

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED MAY 31, 2012

WITH INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
of the Village of Croton-on-Hudson, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Croton-on-Hudson, New York ("Village") as of and for the year ended May 31, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village as of May 31, 2012 and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Water funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2012 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 that testing, and not to provide an opinion on the internal control over financial reporting or 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.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedules of Funding Progress and Contributions for the Service Awards Program and the Schedule of Funding Progress - Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is also not a required part of the financial statements. The combining and individual fund financial statements and schedules and the schedule of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

December 27, 2012

Village of Croton-on-Hudson, New York Management's Discussion and Analysis May 31, 2012

Introduction

As management of the Village of Croton-on-Hudson, New York ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2012. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

Before getting into this discussion, it is important to note for this year's financial statement presentation that the Governmental Accounting Standards Board ("GASB") issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 are effective for financial statements for the Village's fiscal period ending May 31, 2012; therefore they are introduced in this report for the first time. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

Financial Highlights for Fiscal Year 2012

- On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$11,830,853. Of this amount \$1,070,977 may be used to meet the Village's ongoing obligations to citizens and creditors.
- The General Fund completed fiscal year 2012 with a fund balance totaling \$6,988,071, an increase of \$512,439. Of this amount, the unassigned fund balance totaled \$4,632,991. In addition, the nonspendable classification included \$63,523 for prepaid expenditures and \$500 for advances. The assigned classification included \$335,833 for encumbrances, \$650,000 for subsequent years expenditures and \$350,000 for future retirement expenditures. \$955,224 was restricted for employee benefits which represents accumulated vacation and sick leave in accordance with various collective bargaining agreements.
- Capital Projects Fund expenditures totaled \$1,819,944 and the fund balance at May 31, 2012 was \$3,408,778.
- The Village issued \$844,128 of new bond anticipation notes and retired \$947,500 of bond anticipation notes outstanding at May 31, 2011. At May 31, 2012, the Village had \$844,128 of bond anticipation notes outstanding to finance capital projects.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$10,853,707. Of this amount, the unassigned fund balance was \$4,569,468 or 42%.
- During the 2012 fiscal year, the Village issued \$1,686,060 of serial bonds and retired \$1,421,500 of previously outstanding indebtedness. The Village's total outstanding general obligation bonds payable at May 31, 2012 totaled \$20,286,060, exclusive of deferred charges of (\$17,727) and issuance premium of \$45,495.

Overview of the Financial Statements

The Village's financial statements are comprised of this Management Discussion and Analysis ("MD&A") and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides analysis and overview of the Village's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents.

Government-wide Financial Statements

The *government-wide financial statements* are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: the Statement of Net Assets and the Statement of Activities. Fiduciary activities, whose resources are not available to the Village's programs, are excluded from these statements.

The *Statement of Net Assets* presents the Village's total assets and liabilities with the difference reported as *net assets*. Over time, increases or decreases in the net assets may serve as a useful indicator as to whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* presents information showing the change in the Village's net assets during the current fiscal year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes and earned but unused vacation and sick leave. The focus of this statement is on the net cost of providing various services to the citizens of the Village.

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Village include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Governmental resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal

requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds - Most of the basic services provided by the Village are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the Village's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. From this comparison, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Croton-on-Hudson has six (6) individual governmental funds: General, Water, Debt Service, Capital Projects, Special Purpose and Sewer funds. Of these, the General, Water, Debt Service and Capital Projects funds are reported as major funds, and are presented in separate columns on the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major funds can be found on the *combining statements* elsewhere in this report.

The Village adopts an annual budget for its General, Water, Sewer and Debt Service funds. A budgetary comparison statement has been provided in the basic financial statements for the General and Water Funds to demonstrate compliance with the respective budgets.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are *not* reflected in the government-wide financial statements because the assets of these funds are *not* available to support the activities of the Village. The Village maintains two types of fiduciary funds, the Pension Trust Fund and the Agency Fund. The Pension Trust Fund accounts for the Service Awards Program for volunteer firefighters. Resources are held in the Agency Fund by the Village purely in a custodial capacity. The activity in this fund is limited to the receipt and remittance of resources to the appropriate individual, organization or government.

The financial statements for the Fiduciary Funds can be found in the basic financial statements section of this report.

Notes to Financial Statement

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Village's financial position. In the case of the Village of Croton-on-Hudson, New York assets exceeded liabilities by \$11,830,853 for fiscal year 2012.

The following table reflects the condensed Statement of Net Assets:

Statement of Net Assets

	May 31,	
	2012	2011
Current Assets	\$ 13,347,927	\$ 13,536,076
Capital Assets, net	29,199,061	28,284,270
Total Assets	42,546,988	41,820,346
Current Liabilities	2,535,793	3,026,555
Long-Term Liabilities	28,180,342	26,893,388
Total Liabilities	30,716,135	29,919,943
Net Assets:		
Invested in capital assets, net of related debt	9,681,137	8,792,037
Restricted	1,078,739	1,075,547
Unrestricted	1,070,977	2,032,819
Total Net Assets	\$ 11,830,853	\$ 11,900,403

One component of the Village's net assets is invested in capital assets (net of related debt) of \$9,681,137, which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

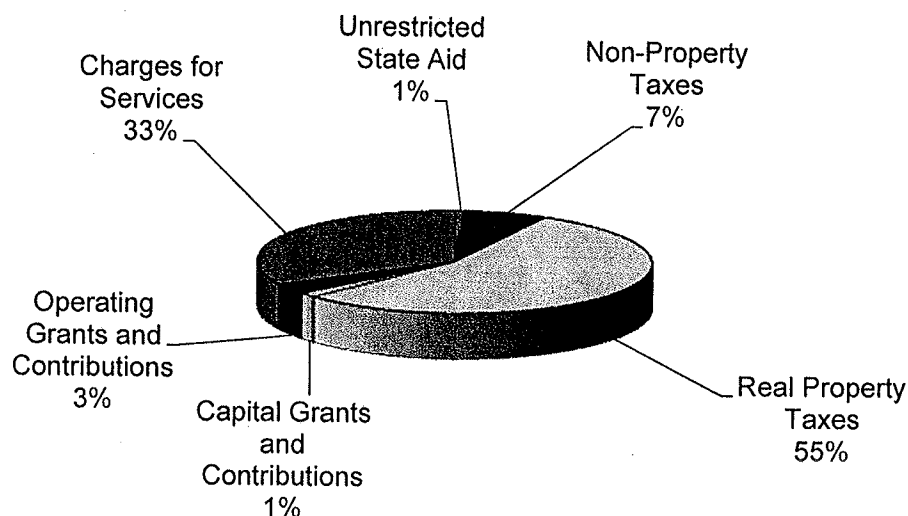
The restricted net assets of \$1,078,739 represent resources that are subject to external restrictions on their use. The restrictions are:

	May 31,	
	2012	2011
Capital Projects	\$ 656,681	\$ 495,621
Future Capital Projects	77,466	198,784
Debt Service	259,389	295,944
Special Purpose	85,203	85,198
Restricted Net Assets	<u>\$ 1,078,739</u>	<u>\$ 1,075,547</u>

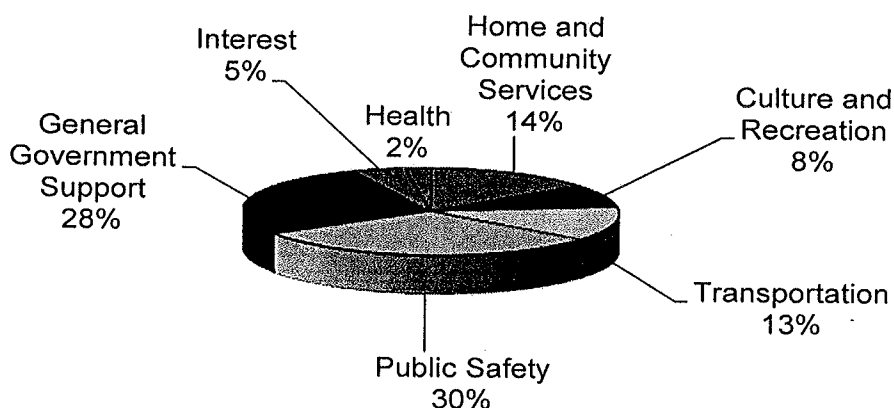
Changes in Net Assets

	Year Ended May 31,	
	2012	2011
Program Revenues:		
Charges for Services	\$ 5,992,319	\$ 5,937,141
Operating Grants and Contributions	608,411	177,000
Capital Grants and Contributions	249,975	395,676
General Revenues:		
Real Property Taxes	10,338,686	10,045,799
Other Tax Items	55,325	57,210
Non-Property Taxes	1,274,277	1,201,543
Unrestricted Use of Money and Property	9,157	11,241
Sale of Property and Compensation for Loss	120,765	97,258
Unrestricted State Aid	144,655	170,528
Miscellaneous	13,302	21,445
	18,806,872	18,114,841
Total Revenues		
Program Expenses:		
General Government Support	5,207,037	4,768,729
Public Safety	5,658,031	5,418,761
Health	414,179	354,280
Transportation	2,372,047	2,636,792
Economic Opportunity and Development	75,414	71,442
Culture and Recreation	1,593,985	1,592,987
Home and Community Services	2,692,656	2,214,404
Interest	863,073	844,908
	18,876,422	17,902,303
Total Expenses		
Change in Net Assets	(69,550)	212,538
Net Assets - Beginning	11,900,403	11,687,865
Net Assets - Ending	\$ 11,830,853	\$ 11,900,403

Sources of Revenue for Fiscal Year 2012 Governmental Activities



Sources of Expenses for Fiscal Year 2012 Governmental Activities



Governmental Activities: Governmental activities decreased the Village's net assets by (\$69,550).

For the fiscal year ended May 31, 2012, revenues from governmental activities totaled \$18,806,872. Tax revenues of \$11,668,288, consisting of real property taxes, other tax items and non-property taxes, represented the largest revenue source at 62%.

Financial Analysis of the Government's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The table below outlines the various balances that comprise the total fund balance of the Village as of May 31, 2012 according to their GASB Statement No. 54 classifications along with what the former classifications would have been. More detailed information about the Village's fund balance is presented in note 3.J in the notes to financial statements.

<u>GASB No. 54 Classification</u>	<u>Includes Former Classifications</u>	<u>Fund Balance</u>
Nonspendable Fund Balance	Prepaid Expenditures Advances	\$ 500 63,523
		<u>64,023</u>
Restricted Fund Balance	Reserved for Employee Benefits Reserved for Future Capital Projects Reserved for Debt Service Reserved for Capital Projects Reserved for Parklands Reserved for Trusts	970,439 77,466 259,389 3,408,778 85,074 129
		<u>4,801,275</u>
Assigned Fund Balance	Reserved for Encumbrances: General Government Support Public Safety Health Transportation Economic Opportunity and Development Culture and Recreasion Home and Community Services Designated for Subsequent Year's Expenditures: Unassigned Fund Balance Designated for Future Retirement Expenditures Water	48,347 37,515 33,732 89,953 1,750 33,899 95,024 650,000 380,300 48,421
		<u>1,418,941</u>
Unassigned Fund Balance	Sewer Reserved for Encumbrances - Home and Community Services Unreserved and Undesignated: General Fund Sewer	5,814 4,632,991 (69,337)
		<u>4,569,468</u>
Total Fund Balance (as of May 31, 2012)		<u>\$ 10,853,707</u>

The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined fund balances of \$10,853,707, an increase of \$398,895 from the prior year.

General Fund Budgetary Highlights

When the fiscal 2011-2012 budget was adopted, it anticipated the use of \$650,000 of fund balance. However, actual results of operations resulted in an increase of \$512,439 to fund balance. Overall, General Fund expenditures and other financing uses were \$16,954,864, which was \$920,919 less than the final budget. Revenues and other financing sources totaled \$17,467,303, which was \$666,901 greater than the final budget.

Capital Asset and Debt Administration

Capital Assets: The Village's investment in capital assets for its governmental activities as of May 31, 2012, amounted to \$29,199,061 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction-in-progress.

Capital Assets (Net of Depreciation)

	May 31,	
	2012	2011
Land	\$ 4,773,011	\$ 4,773,011
Buildings and improvements	5,173,821	5,450,295
Machinery and equipment	1,155,920	1,514,994
Infrastructure	5,217,022	5,464,225
Construction-in-Progress	12,879,287	11,081,745
Total	<u>\$ 29,199,061</u>	<u>\$ 28,284,270</u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

- **Long-term Debt:** At the end of the current fiscal year, the Village had total debt outstanding of \$22,427,818, comprised of general obligation bonded debt of \$20,286,060 and installment purchase debt of \$2,141,758. The Village issued \$1,686,060 of serial bonds and retired \$1,421,500 of previously outstanding indebtedness. All of this debt is backed by the full faith and credit of the Village.

Additional information on the Village's long-term debt can be found in Note 3 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Abraham J. Zambrano, Village Manager, Village of Croton-on-Hudson, One Van Wyck Street, Croton-on-Hudson, New York 10520.

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VILLAGE OF CROTON-ON-HUDSON, NEW YORK

STATEMENT OF NET ASSETS

MAY 31, 2012

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 11,507,404
Investments	92,031
Receivables:	
Taxes, net	82,229
Accounts	204,209
Water rents	639,474
Sewer rents	47,396
State and Federal aid	294,764
Due from other governments	382,426
Prepaid expenses	500
Deferred charges	97,494
Capital assets:	
Not being depreciated	17,652,298
Being depreciated, net	11,546,763
Total Assets	<u>42,546,988</u>
LIABILITIES	
Accounts payable	565,333
Accrued liabilities	232,395
Retainages payable	14,506
Bond anticipation notes payable	844,128
Due to other governments	56
Unearned revenues	662,325
Accrued interest payable	217,050
Non-current liabilities:	
Due within one year:	1,862,352
Due in more than one year:	<u>26,317,990</u>
Total Liabilities	<u>30,716,135</u>
NET ASSETS	
Invested in capital assets, net of related debt	9,681,137
Restricted for:	
Capital projects	656,681
Future capital projects	77,466
Debt service	259,389
Special purpose	85,203
Unrestricted	<u>1,070,977</u>
Total Net Assets	<u><u>\$ 11,830,853</u></u>

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

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VILLAGE OF CROTON-ON-HUDSON, NEW YORK

STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government support	\$ 5,207,037	\$ 165,658	\$ 282,182	\$ 136,809	\$ (4,622,388)
Public safety	5,658,031	517,193	65,501	-	(5,075,337)
Health	414,179	240,128	101,380	-	(72,671)
Transportation	2,372,047	2,926,483	156,293	95,701	806,430
Economic opportunity and development	75,414	-	-	-	(75,414)
Culture and recreation	1,593,985	226,245	2,845	4,020	(1,360,875)
Home and community services	2,692,656	1,916,612	210	-	(775,834)
Interest	863,073	-	-	13,445	(849,628)
Total Governmental Activities	<u>\$ 18,876,422</u>	<u>\$ 5,992,319</u>	<u>\$ 608,411</u>	<u>\$ 249,975</u>	<u>(12,025,717)</u>
General Revenues:					
Real property taxes					10,338,686
Other tax items -					
Interest and penalties on real property taxes					55,325
Non-property taxes:					
Non-property tax distribution from County					1,064,390
Franchise fees					69,665
Utilities gross receipts taxes					140,222
Unrestricted use of money and property					9,157
Sale of property and compensation for loss					120,765
Unrestricted State aid					144,655
Miscellaneous					13,302
Total General Revenues					<u>11,956,167</u>
Change in Net Assets					(69,550)
Net Assets - Beginning					<u>11,900,403</u>
Net Assets - Ending					<u>\$ 11,830,853</u>

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

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2012

	General	Water	Debt Service
ASSETS			
Cash and Equivalents	\$ 6,043,302	\$ 179,127	\$ -
Investments	18,243	-	24,393
Taxes Receivable, net of allowance for uncollectible amounts	82,229	-	-
Other Receivables:			
Accounts	199,298	-	-
Water rents	-	639,474	-
Sewer rents	-	-	-
State and Federal aid	251,149	-	-
Due from other governments	382,426	-	-
Due from other funds	1,178,567	14,000	361,050
Advances to other funds	63,523	-	-
Prepaid Expenditures	500	-	-
Total Assets	\$ 8,219,237	\$ 832,601	\$ 385,443
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 431,603	\$ 40,615	\$ -
Accrued liabilities	223,973	8,422	-
Retainages payable	-	-	-
Bond anticipation notes payable	-	-	-
Due to other funds	14,000	607,775	126,054
Due to other governments	56	-	-
Deferred revenues	483,551	-	-
Deferred tax revenues	77,983	-	-
Advances from other funds	-	-	-
Total Liabilities	1,231,166	656,812	126,054
Fund Balances (Deficits):			
Nonspendable	64,023	-	-
Restricted	955,224	92,681	259,389
Assigned	1,335,833	83,108	-
Unassigned	4,632,991	-	-
Total Fund Balances	6,988,071	175,789	259,389
Total Liabilities and Fund Balances	\$ 8,219,237	\$ 832,601	\$ 385,443

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

<u>Capital Projects</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 5,213,209	\$ 71,766	\$ 11,507,404
-	49,395	92,031
-	-	82,229
4,911	-	204,209
-	-	639,474
-	47,396	47,396
43,615	-	294,764
-	-	382,426
179,420	93,159	1,826,196
-	-	63,523
-	-	500
<u>\$ 5,441,155</u>	<u>\$ 261,716</u>	<u>\$ 15,140,152</u>
\$ 81,225	\$ 11,890	\$ 565,333
-	-	232,395
14,506	-	14,506
844,128	-	844,128
913,744	164,623	1,826,196
-	-	56
178,774	-	662,325
-	-	77,983
-	63,523	63,523
<u>2,032,377</u>	<u>240,036</u>	<u>4,286,445</u>
-	-	64,023
3,408,778	85,203	4,801,275
-	-	1,418,941
-	(63,523)	4,569,468
<u>3,408,778</u>	<u>21,680</u>	<u>10,853,707</u>
<u>\$ 5,441,155</u>	<u>\$ 261,716</u>	<u>\$ 15,140,152</u>

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VILLAGE OF CROTON-ON-HUDSON, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS
MAY 31, 2012

Fund Balances - Total Governmental Funds	<u>\$ 10,853,707</u>
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>29,199,061</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>77,983</u>
Governmental funds report the effects of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charges	<u>97,494</u>
Long-term and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(217,050)
Bonds payable	(20,313,828)
Installment purchase debt payable	(2,141,758)
Compensated absences	(1,996,431)
Other post employment benefit obligations payable	<u>(3,728,325)</u>
	<u>(28,397,392)</u>
Net Assets of Governmental Activities	<u><u>\$ 11,830,853</u></u>

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

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MAY 31, 2012

	General	Water	Debt Service
REVENUES			
Real property taxes	\$ 10,393,345	\$ -	\$ -
Other tax items	55,325	-	-
Non-property taxes	1,274,277	-	-
Departmental income	3,759,278	1,607,729	-
Use of money and property	164,098	210	13,445
Licenses and permits	113,224	-	-
Fines and forfeitures	251,220	-	-
Sale of property and compensation for loss	120,765	-	-
Interfund revenues	522,000	-	-
State aid	267,096	-	-
Federal aid	482,779	-	-
Miscellaneous	13,896	-	-
Total Revenues	17,417,303	1,607,939	13,445
EXPENDITURES			
Current:			
General government support	3,612,050	186,886	-
Public safety	3,313,040	-	-
Health	397,753	-	-
Transportation	1,393,328	-	-
Economic opportunity and development	54,078	-	-
Culture and recreation	1,071,556	-	-
Home and community services	1,115,375	1,190,936	-
Employee benefits	3,789,588	219,211	-
Debt service:			
Principal	-	-	1,540,542
Interest	12,707	-	826,638
Capital outlay	-	-	-
Total Expenditures	14,759,475	1,597,033	2,367,180
Excess (Deficiency) of Revenues Over Expenditures	2,657,828	10,906	(2,353,735)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Transfers in	50,000	14,000	2,367,180
Transfers out	(2,195,389)	(293,033)	(50,000)
Total Other Financing Sources (Uses)	(2,145,389)	(279,033)	2,317,180
Net Change in Fund Balances	512,439	(268,127)	(36,555)
Fund Balances - Beginning of Year	6,475,632	443,916	295,944
Fund Balances - End of Year	\$ 6,988,071	\$ 175,789	\$ 259,389

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 10,393,345
-	-	55,325
-	-	1,274,277
-	108,309	5,475,316
-	5	177,758
-	-	113,224
-	-	251,220
-	-	120,765
-	-	522,000
95,701	-	362,797
136,809	-	619,588
4,020	-	17,916
<u>236,530</u>	<u>108,314</u>	<u>19,383,531</u>
-	23,090	3,822,026
-	-	3,313,040
-	-	397,753
-	-	1,393,328
-	-	54,078
-	-	1,071,556
-	98,401	2,404,712
-	5,573	4,014,372
-	-	1,540,542
-	-	839,345
<u>1,819,944</u>	<u>-</u>	<u>1,819,944</u>
<u>1,819,944</u>	<u>127,064</u>	<u>20,670,696</u>
<u>(1,583,414)</u>	<u>(18,750)</u>	<u>(1,287,165)</u>
1,686,060	-	1,686,060
137,512	-	2,568,692
-	(30,270)	(2,568,692)
<u>1,823,572</u>	<u>(30,270)</u>	<u>1,686,060</u>
240,158	(49,020)	398,895
<u>3,168,620</u>	<u>70,700</u>	<u>10,454,812</u>
<u>\$ 3,408,778</u>	<u>\$ 21,680</u>	<u>\$ 10,853,707</u>

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VILLAGE OF CROTON-ON-HUDSON, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2012

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 398,895</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Capital outlay expenditures	1,828,381
Depreciation expense	<u>(913,590)</u>
	<u>914,791</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>(54,659)</u>
Issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Bonds issued	(1,686,060)
Principal paid on serial bonds	1,421,500
Principal paid on installment purchase debt	119,042
Amortization of issuance costs, loss on refunding and issuance premium	<u>(9,961)</u>
	<u>(155,479)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	(27,695)
Compensated absences	(177,965)
Other post employment benefit obligations	<u>(967,438)</u>
	<u>(1,173,098)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ (69,550)</u></u>

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

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL AND WATER FUNDS
YEAR ENDED MAY 31, 2012

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 10,437,497	\$ 10,437,497	\$ 10,393,345	\$ (44,152)
Other tax items	32,000	32,000	55,325	23,325
Non-property taxes	1,153,000	1,153,000	1,274,277	121,277
Departmental income	3,536,347	3,598,529	3,759,278	160,749
Use of money and property	126,300	126,300	164,098	37,798
Licenses and permits	75,400	75,400	113,224	37,824
Fines and forfeitures	212,000	212,000	251,220	39,220
Sale of property and compensation for loss	22,000	52,774	120,765	67,991
Interfund revenues	522,000	522,000	522,000	-
State aid	155,347	155,347	267,096	111,749
Federal aid	-	385,555	482,779	97,224
Miscellaneous	-	-	13,896	13,896
Total Revenues	16,271,891	16,750,402	17,417,303	666,901
EXPENDITURES				
Current:				
General government support	3,581,581	3,820,156	3,612,050	208,106
Public safety	3,514,718	3,516,563	3,313,040	203,523
Health	245,253	443,917	397,753	46,164
Transportation	2,236,809	1,554,963	1,393,328	161,635
Economic opportunity and development	50,668	55,829	54,078	1,751
Culture and recreation	1,184,660	1,226,936	1,071,556	155,380
Home and community services	583,265	1,222,756	1,115,375	107,381
Employee benefits	3,850,306	3,826,566	3,789,588	36,978
Debt service - Interest	12,707	12,708	12,707	1
Total Expenditures	15,259,967	15,680,394	14,759,475	920,919
Excess of Revenues Over Expenditures	1,011,924	1,070,008	2,657,828	1,587,820
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	50,000	-
Transfers out	(2,137,257)	(2,195,389)	(2,195,389)	-
Total Other Financing Uses	(2,087,257)	(2,145,389)	(2,145,389)	-
Net Change in Fund Balances	(1,075,333)	(1,075,381)	512,439	1,587,820
Fund Balances - Beginning of Year	1,075,333	1,075,381	6,475,632	5,400,251
Fund Balances - End of Year	\$ -	\$ -	\$ 6,988,071	\$ 6,988,071

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

Water			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
1,877,332	1,877,332	1,607,729	(269,603)
3,000	3,000	210	(2,790)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,880,332	1,880,332	1,607,939	(272,393)
274,838	187,692	186,886	806
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,140,132	1,196,598	1,190,936	5,662
182,331	227,011	219,211	7,800
-	-	-	-
1,597,301	1,611,301	1,597,033	14,268
283,031	269,031	10,906	(258,125)
-	-	-	-
(293,033)	(293,033)	(293,033)	-
(293,033)	(293,033)	(293,033)	-
(10,002)	(24,002)	(282,127)	(258,125)
10,002	10,002	443,916	433,914
\$ -	\$ -	\$ 175,789	\$ 175,789

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
MAY 31, 2012

	<u>Agency</u>	<u>Pension Trust</u>
ASSETS		
Cash and Equivalents	\$ 341,715	\$ 41,358
Investments, at fair value:		
U.S. Equities	78,727	25,319
International Equities	-	28,923
Fixed Income	-	360,021
Mixed Assets	-	159,250
	<u>78,727</u>	<u>573,513</u>
Accounts Receivable	<u>3,607</u>	<u>98,621</u>
Total Assets	<u>424,049</u>	<u>713,492</u>
LIABILITIES		
Accounts Payable	119,910	-
Employee Payroll Deductions	107,303	-
Deposits	<u>196,836</u>	<u>-</u>
Total Liabilities	<u>424,049</u>	<u>-</u>
NET ASSETS		
Held in Trust for Pension Benefits (A schedule of funding progress for the plan is presented in the required supplementary information)	<u>\$ -</u>	<u>\$ 713,492</u>

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

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND - FIRE SERVICE AWARDS PROGRAM
YEAR ENDED MAY 31, 2012

ADDITIONS

Earnings on investments	\$ 29,024
Pension contributions	96,529
Net change in fair value of investments	<u>(27,995)</u>
Total Additions	97,558

DEDUCTIONS

Pension benefits	<u>22,210</u>
Change in Net Assets	75,348

Net Assets Held in Trust for Pension Benefits -
Beginning of Year

638,144

Net Assets Held in Trust for Pension Benefits -
End of Year

\$ 713,492

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

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Note 1 - Summary of Significant Accounting Policies

The Village of Croton-on-Hudson, New York ("Village") was established in 1898 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Village Manager serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Village's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Village, b) organizations for which the Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all non-fiduciary activities of the Village as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Assets presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Other items not identified as program revenues are reported as general revenues. The Village does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, liabilities, fund balances/net assets, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Village's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are assigned, restricted or committed to expenditures for certain defined purposes. The major special revenue fund of the Village is the Water Fund. The Water Fund is used to record the water utility operations of the Village, which renders services on a user charge basis to the general public.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The Village also reports the following non-major governmental funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds:

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Village in accordance with the terms of a trust agreement.

Sewer Fund - The Sewer Fund is used to record the sewer utility operations of the Village, which renders services on a user charge basis to the general public.

- b. Fiduciary Funds (Not Included in Government-Wide Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. These include Pension Trust and Agency Funds. The Pension Trust Fund is provided to account for the Village's Fire Service Awards Program. The Agency Fund accounts for employee payroll tax withholdings and deposits that are payable to other jurisdictions or individuals.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide financial statements and the pension trust fund are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus and utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Net Assets or Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Village's deposits and investment policies are governed by State statutes. The Village has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2012.

Investments - The Village participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. In accordance with the provisions of General Municipal Law, Article 3A, CLASS has designated Cutwater Assets Management, a wholly owned subsidiary of MBIA, Inc. as its registered investment advisor. MBIA, Inc. is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amount represents the amortized cost of the cooperative shares and is considered to approximate fair value. The Village's position in the pool is equal to the value of the pool shares. Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from MBIA Municipal Investors Service Corporation, 113 King Street, Armonk, NY 10504.

Note 1 - Summary of Significant Accounting Policies (Continued)

CLASS is rated AAAm by Standard & Poor's Ratings. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

The Village was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Investments of the Pension Trust Fund are held on deposit with an insurance company. The funds are invested along with the company's other assets in a variety of instruments. These investments are not subject to risk categorization.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in June. The Village is responsible for the billing and collection of its own taxes. The Village also has the responsibility for in-rem foreclosure proceedings.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Village. Receivables are recorded and revenues recognized as earned or as specific program expenses/expenditures are incurred. Allowances are recorded where appropriate.

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2012, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Advances To/From Other Funds - Advances to/from other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by a fund balance reserve in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Village. Purchases of inventorable items at various locations are recorded as expenses/expenditures at the time of purchase and year-end balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred Charges - Deferred charges in the district-wide financial statements represent the unamortized portion of the cost of issuance of bonds. These costs are being amortized over the term of the respective bond issues.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Village chose to include all such items regardless of their acquisition date or amount. The Village was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the Village are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Machinery and Equipment	5-20
Infrastructure	15-50

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned/Deferred Revenues - Unearned/deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Deferred revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported deferred revenues of \$77,983 for real property taxes and \$483,551 for parking permit fees received in advance in the General Fund and \$178,774 for State and Federal aid received in advance in the Capital Projects Fund. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects or Debt Service funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick time upon separation from service. The liability for such accumulated time is reflected in the government-wide Statement of Net Assets as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, future capital projects, debt service and special purpose. The balance is classified as unrestricted.

Fund Balance

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law.

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. These funds may only be used for the purpose specified unless the entity removes or changes the

Note 1 - Summary of Significant Accounting Policies (Continued)

purpose by taking the same action that was used to establish the commitment. This classification includes certain designations established and approved by the entity's governing board.

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. This classification will include amounts designated for balancing the subsequent year's budget and encumbrances. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations is generally employed as an extension of formal budgetary integration in the General, Water and Sewer funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 27, 2012.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Village generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General, Water, Debt Service and Sewer funds.
- f) Budgets for General, Water, Debt Service and Sewer funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund.
- g) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in General, Water, Debt Service and Sewer funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees.

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2011 - 12 fiscal year was \$26,011,049 which exceeded the actual levy by \$15,573,552 (See Note 5).

Note 2 - Stewardship, Compliance and Accountability (Continued)**C. Expenditures in Excess of Budget**

The following capital projects exceeded their budgetary authorization by the amounts indicated:

Ambulance Duty Vehicle	\$	453
Purchase of Land		2,014
Equipment		26,428
Chief Car Replacement		93
Grand Street Firehouse Siren		7
Thermal Imaging Camera		9
Road Sidewalks and Curbs		49,653
Equipment - Brush Chipper		4,765
Equipment - Two Salt Spreaders		135
Equipment - Police Cruiser		754
Replacement of Police Server		509

D. Fund Deficits

The Sewer Fund has an unassigned deficit of \$63,523 at May 31, 2012. The Village plans to address this deficit in the subsequent year.

E. Capital Projects Fund Deficits

The deficits in various individual projects arise in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. This deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

F. Application of Accounting Standards

For the year ended May 31, 2012 the Village implemented Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" ("GASB 54"). GASB 54 changed the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability for appropriations. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2012**Note 3 - Detailed Notes on All Funds****A. Taxes Receivable**

Taxes receivable at May 31, 2012 consisted of the following:

Current year	\$ 98,610
Prior years	<u>105,750</u>
	204,360
Less - Allowance for uncollectible amounts	<u>(122,131)</u>
	<u>\$ 82,229</u>

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2012 were as follows:

Fund	Due From	Due To
General	\$ 1,178,567	\$ 14,000
Water	14,000	607,775
Debt Service	361,050	126,054
Capital Projects	179,420	913,744
Non-Major Governmental	<u>93,159</u>	<u>164,623</u>
	<u>\$ 1,826,196</u>	<u>\$ 1,826,196</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

C. Capital Assets

Changes in the Village's capital assets are as follows:

	Balance June 1, 2011	Additions	Balance May 31, 2012
Capital Assets, not being depreciated:			
Land	\$ 4,773,011	\$ -	\$ 4,773,011
Construction-in-progress	<u>11,081,745</u>	<u>1,797,542</u>	<u>12,879,287</u>
Total Capital Assets, not being depreciated	<u>\$ 15,854,756</u>	<u>\$ 1,797,542</u>	<u>\$ 17,652,298</u>
Capital Assets, being depreciated:			
Buildings and improvements	\$ 8,820,792	\$ -	\$ 8,820,792
Machinery and equipment	4,615,090	30,839	4,645,929
Infrastructure	<u>28,345,597</u>	<u>-</u>	<u>28,345,597</u>
Total Capital Assets, being depreciated	<u>41,781,479</u>	<u>30,839</u>	<u>41,812,318</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

	Balance June 1, 2011	Additions	Balance May 31, 2012
Less Accumulated Depreciation for:			
Buildings and improvements	\$ 3,370,497	\$ 276,474	\$ 3,646,971
Machinery and equipment	3,100,096	389,913	3,490,009
Infrastructure	22,881,372	247,203	23,128,575
Total Accumulated Depreciation	29,351,965	913,590	30,265,555
Total Capital Assets, being depreciated, net	\$ 12,429,514	\$ (882,751)	\$ 11,546,763
Capital Assets, net	\$ 28,284,270	\$ 914,791	\$ 29,199,061

Depreciation expense was charged to the Village's functions and programs as follows:

General Government Support	\$ 118,767
Public Safety	497,907
Transportation	219,262
Economic Opportunity and Development	4,568
Culture and Recreation	45,679
Home and Community Services	27,407
	<u>\$ 913,590</u>

D. Accrued Liabilities

Accrued liabilities at May 31, 2012 were as follows:

	General Fund	Water Fund	Total
Payroll and employee benefits	\$ 223,973	\$ 8,422	\$ 232,395

E. Pension Plans

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") ("Systems"). The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to years of service. Contributions are certified

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plan year ended March 31, 2012 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75i/41J	21.5%
	3 A14/41J	15.8
	4 A15/41J	15.8
	5 A15/41J	12.7
PFRS	1 384D/3029D	26.0
	2 384D	20.9
	3 384D	20.4
	5 384D	20.0

Contributions made to the Systems for the current and two preceding years were as follows:

	<u>ERS</u>	<u>PFRS</u>
2012	\$ 853,295	\$ 532,620
2011	544,728	462,669
2010	369,136	316,618

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

Of the current year ERS contribution, \$800,642 was charged to the General Fund, \$49,142 was charged to the Water Fund and \$3,511 was charged to the Sewer Fund. The current year ERS contribution included \$166,016 of 2010 Retirement Incentive, Part A paid in a lump sum. The PFRS contribution was charged to the General Fund.

Pension Trust - Fire Service Awards Program

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Awards Program ("Program") for volunteer firefighters. This Program is a single employer defined benefit plan. Active volunteer firefighters, upon attainment of age 18 and completion of one year of service, are eligible to become participants in the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant upon attainment of entitlement age and one year of plan participation shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity. The monthly benefits are \$20 for each year of service credit, up to a maximum of 20 years. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Village's Board, are authorized to invest the funds in authorized investment vehicles. Separate financial statements are not issued by the program.

Note 3 - Detailed Notes on All Funds (Continued)

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>December 31, 2011</u>
Active - non-vested	69
Retirees and beneficiaries currently receiving benefits	18
Terminated employees entitled to benefits but not yet receiving them	-

The Village is required to contribute the amounts necessary to finance the plan as actuarially determined using the entry age normal frozen initial liability cost method. The assumed investment rate of return is 6.0% and there are no cost of living adjustments.

The Village's annual Program cost, the percentage of the annual Program cost contributed to the plan and the net pension obligation for the current and two preceding fiscal years were as follows:

	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage of Annual Program Cost Contributed</u>
2012	\$ 96,529	\$ 96,529	100.00 %
2011	92,595	92,595	100.00
2010	102,780	102,780	100.00

Since the net pension obligation is not separately amortized, the annual required contribution is equal to the annual pension costs.

F. Short-Term Capital Borrowings - Bond Anticipation Notes

The schedule below details the changes in short-term capital borrowings.

<u>Purpose</u>	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 1, 2011</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance May 31, 2012</u>
Public Improvements	1/13/2010	-	- %	\$ 577,600	\$ -	\$ 577,600	\$ -
Various	3/30/2011	-	-	369,900	-	369,900	-
Various	1/12/2012	1/11/2013	1.06	-	844,128	-	844,128
Total				<u>\$ 947,500</u>	<u>\$ 844,128</u>	<u>\$ 947,500</u>	<u>\$ 844,128</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$12,707 were recorded in the fund financial statements in the General Fund. Interest expense of \$12,782 was recorded in the government-wide financial statements for governmental activities.

G. Long-Term Liabilities

The changes in the Village's long-term indebtedness during the year ended May 31, 2012 are summarized as follows:

	Balance June 1, 2011	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2012	Due Within One Year
Bonds Payable	\$ 20,021,500	\$ 1,686,060	\$ 1,421,500	\$ 20,286,060	\$ 1,536,060
Less - Loss on refunding	(20,259)	-	(2,532)	(17,727)	-
Plus - Issuance premium	51,994	-	6,499	45,495	-
	20,053,235	1,686,060	1,425,467	20,313,828	1,536,060
Other Non-Current Liabilities:					
Installment Purchase					
Debt Payable	2,260,800	-	119,042	2,141,758	126,292
Compensated Absences	1,818,466	359,965	182,000	1,996,431	200,000
Other Post Employment Benefit					
Obligations Payable	2,760,887	1,554,774	587,336	3,728,325	-
Total Long-Term Liabilities	\$ 26,893,388	\$ 3,600,799	\$ 2,313,845	\$ 28,180,342	\$ 1,862,352

Each governmental fund's liability for compensated absences and other post employment benefit obligations is liquidated by the General, Water and Sewer funds. The Village's indebtedness for bonds and installment purchase debt is liquidated by the Debt Service Fund which is funded by the General, Water and Sewer Funds.

Note 3 - Detailed Notes on All Funds (Continued)**Bonds Payable**

Bonds payable at May 31, 2012 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2012
Various Purposes	2002	\$ 1,580,000	November, 2016	4.00-4.625 %	\$ 680,000
Various Purposes	2003	1,527,000	January, 2018	3.920	765,000
Various Purposes	2004	1,263,750	March, 2017	3.200	590,000
Various Purposes	2005	2,649,000	February, 2025	3.50-4.000	2,010,000
Various Purposes	2007	2,267,100	July, 2026	4.490	1,870,000
Various Purposes	2007	1,415,800	February, 2027	4.00-4.250	1,160,000
Various Purposes	2008	1,058,548	April, 2022	3.75-4.200	810,000
Various Purposes	2009	4,972,500	May, 2028	2.25-4.375	4,405,000
Refunding Bond	2011	3,080,000	May, 2019	2.00-3.000	2,675,000
Various Purposes	2011	3,801,500	March, 2030	2.25-4.000	3,635,000
Various Purposes	2012	1,686,060	April, 2028	2.00-4.000	1,686,060
					<u>\$ 20,286,060</u>

Interest expenditures of \$692,749 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$719,080 was recorded in the government-wide financial statements for governmental activities.

Installment Purchase Debt

The Village had entered into a contract to purchase land at a cost of \$4,000,000. An initial payment of \$500,000 was made at the closing and the balance of \$3,500,000 is payable in semi-annual installments of \$126,465, including interest at a rate of 6.0% per annum through 2024. The balance due at May 31, 2012 was \$2,141,758.

Interest expenditures of \$133,889 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$131,211 was recorded in the government-wide financial statements for governmental activities.

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)**Payments to Maturity**

The annual requirements to amortize all bonded and installment purchase debt outstanding as of May 31, 2012, including interest payments of \$6,606,694 are as follows:

Year Ending May 31,	Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,536,060	\$ 705,252	\$ 126,292	\$ 126,639	\$ 1,662,352	\$ 831,891
2013	1,605,000	655,065	133,983	118,948	1,738,983	774,013
2014	1,650,000	600,912	142,142	110,788	1,792,142	711,700
2015	1,700,000	547,215	150,799	102,132	1,850,799	649,347
2016	1,760,000	494,348	159,982	92,948	1,919,982	587,296
2017-2021	5,675,000	1,805,920	958,478	306,175	6,633,478	2,112,095
2022-2026	5,090,000	821,725	470,082	35,777	5,560,082	857,502
2027-2030	1,270,000	82,850	-	-	1,270,000	82,850
	<u>\$ 20,286,060</u>	<u>\$ 5,713,287</u>	<u>\$ 2,141,758</u>	<u>\$ 893,407</u>	<u>\$ 22,427,818</u>	<u>\$ 6,606,694</u>

The above general obligation bonds and installment purchase debt are direct obligations of the Village for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property located within the Village.

Compensated Absences

Under the terms of existing collective bargaining agreements, employees are entitled to accumulate sick and vacation leave based upon the terms of their respective collective bargaining agreements. Payments upon separation of service varies with each agreement. The Village's liability for accumulated sick and vacation leave has been recorded in the government-wide financial statements.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing post employment health care benefits is shared between the Village and the retired employee. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements.

The Village's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial

Note 3 - Detailed Notes on All Funds (Continued)

accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Village is required to accrue on the district-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the Village's general assets. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is as follows:

Year Ended May 31	Medical Rates	
	Pre-65	Post-65
2013	8.00 %	6.00 %
2014	7.00	5.00
2015	6.00	5.00
2016+	5.00	5.00

The amortization basis is the level of percentage of payroll method with a closed amortization approach with 26 years remaining in the amortization period. The actuarial assumptions include a 4.0% investment rate of return and a 2.5% projected annual increase in payroll. The Village currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the entry age method.

The number of participants as of May 31, 2012 was as follows:

Active Employees	63
Retired Employees	<u>46</u>
	<u>109</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2011	\$ 23,474,607
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 23,474,607</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 6,948,470</u>
UAAL as a Percentage of Covered Payroll	<u>337.84%</u>
Annual Required Contribution	\$ 1,569,918
Interest on Net OPEB Obligation	110,435
Adjustment to ARC	<u>(125,579)</u>
Annual OPEB Cost	1,554,774
Contributions Made	<u>(587,336)</u>
Increase in Net OPEB Obligation	967,438
Net OPEB Obligation - Beginning of Year	<u>2,760,887</u>
Net OPEB Obligation - End of Year	<u>\$ 3,728,325</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding year is as follows:

Fiscal Year Ended May 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 1,554,774	37.78 %	\$ 3,728,325
2011	1,506,159	36.95	2,760,887
2010	1,435,586	35.95	1,811,202

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

H. Revenues and Expenditures**Interfund Transfers**

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In				Total
	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	
General Fund	\$ -	\$ 14,000	\$ 2,043,877	\$ 137,512	\$ 2,195,389
Water Fund	-	-	293,033	-	293,033
Debt Service Fund	50,000	-	-	-	50,000
Non-Major Governmental Funds	-	-	30,270	-	30,270
	<u>\$ 50,000</u>	<u>\$ 14,000</u>	<u>\$ 2,367,180</u>	<u>\$ 137,512</u>	<u>\$ 2,568,692</u>

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due, 2) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 3) move funds from the Debt Service Fund to the operating funds to fulfill commitments for debt service expenditures 4) move funds from the operating funds to the Water Fund for expenditures incurred in the Water Fund on behalf of the operating funds.

I. Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, net of Related Debt - the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended bond proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net assets that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

Restricted for Future Capital Projects - the component of net assets that has been established pursuant to General Municipal Law, which is restricted for future improvements to the water distribution system.

Restricted for Debt Service - the component of net assets that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Special Purpose - the component of net assets that reports the difference between assets and liabilities of the certain programs with constraints placed on their use by either external parties and/or statute.

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

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2012						2011					
	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:												
Prepaid expenditures	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 47,876	\$ -	\$ -	\$ -	\$ -	\$ 47,876
Advances	63,523	-	-	-	-	63,523	-	-	-	-	-	-
Total Nonspendable	64,023	-	-	-	-	64,023	47,876	-	-	-	-	47,876
Restricted:												
Employee benefits	955,224	15,215	-	-	-	970,439	952,842	15,215	-	-	-	968,057
Future capital projects	-	77,466	-	-	-	77,466	-	199,784	-	-	-	199,784
Debt service	-	-	259,389	-	-	259,389	-	-	255,944	-	-	255,944
Capital projects	-	-	-	3,408,778	-	3,408,778	-	-	-	3,168,620	-	3,168,620
Parklands	-	-	-	-	85,074	85,074	-	-	-	-	85,069	85,069
Trusts	-	-	-	-	129	129	-	-	-	-	129	129
Total Restricted	955,224	92,681	259,389	3,408,778	85,203	4,801,275	952,842	213,989	255,944	3,168,620	85,198	4,676,603
Assigned:												
Purchases on order:												
General government support	48,347	-	-	-	-	48,347	143,950	-	-	-	-	143,950
Public safety	37,515	-	-	-	-	37,515	71,259	-	-	-	-	71,259
Health	33,732	-	-	-	-	33,732	17,273	-	-	-	-	17,273
Transportation	89,953	-	-	-	-	89,953	48,148	-	-	-	-	48,148
Economic opportunity and development	1,750	-	-	-	-	1,750	1,675	-	-	-	-	1,675
Culture and recreation	33,899	-	-	-	-	33,899	27,034	-	-	-	-	27,034
Home and community services	90,637	4,387	-	-	-	95,024	115,048	9,877	-	-	-	124,925
Employee benefits	-	-	-	-	-	-	946	125	-	-	-	1,071
Subsequent year's expenditures	335,833	4,387	-	-	-	340,220	425,333	10,002	-	-	-	435,335
Future retirement expenditures	650,000	-	-	-	-	650,000	650,000	-	40,000	-	-	690,000
Water	350,000	30,300	-	-	-	380,300	350,000	30,300	-	-	-	380,300
	-	48,421	-	-	-	48,421	-	189,615	-	-	-	189,615
Total Assigned	1,335,833	83,108	-	-	-	1,418,941	1,425,333	229,917	40,000	-	-	1,695,250
Unassigned:												
Purchases on order - Home and community services	-	-	-	-	5,814	5,814	-	-	-	-	11,621	11,621
Unassigned	4,632,991	-	-	-	(69,337)	4,563,654	4,049,581	-	-	-	(26,119)	4,023,462
Total Unassigned	4,632,991	-	-	-	(63,523)	4,569,468	4,049,581	-	-	-	(14,498)	4,035,083
Total Fund Balances	\$ 6,988,071	\$ 175,789	\$ 259,389	\$ 3,408,778	\$ 21,680	\$ 10,853,707	\$ 6,475,632	\$ 443,916	\$ 295,944	\$ 3,168,620	\$ 70,700	\$ 10,454,812

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets..

The Advances has been established to indicate the long-term nature of funds advanced to the Sewer Fund. The funds do not represent "available" spendable resources even though they are a component of current assets.

The Restriction for Employee Benefits represents funds set aside for the payment of accumulated vacation and sick leave in accordance with various collective bargaining agreements and pursuant to General Municipal Law.

The Restriction for Parklands represents funds received by the Village in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

The Restriction for Trusts has been established to set aside funds in accordance with the terms of the grants.

Purchases on order are assigned and represent the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures, at May 31, 2012, represent amounts that the Board of Trustees has assigned the above for the ensuing year's budget

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

In February 2012, the Teamsters objected to the Village replacing a full time Recreation Assistant position with a part-time position that was no longer in the bargaining unit. The Teamsters claimed that this constituted an unlawful transfer of a bargaining unit and filed improper practice charge in May 2012. The Village has denied violation of the Taylor Law and has a strong argument that the improper charge was not filed timely. The parties are presently attempting to resolve the issues as part of negotiations for a collective bargaining agreement.

The Village, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Village, if adversely settled.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Village if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year in which the payment is made.

B. Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures, which may be disallowed by the granting agencies cannot be determined at this time, although the Village anticipates such amounts, if any, to be immaterial.

C. Risk Management

The Village purchases various conventional insurance coverages to reduce its exposure to loss. The Village maintains general liability and public officials liability insurance coverage with policy limits of \$1 million per occurrence. In addition, the Village maintains an umbrella policy with a coverage limit of \$5 million. The law enforcement liability policy provides coverage up to \$1 million. In addition, the Village purchases workers' compensation insurance with coverage at statutory limits. Conventional health insurance is also provided to employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 5 - Other Matters

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to

Note 5 - Other Matters (Continued)

adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board of Trustees first enacts, by a vote of at least sixty percent of the total voting power of the Village Board of Trustees, a local law to override such limit for such coming fiscal year.

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS
PENSION TRUST FUND - FIRE SERVICE AWARDS PROGRAM
LAST SIX FISCAL YEARS

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio
2006	\$ 145,529	\$ 220,604	\$ 75,075	65.97 %
2007	236,035	303,895	67,860	77.67
2008	262,837	396,266	133,429	66.33
2009	411,133	472,413	61,280	87.03
2010	545,549	543,678	(1,871)	100.34
2011	616,963	620,918	3,955	99.36

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF CONTRIBUTIONS
PENSION TRUST FUND - FIRE SERVICE AWARDS PROGRAM
LAST SIX FISCAL YEARS

<u>Year Ended May 31,</u>	<u>Annual Required Contribution</u>	<u>Actual Contributions</u>	<u>Percentage Contributed</u>
2007	\$ 90,682	\$ 90,682	100.00 %
2008	79,321	79,321	100.00
2009	106,086	106,086	100.00
2010	102,780	102,780	100.00
2011	92,595	92,595	100.00
2012	96,529	96,529	100.00

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS
 OTHER POST EMPLOYMENT BENEFITS
 LAST THREE FISCAL YEARS

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
June 1, 2011	\$ -	\$ 23,474,607	\$ 23,474,607	- %	\$ 6,948,470	337.84 %
June 1, 2010	-	19,167,662	\$ 19,167,662	-	7,238,243	264.81
June 1, 2009	-	19,167,662	19,167,662	-	7,241,322	264.70

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VILLAGE OF CROTON-ON-HUDSON, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 6,041,802	\$ 6,995,110
Petty cash	1,500	1,500
	<u>6,043,302</u>	<u>6,996,610</u>
Investments	<u>18,243</u>	<u>18,241</u>
Taxes Receivable, net of allowance for uncollectible amounts of \$122,131 in 2012 and \$51,355 in 2011	<u>82,229</u>	<u>137,056</u>
Other Receivables:		
Accounts	199,298	82,293
State and Federal aid	251,149	312,087
Due from other governments	382,426	209,420
Due from other funds	1,178,567	28,625
Advances to other funds	63,523	-
	<u>2,074,963</u>	<u>632,425</u>
Prepaid Expenditures	<u>500</u>	<u>47,876</u>
Total Assets	<u>\$ 8,219,237</u>	<u>\$ 7,832,208</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 431,603	\$ 321,087
Accrued liabilities	223,973	409,070
Due to other funds	14,000	49,613
Due to other governments	56	56
Deferred revenues	483,551	444,108
Deferred tax revenues	77,983	132,642
Total Liabilities	<u>1,231,166</u>	<u>1,356,576</u>
Fund Balance:		
Nonspendable	64,023	47,876
Restricted	955,224	952,842
Assigned	1,335,833	1,425,333
Unassigned	4,632,991	4,049,581
Total Fund Balance	<u>6,988,071</u>	<u>6,475,632</u>
Total Liabilities and Fund Balance	<u>\$ 8,219,237</u>	<u>\$ 7,832,208</u>

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED MAY 31, 2012 AND 2011

	2012			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes	\$ 10,437,497	\$ 10,437,497	\$ 10,393,345	\$ (44,152)
Other tax items	32,000	32,000	55,325	23,325
Non-property taxes	1,153,000	1,153,000	1,274,277	121,277
Departmental income	3,536,347	3,598,529	3,759,278	160,749
Use of money and property	126,300	126,300	164,098	37,798
Licenses and permits	75,400	75,400	113,224	37,824
Fines and forfeitures	212,000	212,000	251,220	39,220
Sale of property and compensation for loss	22,000	52,774	120,765	67,991
Interfund revenues	522,000	522,000	522,000	-
State aid	155,347	155,347	267,096	111,749
Federal aid	-	385,555	482,779	97,224
Miscellaneous	-	-	13,896	13,896
Total Revenues	16,271,891	16,750,402	17,417,303	666,901
Expenditures:				
Current:				
General government support	3,581,581	3,820,156	3,612,050	208,106
Public safety	3,514,718	3,516,563	3,313,040	203,523
Health	245,253	443,917	397,753	46,164
Transportation	2,236,809	1,554,963	1,393,328	161,635
Economic opportunity and development	50,668	55,829	54,078	1,751
Culture and recreation	1,184,660	1,226,936	1,071,556	155,380
Home and community services	583,265	1,222,756	1,115,375	107,381
Employee benefits	3,850,306	3,826,566	3,789,588	36,978
Debt service-Interest	12,707	12,708	12,707	1
Total Expenditures	15,259,967	15,680,394	14,759,475	920,919
Excess of Revenues Over Expenditures	1,011,924	1,070,008	2,657,828	1,587,820
Other Financing Sources (Uses):				
Transfers in	50,000	50,000	50,000	-
Transfers out	(2,137,257)	(2,195,389)	(2,195,389)	-
Total Other Financing Uses	(2,087,257)	(2,145,389)	(2,145,389)	-
Net Change in Fund Balance	(1,075,333)	(1,075,381)	512,439	1,587,820
Fund Balance - Beginning of Year	1,075,333	1,075,381	6,475,632	5,400,251
Fund Balance - End of Year	\$ -	\$ -	\$ 6,988,071	\$ 6,988,071

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,010,837	\$ 10,010,837	\$ 10,024,963	\$ 14,126
31,500	31,500	57,210	25,710
974,000	974,000	1,201,543	227,543
3,335,286	3,335,286	3,629,501	294,215
240,500	240,500	153,076	(87,424)
83,800	83,800	87,555	3,755
210,000	210,000	178,017	(31,983)
20,000	26,171	97,258	71,087
522,000	522,000	522,000	-
159,442	174,508	265,662	91,154
-	220,317	80,665	(139,652)
-	-	21,545	21,545
15,587,365	15,828,919	16,318,995	490,076
3,480,493	3,451,796	3,223,540	228,256
3,458,286	3,461,881	3,231,528	230,353
286,159	517,507	339,183	178,324
2,331,114	1,777,518	1,634,205	143,313
48,445	50,689	48,864	1,825
1,207,858	1,152,183	1,068,652	83,531
608,485	1,237,918	1,014,279	223,639
3,475,210	3,479,594	3,284,722	194,872
9,910	9,910	9,910	-
14,905,960	15,138,996	13,854,883	1,284,113
681,405	689,923	2,464,112	1,774,189
200,000	200,000	200,000	-
(2,047,410)	(2,057,399)	(2,057,399)	-
(1,847,410)	(1,857,399)	(1,857,399)	-
(1,166,005)	(1,167,476)	606,713	1,774,189
1,166,005	1,167,476	5,868,919	4,701,443
\$ -	\$ -	\$ 6,475,632	\$ 6,475,632

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2012

(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
REAL PROPERTY TAXES	\$ 10,437,497	\$ 10,437,497	\$ 10,393,345	\$ (44,152)	\$ 10,024,963
OTHER TAX ITEMS					
Interest and penalties on real property taxes	32,000	32,000	55,325	23,325	57,210
NON-PROPERTY TAXES					
Non-property tax distribution from County	990,000	990,000	1,064,390	74,390	1,018,841
Franchise fees	53,000	53,000	69,665	16,665	81,055
Utilities gross receipts taxes	110,000	110,000	140,222	30,222	101,647
	1,153,000	1,153,000	1,274,277	121,277	1,201,543
DEPARTMENTAL INCOME					
Garbage removal	90,000	90,000	80,175	(9,825)	87,850
Parks and recreation charges	240,000	240,000	226,245	(13,755)	241,398
Ambulance service	173,626	235,808	235,808	-	277,120
Planning Board fees	2,000	2,000	2,675	675	4,700
Zoning fees	3,000	3,000	4,500	1,500	4,250
Prisoner transportation	-	-	1,371	1,371	-
Fire protection services for other governments	256,771	256,771	256,771	-	251,310
Parking permits	2,750,000	2,750,000	2,923,912	173,912	2,731,198
Other	20,950	20,950	27,821	6,871	31,675
	3,536,347	3,598,529	3,759,278	160,749	3,629,501

USE OF MONEY AND PROPERTY

Earnings on investments	17,000	17,000	11,539	(5,461)	11,241
Rental of real property	109,300	109,300	152,559	43,259	141,835

LICENSES AND PERMITS

Business and occupational licenses	2,300	2,300	6,780	4,480	3,870
Building permits	40,000	40,000	45,143	5,143	45,080
Dog license apportionment	1,100	1,100	2,731	1,631	1,965
Permit fees	32,000	32,000	58,570	26,570	36,640

FINES AND FORFEITURES

Fines and forfeited bail	75,400	75,400	113,224	37,824	87,555
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	2,000	2,000	28,614	26,614	7,854
Minor sales	10,000	10,000	21,875	11,875	19,622
Insurance recoveries	5,000	35,774	54,387	18,613	28,245
Other	5,000	5,000	15,889	10,889	41,537

	22,000	52,774	120,765	67,991	97,258
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INTERFUND REVENUES

	522,000	522,000	522,000	-	522,000
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STATE AID

Per capita	45,347	45,347	45,347	-	70,748
Mortgage tax	90,000	90,000	99,308	9,308	99,780
Youth programs	-	-	2,246	2,246	3,327
Navigation law enforcement grant	-	-	-	-	15,066
Snow and ice reimbursement	20,000	20,000	26,661	6,661	19,279
Emergency management assistance	-	-	32,408	32,408	-
DARE	-	-	61,126	61,126	57,462

	155,347	155,347	267,096	111,749	265,662
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VILLAGE OF CROTON-ON-HUDSON, NEW YORK

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)
 YEAR ENDED MAY 31, 2012
 (With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
FEDERAL AID					
Public health	\$ -	\$ 101,380	\$ 101,380	\$ -	\$ 77,895
Energy efficiency and conservation block grant	-	279,800	279,800	-	-
Emergency management assistance	-	-	97,224	97,224	-
Selective enforcement	-	4,375	4,375	-	2,770
	-	385,555	482,779	97,224	80,665
MISCELLANEOUS					
Refund of prior year's expenditures	-	-	13,302	13,302	21,445
Gifts and donations	-	-	594	594	100
	-	-	13,896	13,896	21,545
TOTAL REVENUES	16,271,891	16,750,402	17,417,303	666,901	16,318,995
OTHER FINANCING SOURCES					
Transfers in - Debt Service Fund	50,000	50,000	50,000	-	200,000
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 16,321,891	\$ 16,800,402	\$ 17,467,303	\$ 666,901	\$ 16,518,995

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2012

(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 35,154	\$ 41,991	\$ 25,131	\$ 16,860	\$ 25,725
Justice	282,950	280,640	275,439	5,201	285,046
Mayor	10,282	20,854	8,039	12,815	7,975
Clerk - Treasurer	376,042	376,587	373,296	3,291	359,214
Assessment	9,961	9,961	9,598	363	9,327
Manager	198,083	196,077	195,651	426	193,428
Data processing	237,107	223,107	186,835	36,272	204,297
Law	225,670	281,120	279,446	1,674	278,898
Engineer	475,516	473,725	469,095	4,630	490,573
Elections	-	-	-	-	4,850
Operation of plant and buildings	146,969	160,762	153,144	7,618	176,942
Auditor	36,620	37,996	37,996	-	46,328
Central garage	446,400	507,257	498,395	8,862	408,691
Central communications	341,368	623,328	575,131	48,197	334,442
Unallocated insurance	247,188	243,694	243,693	1	205,495
Municipal association dues	20,120	20,120	19,294	826	19,382
Judgments and claims	2,000	-	-	-	-
Purchase of land	24,428	26,128	20,128	6,000	3,358
Refunds of real property taxes	119,875	121,740	93,702	28,038	12,179
Taxes and assessments on property	35,000	35,000	10,427	24,573	10,389
Tax advertising	500	500	122	378	308
Records management	114,326	113,712	112,642	1,070	121,789
Metropolitan transportation authority commuter mobility tax	25,488	25,488	24,846	642	24,904
Contingent account	170,534	369	-	369	-
	3,581,581	3,820,156	3,612,050	208,106	3,223,540

PUBLIC SAFETY

Police	3,022,114	3,018,877	2,862,098	156,779	2,796,355
Jail	500	500	300	200	60
Fire Department	465,465	467,636	423,367	44,269	404,033
Control of animals	10,922	9,907	8,069	1,838	10,998
Traffic control	15,717	19,643	19,206	437	20,082
	<u>3,514,718</u>	<u>3,516,563</u>	<u>3,313,040</u>	<u>203,523</u>	<u>3,231,528</u>

HEALTH

Registrar of Vital Statistics	6,851	6,851	4,347	2,504	5,359
Public health	8,321	108,048	99,727	8,321	76,195
Ambulance	230,081	329,018	293,679	35,339	257,629

TRANSPORTATION

Street maintenance and administration					
Snow removal	1,670,675	940,997	934,369	6,628	912,886
Street lighting	246,663	169,153	118,107	51,046	378,198
Off-street parking	13,636	103,515	27,596	75,919	23,523
Brush and weeds	250,906	248,609	225,060	23,549	212,376
	<u>54,929</u>	<u>92,689</u>	<u>88,196</u>	<u>4,493</u>	<u>107,222</u>
	<u>2,236,809</u>	<u>1,554,963</u>	<u>1,393,328</u>	<u>161,635</u>	<u>1,634,205</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Publicity	50,668	55,829	54,078	1,751	48,864
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CULTURE AND RECREATION

Parks, playgrounds and recreation	1,055,757	1,097,836	971,286	126,550	958,357
Historian	21,843	22,040	19,300	2,740	4,156
Celebrations	21,210	21,210	19,095	2,115	27,053
Senior citizens programs	85,850	85,850	61,875	23,975	79,086
	<u>1,184,660</u>	<u>1,226,936</u>	<u>1,071,556</u>	<u>155,380</u>	<u>1,068,652</u>

(Continued)

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
YEAR ENDED MAY 31, 2012
(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
HOME AND COMMUNITY SERVICES					
Zoning	\$ 4,345	\$ 4,345	\$ 2,748	\$ 1,597	\$ 2,955
Planning	49,003	34,740	10,789	23,951	20,131
Recycling program	134,786	405,657	401,956	3,701	388,919
Sanitary and storm sewers	49,112	159,929	120,915	39,014	112,469
Refuse and garbage	186,884	320,518	290,907	29,611	303,749
Street cleaning	10,915	63,119	62,831	288	51,325
Shade trees	110,927	197,572	195,234	2,338	100,588
Community beautification	29,260	28,113	23,342	4,771	19,748
Other	8,033	8,763	6,653	2,110	14,395
	583,265	1,222,756	1,115,375	107,381	1,014,279
EMPLOYEE BENEFITS					
State retirement	701,379	800,642	800,642	-	476,584
State retirement - Police and Fire	587,126	532,620	532,620	-	462,669
Service awards program	105,500	108,375	96,529	11,846	92,595
Social security	439,818	413,785	412,450	1,335	417,890
Workers' compensation benefits	207,249	197,249	194,749	2,500	172,708
Life insurance	11,970	11,970	6,301	5,669	6,702
Health insurance	1,513,461	1,507,174	1,498,756	8,418	1,381,388
Dental insurance	73,578	84,578	77,888	6,690	72,473
Medicare reimbursement	190,225	147,457	146,937	520	161,899
Unemployment benefits	20,000	22,716	22,716	-	39,814
	3,850,306	3,826,566	3,789,588	36,978	3,284,722

DEBT SERVICE

Interest - Bond anticipation notes

12,707	12,708	12,707	1	9,910
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TOTAL EXPENDITURES

15,259,967	15,680,394	14,759,475	920,919	13,854,883
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OTHER FINANCING USES

Transfers out:

Capital Projects Fund

93,380	137,512	137,512	-	29,389
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Debt Service Fund

2,043,877	2,043,877	2,043,877	-	2,028,010
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Water Fund

-	14,000	14,000	-	-
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TOTAL OTHER FINANCING USES

2,137,257	2,195,389	2,195,389	-	2,057,399
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TOTAL EXPENDITURES AND OTHER FINANCING USES

\$ 17,397,224	\$ 17,875,783	\$ 16,954,864	\$ 920,919	\$ 15,912,282
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VILLAGE OF CROTON-ON-HUDSON, NEW YORK

WATER FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 179,127	\$ 71,631
Receivables:		
Water rents	639,474	637,832
Due from other funds	<u>14,000</u>	<u>2,833</u>
	653,474	640,665
Total Assets	<u>\$ 832,601</u>	<u>\$ 712,296</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 40,615	\$ 49,540
Accrued liabilities	8,422	30,795
Due to other funds	<u>607,775</u>	<u>188,045</u>
Total Liabilities	<u>656,812</u>	<u>268,380</u>
Fund Balance:		
Restricted	92,681	213,999
Assigned	<u>83,108</u>	<u>229,917</u>
Total Fund Balance	<u>175,789</u>	<u>443,916</u>
Total Liabilities and Fund Balance	<u>\$ 832,601</u>	<u>\$ 712,296</u>

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

WATER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED MAY 31, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 1,877,332	\$ 1,877,332	\$ 1,607,729	\$ (269,603)
Use of money and property	3,000	3,000	210	(2,790)
Total Revenues	1,880,332	1,880,332	1,607,939	(272,393)
Expenditures -				
Current:				
General government support	274,838	187,692	186,886	806
Home and community services	1,140,132	1,196,598	1,190,936	5,662
Employee benefits	182,331	227,011	219,211	7,800
Total Expenditures	1,597,301	1,611,301	1,597,033	14,268
Excess of Revenues Over Expenditures	283,031	269,031	10,906	(258,125)
Other Financing Sources (Uses):				
Transfers in	-	14,000	14,000	-
Transfers out	(293,033)	(293,033)	(293,033)	-
Total Other Financing Uses	(293,033)	(279,033)	(279,033)	-
Net Change in Fund Balance	(10,002)	(10,002)	(268,127)	(258,125)
Fund Balance - Beginning of Year	10,002	10,002	443,916	433,914
Fund Balance - End of Year	\$ -	\$ -	\$ 175,789	\$ 175,789

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,963,997 10,000	\$ 1,963,997 10,000	\$ 1,775,134 1,030	\$ (188,863) (8,970)
1,973,997	1,973,997	1,776,164	(197,833)
341,151	297,189	287,079	10,110
1,174,980	1,181,362	1,152,237	29,125
205,310	242,890	238,288	4,602
1,721,441	1,721,441	1,677,604	43,837
252,556	252,556	98,560	(153,996)
-	-	-	-
(279,618)	(449,618)	(449,618)	-
(279,618)	(449,618)	(449,618)	-
(27,062)	(197,062)	(351,058)	(153,996)
27,062	197,062	794,974	597,912
\$ -	\$ -	\$ 443,916	\$ 443,916

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VILLAGE OF CROTON-ON-HUDSON, NEW YORK

WATER FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2012

(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
DEPARTMENTAL INCOME					
Metered water sales	\$ 1,857,332	\$ 1,857,332	\$ 1,591,152	\$ (266,180)	\$ 1,737,960
Interest and penalties on water rents	20,000	20,000	16,577	(3,423)	37,174
	1,877,332	1,877,332	1,607,729	(269,603)	1,775,134
USE OF MONEY AND PROPERTY					
Earnings on investments	3,000	3,000	210	(2,790)	1,030
TOTAL REVENUES	1,880,332	1,880,332	1,607,939	(272,393)	1,776,164
OTHER FINANCING SOURCES					
Transfers in - General Fund	-	14,000	14,000	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 1,880,332	\$ 1,894,332	\$ 1,621,939	\$ (272,393)	\$ 1,776,164

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

WATER FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2012

(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
GENERAL GOVERNMENT SUPPORT					
Central communications	\$ 232,159	\$ 160,690	\$ 160,047	\$ 643	\$ 220,192
Auditor	6,285	7,267	7,266	1	8,454
Unallocated insurance	10,394	13,566	13,566	-	52,798
Municipal association dues	1,000	1,356	1,194	162	1,158
Taxes and assessments on property	-	4,813	4,813	-	4,477
Contingent account	25,000	-	-	-	-
	274,838	187,692	186,886	806	287,079
HOME AND COMMUNITY SERVICES					
Water administration	533,020	582,043	581,536	507	579,513
Pumping, supply and power	92,064	146,393	143,444	2,949	145,401
Transmission and distribution	515,048	468,162	465,956	2,206	427,323
	1,140,132	1,196,598	1,190,936	5,662	1,152,237
EMPLOYEE BENEFITS					
State retirement	50,634	56,351	49,142	7,209	65,940
Social security	19,869	30,531	30,530	1	30,494
Workers' compensation benefits	42,007	32,720	32,719	1	39,176
Life insurance	124	225	225	-	126
Health and dental insurance	62,737	99,968	99,380	588	95,381
Medicare reimbursement	6,960	7,216	7,215	1	7,171
	182,331	227,011	219,211	7,800	238,288
TOTAL EXPENDITURES	1,597,301	1,611,301	1,597,033	14,268	1,677,604

OTHER FINANCING USES

Transfers out:

Capital Projects Fund	-	-	-	170,000
Debt Service Fund	293,033	293,033	-	279,618
	<u>293,033</u>	<u>293,033</u>	<u>-</u>	<u>449,618</u>
TOTAL OTHER FINANCING USES				
	<u>293,033</u>	<u>293,033</u>	<u>-</u>	<u>449,618</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 1,890,334</u>	<u>\$ 1,904,334</u>	<u>\$ 14,268</u>	<u>\$ 2,127,222</u>

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VILLAGE OF CROTON-ON-HUDSON, NEW YORK

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Investments	\$ 24,393	\$ 271,613
Due from Other Funds	<u>361,050</u>	<u>24,331</u>
Total Assets	<u>\$ 385,443</u>	<u>\$ 295,944</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Due to other funds	<u>\$ 126,054</u>	<u>\$ -</u>
Fund Balance:		
Restricted	259,389	255,944
Assigned	<u>-</u>	<u>40,000</u>
Total Fund Balance	<u>259,389</u>	<u>295,944</u>
Total Liabilities and Fund Balance	<u>\$ 385,443</u>	<u>\$ 295,944</u>

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

DEBT SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED MAY 31, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues -				
Use of money and property	\$ 10,000	\$ 10,000	\$ 13,445	\$ 3,445
Expenditures -				
Debt service:				
Principal:				
Serial bonds	1,421,500	1,421,500	1,421,500	-
Installment purchase debt	119,042	119,042	119,042	-
	1,540,542	1,540,542	1,540,542	-
Interest:				
Serial bonds	692,749	692,749	692,749	-
Installment purchase debt	133,889	133,889	133,889	-
	826,638	826,638	826,638	-
Refunding bonds issuance costs	-	-	-	-
Total Expenditures	2,367,180	2,367,180	2,367,180	-
Deficiency of Revenues Over Expenditures	(2,357,180)	(2,357,180)	(2,353,735)	3,445
Other Financing Sources (Uses):				
Refunding bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	2,367,180	2,367,180	2,367,180	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources	2,317,180	2,317,180	2,317,180	-
Net Change in Fund Balance	(40,000)	(40,000)	(36,555)	3,445
Fund Balance - Beginning of Year	40,000	40,000	295,944	255,944
Fund Balance - End of Year	\$ -	\$ -	\$ 259,389	\$ 259,389

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 21,130	\$ 21,130
1,285,000	1,285,000	1,165,000	120,000
112,209	112,209	112,209	-
1,397,209	1,397,209	1,277,209	120,000
793,104	793,104	703,104	90,000
140,722	140,722	140,722	-
933,826	933,826	843,826	90,000
-	118,850	118,850	-
2,331,035	2,449,885	2,239,885	210,000
(2,331,035)	(2,449,885)	(2,218,755)	231,130
-	3,080,000	3,080,000	-
-	55,460	55,460	-
-	(3,016,610)	(3,016,610)	-
2,331,035	2,331,035	2,333,385	2,350
(200,000)	(200,000)	(200,000)	-
2,131,035	2,249,885	2,252,235	2,350
(200,000)	(200,000)	33,480	233,480
200,000	200,000	262,464	62,464
\$ -	\$ -	\$ 295,944	\$ 295,944

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Cash - Demand deposits	\$ 5,213,209	\$ 4,129,813
Receivables:		
Accounts	4,911	3,074
State and Federal aid	43,615	340,692
Due from other funds	179,420	291,532
	227,946	635,298
Total Assets	\$ 5,441,155	\$ 4,765,111
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 81,225	\$ 52,866
Retainages payable	14,506	132,781
Bond anticipation notes payable	844,128	947,500
Due to other funds	913,744	28,555
Deferred revenues	178,774	434,789
Total Liabilities	2,032,377	1,596,491
Fund Balance - Restricted	3,408,778	3,168,620
Total Liabilities and Fund Balance	\$ 5,441,155	\$ 4,765,111

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE

YEARS ENDED MAY 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
State aid	\$ 95,701	\$ 116,450
Federal aid	136,809	228,998
Miscellaneous	<u>4,020</u>	<u>29,098</u>
Total Revenues	236,530	374,546
Expenditures - Capital outlay	<u>1,819,944</u>	<u>1,841,201</u>
Deficiency of Revenues Over Expenditures	<u>(1,583,414)</u>	<u>(1,466,655)</u>
Other Financing Sources (Uses):		
Bonds issued	1,686,060	3,801,500
Transfers in	137,512	249,388
Transfers out	<u>-</u>	<u>(2,349)</u>
Total Other Financing Sources	<u>1,823,572</u>	<u>4,048,539</u>
Net Change in Fund Balance	240,158	2,581,884
Fund Balance - Beginning of Year	<u>3,168,620</u>	<u>586,736</u>
Fund Balance - End of Year	<u>\$ 3,408,778</u>	<u>\$ 3,168,620</u>

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

CAPITAL PROJECTS FUND

PROJECT-LENGTH SCHEDULE

INCEPTION OF PROJECT THROUGH MAY 31, 2012

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
Station Parking Lot Phase II	98015	\$ 5,155,322	\$ 5,148,888	\$ 6,434
Radio Monitoring	01055	450,000	406,744	43,256
Municipal Building Lead Dust Removal	02060	378,662	366,863	11,799
Police Radios	04095	35,873	26,331	9,542
Grand Street Fire House Improvements	04098	30,748	11,500	19,248
Croton Landing Field Improvements	04107/07148	1,667,988	1,666,646	1,342
Recreation Room Improvements	04109	40,998	19,890	21,108
Sanitary Sewer Repairs	04110	102,494	82,718	19,776
Sidewalk Improvements Harrison/Batten Streets	04112	50,000	4,895	45,105
Kaplans Pond Outlet	04113	368,974	266,118	102,856
High Street Drainage	05122	505,989	106,607	399,382
Silver Lake Dam Repairs	05129	256,000	247,711	8,289
Sanitary Sewer Rehabilitation	05121	101,990	1,813	100,177
Silver Lake Improvements	06135	25,400	13,737	11,663
High Street CDBG - Phase II	07140	513,096	349,621	163,475
Batten Road Storm Water Management	07141	504,895	502,279	2,616
Elliot Way	07142	375,999	72,866	303,133
Croton Landing Boat Launch Facility	07149	15,300	373	14,927
Black Rock Improvements	07150	30,600	14,725	15,875
Police Needs Assessment	08155	151,000	57,840	93,160
Benedict Boulevard Sidewalk and Curbs	08160	380,704	319,006	61,698
Ambulance Duty Vehicle	08167	173,981	174,434	(453)
Stormwater and Oil Separator	08169	25,000	876	24,124
Design Corrosion Control System	08171	40,000	31,966	8,034
Purchase of Land	08172	907,743	909,757	(2,014)
Equipment	09174	348,500	374,928	(26,428)
South Riverside	09175	500,000	94,449	405,551
Install and Test Well	09176	512,700	205,996	306,704
Water Office Sewer Holding Tank	09177	35,700	8,721	26,979
Valve Replacement and Installation	09178	202,000	43,308	158,692
High Street Water Main Replacement	09179	357,000	331,056	25,944
Nordica Sewer Pump Station	09180	636,500	179,905	456,595
Sanitary Sewer Rehabilitation	09181	25,500	6,303	19,197
Farrington Road Improvements	09183	203,000	44,005	158,995
Curb Replacement	09186	51,000	40,290	10,710
Chief Car Replacement	09189	40,645	40,738	(93)
Harmon Firehouse HVAC System Overhaul	09190	20,000	12,378	7,622
Grand Street Firehouse Siren	09191	10,000	10,007	(7)
Thermal Imaging Camera	09192	12,000	12,009	(9)
Police Headquarters Renovation	09193	204,000	1,159	202,841
Municipal Building Window Replacement	09194	174,700	21,417	153,283
Duck Pond Park Improvements	09196	45,900	37,480	8,420
Georgia Lane Stormwater Management	09197	76,500	23,617	52,883
Brook Lane Stormwater Management	09198	25,500	302	25,198
Grant Street Stormwater Management	09199	25,500	302	25,198
General Road Repairs	10200	237,156	210,572	26,584
Curb Replacement	10203	79,613	51,706	27,907
Stormwater Management-Old Post Road	10205	50,000	397	49,603
Stormwater Management-Prospect Place	10206	25,000	24,001	999
Equipment- 4x4 Pickup/25 CY SANI Truck	10207	212,000	211,148	852
Cascade System	10208	112,240	73,940	38,300
Engineering Study-Yacht Club	10209	75,000	35,067	39,933
Planning Studies	10210	120,000	52,930	67,070

Methods of Financing					Fund Balance (Deficit) at May 31, 2012	Bond Anticipation Notes Out- standing at May 31, 2012
Proceeds of Obligations	Transfers	State and Federal Aid	Miscellaneous	Totals		
\$ 3,725,442	\$ 162,000	\$ 1,264,000	\$ 3,880	\$ 5,155,322	\$ 6,434	\$ -
-	450,000	-	-	450,000	43,256	-
203,662	175,000	-	-	378,662	11,799	-
35,873	-	-	-	35,873	9,542	-
30,748	-	-	-	30,748	19,248	-
907,988	610,000	150,000	-	1,667,988	1,342	-
40,998	-	-	-	40,998	21,108	-
102,494	-	-	-	102,494	19,776	-
-	-	-	-	-	(4,895)	-
254,974	39,000	75,000	-	368,974	102,856	-
305,989	-	-	-	305,989	199,382	-
220,000	36,000	-	-	256,000	8,289	-
101,990	-	-	-	101,990	100,177	-
20,400	5,000	-	-	25,400	11,663	-
256,548	-	122,774	-	379,322	29,701	-
504,895	-	-	-	504,895	2,616	-
375,999	-	-	-	375,999	303,133	-
15,300	-	-	-	15,300	14,927	-
30,600	-	-	-	30,600	15,875	-
151,000	-	-	-	151,000	93,160	-
380,704	-	-	-	380,704	61,698	-
60,800	1,981	-	-	62,781	(111,653)	111,200
25,000	-	-	-	25,000	24,124	-
-	40,000	-	-	40,000	8,034	-
417,743	-	-	-	417,743	(492,014)	490,000
337,850	-	-	-	337,850	(37,078)	10,650
-	-	-	94,450	94,450	1	-
512,700	-	-	-	512,700	306,704	-
35,700	-	-	-	35,700	26,979	-
102,000	100,000	-	-	202,000	158,692	-
357,000	-	-	-	357,000	25,944	-
586,500	50,000	-	-	636,500	456,595	-
25,500	-	-	-	25,500	19,197	-
203,000	-	-	-	203,000	158,995	-
51,000	-	-	-	51,000	10,710	-
15,200	2,645	-	-	17,845	(22,893)	22,800
6,950	-	-	-	6,950	(5,428)	13,050
4,950	-	-	-	4,950	(5,057)	5,050
5,350	-	-	-	5,350	(6,659)	6,650
204,000	-	-	-	204,000	202,841	-
171,400	3,300	-	-	174,700	153,283	-
45,900	-	-	-	45,900	8,420	-
76,500	-	-	-	76,500	52,883	-
25,500	-	-	-	25,500	25,198	-
25,500	-	-	-	25,500	25,198	-
100,000	-	137,156	-	237,156	26,584	-
50,000	-	29,613	-	79,613	27,907	-
50,000	-	-	-	50,000	49,603	-
25,000	-	-	-	25,000	999	-
186,400	-	-	-	186,400	(24,748)	25,600
112,240	-	-	-	112,240	38,300	-
75,000	-	-	-	75,000	39,933	-
120,000	-	-	-	120,000	67,070	-

(Continued)

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

CAPITAL PROJECTS FUND

PROJECT-LENGTH SCHEDULE (Continued)

INCEPTION OF PROJECT THROUGH MAY 31, 2012

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
Traffic/Engineering Study	10211	\$ 50,000	\$ 400	\$ 49,600
Train Station Parking	10212	100,000	79,153	20,847
Sanitary Sewer Rehabilitation	10213	200,000	2,302	197,698
TEP Grant - Bicycle Ped Improvement	10214	1,532,000	239,053	1,292,947
Road Sidewalks and Curbs	11215	404,415	454,068	(49,653)
Half Moon Bay Bridge Rehabilitation	11216	51,000	256	50,744
Equipment- 4x4 Pickup	11217	33,000	32,297	703
Equipment - Brush Chipper	11218	26,000	30,765	(4,765)
Equipment - Two Salt Spreaders	11219	19,000	19,135	(135)
Equipment - Cart Flippers	11220	10,000	8,688	1,312
Equipment - Police Cruiser	11221	24,000	24,754	(754)
Chief Car	11222	43,000	42,433	567
Sprinkler System - Harmon Fire House	11223	61,200	4,339	56,861
Tanker 10 Replacement	11224	596,240	587,342	8,898
Generator for 44 Wayne Street	11225	10,000	170	9,830
Replacement of Police Server	11226	30,000	30,509	(509)
Planning Studies - Economic Development	11227	30,600	191	30,409
Water Source and Well Field Improvement	11228	162,000	2,615	159,385
Water District System Improvement	11229	61,000	6,914	54,086
Road Sidewalks and Curbs	12230	214,200	101,215	112,985
Half Moon Bay Drive Stockade Fence	12231	61,200	57,849	3,351
Equipment 4X4 Pickup	12232	34,680	28,934	5,746
Equipment Compact Wheel Loader	12233	58,140	52,259	5,881
Police Equipment 4x4 Expedition	12234	33,600	32,548	1,052
Equipment Refurbishment	12235	51,000	37,926	13,074
Thermal Imaging Camera	12236	17,240	14,063	3,177
Sprinkler System at the Washington Fire House	12237	26,520	4,359	22,161
CPR Assist Units	12238	13,260	13,031	229
Pagers	12239	9,792	9,201	591
Repair and Graphics to 55 B2	12240	9,588	135	9,453
Voice Recorder	12241	25,500	345	25,155
Security Camera Croton Landing	12242	8,670	122	8,548
Dobbs Park Playground	12243	16,830	226	16,604
Planning Studies	12244	30,600	432	30,168
Water Distribution Model	12245	102,000	7,797	94,203
Half Moon Bay Pump	12246	102,000	5,503	96,497
EMS Recruitment and Retention Program	12247	16,500	-	16,500
Totals		<u>\$ 20,981,185</u>	<u>\$ 14,883,664</u>	<u>\$ 6,097,521</u>

Methods of Financing					Fund Balance (Deficit) at May 31, 2012	Bond Anticipation Notes Out- standing at May 31, 2012
Proceeds of Obligations	Transfers	State and Federal Aid	Miscellaneous	Totals		
\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ 49,600	\$ -
100,000	-	-	-	100,000	20,847	-
200,000	-	-	-	200,000	197,698	-
336,000	-	136,809	-	472,809	233,756	-
204,000	-	200,415	-	404,415	(49,653)	-
51,000	-	-	-	51,000	50,744	-
6,732	-	-	-	6,732	(25,565)	26,928
5,304	-	-	-	5,304	(25,461)	21,216
3,876	-	-	-	3,876	(15,259)	15,504
2,040	-	-	-	2,040	(6,648)	8,160
4,892	-	-	-	4,892	(19,862)	19,588
8,768	-	-	-	8,768	(33,665)	35,092
61,200	-	-	-	61,200	56,861	-
591,600	4,640	-	-	596,240	8,898	-
2,040	-	-	-	2,040	1,870	8,160
6,120	-	-	-	6,120	(24,389)	24,480
30,600	-	-	-	30,600	30,409	-
102,000	60,000	-	-	162,000	159,385	-
51,000	10,000	-	-	61,000	54,086	-
214,200	-	-	-	214,200	112,985	-
61,200	-	-	-	61,200	3,351	-
34,680	-	-	-	34,680	5,746	-
58,140	-	-	-	58,140	5,881	-
30,600	3,000	-	-	33,600	1,052	-
51,000	-	-	-	51,000	13,074	-
12,240	5,000	-	-	17,240	3,177	-
26,520	-	-	-	26,520	22,161	-
13,260	-	-	-	13,260	229	-
9,792	-	-	-	9,792	591	-
9,588	-	-	-	9,588	9,453	-
25,500	-	-	-	25,500	25,155	-
8,670	-	-	-	8,670	8,548	-
16,830	-	-	-	16,830	16,604	-
30,600	-	-	-	30,600	30,168	-
102,000	-	-	-	102,000	94,203	-
102,000	-	-	-	102,000	96,497	-
-	16,500	-	-	16,500	16,500	-
<u>\$ 14,304,279</u>	<u>\$ 1,774,066</u>	<u>\$ 2,115,767</u>	<u>\$ 98,330</u>	<u>\$ 18,292,442</u>	<u>\$ 3,408,778</u>	<u>\$ 844,128</u>

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
MAY 31, 2012
(With Comparative Totals for 2011)

			Total Non-Major Governmental Funds	
	Special Purpose	Sewer	2012	2011
<u>ASSETS</u>				
Cash - Demand deposits	\$ 35,808	\$ 35,958	\$ 71,766	\$ 71,766
Investments	49,395	-	49,395	49,390
Receivables:				
Sewer rents	-	47,396	47,396	45,260
Due from other funds	-	93,159	93,159	13,569
	-	140,555	140,555	58,829
Total Assets	\$ 85,203	\$ 176,513	\$ 261,716	\$ 179,985
<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>				
Liabilities:				
Accounts payable	\$ -	\$ 11,890	\$ 11,890	\$ 14,608
Due to other funds	-	164,623	164,623	94,677
Advances from other funds	-	63,523	63,523	-
Total Liabilities	-	240,036	240,036	109,285
Fund Balances (Deficits):				
Restricted	85,203	-	85,203	85,198
Unassigned	-	(63,523)	(63,523)	(14,498)
Total Fund Balances (Deficits)	85,203	(63,523)	21,680	70,700
Total Liabilities and Fund Balances (Deficits)	\$ 85,203	\$ 176,513	\$ 261,716	\$ 179,985

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 YEAR ENDED MAY 31, 2012
 (With Comparative Totals for 2011)

			Total Non-Major Governmental Funds	
	Special Purpose	Sewer	2012	2011
Revenues:				
Departmental income	\$ -	\$ 108,309	\$ 108,309	\$ 125,099
Use of money and property	5	-	5	71
Total Revenues	5	108,309	108,314	125,170
Expenditures -				
Current:				
General government support	-	23,090	23,090	23,790
Home and community services	-	98,401	98,401	91,898
Employee benefits	-	5,573	5,573	3,848
Total Expenditures	-	127,064	127,064	119,536
Excess (Deficiency) of Revenues Over Expenditures	5	(18,755)	(18,750)	5,634
Other Financing Uses - Transfers out	-	(30,270)	(30,270)	(73,407)
Net Change in Fund Balances	5	(49,025)	(49,020)	(67,773)
Fund Balances (Deficits) - Beginning of Year	85,198	(14,498)	70,700	138,473
Fund Balances (Deficits) - End of Year	\$ 85,203	\$ (63,523)	\$ 21,680	\$ 70,700

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 35,808	\$ 35,808
Investments	<u>49,395</u>	<u>49,390</u>
Total Assets	<u>\$ 85,203</u>	<u>\$ 85,198</u>
<u>FUND BALANCE</u>		
Restricted	<u>\$ 85,203</u>	<u>\$ 85,198</u>

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
YEARS ENDED MAY 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Revenues - Use of money and property	\$ 5	\$ 71
Expenditures	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	5	71
Fund Balance - Beginning of Year	<u>85,198</u>	<u>85,127</u>
Fund Balance - End of Year	<u>\$ 85,203</u>	<u>\$ 85,198</u>

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VILLAGE OF CROTON-ON-HUDSON, NEW YORK

SEWER FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 35,958	\$ 35,958
Receivables:		
Sewer rents	47,396	45,260
Due from other funds	<u>93,159</u>	<u>13,569</u>
	<u>140,555</u>	<u>58,829</u>
Total Assets	<u>\$ 176,513</u>	<u>\$ 94,787</u>
<u>LIABILITIES AND FUND DEFICIT</u>		
Liabilities:		
Accounts payable	\$ 11,890	\$ 14,608
Due to other funds	164,623	94,677
Advances from other funds	<u>63,523</u>	<u>-</u>
Total Liabilities	240,036	109,285
Fund Deficit -		
Unassigned	<u>(63,523)</u>	<u>(14,498)</u>
Total Liabilities and Fund Deficit	<u>\$ 176,513</u>	<u>\$ 94,787</u>

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

SEWER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED MAY 31, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Departmental income	\$ 170,507	\$ 170,507	\$ 108,309	\$ (62,198)
Expenditures -				
Current:				
General government support	25,616	25,573	23,090	2,483
Home and community services	121,003	120,642	98,401	22,241
Employee benefits	5,239	5,643	5,573	70
Total Expenditures	151,858	151,858	127,064	24,794
Excess (Deficiency) of Revenues Over Expenditures	18,649	18,649	(18,755)	(37,404)
Other Financing Uses - Transfers out	(30,270)	(30,270)	(30,270)	-
Net Change in Fund Balance	(11,621)	(11,621)	(49,025)	(37,404)
Fund Balance (Deficit) - Beginning of Year	11,621	11,621	(14,498)	(26,119)
Fund Deficit - End of Year	\$ -	\$ -	\$ (63,523)	\$ (63,523)

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 179,856	\$ 179,856	\$ 125,099	\$ (54,757)
24,916	24,901	23,790	1,111
143,641	143,642	91,898	51,744
5,096	5,111	3,848	1,263
173,653	173,654	119,536	54,118
6,203	6,202	5,563	(639)
(23,407)	(73,407)	(73,407)	-
(17,204)	(67,205)	(67,844)	(639)
17,204	67,205	53,346	(13,859)
\$ -	\$ -	\$ (14,498)	\$ (14,498)

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

SEWER FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2012

(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 2,095	\$ 2,391	\$ 2,338	\$ 53	\$ 2,818
Central communications	14,116	15,771	13,369	2,402	12,604
Unallocated insurance	649	3,655	3,654	1	4,725
Taxes and assessments on property	3,756	3,756	3,729	27	3,643
Contingent account	5,000	-	-	-	-
	25,616	25,573	23,090	2,483	23,790
HOME AND COMMUNITY SERVICES					
Sanitary sewers	121,003	120,642	98,401	22,241	91,898
EMPLOYEE BENEFITS					
State retirement	3,160	3,511	3,511	-	2,204
Social security	1,530	1,574	1,574	-	1,185
Workers' compensation benefits	549	558	488	70	459
	5,239	5,643	5,573	70	3,848
TOTAL EXPENDITURES	151,858	151,858	127,064	24,794	119,536
OTHER FINANCING USES					
Transfers out:					
Capital Projects Fund	-	-	-	-	50,000
Debt Service Fund	30,270	30,270	30,270	-	23,407
TOTAL OTHER FINANCING USES	30,270	30,270	30,270	-	73,407
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 182,128	\$ 182,128	\$ 157,334	\$ 24,794	\$ 192,943

**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 Honorable Mayor and Board of Trustees of the
Village of Croton-on-Hudson, New York:

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Croton-on-Hudson, New York ("Village") as of and for the year ended May 31, 2012 which collectively comprise the Village's basic financial statements and have issued our report thereon dated December 27, 2012. 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

Management of the Village is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Village in a separate letter.

This report is intended solely for the information and use of management, Board of Trustees, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "O'Connor Davies, LLP".

O'Connor Davies, LLP
Harrison, New York
December 27, 2012

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees of the
Village of Croton-on-Hudson, New York:

Compliance

We have audited the compliance of the Village of Croton-on-Hudson, New York ("Village") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended May 31, 2012. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Village's compliance with those requirements.

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2012.

O'CONNOR DAVIES, LLP

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Internal Control Over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of management, Board of Trustees, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

December 27, 2012

VILLAGE OF CROTON, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MAY 31, 2012

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Non ARRA (2)</u>	<u>ARRA (2)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Justice</u>				
Direct Program:				
Bulletproof Vest Partnership Program	16.607	\$ 4,375	\$	<u>\$ 4,375</u>
<u>U.S. Department of Transportation</u>				
Indirect Programs - Passed through New York State Department of Transportation:				
Highway Planning and Construction	20.205	136,809		<u>136,809</u>
<u>U.S. Department of Energy</u>				
Indirect Program - Passed through New York State Energy Research and Development Authority:				
Energy Efficiency and Conservation Block Grant	81.128		279,800	<u>279,800</u>
<u>U.S. Department of Health</u>				
Direct Program:				
Drug-Free Communities Support Program Grants	93.276	101,380		<u>101,380</u>
<u>U.S. Department of Homeland Security</u>				
Direct Program:				
Disaster Grants - Public Assistance - (Presidentially Declared Disasters)	97.036	<u>97,224</u>		<u>97,224</u>
Total Expenditures		<u>\$ 339,788</u>	<u>\$ 279,800</u>	<u>\$ 619,588</u>

(1) Catalog of Federal Domestic Assistance number.

(2) American Recovery and Reinvestment Act

NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. *General*

The accompanying Schedule of Expenditures of Federal Awards presents all activity of all Federal award programs for the year ended May 31, 2012. Federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included on the Schedule.

2. *Basis of Accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

3. *Relationship to Financial Statements*

The Village's fund financial statements are presented using the modified accrual basis of accounting.

NONE

VILLAGE OF CROTON-ON-HUDSON, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MAY 31, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- | | | |
|---|-----------------|----------------------------|
| • Material weakness(es) identified | <u> </u> yes | <u> X </u> no |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |
| • Noncompliance material to financial statements noted? | <u> </u> yes | <u> X </u> no |

Federal Awards

Internal control over major programs:

- | | | |
|---|-----------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

 yes X no

Identification of major programs:

CFDA

Number Federal Program or Cluster

20.205	Highway Planning and Construction
81.128	Energy Efficiency and Conservation Block Grant (ARRA)

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 yes X no

Section II - Financial Statement Findings

None.

Section III - Federal Awards Findings and Questioned Costs

None.

