 2010

	General Fund			Variance from modified budget
	Original budget	Modified budget	Actual	
Revenue:				
Real property taxes	\$ 186,286	186,286	186,286	-
Real property tax items	1,000	1,000	1,286	286
Non property taxes	274,000	274,000	297,635	23,635
Departmental income	1,700	1,700	3,033	1,333
Intergovernmental charges	48,730	48,730	48,730	-
Use of money and property	35,832	35,832	26,675	(9,157)
Fines and permits	600	600	1,073	473
State sources	22,072	22,072	99,145	77,073
Other sources	13,200	15,289	17,489	2,200
Total revenue	<u>583,420</u>	<u>585,509</u>	<u>681,352</u>	<u>95,843</u>
Expenditures:				
General government support	172,497	167,054	122,869	44,185
Public safety	60,323	62,412	61,839	573
Health	10	10	10	-
Transportation	232,959	232,959	179,024	53,935
Culture and recreation	15,700	15,700	19,745	(4,045)
Home and community services	10,750	10,750	10,356	394
Employee benefits	56,739	62,182	56,749	5,433
Total expenditures	<u>548,978</u>	<u>551,067</u>	<u>450,592</u>	<u>100,475</u>
Excess of revenue over expenditures	<u>34,442</u>	<u>34,442</u>	<u>230,760</u>	<u>196,318</u>
Other financing sources (uses):				
Funding of reserves	26,000	294,466	379,466	85,000
Transfer to reserves	(103,000)	(521,448)	(797,914)	(276,466)
Total other financing sources (uses)	<u>(77,000)</u>	<u>(226,982)</u>	<u>(418,448)</u>	<u>(191,466)</u>
Net change in fund balances	(42,558)	(192,540)	(187,688)	4,852
Fund balances at beginning of year	764,783	764,783	957,871	193,088
Fund balances at end of year	<u>\$ 722,225</u>	<u>572,243</u>	<u>770,183</u>	<u>197,940</u>