

**VILLAGE OF WELLSVILLE, NEW YORK  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MAY 31, 2006**

**VILLAGE OF WELLSVILLE, NEW YORK**

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**SECTION A**  
**FINANCIAL SECTION**



**Independent Auditor's Report**

To the Honorable Members of the Village Board  
Village of Wellsville, New York

We have audited the financial statements of the Village of Wellsville, New York (the Village) as of and for the year ended May 31, 2006, as listed in the accompanying table of contents. These financial statements are the responsibility of the management of the Village of Wellsville, New York. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraphs, 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 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 opinion.

As described in Note 1, the Village prepared these financial statements using accounting practices prescribed by New York State to demonstrate compliance with the State's regulatory basis of accounting and budget laws, which differs from accounting principles generally accepted in the United States of America. The differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America are also described in Note 1.

We were unable to obtain and audit financial information supporting the financial activities of the Special Grant Fund, nor were we able to satisfy ourselves as to those financial activities by other auditing procedures.

Management has elected to exclude the General Fixed Assets Account Group from the financial statements. The New York State regulatory basis of accounting requires that the General Fixed Assets Account Group be included in the financial statements. As a result, the amount by which this departure would affect the assets and liabilities of the Village's activities is not reasonably determinable. Also, as a result, the financial statements do not purport to, and do not, present fairly the financial position of the General Fixed Asset Account Group of the Village of Wellsville, as of May 31, 2006, in conformity with the basis of accounting described in Note 1.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to apply adequate procedures related to the Special Grant Fund and for the effects of not reporting the General Fixed Assets Account Group as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Village of Wellsville as of May 31, 2006, and its revenues and expenditures, and budgetary results for the year then ended, on the basis of accounting described in Note. 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 24, 2007, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Freed Maxick & Battaglia, CPAs, PC*

Batavia, New York  
May 24, 2007



All Numbers in This Report  
Have Been Rounded To  
The Nearest Dollar

ANNUAL FINANCIAL REPORT  
UPDATE DOCUMENT  
For The  
VILLAGE of Wellsville  
County of Allegany  
For the Fiscal Year Ended 05/31/2006

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AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. \*\*\*Every Municipal Corporation \*\*\* shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation \*\*\*
  
5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller within sixty days after the close of the fiscal year of such Municipal Corporation \*\*\* It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report \*\*\*

State of NEW YORK  
Office of The State Comptroller  
Division of Local Government Services and Economic Development  
Albany, New York 12236

VILLAGE OF Wellsville

\*\*\* FINANCIAL SECTION \*\*\*

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2005 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2006:

- (A) GENERAL
- (CD) SPECIAL GRANT
- (CL) REFUSE AND GARBAGE
- (EE) ENTERPRISE UTILITY
- (EL) ENTERPRISE REFUSE/GARBAGE
- (FX) WATER
- (G) SEWER
- (H) CAPITAL PROJECTS
- (K) NON-CURRENT GOV ASSETS
- (PN) PERMANENT
- (TA) AGENCY
- (W) NON-CURRENT GOV LIABILITY

All amounts included in this update document for 2005 represent data filed by your government with OSC as reviewed and adjusted where necessary.

\*\*\* SUPPLEMENTAL SECTION \*\*\*

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Securities for Collateralization
- 3) Schedule of Time Deposits and Investments
- 4) Investment Certification
- 5) Bank Reconciliation
- 6) Local Government Questionnaire

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

VILLAGE OF Wellsville  
Annual Update Document  
For the Fiscal Year Ending 2006

(A) GENERAL

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Assets</b>			
Cash	1,337,919	A200	831,131
Petty Cash	1,250	A210	1,250
<b>TOTAL Cash</b>	<b>1,339,169</b>		<b>832,381</b>
Tax Sale Certificates	1,438	A320	1,438
<b>TOTAL Taxes Receivable (net)</b>	<b>1,438</b>		<b>1,438</b>
Accounts Receivable	28,223	A380	
Accrued Interest Receivable	14,499	A381	
<b>TOTAL Other Receivables (net)</b>	<b>42,722</b>		<b>0</b>
Due From Other Funds		A391	22,804
<b>TOTAL Due From Other Funds</b>	<b>0</b>		<b>22,804</b>
Due From Other Governments	771	A440	
<b>TOTAL Due From Other Governments</b>	<b>771</b>		<b>0</b>
Cash, Special Reserves		A230	254,145
Cash In Time Deposits, Spec Res		A231	18,532
<b>TOTAL Restricted Assets</b>	<b>0</b>		<b>272,677</b>
<b>TOTAL Assets</b>	<b>1,384,100</b>		<b>1,129,300</b>

VILLAGE OF Wellsville  
Annual Update Document  
For the Fiscal Year Ending 2006

(A) GENERAL

Balance Sheet

Code Description	2005	Edp Code	2006
<b>Liabilities And Fund Equity</b>			
Accounts Payable	314,501	A600	26,490
<b>TOTAL Accounts Payable</b>	<b>314,501</b>		<b>26,490</b>
Accrued Liabilities		A601	22,804
<b>TOTAL Accrued Liabilities</b>	<b>0</b>		<b>22,804</b>
Overpayments & Clearing Account	13,111	A690	5,185
<b>TOTAL Other Liabilities</b>	<b>13,111</b>		<b>5,185</b>
Due To Other Funds	104,501	A630	167,244
<b>TOTAL Due To Other Funds</b>	<b>104,501</b>		<b>167,244</b>
Deferred Tax Revenues	1,438	A694	1,438
<b>TOTAL Deferred Revenues</b>	<b>1,438</b>		<b>1,438</b>
<b>TOTAL Liabilities</b>	<b>433,551</b>		<b>223,161</b>
Insurance Reserve	39,779	A863	39,162
Capital Reserve		A878	214,983
Reserve For Repairs	509,707	A882	18,532
<b>TOTAL Special Reserves</b>	<b>549,486</b>		<b>272,677</b>
Unreserved Fund Balance Appropriated	401,063	A910	109,484
<b>TOTAL Unreserved Fund Balance - Appropriated</b>	<b>401,063</b>		<b>109,484</b>
Unreserved Fund Balance Unappropriated		A911	523,978
<b>TOTAL Unreserved Fund Balance - Unappropriated</b>	<b>0</b>		<b>523,978</b>
<b>TOTAL Fund Equity</b>	<b>950,549</b>		<b>906,139</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>1,384,100</b>		<b>1,129,300</b>

VILLAGE OF Wellsville  
Annual Update Document  
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	Edp Code	2006
<b>Detail Revenues And Other Sources</b>			
Real Property Taxes	2,382,691	A1001	2,295,220
<b>TOTAL Real Property Taxes</b>	<b>2,382,691</b>		<b>2,295,220</b>
Other Payments In Lieu of Taxes	23,072	A1081	19,680
Interest & Penalties On Real Prop Taxes	24,445	A1090	29,785
<b>TOTAL Real Property Tax Items</b>	<b>47,517</b>		<b>49,465</b>
Utilities Gross Receipts Tax	27,316	A1130	33,323
Franchises	54,385	A1170	54,416
<b>TOTAL Non Property Tax Items</b>	<b>81,701</b>		<b>87,739</b>
Treasurer Fees	1,534	A1230	1,588
Police Fees	4,066	A1520	5,569
Safety Inspection Fees	7,305	A1560	8,178
Other Public Safety Departmental Income	19,720	A1589	11,641
Vital Statistics Fees	16,163	A1603	12,075
Public Works Charges	3,239	A1710	7,144
Parking Meter Fees Non-Taxable	26,611	A1741	23,406
Refuse & Garbage Charges	480	A2130	2,112
<b>TOTAL Departmental Income</b>	<b>79,118</b>		<b>71,713</b>
Fire Protection Services Other Govts	81,035	A2262	82,700
Refuse & Garbage Serv Other Govts	632	A2376	27,361
Misc Revenue, Other Govts	2,909	A2389	
Share of Joint Activity, Other Govts		A2390	186,885
<b>TOTAL Intergovernmental Charges</b>	<b>84,576</b>		<b>296,946</b>
Interest And Earnings	16,730	A2401	15,060
Rental of Real Property	2,276	A2410	
Commissions	8,148	A2450	7,419
<b>TOTAL Use of Money And Property</b>	<b>27,154</b>		<b>22,479</b>
Business & Occupational License	280	A2501	652
Games of Chance	110	A2530	50
Bingo Licenses	60	A2540	506
Permits, Other	4,870	A2590	5,170
<b>TOTAL Licenses And Permits</b>	<b>5,320</b>		<b>6,378</b>
Fines And Forfeited Bail	54,826	A2610	67,519
<b>TOTAL Fines And Forfeitures</b>	<b>54,826</b>		<b>67,519</b>
Sales of Equipment	7	A2665	11
Insurance Recoveries	4,078	A2680	949
<b>TOTAL Sale of Property And Compensation For Loss</b>	<b>4,085</b>		<b>960</b>
Refunds of Prior Year's Expenditures		A2701	257,434
Gifts And Donations	49,353	A2705	53,629
Unclassified (specify)	361	A2770	1,958
<b>TOTAL Miscellaneous Local Sources</b>	<b>49,714</b>		<b>313,021</b>
Interfund Revenues		A2801	12,900
<b>TOTAL Interfund Revenues</b>	<b>0</b>		<b>12,900</b>
St Aid, Revenue Sharing	103,388	A3001	107,890
St Aid, Mortgage Tax	27,414	A3005	9,952
St Aid, Consolidated Highway Aid	142,111	A3501	73,494

VILLAGE OF Wellsville  
Annual Update Document  
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Revenues And Other Sources</b>			
St Aid, Other Home And Comm Serv		A3989	26,431
<b>TOTAL State Aid</b>	<b>272,913</b>		<b>217,767</b>
<b>TOTAL Revenues</b>	<b>3,089,615</b>		<b>3,442,107</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>3,089,615</b>		<b>3,442,107</b>

VILLAGE OF Wellsville  
Annual Update Document  
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Expenditures And Other Uses</b>			
Legislative Board, Pers Serv	12,000	A10101	12,000
Legislative Board, Contr Expend	35,021	A10104	31,669
<b>TOTAL Legislative Board</b>	<b>47,021</b>		<b>43,669</b>
Municipal Court, Pers Serv	21,790	A11101	20,997
Municipal Court, Equip & Cap Outlay	2,081	A11102	
Municipal Court, Contr Expend	2,146	A11104	2,482
<b>TOTAL Municipal Court</b>	<b>28,017</b>		<b>23,479</b>
Mayor, Pers Serv	9,500	A12101	9,500
Mayor, Equip & Cap Outlay		A12102	
Mayor, Contr Expend	2,045	A12104	1,532
<b>TOTAL Mayor</b>	<b>11,545</b>		<b>11,032</b>
Treasurer, Pers Serv	38,310	A13251	42,715
Treasurer, Equip & Cap Outlay		A13252	
Treasurer, Contr Expend	13,617	A13254	19,259
<b>TOTAL Treasurer</b>	<b>51,927</b>		<b>61,974</b>
Tax Advertising, Contr Expend	3,844	A13624	3,512
<b>TOTAL Tax Advertising</b>	<b>3,844</b>		<b>3,512</b>
Law, Pers Serv	21,323	A14201	20,904
Law, Contr Expend	185	A14204	296
<b>TOTAL Law</b>	<b>21,508</b>		<b>21,200</b>
Personnel, Contr Expend	1,743	A14304	1,650
<b>TOTAL Personnel</b>	<b>1,743</b>		<b>1,650</b>
Engineer, Pers Serv	17,672	A14401	10,723
Engineer, Contr Expend	1,187	A14404	4,262
<b>TOTAL Engineer</b>	<b>18,859</b>		<b>14,985</b>
Elections, Contr Expend		A14504	724
<b>TOTAL Elections</b>	<b>0</b>		<b>724</b>
Public Works Admin, Pers Serv	33,816	A14901	43,682
Public Works Admin, Equip & Cap Outlay	145	A14902	1,244
Public Works Admin, Contr Expend	9,192	A14904	5,680
<b>TOTAL Public Works Admin</b>	<b>43,153</b>		<b>50,606</b>
Buildings, Pers Serv	14,044	A16201	9,009
Buildings, Equip & Cap Outlay	20,934	A16202	5,890
Buildings, Contr Expend	10,645	A16204	5,405
<b>TOTAL Buildings</b>	<b>45,623</b>		<b>20,304</b>
Central Garage, Pers Serv	8,818	A16401	5,565
Central Garage, Equip & Cap Outlay	4,000	A16402	
Central Garage, Contr Expend	11,937	A16404	12,938
<b>TOTAL Central Garage</b>	<b>24,755</b>		<b>18,503</b>
Central Print & Mail, contr Expend	3,445	A16704	9,196
<b>TOTAL Central Print &amp; Mail</b>	<b>3,445</b>		<b>9,196</b>
Central Data Process & Cap Outlay	1,033	A16802	
Central Data Process, Contr Expend	8,876	A16804	4,263
<b>TOTAL Central Data Process</b>	<b>9,909</b>		<b>4,263</b>

VILLAGE OF Wellsville  
Annual Update Document  
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Expenditures And Other Uses</b>			
Unallocated Insurance, Contr Expend	65,668	A19104	69,419
<b>TOTAL Unallocated Insurance</b>	<b>65,668</b>		<b>69,419</b>
Municipal Assn Dues, Contr Expend	2,444	A19204	3,001
<b>TOTAL Municipal Assn Dues</b>	<b>2,444</b>		<b>3,001</b>
Judgements And Claims, Contr Expend		A19304	2,676
<b>TOTAL Judgements And Claims</b>	<b>0</b>		<b>2,676</b>
Taxes & Assess On Munic Prop, Contr Expend		A19504	4,614
<b>TOTAL Taxes &amp; Assess On Munic Prop</b>	<b>0</b>		<b>4,614</b>
Other Gen Govt Support, Contr Expend	12,025	A19894	12,025
<b>TOTAL Other Gen Govt Support</b>	<b>12,025</b>		<b>12,025</b>
<b>TOTAL General Government Support</b>	<b>389,486</b>		<b>376,832</b>
Police, Pers Serv	877,459	A31201	819,737
Police, Equip & Cap Outlay	4,826	A31202	37,757
Police, Contr Expend	62,714	A31204	59,343
<b>TOTAL Police</b>	<b>944,999</b>		<b>916,837</b>
Jail, Pers Serv	12,837	A31501	13,198
Jail, Contr Expend	10,444	A31504	9,624
<b>TOTAL Jail</b>	<b>23,281</b>		<b>22,822</b>
Other Traffic, Pers Serv	2,728	A31891	1,389
Other Traffic, Contr Expend	43	A31894	48
<b>TOTAL Other Traffic</b>	<b>2,771</b>		<b>1,437</b>
Traffic Control, Pers Serv	2,777	A33101	4,197
Traffic Control, Contr Expen	3,911	A33104	3,172
<b>TOTAL Traffic Control</b>	<b>6,688</b>		<b>7,369</b>
On-Street Parking, Pers Serv	471	A33201	931
On-Street Parking, Contr Expend	10,984	A33204	10,850
<b>TOTAL On-Street Parking</b>	<b>11,455</b>		<b>11,781</b>
Fire, Pers Serv	3,822	A34101	3,266
Fire, Equip & Cap Outlay	2,445	A34102	1,732
Fire, Contr Expend	186,986	A34104	183,682
<b>TOTAL Fire</b>	<b>193,253</b>		<b>188,680</b>
Safety Inspection, Pers Serv	36,561	A36201	35,685
Safety Inspection, Equip & Cap Outlay	278	A36202	
Safety Inspection, Contr Expend	4,753	A36204	5,372
<b>TOTAL Safety Inspection</b>	<b>41,592</b>		<b>41,057</b>
Demo of Unsafe Buildings, Contr Expend	14,000	A36504	28,000
<b>TOTAL Demo of Unsafe Buildings</b>	<b>14,000</b>		<b>28,000</b>
<b>TOTAL Public Safety</b>	<b>1,238,039</b>		<b>1,217,983</b>
Registrar of Vital Stat Contr Expend	937	A40204	392
<b>TOTAL Registrar of Vital Stat Contr Expend</b>	<b>937</b>		<b>392</b>
Other Public Health, Contr Expend	356	A41894	77
<b>TOTAL Other Public Health</b>	<b>356</b>		<b>77</b>
<b>TOTAL Health</b>	<b>1,293</b>		<b>469</b>
Street Admin, Pers Serv	14,764	A50101	33

VILLAGE OF Wellsville  
Annual Update Document  
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Expenditures And Other Uses</b>			
Street Admin, Contr Expend	3,398	A50104	2,974
<b>TOTAL Street Admin</b>	<b>18,162</b>		<b>3,007</b>
Maint of Streets, Pers Serv	80,249	A51101	92,749
Maint of Streets, Equip & Cap Outlay	1,042	A51102	1,148
Maint of Streets, Contr Expend	160,374	A51104	183,243
<b>TOTAL Maint of Streets</b>	<b>241,665</b>		<b>277,140</b>
Perm Improve Highway, Equip & Cap Outlay	69,458	A51122	69,458
<b>TOTAL Perm Improve Highway</b>	<b>69,458</b>		<b>69,458</b>
Garage, Pers Serv	66,451	A51321	70,249
Garage, Equip & Cap Outlay	126,896	A51322	72,940
Garage, Contr Expend	65,145	A51324	83,549
<b>TOTAL Garage</b>	<b>258,492</b>		<b>226,738</b>
Snow Removal, Pers Serv	20,869	A51421	14,817
Snow Removal, Contr Expend	19,818	A51424	20,924
<b>TOTAL Snow Removal</b>	<b>40,687</b>		<b>35,741</b>
Sidewalks, Pers Serv	450	A54101	
Sidewalks, Contr Expend	796	A54104	4,431
<b>TOTAL Sidewalks</b>	<b>1,246</b>		<b>4,431</b>
Off-Street Parking, Contr Expend	7,337	A56504	707
<b>TOTAL Off-Street Parking</b>	<b>7,337</b>		<b>707</b>
Other Transportation, Contr Expend		A59894	231,188
<b>TOTAL Other Transportation</b>	<b>0</b>		<b>231,188</b>
<b>TOTAL Transportation</b>	<b>637,047</b>		<b>848,410</b>
Publicity, Contr Expend		A64104	
<b>TOTAL Publicity</b>	<b>0</b>		<b>0</b>
Other Eco & Dev, Contr Expend		A69894	
<b>TOTAL Other Eco &amp; Dev</b>	<b>0</b>		<b>0</b>
<b>TOTAL Economic Assistance And Opportunity</b>	<b>0</b>		<b>0</b>
Parks, Contr Expend	6,660	A71104	
<b>TOTAL Parks</b>	<b>6,660</b>		<b>0</b>
Celebrations, Contr Expend		A75504	
<b>TOTAL Celebrations</b>	<b>0</b>		<b>0</b>
<b>TOTAL Culture And Recreation</b>	<b>6,660</b>		<b>0</b>
Zoning, Pers Serv	6,029	A80101	5,035
Zoning, Contr Expend	402	A80104	172
<b>TOTAL Zoning</b>	<b>6,431</b>		<b>5,207</b>
Planning, Pers Serv		A80201	
Planning, Contr Expend	150	A80204	335
<b>TOTAL Planning</b>	<b>150</b>		<b>335</b>
Storm Sewers, Pers Serv	5,977	A81401	12,806
Storm Sewers, Contr Expend	7,854	A81404	4,512
<b>TOTAL Storm Sewers</b>	<b>13,831</b>		<b>17,318</b>
Refuse & Garbage, Pers Serv	107,928	A81601	55,279
Refuse & Garbage, Contr Expend	67,467	A81604	68,616
<b>TOTAL Refuse &amp; Garbage</b>	<b>175,395</b>		<b>123,895</b>

VILLAGE OF Wellsville  
Annual Update Document  
For the Fiscal Year Ending 2006

(A) GENERAL

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Expenditures And Other Uses</b>			
Street Cleaning, Pers Serv	20,568	A81701	18,066
Street Cleaning, Contr Expend	2,707	A81704	3,666
<b>TOTAL Street Cleaning</b>	<b>23,275</b>		<b>21,732</b>
Drainage, Contr Expend	222	A85404	13,600
<b>TOTAL Drainage</b>	<b>222</b>		<b>13,600</b>
Shade Tree, Pers Serv	8,076	A85601	11,541
Shade Tree, Contr Expend	12,535	A85604	13,585
<b>TOTAL Shade Tree</b>	<b>20,611</b>		<b>25,126</b>
Flood & Erosion Control, Pers Serv		A87451	
Flood & Erosion Control, Contr Expend	23,847	A87454	76,160
<b>TOTAL Flood &amp; Erosion Control</b>	<b>23,847</b>		<b>76,160</b>
<b>TOTAL Home And Community Services</b>	<b>263,762</b>		<b>283,373</b>
State Retirement System	88,933	A90108	84,530
Police & Firemen Retirement, Empl Bnfts	79,000	A90158	134,186
Local Pension Fund, Empl Bnfts	80,000	A90258	5,000
Social Security, Employer Cont	120,854	A90308	95,929
Worker's Compensation, Empl Bnfts	26,354	A90408	19,212
Unemployment Insurance, Empl Bnfts	2,125	A90508	
Disability Insurance, Empl Bnfts	2,428	A90558	1,236
Hospital & Medical (dental) Ins, Empl Bnft	234,472	A90608	206,823
<b>TOTAL Employee Benefits</b>	<b>634,166</b>		<b>546,916</b>
Debt Principal, Bond Anticipation Notes		A97306	113,750
<b>TOTAL Debt Principal</b>	<b>0</b>		<b>113,750</b>
Debt Interest, Bond Anticipation Notes		A97307	15,777
<b>TOTAL Debt Interest</b>	<b>0</b>		<b>15,777</b>
<b>TOTAL Expenditures</b>	<b>3,170,453</b>		<b>3,403,510</b>
Transfers, Other Funds		A99019	167,216
<b>TOTAL Operating Transfers</b>	<b>0</b>		<b>167,216</b>
<b>TOTAL Other Uses</b>	<b>0</b>		<b>167,216</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>3,170,453</b>		<b>3,570,726</b>

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(A) GENERAL

Changes in Fund Equity

Code Description	2005	EdpCode	2006
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
Fund Equity-Beginning of Year	1,030,666	A8021	950,551
Prior Period Adj-Increase To Fund Equity	723	A8012	84,207
Prior Period Adj - Decrease In Fund Equity		A8015	
Restated Fund Equity - Beg of Year	1,031,389	A8022	1,034,758
ADD - REVENUES AND OTHER SOURCES	3,089,615		3,442,107
DEDUCT - EXPENDITURES AND OTHER USES	3,170,453		3,570,726
Fund Equity-End of Year	950,551	A8029	906,139

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(A) GENERAL

Budget Summary

Code Description	2006	Edp Code	2007
<b>Estimated Revenues And Other Sources</b>			
Est Rev - Real Property Taxes	2,295,220	A1049N	2,252,148
Est Rev - Real Property Tax Items	58,760	A1099N	49,960
Est Rev - Non Property Tax Items	76,000	A1199N	79,000
Est Rev - Departmental Income	78,578	A1299N	74,290
Est Rev - Intergovernmental Charges	106,401	A2399N	102,150
Est Rev - Use of Money And Property	21,500	A2499N	22,750
Est Rev - Licenses And Permits	6,460	A2599N	5,960
Est Rev - Fines And Forfeitures	37,000	A2649N	50,000
Est Rev - Sale of Prop And Comp For Loss	135	A2699N	145
Est Rev - Miscellaneous Local Sources	21,260	A2799N	20,860
Est Rev - Interfund Revenues	12,900	A2801N	12,900
Est Rev - State Aid	195,519	A3099N	215,476
<b>TOTAL Estimated Revenues</b>	<b>2,909,733</b>		<b>2,885,639</b>
Appropriated Fund Balance	225,000	A599N	109,484
<b>TOTAL Estimated Other Sources</b>	<b>225,000</b>		<b>109,484</b>
<b>TOTAL Estimated Revenues And Other Sources</b>	<b>3,134,733</b>		<b>2,995,123</b>

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(A) GENERAL

Budget Summary

Code Description	2006	Emp Code	2007
<b>Appropriations And Other Uses</b>			
App - General Government Support	429,095	A1999N	421,260
App - Public Safety	1,244,086	A3999N	1,211,436
App - Health	1,298	A4999N	1,053
App - Transportation	657,261	A5999N	653,609
App - Economic Assistance And Opportunity	20	A6999N	10
App - Culture And Recreation	2,520	A7999N	7,500
App - Home And Community Services	144,913	A8999N	145,875
App - Employee Benefits	551,790	A9199N	536,544
App - Debt Service	103,750	A9899N	17,836
<b>TOTAL Appropriations</b>	<b>3,134,733</b>		<b>2,995,123</b>
<b>TOTAL Appropriations And Other Uses</b>	<b>3,134,733</b>		<b>2,995,123</b>

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(CD) SPECIAL GRANT

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Assets</b>			
Cash	-3,245	CD200	4,895
<b>TOTAL Cash</b>	<b>-3,245</b>		<b>4,895</b>
Accrued Interest Receivable	19,500	CD381	
Rehabilitation Loan Receivable	609,634	CD390	621,117
<b>TOTAL Other Receivables (net)</b>	<b>629,134</b>		<b>621,117</b>
<b>TOTAL Assets</b>	<b>625,889</b>		<b>626,012</b>

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(CD) SPECIAL GRANT

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Liabilities And Fund Equity</b>			
Deferred Revenues	609,634	CD691	613,117
<b>TOTAL Deferred Revenues</b>	<b>609,634</b>		<b>613,117</b>
<b>TOTAL Liabilities</b>	<b>609,634</b>		<b>613,117</b>
Unreserved Fund Balance Appropriated	16,255	CD910	12,895
<b>TOTAL Unreserved Fund Balance - Appropriated</b>	<b>16,255</b>		<b>12,895</b>
<b>TOTAL Fund Equity</b>	<b>16,255</b>		<b>12,895</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>625,889</b>		<b>626,012</b>

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(CD) SPECIAL GRANT

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Revenues And Other Sources</b>			
Community Development Income	83,302	CD2170	86,018
<b>TOTAL Departmental Income</b>	<b>83,302</b>		<b>86,018</b>
Interest And Earnings	15,802	CD2401	13,622
<b>TOTAL Use of Money And Property</b>	<b>15,802</b>		<b>13,622</b>
<b>TOTAL Revenues</b>	<b>99,104</b>		<b>99,640</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>99,104</b>		<b>99,640</b>

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(CD) SPECIAL GRANT

Results of Operation

Code Description	2005	Edp Code	2006
<b>Detail Expenditures And Other Uses</b>			
Rehab Loans & Grant, Equip & Cap Outlay	76,700	CD86682	83,500
<b>TOTAL Rehab Loans &amp; Grant</b>	<b>76,700</b>		<b>83,500</b>
Administration, Contr Expend	27,517	CD86864	
<b>TOTAL Administration</b>	<b>27,517</b>		<b>0</b>
<b>TOTAL Home And Community Services</b>	<b>104,217</b>		<b>83,500</b>
<b>TOTAL Expenditures</b>	<b>104,217</b>		<b>83,500</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>104,217</b>		<b>83,500</b>

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(CD) SPECIAL GRANT

Changes in Fund Equity

Code Description	2005	EdpCode	2006
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
Fund Equity-Beginning of Year	21,368	CD8021	16,255
Prior Period Adj - Decrease In Fund Equity		CD8015	19,500
Restated Fund Equity - Beg of Year	21,368	CD8022	-3,245
ADD - REVENUES AND OTHER SOURCES	99,104		99,640
DEDUCT - EXPENDITURES AND OTHER USES	104,217		83,500
Fund Equity-End of Year	16,255	CD8029	12,895

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(CL) REFUSE AND GARBAGE

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Assets</b>			
Cash	4,467	CL200	24,889
<b>TOTAL Cash</b>	<b>4,467</b>		<b>24,889</b>
<b>TOTAL Assets</b>	<b>4,467</b>		<b>24,889</b>

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(CL) REFUSE AND GARBAGE

Balance Sheet

Code Description	2005	ExpCode	2005
<b>Liabilities And Fund Equity</b>			
Unreserved Fund Balance Appropriated	4,467	CL910	24,889
<b>TOTAL Unreserved Fund Balance - Appropriated</b>	<b>4,467</b>		<b>24,889</b>
<b>TOTAL Fund Equity</b>	<b>4,467</b>		<b>24,889</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>4,467</b>		<b>24,889</b>

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(CL) REFUSE AND GARBAGE

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Revenues And Other Sources</b>			
Interest And Earnings	96	CL2401	188
<b>TOTAL Use of Money And Property</b>	<b>96</b>		<b>188</b>
Unclassified (specify)		CL2770	110,996
<b>TOTAL Miscellaneous Local Sources</b>	<b>0</b>		<b>110,996</b>
<b>TOTAL Revenues</b>	<b>96</b>		<b>111,184</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>96</b>		<b>111,184</b>

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(CL) REFUSE AND GARBAGE

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Expenditures And Other Uses</b>			
Landfill Closure - Post Closure	129,111	CL81614	90,762
<b>TOTAL Landfill Closure - Post Closure</b>	<b>129,111</b>		<b>90,762</b>
<b>TOTAL Home And Community Services</b>	<b>129,111</b>		<b>90,762</b>
<b>TOTAL Expenditures</b>	<b>129,111</b>		<b>90,762</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>129,111</b>		<b>90,762</b>

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(CL) REFUSE AND GARBAGE

Changes in Fund Equity

Code Description	2005	EdpCode	2006
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
Fund Equity - Beginning of Year	133,482	CL8021	4,467
Restated Fund Equity - Beg of Year	133,482	CL8022	4,467
ADD - REVENUES AND OTHER SOURCES	96		111,184
DEDUCT - EXPENDITURES AND OTHER USES	129,111		90,762
Fund Equity - End of Year	4,467	CL8029	24,889

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(EE) ENTERPRISE UTILITY

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Assets</b>			
Cash	596,900	EE200	132,050
Petty Cash	200	EE210	200
Cash With Fiscal Agent	841	EE223	843
<b>TOTAL Cash</b>	<b>597,941</b>		<b>133,093</b>
Accounts Receivable	150,005	EE380	231,897
<b>TOTAL Other Receivables (net)</b>	<b>150,005</b>		<b>231,897</b>
Due From Other Funds	85,576	EE391	430,403
<b>TOTAL Due From Other Funds</b>	<b>85,576</b>		<b>430,403</b>
Inventory	196,583	EE445	136,042
<b>TOTAL Inventories</b>	<b>196,583</b>		<b>136,042</b>
Land	52,323	EE101	52,323
Buildings	330,695	EE102	330,695
Improvements Other Than Buildings	5,826,617	EE103	5,492,195
Accum Depr, Imp Other Than Bld	-2,939,195	EE113	-3,136,674
<b>TOTAL Fixed Assets (net)</b>	<b>3,270,440</b>		<b>2,738,539</b>
<b>TOTAL Assets</b>	<b>4,300,545</b>		<b>3,669,974</b>

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(EE) ENTERPRISE UTILITY

Balance Sheet

Code Description	2005	EmpCode	2006
<b>Liabilities And Fund Equity</b>			
Accounts Payable	25,485	EE600	101,538
<b>TOTAL Accounts Payable</b>	<b>25,485</b>		<b>101,538</b>
Accrued Liabilities		EE601	6,692
<b>TOTAL Accrued Liabilities</b>	<b>0</b>		<b>6,692</b>
Bond Anticipation Notes Payable		EE626	339,000
<b>TOTAL Notes Payable</b>	<b>0</b>		<b>339,000</b>
Compensated Absences	55,558	EE687	62,060
Other Liabilities	34,114	EE688	
<b>TOTAL Other Liabilities</b>	<b>89,672</b>		<b>62,060</b>
Bonds Payable	462,971	EE628	
<b>TOTAL Bond And Long Term Liabilities</b>	<b>462,971</b>		<b>0</b>
<b>TOTAL Liabilities</b>	<b>578,128</b>		<b>509,290</b>
Net Assets-Unrestricted (deficit)	3,722,417	EE924	3,160,684
<b>TOTAL Retained Earnings</b>	<b>3,722,417</b>		<b>3,160,684</b>
<b>TOTAL Fund Equity</b>	<b>3,722,417</b>		<b>3,160,684</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>4,300,545</b>		<b>3,669,974</b>

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(EE) ENTERPRISE UTILITY

Results of Operation

Code Description	2005	EdpCode	2006
<b>Operating Revenue</b>			
Sale of Electric Power	2,044,495	EE2150	2,286,769
<b>TOTAL Charges For Services Within Locality</b>	<b>2,044,495</b>		<b>2,286,769</b>
Unclassified (specify)	53,679	EE2770	11,207
<b>TOTAL Other</b>	<b>53,679</b>		<b>11,207</b>
<b>TOTAL Revenues</b>	<b>2,098,174</b>		<b>2,297,976</b>
<b>TOTAL Operating Revenue</b>	<b>2,098,174</b>		<b>2,297,976</b>

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(EE) ENTERPRISE UTILITY

Results of Operation

Code Description	2005	EdpCode	2006
<b>Expenses And Transfers</b>			
Electric And Power, Pers Serv	231,039	EE84101	315,865
<b>TOTAL Electric And Power</b>	<b>231,039</b>		<b>315,865</b>
<b>TOTAL Personal Services</b>	<b>231,039</b>		<b>315,865</b>
Depreciation		EE19944	199,337
<b>TOTAL Depreciation</b>	<b>0</b>		<b>199,337</b>
Electric And Power, Contr Expend	1,676,423	EE84104	2,035,672
<b>TOTAL Electric And Power</b>	<b>1,676,423</b>		<b>2,035,672</b>
<b>TOTAL Contractual Expenses</b>	<b>1,676,423</b>		<b>2,235,009</b>
Electric And Power, Empl Bnfts	106,250	EE84108	109,295
<b>TOTAL Electric And Power</b>	<b>106,250</b>		<b>109,295</b>
<b>TOTAL Employee Benefits</b>	<b>106,250</b>		<b>109,295</b>
Debt Interest, Serial Bonds	1,560	EE97107	13,334
<b>TOTAL Interest Expense</b>	<b>1,560</b>		<b>13,334</b>
<b>TOTAL Expenses</b>	<b>2,015,272</b>		<b>2,673,503</b>
<b>TOTAL Expenses And Transfers</b>	<b>2,015,272</b>		<b>2,673,503</b>

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(EE) ENTERPRISE UTILITY

Changes in Fund Equity

Code Description	2005	EdpCode	2006
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
Fund Equity - Beginning of Year	3,189,329	EE8021	3,722,417
Prior Period Adj-Increase In Fund Equity	450,186	EE8012	
Prior Period Adj-Decrease In Fund Equity		EE8015	186,206
Restated Fund Equity - Beg of Year	3,639,515	EE8022	3,536,211
<b>ADD - REVENUES AND OTHER SOURCES</b>	<b>2,098,174</b>		<b>2,297,976</b>
<b>DEDUCT - EXPENDITURES AND OTHER USES</b>	<b>2,015,272</b>		<b>2,673,503</b>
Fund Equity - End of Year	3,722,417	EE8029	3,160,684

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(EE) ENTERPRISE UTILITY

Cash Flow

Code Description	2005	EdpCode	2006
<b>Cash Flows From Operating Activities</b>			
Cash Rec'd From Providing Svcs		EE7111	2,205,169
Cash Payments Contr Exp		EE7112	-2,023,134
Cash Payments Pers Svcs & Bnfts		EE7113	-434,227
Other Operating Rev		EE7114	11,207
<b>TOTAL Cash Flows From Operating Activities</b>	<b>0</b>		<b>-240,985</b>
<b>Cash Flows From Capital And Related Financing Activities</b>			
Principal Payments Debt (capital)		EE7132	-101,000
Interest Expense (capital)		EE7133	-13,334
Payments To Contractors		EE7136	-107,520
<b>TOTAL Cash Flows From Capital And Related Financing Activities</b>	<b>0</b>		<b>-221,854</b>
Net Inc(dec) In Cash&cash Equiv		EE7161	-462,839
Cash&cash Equiv Beg of Year		EE7171	595,932
	<b>0</b>		<b>133,093</b>
<b>Reconciliation of Operating Income To Cash</b>			
Operating Income (loss)		EE7181	-362,193
Depreciation		EE7182	199,337
Inc/dec In Assets-Other Than Cash		EE7183	6,428
Inc/dec In Liabilities Other Than Cash		EE7184	-84,557
<b>TOTAL Reconciliation of Operating Income To Cash</b>	<b>0</b>		<b>-240,985</b>

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(EL) ENTERPRISE REFUSE/GARBAGE

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Assets</b>			
Cash		EL200	58,967
<b>TOTAL Cash</b>	<b>0</b>		<b>58,967</b>
Accounts Receivable		EL380	37,666
<b>TOTAL Other Receivables (net)</b>	<b>0</b>		<b>37,666</b>
Due From Other Funds		EL391	1,211
<b>TOTAL Due From Other Funds</b>	<b>0</b>		<b>1,211</b>
<b>TOTAL Assets</b>	<b>0</b>		<b>97,844</b>

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(EL) ENTERPRISE REFUSE/GARBAGE

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Liabilities And Fund Equity</b>			
Accrued Liabilities		EL601	1,211
<b>TOTAL Accrued Liabilities</b>	<b>0</b>		<b>1,211</b>
<b>TOTAL Liabilities</b>	<b>0</b>		<b>1,211</b>
Net Assets-Unrestricted (deficit)		EL924	96,633
<b>TOTAL Retained Earnings</b>	<b>0</b>		<b>96,633</b>
<b>TOTAL Fund Equity</b>	<b>0</b>		<b>96,633</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>0</b>		<b>97,844</b>

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(EL) ENTERPRISE REFUSE/GARBAGE

Results of Operation

Code Description	2005	EdpCode	2006
<b>Operating Revenue</b>			
Refuse & Garbage Charges		EL2130	226,317
<b>TOTAL Charges For Services Within Locality</b>	<b>0</b>		<b>226,317</b>
<b>TOTAL Revenues</b>	<b>0</b>		<b>226,317</b>
<b>TOTAL Operating Revenue</b>	<b>0</b>		<b>226,317</b>

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(EL) ENTERPRISE REFUSE/GARBAGE

Results of Operation

Code Description	2005	ExpCode	2006
<b>Expenses And Transfers</b>			
Refuse & Garbage, Pers Serv		EL81601	53,600
<b>TOTAL Refuse &amp; Garbage</b>	<b>0</b>		<b>53,600</b>
<b>TOTAL Personal Services</b>	<b>0</b>		<b>53,600</b>
Refuse & Garbage, Contr Expend		EL81604	57,493
<b>TOTAL Refuse &amp; Garbage</b>	<b>0</b>		<b>57,493</b>
<b>TOTAL Contractual Expenses</b>	<b>0</b>		<b>57,493</b>
Refuse & Garbage, Empl Bnfts		EL81608	18,591
<b>TOTAL Refuse &amp; Garbage</b>	<b>0</b>		<b>18,591</b>
<b>TOTAL Employee Benefits</b>	<b>0</b>		<b>18,591</b>
<b>TOTAL Expenses</b>	<b>0</b>		<b>129,684</b>
<b>TOTAL Expenses And Transfers</b>	<b>0</b>		<b>129,684</b>

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(EL) ENTERPRISE REFUSE/GARBAGE

Changes in Fund Equity

Code Description	2005	EfpCode	2006
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
Fund Equity - Beginning of Year		EL8021	
Restated Fund Equity - Beg of Year		EL8022	
ADD - REVENUES AND OTHER SOURCES			226,317
DEDUCT - EXPENDITURES AND OTHER USES			129,684
Fund Equity - End of Year		EL8029	96,633

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(EL) ENTERPRISE REFUSE/GARBAGE

Cash Flow

Code Description	2005	EopCode	2006
<b>Cash Flows From Operating Activities</b>			
Cash Rec'd From Providing Svcs		EL7111	188,651
Cash Payments Contr Exp		EL7112	-57,493
Cash Payments Pers Svcs & Bnfts		EL7113	-72,191
<b>TOTAL Cash Flows From Operating Activities</b>	<b>0</b>		<b>58,967</b>
<b>Net Inc(dec) In Cash&amp;cash Equiv</b>			
		EL7161	58,967
<b>Cash&amp;cash Equiv Beg of Year</b>		EL7171	
	<b>0</b>		<b>58,967</b>
<b>Reconciliation of Operating Income To Cash</b>			
Operating Income (loss)		EL7181	96,633
Inc/dec In Assets-Other Than Cash		EL7183	-38,877
Inc/dec In Liabilities Other Than Cash		EL7184	1,211
<b>TOTAL Reconciliation of Operating Income To Cash</b>	<b>0</b>		<b>58,967</b>

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(FX) WATER

Balance Sheet

Code Description	2005	ExpCode	2006
<b>Assets</b>			
Cash	-219,550	FX200	
<b>TOTAL Cash</b>	<b>-219,550</b>		<b>0</b>
Water Rents Receivable	78,407	FX350	75,287
Accounts Receivable	363	FX380	
Unbilled Receivables	15,965	FX383	76,733
<b>TOTAL Other Receivables (net)</b>	<b>94,735</b>		<b>152,020</b>
Due From Other Funds	11,365	FX391	59,540
<b>TOTAL Due From Other Funds</b>	<b>11,365</b>		<b>59,540</b>
<b>TOTAL Assets</b>	<b>-113,450</b>		<b>211,560</b>

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(FX) WATER

Balance Sheet

Code Description	2005	ExpCode	2006
<b>Liabilities And Fund Equity</b>			
Accounts Payable	9,989	FX600	25,834
<b>TOTAL Accounts Payable</b>	<b>9,989</b>		<b>25,834</b>
Accrued Liabilities		FX601	4,935
<b>TOTAL Accrued Liabilities</b>	<b>0</b>		<b>4,935</b>
Due To Other Funds		FX630	46,347
<b>TOTAL Due To Other Funds</b>	<b>0</b>		<b>46,347</b>
<b>TOTAL Liabilities</b>	<b>9,989</b>		<b>77,116</b>
Unreserved Fund Balance Appropriated		FX910	64,447
<b>TOTAL Unreserved Fund Balance - Appropriated</b>	<b>0</b>		<b>64,447</b>
Unreserved Fund Balance Unappropriated	-123,439	FX911	69,997
<b>TOTAL Unreserved Fund Balance - Unappropriated</b>	<b>-123,439</b>		<b>69,997</b>
<b>TOTAL Fund Equity</b>	<b>-123,439</b>		<b>134,444</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>-113,450</b>		<b>211,560</b>

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(FX) WATER

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Revenues And Other Sources</b>			
Metered Water Sales	978,069	FX2140	1,003,212
Unmetered Water Sales	9,639	FX2142	
<b>TOTAL Departmental Income</b>	<b>987,708</b>		<b>1,003,212</b>
<b>TOTAL Revenues</b>	<b>987,708</b>		<b>1,003,212</b>
Interfund Transfers		FX5031	167,216
<b>TOTAL Interfund Transfers</b>	<b>0</b>		<b>167,216</b>
<b>TOTAL Other Sources</b>	<b>0</b>		<b>167,216</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>987,708</b>		<b>1,170,428</b>

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(FX) WATER

Results of Operation

Code Description	2005	ExpCode	2006
<b>Detail Expenditures And Other Uses</b>			
Law, Contr Expend		FX14204	1,500
<b>TOTAL Law</b>	<b>0</b>		<b>1,500</b>
Unallocated Insurance, Contr Expend	14,972	FX19104	19,072
<b>TOTAL Unallocated Insurance</b>	<b>14,972</b>		<b>19,072</b>
Other Gen Govt Support, Equip & Cap Outlay	14,570	FX19892	25,346
<b>TOTAL Other Gen Govt Support</b>	<b>14,570</b>		<b>25,346</b>
<b>TOTAL General Government Support</b>	<b>29,542</b>		<b>45,918</b>
Water Administration, Pers Serv	120,390	FX83101	117,438
Water Administration, Equip & Cap Outlay	111	FX83102	741
Water Administration, Contr Expend	23,785	FX83104	25,445
<b>TOTAL Water Administration</b>	<b>144,286</b>		<b>143,624</b>
Source Supply Pwr & Pump, Pers Serv	2,219	FX83201	2,441
Source Supply Pwr & Pump, Equip & Cap Out		FX83202	7,750
Source Supply Pwr & Pump, Contr Expend	17,744	FX83204	19,755
<b>TOTAL Source Supply Pwr &amp; Pump</b>	<b>19,963</b>		<b>29,946</b>
Water Purification, Pers Serv	78,613	FX83301	93,937
Water Purification, Equip & Cap Outlay		FX83302	7,750
Water Purification, Contr Expend	54,118	FX83304	47,778
<b>TOTAL Water Purification</b>	<b>132,731</b>		<b>149,465</b>
Water Trans & Distrib, Pers Serv	72,013	FX83401	71,133
Water Trans & Distrib, Equip & Cap Outlay	6,218	FX83402	1,326
Water Trans & Distrib, Contr Expend	22,672	FX83404	50,484
<b>TOTAL Water Trans &amp; Distrib</b>	<b>100,903</b>		<b>122,943</b>
Common Water Supply, Pers Serv	1,703	FX83501	1,413
Common Water Supply, Equip & Cap Outlay		FX83502	
Common Water Supply, Contr Expend	17,723	FX83504	17,506
<b>TOTAL Common Water Supply</b>	<b>19,426</b>		<b>18,919</b>
Other Water, Contr Expend	92,344	FX83894	
<b>TOTAL Other Water</b>	<b>92,344</b>		<b>0</b>
<b>TOTAL Home And Community Services</b>	<b>509,653</b>		<b>464,897</b>
State Retirement, Empl Bnfts	29,728	FX90108	26,411
Social Security, Empl Bnfts	23,435	FX90308	19,046
Disability Insurance, Empl Bnfts	432	FX90558	216
Hospital & Medical (dental) Ins, Empl Bnft	51,733	FX90608	31,736
Other Employee Benefits (spec)	3,602	FX90898	12,177
<b>TOTAL Employee Benefits</b>	<b>108,930</b>		<b>89,586</b>
Debt Principal, Serial Bonds	145,600	FX97106	146,500
Debt Principal, Bond Anticipation Notes		FX97306	3,700
<b>TOTAL Debt Principal</b>	<b>145,600</b>		<b>150,200</b>

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(FX) WATER

Results of Operation

Code Description	2005	ExpCode	2006
<b>Detail Expenditures And Other Uses</b>			
Debt Interest, Serial Bonds	197,145	FX97107	188,149
<b>TOTAL Debt Interest</b>	<b>197,145</b>		<b>188,149</b>
<b>TOTAL Expenditures</b>	<b>990,870</b>		<b>938,750</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>990,870</b>		<b>938,750</b>

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(FX) WATER

Changes in Fund Equity

Code Description	2005	EdpCode	2006
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
Fund Equity - Beginning of Year	-129,367	FX8021	-123,439
Prior Period Adj.-Increase In Fund Equity	9,090	FX8012	26,205
Prior Period Adj - Decrease In Fund Equity		FX8015	
Restated Fund Equity - Beg of Year	-120,277	FX8022	-97,234
ADD - REVENUES AND OTHER SOURCES	987,708		1,170,428
DEDUCT - EXPENDITURES AND OTHER USES	990,870		938,750
Fund Equity - End of Year	-123,439	FX8029	134,444

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(FX) WATER

Budget Summary

Code Description	2006	Exp Code	2007
<b>Estimated Revenues And Other Sources</b>			
Est Rev - Departmental Income	997,798	FX1299N	943,160
Est Rev - Use of Money And Property	1,000	FX2499N	540
<b>TOTAL Estimated Revenues</b>	<b>998,798</b>		<b>943,700</b>
Appropriated Fund Balance		FX599N	64,447
<b>TOTAL Estimated Other Sources</b>	<b>0</b>		<b>64,447</b>
<b>TOTAL Estimated Revenues And Other Sources</b>	<b>998,798</b>		<b>1,008,147</b>

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(FX) WATER

Budget Summary

Code Description	2006	EdpCode	2007
<b>Appropriations And Other Uses</b>			
App - General Government Support	59,596	FX1999N	62,100
App-Home And Community Services	494,279	FX8999N	483,099
App - Employee Benefits	105,707	FX9199N	131,582
App - Debt Service	339,216	FX9899N	331,366
<b>TOTAL Appropriations</b>	<b>998,798</b>		<b>1,008,147</b>
<b>TOTAL Appropriations And Other Uses</b>	<b>998,798</b>		<b>1,008,147</b>

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(G) SEWER

Balance Sheet

Code Description	2005	Exp Code	2006
<b>Assets</b>			
Cash	277,104	G200	91,300
<b>TOTAL Cash</b>	<b>277,104</b>		<b>91,300</b>
Sewer Rents Receivable	42,147	G360	36,248
Accounts Receivable	-469	G380	
Unbilled Receivables	7,059	G383	33,815
<b>TOTAL Other Receivables (net)</b>	<b>48,737</b>		<b>70,063</b>
Due From Other Funds	7,561	G391	78,331
<b>TOTAL Due From Other Funds</b>	<b>7,561</b>		<b>78,331</b>
<b>TOTAL Assets</b>	<b>333,402</b>		<b>239,694</b>

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(G) SEWER

Balance Sheet

Code Description	2005	Exp Code	2006
<b>Liabilities And Fund Equity</b>			
Accounts Payable	24,657	G600	
<b>TOTAL Accounts Payable</b>	<b>24,657</b>		<b>0</b>
Accrued Liabilities	4,504	G601	4,921
<b>TOTAL Accrued Liabilities</b>	<b>4,504</b>		<b>4,921</b>
Bond Anticipation Notes Payable		G626	
<b>TOTAL Notes Payable</b>	<b>0</b>		<b>0</b>
<b>TOTAL Liabilities</b>	<b>29,161</b>		<b>4,921</b>
Unreserved Fund Balance Appropriated		G910	162,760
<b>TOTAL Unreserved Fund Balance - Appropriated</b>	<b>0</b>		<b>162,760</b>
Unreserved Fund Balance Unappropriated	304,241	G911	72,013
<b>TOTAL Unreserved Fund Balance - Unappropriated</b>	<b>304,241</b>		<b>72,013</b>
<b>TOTAL Fund Equity</b>	<b>304,241</b>		<b>234,773</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>333,402</b>		<b>239,694</b>

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(G) SEWER

Results of Operation

Code Description	2005	ExpCode	2006
<b>Detail Revenues And Other Sources</b>			
Sewer Rents	438,553	G2120	435,690
Sewer Charges	137,098	G2122	95,325
<b>TOTAL Departmental Income</b>	<b>575,651</b>		<b>531,015</b>
<b>TOTAL Revenues</b>	<b>575,651</b>		<b>531,015</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>575,651</b>		<b>531,015</b>

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(G) SEWER

Results of Operation

Code Description	2005	Edp Code	2006
<b>Detail Expenditures And Other Uses</b>			
Unallocated Insurance, Contr Expend	8,400	G19104	11,921
<b>TOTAL Unallocated Insurance</b>	<b>8,400</b>		<b>11,921</b>
<b>TOTAL General Government Support</b>	<b>8,400</b>		<b>11,921</b>
Sewer Administration, Pers Serv	88,931	G81101	113,534
Sewer Administration, Equip & Cap Outlay	256	G81102	741
Sewer Administration, Contr Expend	17,793	G81104	21,042
<b>TOTAL Sewer Administration</b>	<b>106,980</b>		<b>135,317</b>
Sanitary Sewers, Pers Serv	39,159	G81201	36,975
Sanitary Sewers, Equip & Cap Outlay	1,963	G81202	525
Sanitary Sewers, Contr Expend	46,368	G81204	31,647
<b>TOTAL Sanitary Sewers</b>	<b>87,490</b>		<b>69,147</b>
Sewage Treat Disp, Pers Serv	71,813	G81301	69,404
Sewage Treat Disp, Equip & Cap Outlay	6,218	G81302	12,250
Sewage Treat Disp, Contr Expend	63,875	G81304	86,028
<b>TOTAL Sewage Treat Disp</b>	<b>141,906</b>		<b>167,682</b>
Other Sanitation, Contr Expend	22,523	G81894	19,793
<b>TOTAL Other Sanitation</b>	<b>22,523</b>		<b>19,793</b>
<b>TOTAL Home And Community Services</b>	<b>358,899</b>		<b>391,939</b>
State Retirement, Empl Bnfts	19,293	G90108	17,752
Social Security , Empl Bnfts	15,322	G90308	13,536
Disability Insurance, Empl Bnfts	162	G90558	769
Hospital & Medical (dental) Ins, Empl Bnft	34,214	G90608	33,820
Other Employee Benefits (spec)	5,266	G90898	50,911
<b>TOTAL Employee Benefits</b>	<b>74,257</b>		<b>116,788</b>
Debt Principal, Serial Bonds	50,000	G97106	50,000
Debt Principal, Bond Anticipation Notes		G97306	3,700
<b>TOTAL Debt Principal</b>	<b>50,000</b>		<b>53,700</b>
Debt Interest, Serial Bonds	38,550	G97107	36,713
<b>TOTAL Debt Interest</b>	<b>38,550</b>		<b>36,713</b>
<b>TOTAL Expenditures</b>	<b>530,106</b>		<b>611,061</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>530,106</b>		<b>611,061</b>

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(G) SEWER

Changes in Fund Equity

Code Description	2005	EdpCode	2006
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
Fund Equity - Beginning of Year	255,294	G8021	304,241
Prior Period Adj.- Increase In Fund Equity	4,011	G8012	10,578
Prior Period Adj - Decrease In Fund Equity	609	G8015	
Restated Fund Equity - Beg of Year	258,696	G8022	314,819
ADD - REVENUES AND OTHER SOURCES	575,651		531,015
DEDUCT - EXPENDITURES AND OTHER USES	530,106		611,061
Fund Equity - End of Year	304,241	G8029	234,773

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(G) SEWER

Budget Summary

Code Description	2006	EdpCode	2007
<b>Estimated Revenues And Other Sources</b>			
Est Rev - Departmental Income	556,755	G1299N	478,661
Est Rev-Intergovernmental Charges	10,000	G2399N	10,000
Est Rev - Use of Money And Property	7,040	G2499N	7,040
<b>TOTAL Estimated Revenues</b>	<b>573,795</b>		<b>495,701</b>
Appropriated Fund Balance	135,559	G599N	162,760
<b>TOTAL Estimated Other Sources</b>	<b>135,559</b>		<b>162,760</b>
<b>TOTAL Estimated Revenues And Other Sources</b>	<b>709,354</b>		<b>658,461</b>

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(G) SEWER

Budget Summary

Code Description	2006	EdpCode	2007
<b>Appropriations And Other Uses</b>			
App - General Government Support	468,358	G1999N	462,598
App - Employee Benefits	149,698	G9199N	101,529
App - Debt Service	91,298	G9899N	94,334
<b>TOTAL Appropriations</b>	<b>709,354</b>		<b>658,461</b>
<b>TOTAL Appropriations And Other Uses</b>	<b>709,354</b>		<b>658,461</b>

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Assets</b>			
Cash	352,733	H200	354,939
<b>TOTAL Cash</b>	<b>352,733</b>		<b>354,939</b>
<b>TOTAL Assets</b>	<b>352,733</b>		<b>354,939</b>

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Liabilities And Fund Equity</b>			
Bond Anticipation Notes Payable	988,000	H626	418,246
<b>TOTAL Notes Payable</b>	<b>988,000</b>		<b>418,246</b>
Due To Other Funds		H630	339,000
<b>TOTAL Due To Other Funds</b>	<b>0</b>		<b>339,000</b>
<b>TOTAL Liabilities</b>	<b>988,000</b>		<b>757,246</b>
Unreserved Fund Balance Unappropriated	-635,267	H911	-402,307
<b>TOTAL Unreserved Fund Balance - Unappropriated</b>	<b>-635,267</b>		<b>-402,307</b>
<b>TOTAL Fund Equity</b>	<b>-635,267</b>		<b>-402,307</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>352,733</b>		<b>354,939</b>

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(H) CAPITAL PROJECTS

Results of Operation

Code/Description	2005	EdpCode	2006
<b>Detail Revenues And Other Sources</b>			
Misc Revenue, Other Govts		H2389	8,841
<b>TOTAL Intergovernmental Charges</b>	<b>0</b>		<b>8,841</b>
Interest And Earnings	694	H2401	802
<b>TOTAL Use of Money And Property</b>	<b>694</b>		<b>802</b>
Refunds of Prior Year's Expenditures		H2701	109,604
<b>TOTAL Miscellaneous Local Sources</b>	<b>0</b>		<b>109,604</b>
<b>TOTAL Revenues</b>	<b>694</b>		<b>119,247</b>
Bans Redeemed From Appropriations		H5731	121,150
<b>TOTAL Proceeds of Obligations</b>	<b>0</b>		<b>121,150</b>
<b>TOTAL Other Sources</b>	<b>0</b>		<b>121,150</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>694</b>		<b>240,397</b>

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Expenditures And Other Uses</b>			
Fiscal Agents Fees, Contr Expend		H13804	7,437
<b>TOTAL Fiscal Agents Fees</b>	<b>0</b>		<b>7,437</b>
Buildings, Equip & Cap Outlay	126,719	H16202	
<b>TOTAL Buildings</b>	<b>126,719</b>		<b>0</b>
<b>TOTAL General Government Support</b>	<b>126,719</b>		<b>7,437</b>
<b>TOTAL Expenditures</b>	<b>126,719</b>		<b>7,437</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>126,719</b>		<b>7,437</b>

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(H) CAPITAL PROJECTS

Changes in Fund Equity

Code Description	2005	EdpCode	2006
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
Fund Equity - Beginning of Year	-509,241	H8021	-635,267
Prior Period Adj.- Increase In Fund Equity	-1	H8012	
Restated Fund Equity - Beg of Year	-509,242	H8022	-635,267
ADD - REVENUES AND OTHER SOURCES	694		240,397
DEDUCT - EXPENDITURES AND OTHER USES	126,719		7,437
Fund Equity - End of Year	-635,267	H8029	-402,307

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(K) NON-CURRENT GOV ASSETS

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Assets</b>			
Land	385,481	K101	
Buildings	10,017,227	K102	
Machinery & Equipment	2,998,027	K104	
<b>TOTAL Fixed Assets (net)</b>	<b>13,400,735</b>		<b>0</b>
<b>TOTAL Assets</b>	<b>13,400,735</b>		<b>0</b>

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(K) NON-CURRENT GOV ASSETS

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Liabilities And Fund Equity</b>			
Total Non-Current Govt Assets	13,400,735	K159	
<b>TOTAL Investments In Non-Current Government Assets</b>	<b>13,400,735</b>		<b>0</b>
<b>TOTAL Fund Equity</b>	<b>13,400,735</b>		<b>0</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>13,400,735</b>		<b>0</b>

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(PN) PERMANENT

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Assets</b>			
Cash	136,496	PN200	336,900
<b>TOTAL Cash</b>	<b>136,496</b>		<b>336,900</b>
<b>TOTAL Assets</b>	<b>136,496</b>		<b>336,900</b>

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(PN) PERMANENT

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Liabilities And Fund Equity</b>			
Unreserved Fund Balance Appropriated	136,496	PN910	336,900
<b>TOTAL Unreserved Fund Balance - Appropriated</b>	<b>136,496</b>		<b>336,900</b>
<b>TOTAL Fund Equity</b>	<b>136,496</b>		<b>336,900</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>136,496</b>		<b>336,900</b>

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(PN) PERMANENT

Results of Operation

Code Description	2005	EdpCode	2006
<b>Detail Revenues And Other Sources</b>			
Interest And Earnings	340	PN2401	740
<b>TOTAL Use of Money And Property</b>	<b>340</b>		<b>740</b>
Gifts And Donations		PN2705	240,700
<b>TOTAL Miscellaneous Local Sources</b>	<b>0</b>		<b>240,700</b>
<b>TOTAL Revenues</b>	<b>340</b>		<b>241,440</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>340</b>		<b>241,440</b>

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(PN) PERMANENT

Results of Operation

Code Description	2005	Edp Code	2006
<b>Detail Expenditures And Other Uses</b>			
Other Employee Benefits (specify)		PN90898	41,036
<b>TOTAL Employee Benefits</b>	<b>0</b>		<b>41,036</b>
<b>TOTAL Expenditures</b>	<b>0</b>		<b>41,036</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>0</b>		<b>41,036</b>

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(PN) PERMANENT

Changes in Fund Equity

Code Description	2005	EdpCode	2006
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
Fund Equity-Beginning of Year	136,155	PN8021	136,495
Prior Period Adj-Increase To Fund Equity		PN8012	1
Restated Fund Equity - Beg of Year	136,155	PN8022	136,496
ADD - REVENUES AND OTHER SOURCES	340		241,440
DEDUCT - EXPENDITURES AND OTHER USES			41,036
Fund Equity-End of Year	136,495	PN8029	336,900

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(TA) AGENCY

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Assets</b>			
Cash	16,427	TA200	63,060
<b>TOTAL Cash</b>	<b>16,427</b>		<b>63,060</b>
<b>TOTAL Assets</b>	<b>16,427</b>		<b>63,060</b>

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(TA) AGENCY

Balance Sheet

Code Description	2005	Edp Code	2006
<b>Liabilities And Fund Equity</b>			
Due To Other Funds		TA630	39,698
<b>TOTAL Due To Other Funds</b>	<b>0</b>		<b>39,698</b>
State Retirement	3,719	TA18	3,230
Group Insurance	11,804	TA20	6,039
Assoc & Union Dues	-53	TA24	
Other Funds (specify)	957	TA85	14,093
<b>TOTAL Agency Liabilities</b>	<b>16,427</b>		<b>23,362</b>
<b>TOTAL Liabilities</b>	<b>16,427</b>		<b>63,060</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>16,427</b>		<b>63,060</b>

VILLAGE OF Wellsville  
Annual Update Document  
For the Fiscal Year Ending 2006

(W) NON-CURRENT GOV LIABILITY

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Assets</b>			
Total Non-Current Govt Liabilities	4,686,065	W129	4,570,143
<b>TOTAL Provision To Be Made In Future Budgets</b>	<b>4,686,065</b>		<b>4,570,143</b>
<b>TOTAL Assets</b>	<b>4,686,065</b>		<b>4,570,143</b>

VILLAGE OF Wellsville  
Annual Update Document  
For the Fiscal Year Ending 2006

(W) NON-CURRENT GOV LIABILITY

Balance Sheet

Code Description	2005	EdpCode	2006
<b>Liabilities And Fund Equity</b>			
Compensated Absences	577,948	W687	524,319
<b>TOTAL Other Liabilities</b>	<b>577,948</b>		<b>524,319</b>
Due To Employees' Retirement System	379,588	W637	50,824
<b>TOTAL Due To Other Governments</b>	<b>379,588</b>		<b>50,824</b>
Bonds Payable	3,728,529	W628	3,995,000
<b>TOTAL Bond And Long Term Liabilities</b>	<b>3,728,529</b>		<b>3,995,000</b>
<b>TOTAL Liabilities</b>	<b>4,686,065</b>		<b>4,570,143</b>
<b>TOTAL Liabilities And Fund Equity</b>	<b>4,686,065</b>		<b>4,570,143</b>

VILLAGE OF Wellsville  
Financial Comments  
For the Fiscal Year Ending 2006

(A) GENERAL

Adjustment Reason

Account Code A8015 N/A

Account Code A8012 Record prior year audit entries.

(CD) SPECIAL GRANT

Adjustment Reason

Account Code CD8015 Record prior year audit entries.

(FX) WATER

Adjustment Reason

Account Code FX8012 Record prior year audit entries.

(G) SEWER

Adjustment Reason

Account Code G8012 Record prior year audit entries.

(PN) PERMANENT

Adjustment Reason

Account Code PN8012 Match prior year audited fund equity.

(H) CAPITAL PROJECTS

Adjustment Reason

Account Code H8012 N/A

(EE) ENTERPRISE UTILITY

Adjustment Reason

Account Code EE8015 Record prior year audit entries.

VILLAGE OF Wellsville  
Statement of Indebtedness  
For the Fiscal Year Ending 2006

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond Anticipation Note No. 2005000001	EDPCODE	Amount
Month and Year of Issue		4/1/2005
Purpose of Issue		Various Purpose
Current Interest Rate		4.2000
Outstanding Beginning of Year	2P18661	988,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18663	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18665	230,754
Outstanding End of the Fiscal Year	2P18667	757,246
Final Maturity Date		4/1/2007
Total Bond Anticipation Note		Amount
Outstanding Beginning of Year		988,000
Issued During Fiscal Year		0
Paid During Fiscal Year		230,754
Outstanding End of Year		757,246
*** Bond Anticipation Notes Redeemed		
From Bond Proceeds During Fiscal Year	2P18885	0

VILLAGE OF Wellsville  
Statement of Indebtedness  
For the Fiscal Year Ending 2006

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond No. 2004000004	EDPCODE	Amount
Month and Year of Issue		5/15/1991
Purpose of Issue		Water Plant
Current Interest Rate		6.8000
Outstanding Beginning of Year	2P18671	1,575,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	125,000
Outstanding End of the Fiscal Year	2P18677	1,450,000
Final Maturity Date		5/15/2016
Bond No. 2004000009	EDPCODE	Amount
Month and Year of Issue		5/29/2002
Purpose of Issue		RESERVOIR
Current Interest Rate		4.5000
Outstanding Beginning of Year	2P18671	1,791,500
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	21,500
Outstanding End of the Fiscal Year	2P18677	1,770,000
Final Maturity Date		5/29/2040

VILLAGE OF Wellsville  
Statement of Indebtedness  
For the Fiscal Year Ending 2006

Water and Other Purposes Exempt From Constitutional Debt Limit

Bond No. 2004000003	EDPCODE	Amount
Month and Year of Issue		10/15/1998
Purpose of Issue		Sewer System
Current Interest Rate		4.5000
Outstanding Beginning of Year	2P18671	825,000
Issued During the Fiscal Year		
(do not include renewals here)	2P18673	0
Paid During the Fiscal Year		
(do not include renewals here)	2P18675	50,000
Outstanding End of the Fiscal Year	2P18677	775,000
Final Maturity Date		10/15/2018
Total Bond		Amount
Outstanding Beginning of Year		4,191,500
Issued During Fiscal Year		0
Paid During Fiscal Year		196,500
Outstanding End of Year		3,995,000

0

.....

Total of All Indebtedness  
Includes Total of Bonds and Notes - Exempt and Not Exempt

Total Bond		Amount
Outstanding Beginning of Year		5,179,500
Issued During Fiscal Year		0
Paid During Fiscal Year		427,254
Outstanding End of Year		4,752,246

VILLAGE OF Wellsville  
Maturity Schedule  
For the Fiscal Year Ending 2006

VILLAGE OF Wellsville  
Schedule of Securities for Collateralization  
For the Fiscal Year Ending 2006

General Municipal Law, Section 10 as amended by chapter 708 Laws of 1992 lists the types of securities which may be pledged for collateralization. Please click in the response box next to the type(s) of securities used by banks as collateral for your deposits.

- Yes
1. Obligations issued by the United States of America, an agency thereof or a United States sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.
  2. Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development
  3. Obligations partially insured or fully guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or
- Yes
4. Obligations issued or fully insured or guaranteed by this state, obligations by a municipal corporation, school district or district corporation of this state or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public moneys.
  5. Obligations issued by states (other than this state) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
  6. Obligations of Puerto Rico rated in one of three highest rating categories by at least one nationally recognized statistical rating organization.
  7. Obligations of counties, cities, and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
  8. Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.
  9. Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies.
  10. Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged.
  11. Zero-coupon obligations of the United States government marketed as "Treasury Strips".
  12. Letters of Credit.
  13. Surety bonds.

VILLAGE OF Wellsville  
 Schedule of Time Deposits and Investments  
 For the Fiscal Year Ending 2006

	EDP Code	Amount
<b>CASH:</b>		
On Hand	9Z2001	\$1,450.00
Demand Deposits	9Z2011	\$118,983.00
Time Deposits	9Z2021	\$2,138,943.00
<b>Total</b>		<b>\$2,259,376.00</b>
 <b>COLLATERAL:</b>		
- FDIC Insurance	9Z2014	\$318,983.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$3,188,619.00
<b>Total</b>		<b>\$3,507,602.00</b>
 <b>INVESTMENTS:</b>		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
 - Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

VILLAGE OF Wellsville  
Investment Certification  
For the Fiscal Year Ending 2006

**DEFINITIONS:**

**Repurchase Agreement** - A generic term for an agreement in which a government entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities or for different securities.

**Reverse Repurchase Agreement** - An agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a government entity (seller-borrower); the entity transfers securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for the same securities or different securities.

	<u>RESPONSE</u>
1) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	Yes
2) The following investments are permitted by your investment policy.	
* Obligations of the UNITED STATES	Yes
* Obligations of the U.S. Government Agencies, guaranteed by the UNITED STATES Government	Yes
* Obligations of the STATE of NEW YORK	Yes
* Obligations of other NEW YORK STATE Local Governments	Yes
* Other	No
3) Do you engage in reverse repurchase agreements?	No
4) Are Repurchase Agreements authorized by your investment policy?	No

Name: ANDREW CRAWFORD  
Title: CLERK TREASURER  
Phone Number: (585) 593-1121

VILLAGE OF Wellsville  
Bank Reconciliation  
For the Fiscal Year Ending 2006

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
1266808	\$46,024	\$0	\$5,716	\$40,308
1266816	\$831,595	\$0	\$464	\$831,131
1266824	\$37,786	\$0	\$28,517	\$9,269
1266832	\$354,939	\$0	\$0	\$354,939
1266840	\$4,894	\$0	\$0	\$4,894
1266857	\$2,149	\$0	\$0	\$2,149
1266865	\$18,821	\$0	\$288	\$18,533
1266873	\$39,161	\$0	\$0	\$39,161
1266907	\$24,889	\$0	\$0	\$24,889
1266915	\$6,333	\$0	\$0	\$6,333
1266923	\$298,433	\$0	\$16,114	\$282,319
1266949	\$842	\$0	\$0	\$842
1278696	\$336,900	\$0	\$0	\$336,900
1345370	\$5,001	\$0	\$0	\$5,001
957-129262	\$214,983	\$0	\$0	\$214,983
Total Adjusted Bank Balance				\$2,171,651
Petty Cash				\$1,450.00
Adjustments				\$.00
Total Cash			9ZCASH *	\$2,173,101
Total Cash Balance All Funds			9ZCASHB *	\$2,173,101

\* Must be equal

VILLAGE OF Wellsville  
Local Government Questionnaire  
For the Fiscal Year Ending 2006

	<u>Response</u>
1) Does your municipality have a written procurement policy?	<u>Yes</u>
2) Have the financial statements for your municipality been independently audited? If not, are you planning on having an audit conducted?	<u>No</u>
3) Does your local government participate in an insurance pool with other local governments?	<u>Yes</u>
4) Does your local government participate in an investment pool with other local governments?	<u>No</u>
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	<u>No</u>
6) Does your municipality have a Capital Plan?	<u>Yes</u>
7) Has your municipality prepared and documented a risk assessment plan? If yes, has your municipality used the results to design the system of internal controls?	<u>No</u>
8) Have you had a change in chief executive or chief fiscal officer during the last year?	<u>No</u>
9) Does your municipality have access to the internet?	<u>Yes</u>
Does your municipality have an official E-mail address?	<u>Yes</u>
If yes, what is it?	<u>WELLSVILLEMAYOR@ADELPHIA.NET</u>
Does the chief fiscal officer have a separate E-mail address?	<u>Yes</u>
If yes, what is it?	<u>APCRAWFORD@ADELPHIA.NET</u>
Do you have a web site?	<u>Yes</u>
If yes, what is the official address of the web site for your municipality?	<u>WELLSVILLENY.COM</u>

CERTIFICATION OF CHIEF FISCAL OFFICER

I, ANDREW CRAWFORD, hereby certify that I am the Chief Fiscal Officer of the VILLAGE of WELLSVILLE, and that the information provided in the annual financial report of the VILLAGE of WELLSVILLE, for the fiscal year ended 05/31/2006, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the VILLAGE of WELLSVILLE, and adopted by me as my signature for use in conjunction with the filing of the VILLAGE of WELLSVILLE's annual financial report, I am evidencing my express intent to authenticate my certification of the VILLAGE of WELLSVILLE's annual financial report for the fiscal year ended 05/31/2006 and filed by means of electronic data transmission.

\_\_\_\_\_  
Name of Report Preparer if different than Chief Fiscal Officer

(585) 593-1121  
Telephone Number

07/31/2006  
Date of Certification

ANDREW CRAWFORD  
Name

CLERK TREASURER  
Title

156 N MAIN ST WELLSVILLE NY 14  
Official Address

(585) 593-1121  
Official Telephone Number

VILLAGE OF Wellsville  
Supplemental Section Comments  
For the Fiscal Year Ending 2006

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Village of Wellsville have been prepared on the regulatory basis, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). That basis differs from generally accepted accounting principles in that the Village does not comply with Governmental Accounting Standards Board (GASB) No. 34, which requires the Village to present the Government-wide financial statements on a full accrual basis.

**A. REPORTING ENTITY**

The Village reports related organizations under the guidance of Statement No. 14 of the Governmental Accounting Standards Board. Statement No. 14 defines the primary government, and redefines and establishes the criteria for which potential component units are included in the reporting entity. 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. Based on the criteria under this Statement, there are no component units required to be included in the Village's reporting entity.

**B. FUND ACCOUNTING**

The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The Village records its transactions in the fund types and account groups described below.

**1. FUND CATEGORIES**

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

**GENERAL FUND** - serves as the principal operating fund and includes all operations not required to be recorded in other funds.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**SPECIAL REVENUE FUNDS** - used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following special revenue funds are utilized:

**Special Grant Fund** - used to account for community development loans and other federal grants not to be accounted for in the funds.

**Refuse and Garbage Fund** - used to account for revenues and expenditures for refuse and garbage purposes of the landfill only.

**Water Fund** - used to account for revenues and expenditures for water purposes only.

**Sewer Fund** - used to account for revenues and expenditures for sanitary sewer purposes only.

**CAPITAL PROJECTS FUND** - used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment other than those financed by the enterprise funds.

- b. **PROPRIETARY FUND** - used to account for ongoing organizations or activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position. The following proprietary funds are utilized:

**ENTERPRISE FUNDS** - used to account for the following operations:

**Electric Fund** - used to account for all financial activities pertaining to the operation of the municipal electric system.

**Refuse & Garbage Fund** - used to account for all financial activities pertaining to the operation of refuse & garbage services.

- c. **FIDUCIARY FUND** - used to account for assets held by the Village in a trustee or custodial capacity. The following are the fiduciary fund types of the Village:

**Trust and Agency Fund** - used to account for money (and/or property) received and held in the capacity of the trustee, custodian or agent.

**Permanent Fund** - used to account for money (and/or property) received and held for a specific purpose and accounted for using the accrual basis of accounting.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2. **ACCOUNT GROUPS**

An account group is used to establish accounting control and accountability for general long-term debt. The account group is not a "fund". It is concerned with measurement of financial position and not results of operations.

The General Long-Term Debt Account Group - used to account for all long-term debt and other obligations of the Village, except those accounted for in the proprietary fund. Long-term indebtedness includes obligations such as serial bonds, compensated absences and amounts due to New York State retirement.

C. **BASIS OF ACCOUNTING/MEASUREMENT FOCUS**

The basis of accounting determines when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. Measurement focus is the determination of what is measured. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included in the fund types on the balance sheet. Operating statements of these fund types present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in fund balance.

Modified Accrual Basis - Accounting practices prescribed by New York State to demonstrate compliance with the State's regulatory basis of accounting and budget laws requires the use of the modified accrual basis of accounting for recording transactions in governmental fund types and expendable trust and agency funds as applicable. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A sixty-day availability period is used for recognition of governmental fund revenues. Material revenues that are accrued include real property taxes, state and federal aid, sales and mortgage taxes and certain user charges. If expenditures are the prime factor for determining eligibility, revenues are accrued when the expenditure is made.

Expenditures are recorded when the fund liability is incurred except that:

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid. (Note 1(I))

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- d. Pension costs are recognized as an expenditure when billed by the State. (Note 2(B)(1))

Accrual Basis - Proprietary funds are accounted for on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred. The Village applies the New York State Regulatory Basis of Accounting. Under this basis of accounting and measurement focus, fixed assets and long-term liabilities related to these activities are recorded within the funds.

The straight-line method of depreciation is used in determining depreciation expense in these funds. Inventories are maintained using an average cost method. Contributions to a fund, or from some other source, are recorded as contributed capital and not as revenues or expenses.

Account Groups - General long-term debt liabilities are recorded at the par value of the principal amount. No liability is recorded for the interest payable to maturity. Compensated absences are recorded at current salary rates.

**D. PROPERTY TAXES**

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

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 31<sup>st</sup>, the Village Clerk-Treasurer submits a tentative budget to the Village Board for the fiscal year commencing the following June 1<sup>st</sup>. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the Village except for the Capital Projects and Agency funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than May 1<sup>st</sup>, 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 appropriations lapse at fiscal year-end.
- d. Budgets are prepared for proprietary funds to establish the estimated contributions required from other funds and to control expenses.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. BUDGET BASIS OF ACCOUNTING**

Budgets are adopted annually on a basis consistent with accounting practices prescribed by New York State to demonstrate compliance with the State's regulatory basis of accounting and budget laws.

**F. INVENTORY**

Inventory is valued at average cost method for Proprietary Funds.

**G. PROPERTY, PLANT AND EQUIPMENT - PROPRIETARY FUNDS**

Property, plant and equipment acquired by the proprietary funds are stated at cost or estimated historical cost, including interest capitalized during construction, where applicable. Contributed fixed assets are recorded at fair market value at the date received. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Improvements other than buildings	10-40 years
Machinery and Equipment	5-10 years

**H. INSURANCE**

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees, errors and omissions, natural disasters, etc. 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 exceeded commercial insurance coverage for the past three fiscal years.

**I. COMPENSATORY ABSENCES**

Vested vacation and sick leave is recorded in the proprietary fund as a liability and expense, and in governmental funds as a long-term liability in the general long-term debt account group if payable from future resources, or as a fund liability and expenditure, if payable from current resources. As of May 31, 2006, vacation and sick leave accumulated by employees was \$62,060 and \$524,319 and is reported in the Proprietary Fund and the General Long-Term Debt Account Group, respectively.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. INTERFUND TRANSFERS**

The operations of the Village give rise to certain transaction between funds, including transfers of expenditures and revenues to provide services and construct assets.

**K. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

The Village, along with the Village of Andover and Town of Wellsville, has been identified by the United States Environmental Protection Agency (EPA) as responsible parties which can be held liable for the maintenance and operation of a landfill site in the Town of Wellsville.

**L. FUND EQUITY**

Reservations of fund balances are created either to satisfy legal restrictions or plan for future expenditures. Designation of unreserved fund balances in governmental funds indicates the use of these resources in the ensuing year's budget or tentative plans for future use. The following is a description of the reserves and designations utilized by the Village.

- a. Insurance Reserve - This balance represents amounts reserved to finance future insurance claims against the Village.
- b. 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.
- c. Repair Reserve - This balance represents amounts reserved to finance future repairs and maintenance required to maintain the Fuel Farm.
- d. Designated for Subsequent Year's Expenditures - represents funds to be used to assist in supporting the subsequent year's authorized appropriations.

**M. USE OF ESTIMATES**

The preparation of financial statements in accordance with the State's regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. ASSETS**

**1. 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 Clerk-Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, repurchase agreements, and obligations of the State of New York and its localities.

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

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and near their maturity. The Proprietary Funds Cash Flow Statement, uses the direct method of reporting cash flows.

**2. INTERFUND ACTIVITIES**

Interfund activities at May 31, 2006, were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Fund	\$ 22,804	\$ 167,244	\$ -	\$ 167,216
Electric Fund	430,403	-	-	-
Refuse & Garbage Fund	1,211	-	-	-
Water Fund	59,540	46,347	167,216	-
Sewer Fund	78,331	-	-	-
Capital Projects Fund	-	339,000	-	-
Trust & Agency Fund	<u>-</u>	<u>39,698</u>	<u>-</u>	<u>-</u>
 Total	 <u>\$ 592,289</u>	 <u>\$ 592,289</u>	 <u>\$ 167,216</u>	 <u>\$ 167,216</u>

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

3. **PROPRIETARY FIXED ASSETS**

A summary of proprietary fund type property, plant and equipment at May 31, 2006 follows:

<u>Electric</u>	
Land	\$ 52,323
Buildings	330,695
Improvements other than buildings	5,492,195
Less: Accumulated Depreciation	<u>(3,136,674)</u>
Total	<u>\$ 2,738,539</u>

B. **LIABILITIES**

1. **PENSION PLAN**

**Plan Description**

The Village of Wellsville participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of its 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.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first ten years of membership.

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

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

	<u>ERS</u>	<u>PFRS</u>
2006	\$ 180,773	\$ 134,186
2005	189,091	79,000
2004	193,815	135,521

The Village's contributions made to the Employee Retirement System was equal to 100% of the contributions required for each year.

The Village elected to adopt Chapter 260 of the Laws of 2004 New Pension Relief Act for the Village's Police and Fire Retirement Systems (PFRS) payment for 2004-2005. This allows the Village to make a partial payment on the PFRS and amortize the difference over ten years of payments with interest. At May 31, 2006, estimated principal costs of \$50,824 is owed to New York State Retirement Systems and is recorded in the General Long-term Debt Account Group.

**2. SHORT-TERM DEBT**

BOND ANTICIPATION NOTES - Notes in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated, through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. As of May 31, 2006, the Village had bond anticipation notes outstanding of \$339,000 and \$418,246 recorded in the Electric Fund and Capital Projects Fund, respectively.

Interest expenditures for short-term debt are recognized on a cash basis, when amounts become due and payable. Interest expenditures amounted to \$29,111 for the year ended May 31, 2006 and was recorded in the General and Electric Funds.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

3. LONG-TERM DEBT

- 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, which are full faith and credit debt of the Village, are recorded in the General Long-Term Debt Account Group. 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. Interest expenditures in the governmental funds are recognized on a cash basis. Interest expenditures amounted to \$224,862 for the year ended May 31, 2006.
- b. OTHER LONG-TERM LIABILITIES - In addition to the above long-term liabilities, 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 and a non-current liability for installment retirement payments owed to New York State Retirement Systems on amounts amortized during 2005-2006 fiscal year.
- c. The following is a summary of changes in long-term liabilities for the year ended May 31, 2006:

<u>Enterprise Funds</u>	<u>Serial Bonds</u>	<u>Compensated Absences</u>	<u>Due to New York State Retirement</u>
Payable June 1, 2005	\$ -	\$ 71,127	\$ -
Additions	-	-	-
Deletions	-	<u>9,067</u>	-
Payable May 31, 2006	<u>\$ -</u>	<u>\$ 62,060</u>	<u>\$ -</u>
 <u>General Long-Term Debt</u>			
Payable June 1, 2005	\$4,191,500	\$ 518,927	\$ 54,880
Additions	-	5,392	-
Deletions	<u>196,500</u>	-	<u>4,056</u>
Payable May 31, 2006	<u>\$3,995,000</u>	<u>\$ 524,319</u>	<u>\$ 50,824</u>

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

- d. **LONG-TERM DEBT MATURITY SCHEDULE** - The following is a statement of the serial bonds with corresponding maturity schedules:

<u>Issue Description</u>	<u>Original Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Date of Final Maturity</u>	<u>Balance</u>
Water Fund					
Public Improvements	05/91	3,295,000	6.80%	05/16	\$1,450,000
Water Improvements	05/02	1,850,600	4.50%	05/40	1,770,000
Sewer Fund					
Sewer System Improvements	10/98	1,125,000	4.50%	10/19	<u>775,000</u>
Total					<u>\$3,995,000</u>

- e. The following table summarizes the Village's future debt service requirements as of May 31, 2006:

	<u>Serial Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 197,500	\$ 212,300
2008	198,600	200,538
2009	224,600	188,726
2010	225,800	175,169
2011	227,000	161,558
2012-2016	1,204,700	599,419
2017-2021	418,600	334,727
2022-2026	242,400	271,255
2027-2031	303,700	211,446
2032-2036	380,200	136,539
2037-2040	<u>371,900</u>	<u>42,744</u>
	<u>\$3,995,000</u>	<u>\$2,534,421</u>

**VILLAGE OF WELLSVILLE, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**C. FUND BALANCE RESERVES**

The Village has established certain capital reserves. Changes in these reserves are as follows:

	<u>Balance</u> <u>06/01/05</u>	<u>Additions</u>	<u>Uses</u>	<u>Balance</u> <u>05/31/06</u>
<u>General Fund</u>				
Insurance Reserve	\$ 39,779	\$ 2,059	\$ 2,676	\$ 39,162
Capital Reserve	433,087	53,629	271,733	214,983
Repair Reserve	<u>62,835</u>	<u>186,885</u>	<u>231,188</u>	<u>18,532</u>
Total General Fund	<u>\$ 535,701</u>	<u>\$ 242,573</u>	<u>\$ 505,597</u>	<u>\$ 272,677</u>

**NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. DEFICIT FUND BALANCE**

The Capital Projects Fund has a deficit fund balance of \$402,307 as of May 31, 2006. The deficit will be eliminated as short-term debt is redeemed or converted to permanent financing.

**NOTE 4 - JOINT VENTURE**

On August 27, 1992, the Village entered into a cooperative agreement pursuant to Article 5 (G) of the General Municipal Law of the State of New York (joint venture) with the Town of Wellsville and the Wellsville Central School District.

The joint venture agreement (the agreement) expires August 27, 2002, with unlimited automatic five year renewal periods unless a notice to terminate is served by one of the parties in writing at least six months prior to any termination date.

The agreement was for the purpose of constructing, operating and maintaining a gasoline and diesel fuel storage and pumping facility (fuel farm) for use by each entity's respective transportation departments. The agreement dictated that the Village, Town and School would share the initial expense of construction of the fuel farm per a separate agreement. The Village agreed to operate the fuel farm. The Village, Town and School (the parties) agreed to pay into an operations fund at the commencement of the agreement \$12,500 each to be maintained by the Village as an offset to operational expenses with the Village Clerk/Treasurer designated the fiscal agent for the facility.

**SECTION B**  
**COMPLIANCE AND INTERNAL CONTROL**



**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Village Board  
Village of Wellsville  
Wellsville, New York

We have audited the financial statements of the Village of Wellsville, New York (the Village) as of and for the year ended May 31, 2006, and have issued our report thereon date May 24, 2007, which was qualified because we were unable to audit and satisfy ourselves to the balances of the rehabilitation loans receivable, deferred revenues, community development income, and interest and earnings in the Special Grant Fund and management elected to exclude the General Fixed Asset Account Group, in which the New York State regulatory basis of accounting requires the General Fixed Asset Account Group to be included in the financial statements. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Responses as items 06-01 through 06-17.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, caused by error or fraud, in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 06-01, 06-02, 06-03, 06-04, 06-05 and 06-06 to be material weaknesses.

## Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we reported to management of the Village in a separate letter dated May 24, 2007.

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

*Freed Maxick & Battaglia, CPAs, PC*

Batavia, New York  
May 24, 2007

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED MAY 31, 2006**

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses a qualified opinion on the financial statements of the Village of Wellsville. The qualification is the result of our inability to apply auditing procedures to the Special Grant Fund and a departure from New York State's regulatory basis of accounting, namely, not recording general fixed assets.
2. Seventeen reportable conditions were disclosed during our audit of the financial statements and reported in the Report of Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Village of Wellsville were noted.

**FINDINGS - FINANCIAL STATEMENT AUDIT**

**REPORTABLE CONDITIONS**

**06-01. Segregation of Duties: Cash Disbursements, Cash Receipts, General Ledger, and Bank Reconciliations**

Due to the limited number of people working in the office, many critical duties are combined and given to the available employees. As of May 31, 2006, we note that a single individual prepares and signs checks, reconciles the bank accounts, receives cash receipts and records the receipts, receivables, and disbursements to the general ledger. To the extent possible, duties should be segregated to serve as a check and balance on the employee's integrity and to maintain the best control system possible.

We recommend that segregation of duties could be improved if different employees performed the separate duties of signing checks, processing cash receipts and cash disbursements, and maintaining the general ledger.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED MAY 31, 2006**

**06-02. Village Board Approval of Purchases**

We noted during our audit that the Village Board reviews and approves the abstracts for disbursements but does not review voucher packages for payment by the Clerk-Treasurer. The Clerk-Treasurer has the ability to disburse a check using Village funds without the Village Board reviewing the check's supporting documentation.

We recommend that the Village Board review all voucher packages included for payment by the Clerk-Treasurer. This level of review would provide mitigating controls related to finding 06-01.

**06-03. Documentation for Cash Disbursements**

We noted during our audit that in several instances, the cancelled check was the sole documentation retained in support of disbursements.

We recommend that a copy of the invoice be retained for each disbursement as adequate disbursement documentation.

**06-04. Compensated Absences Disbursements**

We noted that the Clerk-Treasurer disbursed retirement payments to retirees of the Village in excess of the amounts actually owed to the former employees. There was no review or approval process from the Village Board for payments of outstanding vacation and sick leave to the former employees.

We recommend that the Village Board review and approve all calculations and balances for retirement payments of vacation, sick, and personal leave to employees who intend to retire. This allows for review of compensated absences payouts and an official approval of the amounts owed to retirees.

**06-05. Cash Accounts in the Village's Employer Identification Number and not recorded on the Village's General Ledger**

During our audit of cash, we noted that there were multiple cash accounts being maintained by the Village for the General Fund capital reserve. We also noted that the Sesquicentennial and WASEO accounts in the Trust and Agency Fund were not recorded in the Village's general ledger as of May 31, 2006.

We recommend that the Village record all their cash accounts and current year activity in the general ledger.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED MAY 31, 2006**

**06-06. Recording Landfill and Permanent Fund Activity**

During our audit, we noted that the Village did not record the current year activities of the landfill and permanent fund in their general ledger. The only source of activity in the current year for these two funds were their respective bank statements.

We recommend that the Village implement controls to ensure all activities in all funds maintained by the Village are recorded in the general ledger.

**06-07. Signature Stamp**

We noted that a signature stamp with the signature of the Village's Clerk-Treasurer is used to stamp all checks to be paid by the Village. There is no review of the checks to be disbursed by any Village Board member.

We recommend that the Village discontinue use of the signature stamp and that all checks be manually signed. This strengthens controls by having an individual, separate from the disbursement preparation and general ledger posting, approve disbursements.

**06-08. Accounts Payable and Accounts Receivable Listings at Fiscal Year End**

We noted during our audit that there was no listing of accounts payable and accounts receivable at fiscal year end to support the balances reported on the general ledger.

We recommend that a listing of accounts payable and accounts receivable be maintained to account for outstanding invoices and expenses. We further recommend that billings and receipts that are being accrued at fiscal year end be used in the reconciliation of the accounts payable and accounts receivable balances at the end of the year.

**06-09. Access to Department of Public Utilities Cash Vault**

We noted during our audit that the Clerk-Treasurer has access to the combination to the Department of Public Utilities cash vault. The Clerk-Treasurer has no responsibility in the cash collection of public utilities of the Village.

We recommend that the Department of Public Utilities change the combination to the cash vault and only those employees in the Public Utilities office be given the combination.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED MAY 31, 2006**

**06-10. Cash Vault Combinations Known to Former Employees not Changed**

We noted during our audit that the cash vault combinations to the Village Clerk's office and the Village's Department of Public Utilities office were not changed after the departure of an employee who knew the combination of these vaults.

We recommend that the Village Clerk's office and Department of Public Utilities office change their combinations every time an employee, who has had access to these vaults, leaves employment of the village.

**06-11. Budget Review and Oversight by the Village Board**

During the year ended May 31, 2006, the Village Clerk-Treasurer did not provide to the Village Board interim financial reports, specifically, comparative budget to actual reports. These reports are critical to the Village Board's understanding of the financial performance of the Village, as well as, the Board's ability to monitor operations to determine whether any budget line items have been over expended or are currently significantly under expended during the year.

We recommend that the Clerk-Treasurer provide monthly budget to actual revenue and expenditure variance reports to the Board for review. This will assist the Village Board in monitoring any variances between the budget and actual performance of the Village and assist the Village Board in making financial decisions.

**06-12. New York State Constitutional Tax Limit**

During our audit, we requested a copy of the 2005-2006 New York State Constitutional Tax Limit for the Village of Wellsville. The Village was unable to provide us with a copy of the Constitutional Tax Limit, which is required to be filed with New York State on a yearly basis.

We recommend that the Village maintains copies of all documents submitted to New York State for record keeping purposes.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED MAY 31, 2006**

**06-13. Village Board Approval for Capital Reserve Expenditures**

During our audit of the General Fund's capital reserve, we noted that the Clerk-Treasurer has the ability to make purchases from the capital reserve without Village Board approval. The Clerk-Treasurer made multiple small expenditures from the capital reserve during the fiscal year. A capital reserve purchase is required to have a resolution from the Village Board approving the use of reserve funds for expenditures.

We recommend that the Village Board pass resolutions for major expenditures from the capital reserve and that no expenditures be made from the capital reserve funds without Village Board approval.

**06-14. Allocation of Interest in Commingled Cash Account and Reserve Accounts**

During our audit, we noted that the interest revenue for the Electric, Water, and Sewer Funds was not allocated to each individual fund. We also noted that interest revenue was allocated to the capital reserve account in the General Fund.

We recommend that the Village allocate interest earned to the proper funds based on the amount of cash that belongs to each fund. Also, the capital reserve account should be allocated a proportion of the interest based on the capital reserve cash balance.

**06-15. Justice Cash Account Maintenance**

During our audit of cash, we noted that one of the Village Court Justice's cash records, checkbook, and checks, which is under the Village's Employer Identification Number, was kept at the Justice's home and not at the Village Court office with the Court Clerk. This increases the risk that these records will be lost or misplaced.

We recommend that all records of the Village Justice be maintained at the Village Court office.

**06-16. Electric Operating Property Depreciation Records**

During our audit of electric operating property depreciation, we noted that the Village does not maintain records for electric operating property depreciation calculations.

We recommend that the Village perform a calculation of depreciation using the group depreciation method on their electric operating property on a monthly basis and record the monthly depreciation in the Village's general ledger.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED MAY 31, 2006**

**06-17. Community Development Loans**

During our audit, we were unable to audit the Special Grant Fund's rehabilitation loans due to the Village having inadequate records accounting for the loan balances, including the receipt of principal and interest throughout the fiscal year.

We recommend that the Village review their records and reconstruct the outstanding balance of the loans as of May 31, 2006 during the fiscal year so that the Village is able to monitor and maintain the current outstanding balance of the loans receivable.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED MAY 31, 2006**

**FINDINGS - FINANCIAL STATEMENT AUDIT**

**REPORTABLE CONDITIONS**

**05-01. Segregation of Duties: Cash Disbursements, Cash Receipts, General Ledger, and Bank Reconciliations**

Due to the limited number of people working in the office, many critical duties are combined and given to the available employees. As of May 31, 2005, we note that a single individual prepares and signs checks, reconciles the bank accounts, receives cash receipts and records the receipts, receivables, and disbursements to the general ledger. To the extent possible, duties should be segregated to serve as a check and balance on the employee's integrity and to maintain the best control system possible.

We recommend that segregation of duties could be improved if different employees performed the separate duties of signing checks, processing cash receipts and cash disbursements, and maintaining the general ledger.

*Status:* See 06-01.

**05-02. Village Board Approval of Purchases**

We noted during our audit that the Village Board reviews and approves the abstracts for disbursements but does not review voucher packages for payment by the Clerk-Treasurer. The Clerk-Treasurer has the ability to disburse a check using Village funds without the Village Board reviewing the check's supporting documentation.

We recommend that the Village Board review all voucher packages included for payment by the Clerk-Treasurer. This level of review would provide mitigating controls related to finding 05-01.

*Status:* See 06-02.

**05-03. Documentation for Cash Disbursements**

We noted during our audit that in several instances, the cancelled check was the sole documentation retained in support of disbursements.

We recommend that for adequate disbursement documentation, a copy of the invoice should be retained for each disbursement.

*Status:* See 06-03.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED MAY 31, 2006**

**05-04. Compensated Absences Disbursements**

We noted that the Clerk-Treasurer disbursed retirement payments to retirees of the Village in excess of the amounts actually owed to the former employees. There was no review or approval process from the Village Board for payments of outstanding vacation and sick leave to the former employees.

We recommend that the Village Board review and approve all calculations and balances for retirement payments of vacation, sick, and personal leave to employees who intend to retire. This allows for a level of review of compensated absences payouts and an official approval of the amounts owed to retirees.

*Status:* See 06-04.

**05-05. Signature Stamp**

We noted that a signature stamp with the signature of the Village's Clerk-Treasurer is used to stamp all checks to be paid by the Village. There is no review of the checks to be disbursed by any Village Board member.

We recommend that the Village discontinue use of the signature stamp and that all checks be manually signed. This strengthens controls by having an individual, separate from disbursement preparation and general ledger posting, approve disbursements.

*Status:* See 06-07.

**05-06. Timely Payment of Invoices**

During our audit, we noted an invoice for January 2005 New York State fines and forfeited bail that was received in February 2005 but was not paid until June 2005.

We recommend that the Village pay invoices that come due in a timely manner to avoid the potential of the Village paying late fees or interest on overdue invoices.

*Status:* No reoccurrence of this issue in the current year.

**05-07. Accounts Payable Listing at Fiscal Year End**

We noted during our audit that there was no listing of accounts payable at fiscal year end to support the balance reported on the general ledger.

We recommend that a listing of accounts payable be maintained to account for the invoices and expenses that are being accrued at fiscal year end and aid in providing supporting documentation of the accounts payable balances at the end of the year.

*Status:* See 06-08.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED MAY 31, 2006**

**05-08. Access to Department of Public Utilities Cash Vault**

We noted during our audit that the Clerk-Treasurer has access to the combination to the Department of Public Utilities cash vault. The Clerk-Treasurer has no responsibility in the cash collection of public utilities of the Village.

We recommend that the Department of Public Utilities change the combination to the cash vault and only those employees in the Public Utilities office be given the combination.

*Status:* See 06-09.

**05-09. Cash Vault Combinations Known to Former Employees not Changed**

We noted during our audit that the cash vault combinations to the Village Clerk's office and the Village's Department of Public Utilities office were not changed after the departure of an employee who knew both of the combinations.

We recommend that the Village Clerk's office and Department of Public Utilities office change their combinations every time an employee, who has had access to these vaults, leaves employment of the village.

*Status:* See 06-10.

**05-10. Budget Review and Oversight by the Village Board**

As of May 31, 2005, the Village Clerk-Treasurer did not provide to the Village Board interim financial reports, specifically, comparative budget to actual reports. These reports are critical to the Village Board's understanding of the financial performance of the Village, as well as, the Board's ability to monitor operations to determine whether any budget line items have been over expended or are currently significantly under expended during the year.

We recommend that the Clerk-Treasurer provide monthly budget to actual revenue and expenditure variance reports to the Board for review. This will help the Village Board monitor any variances between the budget and actual performance of the Village and assist the Village Board in making financial decisions.

*Status:* See 06-11.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED MAY 31, 2006**

**05-11. New York State Constitutional Tax Limit**

During our audit, we requested a copy of the 2004-2005 New York State Constitutional Tax Limit for the Village of Wellsville. The Village was unable to provide us with a copy of the Constitutional Tax Limit, which is required to be filed with New York State on a yearly basis.

We recommend that the Village maintains copies of all documents to be submitted to New York State for record keeping purposes.

*Status:* See 06-12.

**05-12. Special Reserve Cash Account for Capital Reserve**

During our audit of the General Fund's capital reserve, we noted that the Village does not maintain a separate general ledger cash account for their capital reserve. Therefore, there is no cash specifically set aside in the general ledger for the purposes of the capital reserve.

We recommend that the Village set up a separate general ledger cash account specifically to monitor the activity of the cash restricted for the capital reserve.

*Status:* No reoccurrence of this finding in the current year.

**05-13. Village Board Approval for Capital Reserve Expenditures**

During our audit of the General Fund's capital reserve, we noted that the Clerk-Treasurer has the ability to make purchases from the capital reserve without Village Board approval. The Clerk-Treasurer made multiple small expenditures from the capital reserve during the fiscal year. A capital reserve purchase is required to have a resolution from the Village Board approving the use of reserve funds for expenditures.

We recommend that the Village Board pass resolutions for major expenditures from the capital reserve and that no expenditures can be made from the capital reserve funds without Village Board approval.

*Status:* See 06-13.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED MAY 31, 2006**

**05-14. Cash Account in the Village's Employer Identification Number and not Recorded on the Village's General Ledger**

During our audit of cash, we noted that there was a cash account being maintained by the Village for a fuel farm that is a joint venture, under General Municipal Law, with other municipalities. The Village is the primary holder of the cash account and is the lead agency with responsibility for cash receipts and disbursements and maintaining records related to those transactions. This account is not recorded in the Village General Fund as of May 31, 2005. Also, a separate general ledger cash account and repair reserve was required to be set up by the Village per the fuel farm agreement to account for the reimbursements and expenditures of the fuel farm.

We recommend that the Village record this cash account into the general ledger and set up a repair reserve account per the fuel farm agreement to record the activity of the fuel farm during the year.

*Status:* See 06-05.

**05-15. Allocation of Interest in Commingled Cash Account and Reserve Accounts**

During our audit, we noted that the interest revenue for the Electric, Water, and Sewer Funds is not being allocated to each individual fund. We also noted that no interest revenue is being allocated to the capital reserve account in the General Fund.

We recommend that the Village allocate interest earned to the proper funds based on the amount of cash that belongs to each fund. Also, the capital reserve account should be allocated a proportion of the interest based on the capital reserve cash balances.

*Status:* See 06-14.

**05-16. Justice Cash Account Maintenance**

During our audit of cash, we noted that one of the Village Court Justice's cash records, checkbook, and checks, which is under the Village's Employer Identification Number, was kept at the Justice's home and not at the Village Court office with the Court Clerk. This increases the risk that these records will be lost or misplaced at the Justice's home.

We recommend that all records of the Village Justice be maintained at the Village Court office.

*Status:* See 06-15.

**VILLAGE OF WELLSVILLE, NEW YORK**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED MAY 31, 2006**

**05-17. Electric Operating Property Depreciation Records**

During our audit of electric operating property depreciation, we noted that the Village does not maintain records for electric operating property depreciation calculations.

We recommend that the Village performs a calculation of depreciation using the group depreciation method on their electric operating property monthly and record the monthly calculation to the Village's general ledger.

*Status:* See 06-16.

**05-18. Community Development Loans**

During our audit, we were unable to audit the Special Grant Fund's rehabilitation loans due to the Village having inadequate records accounting for the loan balances, including the receipt of principal and interest throughout the fiscal year.

We recommend that the Village go back into their records and reconstruct the outstanding balance of the loans during the fiscal year so that the Village is able to monitor and maintain the current outstanding balance of the loans receivable at the end of the fiscal year.

*Status:* See 06-17.