

**TOWN OF COLDEN,  
NEW YORK**

*Basic Financial Statements and  
Required Supplementary Information  
for the Year Ended December 31, 2013  
and Independent Auditors' Report*



**TOWN OF COLDEN, NEW YORK**  
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**Year Ended December 31, 2013**

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# FINANCIAL SECTION



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Certified Public Accountants

## **INDEPENDENT AUDITORS' REPORT**

Honorable Town Board  
Town of Colden, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Town of Colden, New York (the "Town"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, as listed in the table of contents, which collectively comprise a portion of the Town's basic financial statements required by accounting principles generally accepted in the United States of America.

### **Management's Responsibility for the Financial Statements**

The Town's 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.

### ***Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Basis for Adverse Opinion***

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Town's governmental activities have not been determined.

***Adverse Opinion***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Town, as of December 31, 2013, and the changes in financial position thereof for the year then ended.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information, as listed in the foregoing table of contents, be presented to supplement the basic 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 basic 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic 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.



May 29, 2014



**TOWN OF COLDEN, NEW YORK**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2013**

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As management of the Town of Colden, New York (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2013. This document should be read in conjunction with additional information that we have furnished in the Town's financial statements which follow this narrative.

**Financial Highlights**

- ◆ At the close of the current fiscal year, the Town's governmental funds reported combined fund balances of \$1,271,712, an increase of \$12,608 in comparison with the prior year.
- ◆ The General Fund reported a net increase in fund balance this year of \$54,303. At December 31, 2013, unassigned fund balance for the General Fund was \$626,126, or approximately 84.1 percent of total General Fund expenditures and transfers out.
- ◆ The Town made principal payments of \$94,156 on its bonded indebtedness during the year ended December 31, 2013. There were no bonds issued during the current year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. Basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. During the year ended December 31, 2013, the Town has not included the government-wide financial statements within its basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide the reader with a broad overview of an entity's finances, similar in format to a financial statement of a private-sector business.

The *statement of net position* presents information on all of an entity's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the entity is improving or deteriorating.

The *statement of activities* presents information showing how the entity's net position changed during the most recent fiscal 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 related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of the entity that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

As previously stated, the government-wide financial statements have not been included in this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has two kinds of funds: governmental funds and a fiduciary fund.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The Town maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Highway Fund, the Street Lighting District Fund, the Garbage and Refuse District Fund and the Water District Fund, which are each considered major funds.

The Town adopts an annual appropriated budget for the General Fund, Highway Fund, Street Lighting District Fund, Garbage and Refuse District Fund and Water District Fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

The governmental fund financial statements can be found on pages 8-9 of this report, while budgetary comparison schedules can be found on pages 23-27.

**Fiduciary fund.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town's own programs. The Town maintains one fiduciary fund, the Agency Fund.

The fiduciary fund financial statement can be found on page 10 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-22 of this report.

## Financial Analysis of the Town's Funds

**Governmental funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

At the end of the current fiscal year, the Town's governmental funds reported combined fund balance of \$1,271,712.

A summary of governmental fund revenues for the years ended December 31, 2013 and December 31, 2012 is presented below in Table 1:

**Table 1—Summary of Governmental Fund Revenues**

Year Ended December 31,	2013	2012
Real property taxes	\$ 828,286	\$ 809,245
Non-property tax items	624,482	622,423
Departmental income	85,847	84,205
Intergovernmental charges	6,771	-
Use of money and property	2,823	7,396
Sales of property and compensation for loss	8,184	3,144
Licenses and permits	8,684	6,421
Fines and forfeitures	28,108	27,905
Interest and penalties	4,868	4,868
Miscellaneous	6,779	23,568
State aid	174,758	177,735
Total revenues	<u>\$ 1,779,590</u>	<u>\$ 1,766,910</u>

The most significant source of revenues is real property taxes, which accounts for \$828,286 or 46.5 percent of total revenues for the year ended December 31, 2013. The next largest source of revenue is non-property tax items which accounts for \$624,482, or 35.1 percent of total revenues, for the year ended December 31, 2013.

For the year ended December 31, 2012, the most significant source of revenues is real property tax items, which accounts for \$809,245 or 45.8 percent of total revenues and non-property tax items, which accounts for \$622,423, or 35.2 percent of total revenues.

Overall revenues were relatively stable from the year ended December 31, 2012 increasing by 0.7 percent.

A summary of governmental fund expenditures for the years ended December 31, 2013 and December 31, 2012 is presented below:

**Table 2—Summary of Governmental Fund Expenditures**

<u>Year Ended December 31,</u>	<u>2013</u>	<u>2012</u>
General government support	\$ 357,916	\$ 316,069
Public safety	28,033	30,729
Health	491	459
Transportation	656,998	649,977
Economic assistance and opportunity	2,308	1,585
Culture and recreation	69,486	80,817
Home and community services	353,307	277,974
Employee benefits	204,287	207,979
Debt service—principal	94,156	207,529
Total expenditures	<u>\$ 1,766,982</u>	<u>\$ 1,773,118</u>

The Town’s significant expenditure items for the year ended December 31, 2013 were transportation of \$656,998, or 37.2 percent of total expenditures, general government support of \$357,916, or 20.3 percent of total expenditures, and home and community services of \$353,307, or 20.0 percent of total expenditures.

For the year ended December 31, 2012, the Town’s significant expenditure items were transportation of \$649,977, or 36.7 percent of total expenditures, general government support of \$316,069, or 17.8 percent of total expenditures, and home and community services of \$277,974, or 15.7 percent of total expenditures.

In total expenditures decreased by \$6,136 in 2013 compared to 2012. The largest increase was in home and community services of \$75,333 which was due to increased costs for water transportation and distribution in the current year. This increase was offset by a decrease in debt principal payments due to supplemental principal payments made during the year ended December 31, 2012.

At December 31, 2013, the General Fund reported an ending fund balance of \$1,108,807 an increase of \$54,303 from the prior year. Approximately 56.5 percent, or \$626,126, of this total amount constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is considered nonspendable, or has been *committed* or *assigned* to various purposes.

A discussion of the Town’s other major operating funds follows:

- ◆ During the year ended December 31, 2013, the Town’s Highway Fund increased by \$22,030 from the prior year, resulting in an ending fund balance of \$155,260. The increase in fund balance in the current year is due to the transfer in of funds from the General Fund as a contribution to support the Highway Fund’s operating costs.
- ◆ At December 31, 2013, the Town’s Street Lighting District Fund reported a decrease in fund balance of \$1,313, resulting in an ending fund balance of \$1,267. The decrease in fund balance in the current year is due to an increase in street lighting contractual expenditures.

- ◆ During the year ended December 31, 2013, the Town's Garbage and Refuse District Fund decreased by \$27,118 from the prior year, resulting in an ending fund balance of \$4,368. The decrease in fund balance is due to an increase in contractual expenditures within the fund.
- ◆ At December 31, 2013, the Town's Water District Fund reported a decrease in fund balance of \$35,294, resulting in an ending fund balance of \$2,010. The decrease in fund balance in the current year is due to an increase in water transportation and distribution expenditures.

### **Debt Administration**

**Long-term debt.** At December 31, 2013, the Town's governmental activities had total bonded debt outstanding of \$2,239,475, as compared to \$2,333,631 in the prior year.

Additional information on the Town's long-term debt can be found in Note 7 of this report.

### **Economic Factors**

Located in the Western New York region, the regional unemployment rate was 6.6 percent at December 31, 2013, which compares to New York State's unemployment rate of the same percentage. Despite certain economic hardships, the Town maintains a stable General Fund.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Town Supervisor, Town of Colden, 8812 State Road, Colden, NY 14033.

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# BASIC FINANCIAL STATEMENTS





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**TOWN OF COLDEN, NEW YORK**  
**Balance Sheet—Governmental Funds**  
**December 31, 2013**

	<u>Special Revenue</u>					<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Street Lighting District</u>	<u>Garbage and Refuse District</u>	<u>Water District</u>	
<b>ASSETS</b>						
Cash	\$ 981,700	\$ 151,580	\$ 4,263	\$ 20,556	\$ 11,610	\$ 1,169,709
Accounts receivable	31,724	1,453	-	-	1,703	34,880
Prepaid items	9,036	12,003	-	-	855	21,894
Due from other governments	161,128	-	-	-	-	161,128
Due from other funds	-	27,597	-	-	-	27,597
Total assets	<u>\$ 1,183,588</u>	<u>\$ 192,633</u>	<u>\$ 4,263</u>	<u>\$ 20,556</u>	<u>\$ 14,168</u>	<u>\$ 1,415,208</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 34,824	\$ 37,373	\$ 2,996	16,188	12,158	\$ 103,539
Accrued liabilities	12,360	-	-	-	-	12,360
Due to other funds	27,597	-	-	-	-	27,597
Total liabilities	<u>74,781</u>	<u>37,373</u>	<u>2,996</u>	<u>16,188</u>	<u>12,158</u>	<u>143,496</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid items	9,036	12,003	-	-	855	21,894
Assigned:						
Subsequent year's expenditures	473,645	-	-	-	1,155	474,800
Highway	-	143,257	-	-	-	143,257
Street Lighting	-	-	1,267	-	-	1,267
Garbage and Refuse	-	-	-	4,368	-	4,368
Unassigned	626,126	-	-	-	-	626,126
Total fund balances	<u>1,108,807</u>	<u>155,260</u>	<u>1,267</u>	<u>4,368</u>	<u>2,010</u>	<u>1,271,712</u>
Total liabilities and fund balances	<u>\$ 1,183,588</u>	<u>\$ 192,633</u>	<u>\$ 4,263</u>	<u>\$ 20,556</u>	<u>\$ 14,168</u>	<u>\$ 1,415,208</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF COLDEN, NEW YORK**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances—Governmental Funds**  
**Year Ended December 31, 2013**

	<u>Special Revenue</u>					<b>Total Governmental Funds</b>
	<u>General</u>	<u>Highway</u>	<u>Street Lighting District</u>	<u>Garbage and Refuse District</u>	<u>Water District</u>	
<b>REVENUES</b>						
Real property taxes	\$ -	\$ 490,853	\$ 25,875	\$ 201,601	\$ 109,957	\$ 828,286
Non-property tax items	624,482	-	-	-	-	624,482
Departmental income	14,336	396	-	176	70,939	85,847
Intergovernmental charges	-	6,771	-	-	-	6,771
Use of money and property	1,294	630	50	531	318	2,823
Sale of property and compensation for loss	-	8,184	-	-	-	8,184
Licenses and permits	8,684	-	-	-	-	8,684
Fines and forfeitures	28,108	-	-	-	-	28,108
Interest and penalties	4,868	-	-	-	-	4,868
Miscellaneous	6,779	-	-	-	-	6,779
State aid	110,119	64,639	-	-	-	174,758
Total revenues	<u>798,670</u>	<u>571,473</u>	<u>25,925</u>	<u>202,308</u>	<u>181,214</u>	<u>1,779,590</u>
<b>EXPENDITURES</b>						
Current:						
General government support	357,916	-	-	-	-	357,916
Public safety	28,033	-	-	-	-	28,033
Health	491	-	-	-	-	491
Transportation	80,657	549,103	27,238	-	-	656,998
Economic assistance and opportunity	2,308	-	-	-	-	2,308
Culture and recreation	69,486	-	-	-	-	69,486
Home and community services	1,529	-	-	229,426	122,352	353,307
Employee benefits	103,947	100,340	-	-	-	204,287
Debt service:						
Principal	-	-	-	-	94,156	94,156
Total expenditures	<u>644,367</u>	<u>649,443</u>	<u>27,238</u>	<u>229,426</u>	<u>216,508</u>	<u>1,766,982</u>
Excess (deficiency) of revenues over expenditures	<u>154,303</u>	<u>(77,970)</u>	<u>(1,313)</u>	<u>(27,118)</u>	<u>(35,294)</u>	<u>12,608</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	100,000	-	-	-	100,000
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	54,303	22,030	(1,313)	(27,118)	(35,294)	12,608
Fund balances—beginning	<u>1,054,504</u>	<u>133,230</u>	<u>2,580</u>	<u>31,486</u>	<u>37,304</u>	<u>1,259,104</u>
Fund balances—ending	<u>\$ 1,108,807</u>	<u>\$ 155,260</u>	<u>\$ 1,267</u>	<u>\$ 4,368</u>	<u>\$ 2,010</u>	<u>\$ 1,271,712</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF COLDEN, NEW YORK**  
**Statement of Fiduciary Net Position—Agency Fund**  
**December 31, 2013**

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash	\$ 30,499
Total assets	<u>\$ 30,499</u>
<b>LIABILITIES</b>	
Agency liabilities	\$ 30,499
Total liabilities	<u>\$ 30,499</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF COLDEN, NEW YORK**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2013**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Departure from Generally Accepted Accounting Principles***

The financial statements of the Town of Colden, New York (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”), as applied to governmental units, except management has not presented government-wide financial statements to display the statement of net position and the statement of activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in the government-wide financial statements for the Town’s governmental activities are not reasonably determinable. 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 Town’s accounting policies are described below.

***Reporting Entity***

The Town, which was established in 1828, is located within the County of Erie, New York. The Town is governed by Town law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations and the Supervisor serves as chief fiscal officer.

The following basic services are provided: highway, sanitation, recreation, street lighting, water transmission service and general administration.

Independently elected officials of the Town consist of the following:

Supervisor	Town Clerk/Receiver of Taxes
Councilmen (4)	Superintendent of Highways
Town Justice (2)	

All governmental activities and functions performed for the Town are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

***Basis of Presentation—Fund Financial Statements***

The fund financial statements provide information about the Town’s funds, including its fiduciary fund. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Town considers the following governmental funds as major funds:

- ◆ *General Fund*—is the Town’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- ◆ *Highway Fund*—this fund is used to record all revenues and expenditures related to road maintenance and construction.
- ◆ *Street Lighting District Fund*—this fund is used to record the revenues and expenditures relating to a lighting district and is financed by the property owners within the district.
- ◆ *Garbage and Refuse District Fund*—this fund is used to account for the operation and maintenance of refuse and garbage services provided by the Town.
- ◆ *Water District Fund*—this fund is used to account for the operation and maintenance of water services provided by the Town.

A fiduciary fund is used to account for assets held by the Town in a trustee or custodial capacity.

- ◆ *Agency Fund*—The agency fund is used to account for assets held by the Town as an agent for individuals, other governments, or other funds. The agency fund is custodial in nature and does not involve measurement of results of operations.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. These balances are reported in fund financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out.

### ***Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The Agency Fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

### ***Budgetary Information***

***Budget and Budgetary Accounting***—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Highway Fund, Street Lighting District Fund, Garbage and Refuse District Fund, and Water District Fund.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations require the approval of the Town Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. There were no outstanding encumbrances at December 31, 2013.

### ***Assets, Liabilities and Fund Balance***

***Cash, Cash Equivalents, and Investments***—Cash, cash equivalents, and investments include cash on hand, demand deposits, time deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash and have a maturity date within 90 days of the Town's original acquisition. The Town had no investments at December 31, 2013; however, when the Town does have investments they are recorded at fair value based on quoted market value.

***Prepaid Items***—Certain retirement payments reflect costs applicable to future accounting periods and are recorded as prepaid items.

***Fund Balance Flow Assumptions***—Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow

assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Fund Balance Policies***—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Town Board is the highest level of decision-making authority for the government that can, by Town Board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Board has by resolution authorized the Supervisor to assign fund balance. The Town Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

### ***Revenues and Expenditures***

***Property Taxes***—The Erie County Legislature prepares the levy in late December of each year and jointly bills the Erie County real property taxes. The Town does not levy real property taxes. Tax levies become a lien as of January 1 based on assessed property values as of that date.

The tax roll is returned to the Erie County Commissioner of Finance after May 1 at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies and remits the remainder of collected monies to the County. Thus, the Town is assured of receiving 100% of its tax levy. The County enforces all liens.

***Compensated Absences***—Certain Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Vacations and compensatory absences must be used by the end of the fiscal year in which they are earned. Employees may accumulate sick leave and are entitled to receive payment for unused sick leave in the event of termination or upon retirement.

The annual budgets of the operating funds provide funding for these benefits as they become payable. Since the payment of compensated absences is dependent on many factors, the timing of future payments is not readily determinable. However, management believes that sufficient resources will be available for the payment of compensated absences when such



payments become due. Management has not recorded the value of compensated absences within the fund statements.

***Other***

***Estimates***—The preparation of the financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and during the reported period. Actual results could differ from those estimates.

***Adoption of New Accounting Pronouncements***—During the year ended December 31, 2013, the Town implemented GASB Statements No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, and No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. GASB Statement No. 61 clarifies the manner in determining whether or not an organization should be included as a component unit, and GASB Statement No. 66 improves accounting and financial reporting for a governmental entity by resolving conflicting guidance that resulted from the issuance of Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB Statements No. 61 and 66 did not have a material impact on the Town’s financial position or results from operations.

***Future Impacts of Accounting Pronouncements***—The Town has not completed the process of evaluating the impact that will result from adopting No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*; No. 69, *Government Combinations and Disposals of Government Operations*; and No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* effective for the year ending December 31, 2014; and No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—and amendment of GASB Statement No. 68* effective for the year ended December 31, 2015. The Town is, therefore, unable to disclose the impact that adopting GASB Statements No. 67, 68, 69, 70 and 71 will have on its financial position and results of operations when such statements are adopted.

***Stewardship, Compliance and Accountability***

***Legal Compliance—Budgets***—The budget policies are as follows:

1. Prior to September 30<sup>th</sup>, the Town Supervisor files a “tentative” budget with the Town Clerk for the following fiscal year to commence on January 1<sup>st</sup>. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5<sup>th</sup>.
2. The full Town Board reviews the tentative budget and may adjust same before approving a “preliminary” budget and calling for a public hearing, which is generally held in October.
3. Following the public hearing, revisions may again be made by the Town Board before filing an adopted budget with Erie County by November 20<sup>th</sup>.

4. During the fiscal year, the Town Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for the departmental budgetary control. All budget amendments and budget transfers require Town Board approval.
5. Total expenditures for each object classification within a department may not legally exceed the total appropriations for that object classification.

During the year ended December 31, 2013 certain occurrences caused the Town's expenditures to exceed budgeted amounts. General Fund expenditures for transportation exceeded budgeted amounts by \$816 due to increased fuel costs incurred during the year. Street Lighting Fund expenditures for transportation exceeded budgeted amounts by \$1,238 due to higher than expected contractual costs related to street lighting services provided. Garbage and Refuse District expenditures for home and community services exceeded budgeted amounts by \$27,525 due to increased costs for the collection of garbage. Water District Fund expenditures for home and community services exceeded budgeted amounts by \$26,214 due to higher than expected source of water costs incurred.

## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Town's investment policies are governed by State statutes. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for all demand deposits and certificates of deposit in an amount equal to or greater than the amount of all deposits not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The detail of cash at December 31, 2013 is as follows:

	Governmental Funds	Fiduciary Fund	Total
Petty cash (uncollateralized)	\$ 300	\$ -	\$ 300
Deposits	<u>1,169,409</u>	<u>30,499</u>	<u>1,199,908</u>
Total	<u>\$ 1,169,709</u>	<u>\$ 30,499</u>	<u>\$ 1,200,208</u>

**Deposits**—All deposits are carried at fair value and are classified by custodial risk at December 31, 2013 as follows:

	Bank Balance	Carrying Balance
FDIC insured	\$ 283,702	\$ 283,702
Uninsured:		
Collateral held by pledging bank's agent in the Town's name	920,330	916,206
Total	<u>\$ 1,204,032</u>	<u>\$ 1,199,908</u>

**Custodial Credit Risk**—In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. For investments, this is the risk that, in the event of the failure of the counterparty, the Town would not be able to recover the value of its investments that are in possession of an outside party. By state statute all deposits in excess of FDIC insurance coverage must be collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

**Investments**—As of December 31, 2013, the Town had no investments.

### 3. ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

Major revenues accrued by the Town as of December 31, 2013:

**Accounts Receivable**—Represents amounts due from other Town departments (e.g. Town Justice, Town Clerk and Receiver of Taxes, etc.) who are acting as intermediary collecting agents, collecting various fines, fees and other charges which are remitted to the Town in accordance with State statute. Water fees and other miscellaneous items are also included. The Town's accounts receivable at December 31, 2013 are as shown below:

<b>General Fund:</b>		
Fines and forfeitures	\$ 1,757	
Town Clerk	740	
Franchise fees	28,711	
Miscellaneous	<u>516</u>	<u>\$ 31,724</u>
<b>Highway Fund:</b>		
Diesel charges		<u>\$ 1,453</u>
<b>Water Fund:</b>		
Water fees		<u>\$ 1,703</u>

**Due from Other Governments**—Represents amounts due from other units of government, such as Federal, New York State, County of Erie or other local governments. Amounts due the Town at December 31, 2013 are:

<b>General Fund:</b>	
Sales tax allocation - Erie County	<u>\$ 161,128</u>

#### 4. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at Town as of December 31, 2013, were as follows:

**General Fund:**

Salary and employee benefits	<u>\$ 12,360</u>
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#### 5. PENSION PLANS

**Plan Description**—The Town participates in the New York State and Local Employees’ Retirement System (“NYSERS”) and the Public Employees’ Group Life Insurance Plan (the “Systems”). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement 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 (the “NYSRSSL”). As set forth in the NYSRSSL, the Comptroller of the State of New York (the “Comptroller”) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

**Funding Policy**—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, and employees who joined on or after January 10, 2010 who generally contribute 3% of their salary for their entire length of service. Those joining after April 1, 2012 (Tier 6) are required to contribute three percent (3.0%) of their annual salary until March 31, 2013, after which the contribution percentage will be based on salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the New York State Local Retirement Systems fiscal year ending March 31.

The Town is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	<u>ERS</u>
2013 \$	87,576
2012	67,117
2011	62,396

Legislation requires participating employers to make payments on a current basis. The Town’s contributions made to the Systems were equal to 100 percent of the contributions required for each year, and has not bonded or amortized any of the excess amounts.

## 6. RISK MANAGEMENT

The Town is exposed to various risks of loss related to damage and destruction of assets, vehicle liability, and injuries to employees, health insurance and unemployment insurance. These risks are covered by commercial insurance purchased from independent third parties. There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have exceeded commercial insurance coverage in the past three fiscal years.

## 7. LONG-TERM DEBT

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts of debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The Town's outstanding long-term debt include bonds payable and compensated absences. The bonds payable of the Town are secured by its general credit and revenue raising powers, as per State statute.

**Summary of Changes in Long-Term Debt**—The following is a summary of changes in long-term debt for the year ended December 31, 2013:

	Balance January 1, 2013	Additions	Payments	Balance December 31, 2013	Due Within One Year
Bonds payable	\$ 2,333,631	\$ -	\$ 94,156	\$ 2,239,475	\$ 97,368
Compensated absences	2,372	155	-	2,527	126
Total	<u>\$ 2,336,003</u>	<u>\$ 155</u>	<u>\$ 94,156</u>	<u>\$ 2,242,002</u>	<u>\$ 97,494</u>

**Bonds Payable**—In 2006, the Town issued New York State Environmental Facilities Corporation Drinking Water Facility Statutory Installment Bonds to provide funds for the creation of Water District No. 1. These bonds are zero-interest rate bonds and are a direct obligation and pledge of the full faith and credit of the government. The bonds were issued as installment bonds with equal amounts of principal payments each year for 30 years. The Town is permitted to make supplemental principal payments on the debt and, during prior years, the Town made additional principal payments of \$207,529.

The annual requirements to amortize all bonded debt outstanding as of December 31, 2013 are as follows:

Year Ending December 31,	Principal
2014	\$ 97,368
2015	97,368
2016	97,368
2017	97,368
2018	97,368
2019-2023	486,840
2024-2028	486,840
2029-2033	486,840
2034-2036	292,115
Total	<u>\$ 2,239,475</u>

A summary of additions and payments of serial bonds for the year ended December 31, 2013 follows:

	Interest Rate	Maturity	Balance January 1, 2013	Additions	Payments	Balance December 31, 2013
General Fund:						
Water District No. 1	0.00%	2036	\$ 2,333,631	\$ -	\$ 94,156	\$ 2,239,475
Total			<u>\$ 2,333,631</u>	<u>\$ -</u>	<u>\$ 94,156</u>	<u>\$ 2,239,475</u>

**Compensated Absences**—As explained in Note 1, the Town records the value of compensated absences. While total compensated absences are \$2,527, management estimates that \$126 will be due within one year. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable.

## 8. FUND BALANCES

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by Town at December 31, 2013 includes:

*Prepaid items*—represents the portion of fund balance composed of prepaid assets. This balance is nonspendable as the asset does not represent an available resource.

In the fund financial statements, restricted fund balances have constraints placed on the use of resources and are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Town reported no restrictions of fund balance at December 31, 2013.

In the fund financial statements, committed fund balances are subject to a purpose constraint imposed by a formal action of the Town Board. The Town reported commitments of fund balance at December 31, 2013.

In the fund financial statements, assignments are not legally required segregations, but are segregated for specific purpose by the Town at December 31, 2013 and include the following:

*Assigned to subsequent year's expenditures*—Represents available fund balance being appropriated to meet expenditure requirements in the 2014 fiscal year.

*Assigned to highway*—Represents remaining fund balance of the special revenue fund used to maintain Town roads.

*Assigned to street lighting*—Represents remaining fund balance of the special revenue fund used to maintain street lighting districts.

*Assigned to garbage and refuse*—Represents remaining fund balance of the special revenue fund used to provide garbage and refuse services to the Town.

Unassigned fund balance represents the residual classification of the government's General Fund surplus.

**9. INTERFUND BALANCES AND ACTIVITY**

Interfund balances of the Town at December 31, 2013 consisted of the following:

Fund	Interfund Receivables	Interfund Payables
General	\$ -	\$ 27,597
Highway	27,597	-
Total	<u>\$ 27,597</u>	<u>\$ 27,597</u>

The Town made the following operating transfers during 2013:

Fund	Transfers	
	In	Out
General	\$ -	\$ 100,000
Highway	100,000	-
Total	<u>\$ 100,000</u>	<u>\$ 100,000</u>

During the year, transfers are used to move General Fund resources to provide annual budgeted revenues to the Highway Fund in addition to transfers approved by Board resolution.

## 10. AGENCY FUND

An agency fund exists for employee withholding and temporary deposit funds. The following is a summary of balances in the assets and liabilities for the year ended December 31, 2013:

	Balance 1/1/2013	Additions	Deductions	Balance 12/31/2013
Assets:				
Cash	\$ 8,262	\$ 22,237	\$ -	\$ 30,499
Due from other funds	4,847	-	4,847	-
Total assets	<u>\$ 13,109</u>	<u>\$ 22,237</u>	<u>\$ 4,847</u>	<u>\$ 30,499</u>
Liabilities:				
Due to other funds	\$ -	\$ -	\$ 22,250	22,250
Other agency liabilities	13,109	4,860	-	8,249
Total liabilities	<u>\$ 13,109</u>	<u>\$ 4,860</u>	<u>\$ 22,250</u>	<u>\$ 30,499</u>

## 11. LABOR RELATIONS

Town employees were not represented by bargaining units for the year ended December 31, 2013.

## 12. CONTINGENCIES

**Grants**—In the normal course of operations, the Town receives grant funds from State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of any expenditure that may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

**Other**—The Town is involved in litigation arising in the ordinary course of its operations. The Town believes that its ultimate liability, if any, in connection with these matters will not have a material effect the Town's financial condition or results of operations.

## 13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 29, 2014, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.



## REQUIRED SUPPLEMENTARY INFORMATION



**TOWN OF COLDEN, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—General Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUE</b>				
Non-property tax items	\$ 505,000	\$ 505,000	\$ 624,482	\$ 119,482
Departmental income	16,375	16,375	14,336	(2,039)
Use of money and property	7,500	7,500	1,294	(6,206)
Sale of property and compensation for loss	200	200	-	(200)
Licenses and permits	5,420	5,420	8,684	3,264
Fines and forfeitures	21,800	21,800	28,108	6,308
Interest and penalties	6,000	6,000	4,868	(1,132)
Miscellaneous	-	-	6,779	6,779
State aid	84,700	84,700	110,119	25,419
Total revenues	<u>646,995</u>	<u>646,995</u>	<u>798,670</u>	<u>151,675</u>
<b>EXPENDITURES</b>				
Current:				
General government support	399,181	395,915	357,916	37,999
Public safety	29,354	29,932	28,033	1,899
Health	491	491	491	-
Transportation	79,841	79,841	80,657	(816)
Economic assistance and opportunity	6,750	6,750	2,308	4,442
Culture and recreation	89,658	89,658	69,486	20,172
Home and community services	5,138	5,167	1,529	3,638
Employee benefits	121,767	126,460	103,947	22,513
Total expenditures	<u>732,180</u>	<u>734,214</u>	<u>644,367</u>	<u>89,847</u>
Excess (deficiency) of revenues over expenditures	<u>(85,185)</u>	<u>(87,219)</u>	<u>154,303</u>	<u>241,522</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing uses	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balances	(185,185)	(187,219)	54,303	241,522
Fund balances—beginning	<u>1,054,504</u>	<u>1,054,504</u>	<u>1,054,504</u>	<u>-</u>
Fund balances—ending	<u>\$ 869,319</u>	<u>\$ 867,285</u>	<u>\$ 1,108,807</u>	<u>\$ 241,522</u>

\*The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

**TOWN OF COLDEN, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—Highway Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUE</b>				
Real property taxes	\$ 490,853	\$ 490,853	\$ 490,853	\$ -
Departmental income	-	-	396	396
Intergovernmental charges	25,000	31,824	6,771	(25,053)
Use of money and property	800	800	630	(170)
Sale of property and compensation for loss	1,500	1,500	8,184	6,684
State aid	<u>38,000</u>	<u>38,000</u>	<u>64,639</u>	<u>26,639</u>
Total revenues	<u>556,153</u>	<u>562,977</u>	<u>571,473</u>	<u>8,496</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	592,035	598,472	549,103	49,369
Employee benefits	<u>114,118</u>	<u>113,355</u>	<u>100,340</u>	<u>13,015</u>
Total expenditures	<u>706,153</u>	<u>711,827</u>	<u>649,443</u>	<u>62,384</u>
Excess (deficiency) of revenues over expenditures	<u>(150,000)</u>	<u>(148,850)</u>	<u>(77,970)</u>	<u>(53,888)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances*	(50,000)	(48,850)	22,030	(53,888)
Fund balances—beginning	<u>133,230</u>	<u>133,230</u>	<u>133,230</u>	<u>-</u>
Fund balances—ending	<u>\$ 83,230</u>	<u>\$ 84,380</u>	<u>\$ 155,260</u>	<u>\$ 70,880</u>

\*The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

**TOWN OF COLDEN, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)—**  
**Budget and Actual—Street Lighting District Fund**  
**Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUES</b>				
Real property taxes	\$ 25,875	\$ 25,875	\$ 25,875	\$ -
Use of money and property	125	125	50	(75)
Total revenues	<u>26,000</u>	<u>26,000</u>	<u>25,925</u>	<u>(75)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>26,000</u>	<u>26,000</u>	<u>27,238</u>	<u>(1,238)</u>
Total expenditures	<u>26,000</u>	<u>26,000</u>	<u>27,238</u>	<u>(1,238)</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,313)	(1,313)
Fund balances—beginning	<u>2,580</u>	<u>2,580</u>	<u>2,580</u>	<u>-</u>
Fund balances—ending	<u>\$ 2,580</u>	<u>\$ 2,580</u>	<u>\$ 1,267</u>	<u>\$ (1,313)</u>

**TOWN OF COLDEN, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—Garbage and Refuse Fund**  
**Year Ended December 31, 2013**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUE</b>				
Real property taxes	\$ 201,601	\$ 201,601	\$ 201,601	\$ -
Departmental income	100	100	176	76
Use of money and property	<u>200</u>	<u>200</u>	<u>531</u>	<u>331</u>
Total revenues	<u>201,901</u>	<u>201,901</u>	<u>202,308</u>	<u>407</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	<u>201,901</u>	<u>201,901</u>	<u>229,426</u>	<u>(27,525)</u>
Total expenditures	<u>201,901</u>	<u>201,901</u>	<u>229,426</u>	<u>(27,525)</u>
Excess (deficiency) of revenues over expenditures	-	-	(27,118)	(27,118)
Fund balances—beginning	<u>31,486</u>	<u>31,486</u>	<u>31,486</u>	<u>-</u>
Fund balances—ending	<u>\$ 31,486</u>	<u>\$ 31,486</u>	<u>\$ 4,368</u>	<u>\$ (27,118)</u>

**Schedule of Revenues, Expenditures and Changes in Fund Balances—  
Budget and Actual—Water District Fund  
Year Ended December 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUE</b>				
Real property taxes	\$ 109,957	\$ 109,957	\$ 109,957	\$ -
Departmental income	66,300	66,300	70,939	4,639
Use of money and property	500	500	318	(182)
Total revenues	<u>176,757</u>	<u>176,757</u>	<u>181,214</u>	<u>4,457</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	96,138	96,138	122,352	(26,214)
Debt service:				
Principal	<u>101,647</u>	<u>101,647</u>	<u>94,156</u>	<u>7,491</u>
Total expenditures	<u>197,785</u>	<u>197,785</u>	<u>216,508</u>	<u>(18,723)</u>
Excess (deficiency) of revenues over expenditures*	<u>(21,028)</u>	<u>(21,028)</u>	<u>(35,294)</u>	<u>(14,266)</u>
Fund balances—beginning	<u>37,304</u>	<u>37,304</u>	<u>37,304</u>	<u>-</u>
Fund balances—ending	<u>\$ 37,304</u>	<u>\$ 37,304</u>	<u>\$ 2,010</u>	<u>\$ (35,294)</u>

\*The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

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