

Town of Yorktown, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2013

Town of Yorktown, New York

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Independent Auditors' Report

The Honorable Supervisor and Town Board of
the Town of Yorktown, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Yorktown, New York ("Town") as of and for the year ended December 31, 2013, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Highway and Special Districts funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133 Audits of State, Local Governments and Non-Profit Organizations are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2014 on our consideration of the Town's internal control over financial reporting and on 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* in considering the Town's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
August 14, 2014

Town of Yorktown, New York

Management's Discussion and Analysis ("MD&A") December 31, 2013

Introduction

The following discussion and analysis of the Town of Yorktown, New York's ("Town") financial statement provides an overview of the financial activities of the Town for the year ended December 31, 2013. This should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements that follow this section.

Financial Highlights

- On the government-wide financial statements, the assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$88,442,003. Of this amount the unrestricted portion, which is available to meet ongoing obligations of the Town, totaled \$1,322,761, a decrease of \$3,444,666 from the prior fiscal year.
- The Town recorded its liability of \$16,790,000 for the accounting and financial reporting of the Other Post Employment Benefits Obligations, other than pensions as per Governmental Accounting Standards Board ("GASB") Statement No. 45 in the government-wide financial statements.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$19,963,821, an increase of \$3,070,786 from the prior fiscal year.
- At the end of the current fiscal year, the assigned and unassigned components of fund balance for the General Fund aggregated \$6,271,285, or 25%, of the total General Fund expenditures and other financing uses. These balances increased from the prior year, when the amount of \$5,546,990, was 23%, of total General Fund expenditures and other financing uses.
- During the 2013 year, the Town did not issue any short-term obligations, while retiring \$1,241,000 of this type of debt.
- The Town also did not issue any long-term obligations, and retired \$1,525,000 of this debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements (3) and notes to financial statements. This report also contains combining and individual fund statements and schedules in addition to the basic financial statement and other supplementary information as listed in the table of contents.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the Town's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave and other post employment benefit obligations).

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

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town, 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 Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 Town maintains the following governmental funds: General Fund, Highway Fund, Special Districts Fund, Capital Projects Fund, Community Development Fund, Public Library Fund, Special Purpose Fund, and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances

for the General Fund, Highway Fund, Special Districts Fund and Capital Projects Fund, since they are classified as major funds. Individual fund data for the Community Development Fund, Public Library Fund, Special Purpose Fund and the Debt Service Fund is included under the caption "Non-Major Governmental Funds."

The Town adopts annual appropriated budgets for the General Fund, Highway Fund, Special Districts Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General, Highway and Special Districts funds to demonstrate compliance with the respective budgets.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Proprietary Funds are used to show activities that operate similar to private business enterprises. The town maintains two proprietary funds, which are internal service funds, to account for its self insured worker's compensation and general liability claims programs. Internal service funds are used to accumulate and allocate costs internally among the Town's various functions. These benefits have been included within the governmental activities in the government-wide financial statements.

The proprietary funds financial statements can be found in the basic financial statement section of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The Town maintains one Fiduciary fund, an Agency Fund. Resources are held in this fund by the Town purely in a custodial capacity. The activity in the Agency Fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individuals, organizations or governments.

The financial statement for the fiduciary fund can be found in the basic financial statements section of this report.

Notes to Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's net position at fiscal year-end December 31, 2013 was \$88,442,003. Of this amount, \$13,464,117 is restricted for various purposes (debt service and special revenue funds). The net investment in capital assets accounts for \$73,655,125 of the total net position. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town'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 balance of the net position is \$1,322,761.

Statement of Net Position

	2013	2012
Current Assets	\$ 89,818,217	\$ 90,336,375
Capital Assets, net	98,581,215	100,560,172
Total Assets	188,399,432	190,896,547
Current Liabilities	58,138,328	60,367,615
Long-term Liabilities	41,626,672	39,470,090
Total Liabilities	99,765,000	99,837,705
Deferred Inflows of Resources	192,429	-
 NET POSITION		
Net investment in capital assets	73,655,125	73,315,589
Restricted	13,464,117	12,975,826
Unrestricted	1,322,761	4,767,427
Total Net Position	\$ 88,442,003	\$ 91,058,842

The restricted net position of \$13,464,117 represents resources that are subject to external restrictions on how they may be used. The remaining balance is the unrestricted net position of \$1,322,761. At the end of the current fiscal year, the Town is able to report a positive net position for the government as a whole.

Change in Net Position

	2013	2012
PROGRAM REVENUES		
Charges for Services	\$ 12,588,849	\$ 10,350,978
Operating Grants and Contributions	3,641,140	2,605,981
Capital Grants and Contributions	55,902	298,742
General Revenues		
Real Property Taxes	28,258,680	32,161,453
Other Tax items	1,293,451	686,792
Non-Property Taxes	6,209,083	5,634,849
Unrestricted Use of Money and Property	67,327	79,881
Sale of Property and Compensation for Loss	11,229	202,103
Unrestricted State Aid	1,460,965	1,222,372
Miscellaneous	164,562	80,014
	<u>53,751,188</u>	<u>53,323,165</u>
PROGRAM EXPENSES		
General Government Support	8,269,706	6,697,026
Public Safety	14,899,560	13,560,557
Health	530,765	495,171
Transportation	6,788,820	6,869,057
Economic Opportunity and Development	2,354,149	2,275,970
Culture and Recreation	6,875,693	5,612,402
Home and Community Services	15,976,361	17,230,846
Interest	672,973	573,340
	<u>56,368,027</u>	<u>53,314,369</u>
Total Expenses		
Change in Net Position	(2,616,839)	8,796
NET POSITION		
Beginning	<u>91,058,842</u>	<u>91,050,046</u>
Ending	<u>\$ 88,442,003</u>	<u>\$ 91,058,842</u>

For the fiscal year ended December 31, 2013, revenues from governmental activities totaled \$53,751,188. Real Property Tax revenues of \$28,258,680 represent 53% of total revenues, a substantial decrease from 2012 with the largest revenue increases attributed to County and FEMA monies as well as franchise fees.

Expenses from governmental activities for the fiscal year ended December 31, 2013 totaled \$56,368,027. The largest component was additional retirement contributions due to contract settlements and benefits for police and CSEA as well as taxes on town owned property.

Financial Analysis of the Town's Funds

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

Fund Balance Reporting

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Town's fiscal period ending December 31, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced 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.

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town Board.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$19,963,821, an increase of \$3,070,786 from the prior year. Of this amount, \$4,855,466 (or 24%) is reported as either *nonspendable* or *restricted*, which indicates that it is not available for new spending because it has already been set aside for:

- 1) employee benefit accrued liability (\$1,298,697);
- 2) debt service (\$1,210,682);
- 3) parklands (\$520,571);
- 4) trusts (\$634,322);
- 5) prepaid expenditures (\$1,091,828);
- 6) advances (\$99,366)

\$15,974,648 constitutes *assigned fund balances*, of which \$3,133,000 has been appropriated for subsequent year's expenditures and represents the amount estimated for use in the 2014 budget, while \$529,810 has been assigned for tax certiorari payments and \$25,000 has been assigned for ballpark, leaving an assigned fund balance of \$12,220,554, representing the residual fund balances of the Highway and Special Districts funds and Community Development and Public Library funds, respectively. The Town's total *unassigned fund balance* for governmental funds is a deficit of \$866,293 which consists of an unassigned fund balance of \$4,897,768 in the General Fund offset by a deficit of \$5,764,061 in the Capital Projects Fund.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$8,111,907. Of this amount, \$18,707 is assigned to be used in the 2014 fiscal year for open purchase orders as of December 31, 2013. As a measure of the General Fund's liquidity, it is useful to compare the committed, assigned and unassigned fund balance to the total fund balance and to the General Fund expenditures and other financing uses. The assigned and unassigned fund balance of \$6,271,285 represents 77% of the total fund balance and represents 25% of the General Fund's expenditures and other financing uses.

When the fiscal 2013 General Fund budget was adopted, it anticipated the use of \$565,350 of fund balance. Actual results of operations resulted in an increase of \$1,055,242 in the General Fund total fund balance. The increase in the fund balance can be attributed to an increase in sales tax, franchise fees and FEMA reimbursement. There was a decrease in expenditures since neither the junior attorney or deputy comptroller positions were filled as well as reductions in various departmental disbursements in addition to savings in employee benefit costs, although, there were increases in pension contributions and public safety.

In the Highway Fund, the fund balance increased by \$72,585 to \$485,716 in the current fiscal year. FEMA reimbursement and payment from the Westchester County Inter-municipal agreement were the largest contributors to this.

The deficit in the Capital Projects Fund, fund balance decreased \$795,522 to \$5,764,061 now that the liability for the Open Space Bond Anticipation Note has been properly classified.

General Fund Budgetary Highlights

There was a difference between the budgeted and actual revenues and other financing sources recored for the General Fund with the original amount budgeted of \$24,579,821 and actual revenue collected of \$26,408,561. The actual results realized for the year ended December 31, 2013 exceeded the estimated amount in the final budget by \$1,828,740. This increase is directly attributed to better than anticipated revenues of Other Tax Items (\$337,019), Non-Property Taxes (\$894,083), Franchise Fees (\$316,635), Sales Tax (\$575,440) and Mortgage Tax (\$360,000).

The difference between the expenditures and other financing uses budgeted (\$26,640,807) and actual expenditures (\$25,353,319) in the General Fund showed a positive budgetary variance of \$1,287,488. Savings can primarily be attributed to \$540,812 in General Government Support, \$273,474 in Public Safety and \$315,908 in Employee Benefits.

Capital Assets

The Town's capital assets net of accumulated depreciation for its governmental activities as of December 31, 2013 amounted to \$98,581,215. The net investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

Capital Assets (Net of Accumulated Depreciation)

	2013	2012
Land	\$ 15,184,930	\$ 15,184,930
Land Improvements	4,070,213	4,366,862
Buildings and Improvements	23,369,561	24,008,171
Infrastructure	22,540,040	23,721,531
Machinery and Equipment	3,595,799	3,503,579
Construction-in-Progress	29,820,672	29,775,099
Total	\$ 98,581,215	\$ 100,560,172

Additional information on the Town's capital assets can be found in Note 3,E in the notes to financial statements.

Long Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$22,510,000. The Town's serial bond debt decreased by \$1,525,000. Payments on short-term obligations totaled \$1,241,000. All of this debt is backed by the full faith and credit of the Town.

During the fiscal year, the Town retired \$1,525,000 of principal on outstanding bonds. New York State statutes place a limit on the maximum amount of total outstanding long-term debt that may be incurred by a local municipal entity at no more than seven percent of the five-year average full valuation of all real property.

Additional information on the Town's long-term and short-term debt can be found in Notes 3, G and H in the notes to financial statements.

Economic Factors and Next Year's Budget and Rates

According to the United States Bureau of Labor Statistics, the unemployment rate for Westchester County was 8.6% as of December 31, 2013. This compares favorably to the 8.5% rate for New York State and the 7.6% national unemployment rate. The Consumer Price Index for the area (New York-Northern New Jersey-Long Island) from 2012-2013 was increased by 2.4% recorded for the U.S. city average for the same period.

New construction and development continued to remain stable in the Town during 2013, due to economic conditions and the stagnant housing market.

As a result of the national economic conditions, the pension portfolio value of the New York State and Local Retirement Systems ("Systems"), of which the Town is a member, had declined dramatically in the early part of this decade. The result was that the Town's employee pension contribution rates had increased substantially from what they had been during the late 1990's. Contributions by the Town are significantly greater than they were just five years ago. Additionally, the costs of employee health insurance premiums have also been escalating at the same time. Both of these factors were considered by management in preparing the Town's 2014 budget.

Requests for Information

This financial report is designed to provide a general overview of the Town of Yorktown, New York's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to Town Comptroller, Town of Yorktown, 363 Underhill Avenue, Yorktown Heights, NY 10598.

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Town of Yorktown, New York

Statement of Net Position
December 31, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 39,795,452
Restricted investments	589,346
Receivables	
Taxes, net	36,328,473
Accounts	1,357,670
Due from other governments	1,339,674
Advances for proposed special districts	99,366
Prepaid expenses	1,091,828
Investment in joint venture	9,216,408
Capital assets	
Not being depreciated	45,005,602
Being depreciated, net	<u>53,575,613</u>
Total Assets	<u>188,399,432</u>
LIABILITIES	
Accounts payable	2,489,925
Retained percentages payable	66,113
Due to other governments	55,397
Deposits	10,991
Due to school districts	49,010,184
Overpayments	118
Bond anticipation notes payable	6,342,000
Accrued interest payable	163,600
Non-current liabilities	
Due within one year	1,792,400
Due in more than one year	<u>39,834,272</u>
Total Liabilities	<u>99,765,000</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes collected in advance	<u>192,429</u>
NET POSITION	
Net Investment in capital assets	73,655,125
Restricted	
Debt service	1,210,682
Special Revenue funds	
Special districts	11,016,664
Community development	81,878
Trusts	634,322
Parklands	520,571
Unrestricted	<u>1,322,761</u>
Total Net Position	<u>\$ 88,442,003</u>

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

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Town of Yorktown, New York

Statement of Activities
Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 8,269,706	\$ 1,979,346	\$ -	\$ -	\$ (6,290,360)
Public safety	14,899,560	812,527	161,837	-	(13,925,196)
Health	530,765	-	25,698	-	(505,067)
Transportation	6,788,820	-	1,527,757	-	(5,261,063)
Economic opportunity and development	2,354,149	-	1,540,570	-	(813,579)
Culture and recreation	6,875,693	1,493,824	68,238	-	(5,313,631)
Home and community services	15,976,361	8,303,152	317,040	55,722	(7,300,447)
Interest	672,973	-	-	180	(672,793)
Total Governmental Activities	\$ 56,368,027	\$ 12,588,849	\$ 3,641,140	\$ 55,902	(40,082,136)
General revenues					
Real property taxes					28,258,680
Other tax items					
Interest and penalties on real property taxes					1,175,706
Payments in lieu of taxes					117,745
Non-property taxes					
Non-property tax distribution from County					5,075,440
Franchise fees					1,133,643
Unrestricted use of money and property					67,327
Sale of property and compensation for loss					11,229
Unrestricted State aid					1,460,965
Miscellaneous					164,562
Total General Revenues					37,465,297
Change in Net Position					(2,616,839)
Net Position - Beginning					91,058,842
Net Position - Ending					\$ 88,442,003

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

Town of Yorktown, New York

Balance Sheet
 Governmental Funds
 December 31, 2013

	General	Highway	Special Districts	Capital Projects
ASSETS				
Cash and equivalents	\$ 21,345,372	\$ 788,494	\$ 14,614,495	\$ 178,852
Restricted investments	-	-	-	589,346
Taxes receivable, net	36,328,473	-	-	-
Other receivables				
Accounts	117,427	-	1,240,243	-
Due from other governments	1,336,687	-	-	-
Advances for proposed special districts	99,366	-	-	-
Due from other funds	164,495	-	-	-
	1,717,975	-	1,240,243	-
Prepaid expenditures	857,672	80,918	107,021	-
Total Assets	<u>\$ 60,249,492</u>	<u>\$ 869,412</u>	<u>\$ 15,961,759</u>	<u>\$ 768,198</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 793,790	\$ 383,696	\$ 1,278,223	\$ 9
Retainaged percentages payable	7,781	-	-	58,332
Due to other governments	55,397	-	-	-
Deposits	-	-	-	-
Due to school districts	49,010,184	-	-	-
Due to other funds	-	-	-	131,918
Overpayments	118	-	-	-
Bond anticipation notes payable	-	-	-	6,342,000
Total Liabilities	<u>49,867,270</u>	<u>383,696</u>	<u>1,278,223</u>	<u>6,532,259</u>
Deferred inflows of resources				
Taxes collected in advance	192,429	-	-	-
Deferred tax revenues	2,077,886	-	-	-
Total Deferred Inflows of Resources	<u>2,270,315</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>52,137,585</u>	<u>383,696</u>	<u>1,278,223</u>	<u>6,532,259</u>
Fund balances (deficits)				
Nonspendable	957,038	80,918	107,021	-
Restricted	883,584	192,135	1,239,363	-
Assigned	1,373,517	212,663	13,337,152	-
Unassigned	4,897,768	-	-	(5,764,061)
Total Fund Balances (Deficits)	<u>8,111,907</u>	<u>485,716</u>	<u>14,683,536</u>	<u>(5,764,061)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficits)	<u>\$ 60,249,492</u>	<u>\$ 869,412</u>	<u>\$ 15,961,759</u>	<u>\$ 768,198</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 2,475,294	\$ 39,402,507
-	589,346
-	36,328,473
-	1,357,670
2,987	1,339,674
-	99,366
-	164,495
2,987	2,961,205
46,217	1,091,828
<u>\$ 2,524,498</u>	<u>\$ 80,373,359</u>

\$ 34,207	\$ 2,489,925
-	66,113
-	55,397
10,991	10,991
-	49,010,184
32,577	164,495
-	118
-	6,342,000
<u>77,775</u>	<u>58,139,223</u>

-	192,429
-	2,077,886
-	2,270,315
<u>77,775</u>	<u>60,409,538</u>

46,217	1,191,194
1,349,190	3,664,272
1,051,316	15,974,648
-	(866,293)
<u>2,446,723</u>	<u>19,963,821</u>
<u>\$ 2,524,498</u>	<u>\$ 80,373,359</u>

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Town of Yorktown, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
December 31, 2013

Fund Balances - Total Governmental Funds	<u>\$ 19,963,821</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds.	98,581,215
Investment in joint venture	<u>9,216,408</u>
	<u>107,797,623</u>
Other long-term assets that are not available to pay for current-period expenditures are deferred in the funds.	
Real property taxes	<u>2,077,886</u>
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>(559,188)</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(163,600)
Bonds payable	(22,510,000)
Compensated absences	(1,374,539)
Other post employment benefit obligations payable	<u>(16,790,000)</u>
	<u>(40,838,139)</u>
Net Position of Governmental Activities	<u>\$ 88,442,003</u>

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

Town of Yorktown, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2013

	General	Highway	Special Districts	Capital Projects
REVENUES				
Real property taxes	\$ 11,586,667	\$ 4,486,629	\$ 10,771,845	\$ -
Other tax items	1,252,019	-	41,432	-
Non-property taxes	6,209,083	-	-	-
Departmental income	2,120,274	-	7,275,718	-
Intergovernmental charges	-	-	806,366	-
Use of money and property	684,131	6,272	66,492	-
Licenses and permits	711,407	-	-	-
Fines and forfeitures	672,139	-	-	-
Sale of property and compensation for loss	11,229	47,989	38,655	-
State aid	1,518,671	394,987	-	55,722
Federal aid	200,214	532,181	238,924	-
Miscellaneous	60,967	546,328	13,946	-
Total Revenues	25,026,801	6,014,386	19,253,378	55,722
EXPENDITURES				
Current				
General government support	5,913,006	-	-	-
Public safety	9,377,299	-	-	-
Health	1,250	-	532,851	-
Transportation	352,242	5,279,873	-	-
Economic opportunity and development	574,952	-	-	-
Culture and recreation	2,895,290	-	151,957	-
Home and community services	497,062	-	12,505,786	-
Employee benefits	5,187,835	746,674	1,253,258	-
Debt service				
Principal	300,000	-	1,225,000	-
Interest	54,383	-	619,972	-
Capital outlay	-	-	-	6,200
Total Expenditures	25,153,319	6,026,547	16,288,824	6,200
Excess (Deficiency) of Revenues Over Expenditures	(126,518)	(12,161)	2,964,554	49,522
OTHER FINANCING SOURCES (USES)				
Transfers in	1,381,760	84,746	525,925	1,241,000
Transfers out	(200,000)	-	(2,488,431)	(495,000)
Total Other Financing Sources (Uses)	1,181,760	84,746	(1,962,506)	746,000
Net Change in Fund Balances	1,055,242	72,585	1,002,048	795,522
FUND BALANCES				
Beginning of year	7,056,665	413,131	13,681,488	(6,559,583)
End of Year	<u>\$ 8,111,907</u>	<u>\$ 485,716</u>	<u>\$ 14,683,536</u>	<u>\$ (5,764,061)</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 2,059,760	\$ 28,904,901
-	1,293,451
-	6,209,083
143,624	9,539,616
242,066	1,048,432
8,752	765,647
-	711,407
-	672,139
-	97,873
8,444	1,977,824
1,446,963	2,418,282
15,379	636,620
<u>3,924,988</u>	<u>54,275,275</u>
-	5,913,006
-	9,377,299
-	534,101
-	5,632,115
1,514,811	2,089,763
1,882,235	4,929,482
-	13,002,848
329,313	7,517,080
-	1,525,000
3,240	677,595
-	6,200
<u>3,729,599</u>	<u>51,204,489</u>
<u>195,389</u>	<u>3,070,786</u>
-	3,233,431
<u>(50,000)</u>	<u>(3,233,431)</u>
<u>(50,000)</u>	-
145,389	3,070,786
<u>2,301,334</u>	<u>16,893,035</u>
<u>\$ 2,446,723</u>	<u>\$ 19,963,821</u>

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Town of Yorktown, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2013

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

Net Change in Fund Balances - Total Governmental Funds \$ 3,070,786

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 amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold. This is the amount by which depreciation expense exceeded capital outlays and the change in equity of the joint venture in the current period.

Capital outlay expenditures	753,106
Depreciation expense	(2,732,063)
Equity interest in joint venture	<u>(785,694)</u>
	<u>(2,764,651)</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>(646,221)</u>
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal paid on bonds	<u>1,525,000</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	4,622
Compensated absences	(120,202)
Other post employment benefit obligations	<u>(3,310,000)</u>
	<u>(3,425,580)</u>

The net revenue of the activities of internal service funds are reported within governmental activities.

	<u>(376,173)</u>
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Change in Net Position of Governmental Activities \$ (2,616,839)

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

Town of Yorktown, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General, Highway and Special Districts Funds
Year Ended December 31, 2013

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 11,855,437	\$ 11,855,437	\$ 11,586,667	\$ (268,770)
Other tax items	715,000	715,000	1,252,019	537,019
Non-property taxes	5,315,000	5,315,000	6,209,083	894,083
Departmental income	2,235,605	2,235,605	2,120,274	(115,331)
Intergovernmental charges	-	-	-	-
Use of money and property	627,000	627,000	684,131	57,131
Licenses and permits	582,700	582,700	711,407	128,707
Fines and forfeitures	450,000	450,000	672,139	222,139
Sale of property and compensation for loss	11,500	11,500	11,229	(271)
State aid	1,153,460	1,153,460	1,518,671	365,211
Federal aid	184,860	184,860	200,214	15,354
Miscellaneous	67,500	67,500	60,967	(6,533)
Total Revenues	23,198,062	23,198,062	25,026,801	1,828,739
EXPENDITURES				
Current				
General government support	6,232,482	6,453,818	5,913,006	540,812
Public safety	9,542,134	9,650,773	9,377,299	273,474
Health	1,250	1,250	1,250	-
Transportation	344,425	357,768	352,242	5,526
Economic opportunity and development	580,850	588,050	574,952	13,098
Culture and recreation	2,926,327	2,958,741	2,895,290	63,451
Home and community services	532,540	542,014	497,062	44,952
Employee benefits	4,434,200	5,503,743	5,187,835	315,908
Debt service				
Principal	300,000	300,000	300,000	-
Interest	84,650	84,650	54,383	30,267
Total Expenditures	24,978,858	26,440,807	25,153,319	1,287,488
Excess (Deficiency) of Revenues Over Expenditures	(1,780,796)	(3,242,745)	(126,518)	3,116,227
OTHER FINANCING SOURCES (USES)				
Transfers in	1,381,759	1,381,759	1,381,760	1
Transfers out	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	1,181,759	1,181,759	1,181,760	1
Net Change in Fund Balances	(599,037)	(2,060,986)	1,055,242	3,116,228
FUND BALANCES				
Beginning of year	599,037	2,060,986	7,056,665	4,995,679
End of Year	\$ -	\$ -	\$ 8,111,907	\$ 8,111,907

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

Highway				Special Districts			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,486,629	\$ 4,486,629	\$ 4,486,629	\$ -	\$ 10,861,053	\$ 10,861,053	\$ 10,771,845	\$ (89,208)
-	-	-	-	24,000	24,000	41,432	17,432
-	-	-	-	-	-	-	-
-	-	-	-	6,428,500	6,428,500	7,275,718	847,218
-	-	-	-	806,366	806,366	806,366	-
5,500	5,500	6,272	772	66,975	66,975	66,492	(483)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,500	9,500	47,989	38,489	8,500	8,500	38,655	30,155
296,000	296,000	394,987	98,987	-	-	-	-
-	-	532,181	532,181	-	-	238,924	238,924
35,000	35,000	546,328	511,328	10,500	10,500	13,946	3,446
<u>4,832,629</u>	<u>4,832,629</u>	<u>6,014,386</u>	<u>1,181,757</u>	<u>18,205,894</u>	<u>18,205,894</u>	<u>19,253,378</u>	<u>1,047,484</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,176,103	5,507,324	5,279,873	227,451	527,484	533,962	532,851	1,111
-	-	-	-	-	-	-	-
-	-	-	-	242,486	255,856	151,957	103,899
-	-	-	-	13,429,977	13,663,300	12,505,786	1,157,514
742,000	746,674	746,674	-	1,164,032	1,403,363	1,253,258	150,105
-	-	-	-	1,040,000	1,055,000	1,225,000	(170,000)
-	-	-	-	692,360	690,894	619,972	70,922
<u>4,918,103</u>	<u>6,253,998</u>	<u>6,026,547</u>	<u>227,451</u>	<u>17,096,339</u>	<u>17,602,375</u>	<u>16,288,824</u>	<u>1,313,551</u>
<u>(85,474)</u>	<u>(1,421,369)</u>	<u>(12,161)</u>	<u>1,409,208</u>	<u>1,109,555</u>	<u>603,519</u>	<u>2,964,554</u>	<u>2,361,035</u>
85,474	85,474	84,746	(728)	30,926	30,926	525,925	494,999
-	-	-	-	(2,493,801)	(2,493,801)	(2,488,431)	5,370
<u>85,474</u>	<u>85,474</u>	<u>84,746</u>	<u>(728)</u>	<u>(2,462,875)</u>	<u>(2,462,875)</u>	<u>(1,962,506)</u>	<u>500,369</u>
-	(1,335,895)	72,585	1,408,480	(1,353,320)	(1,859,356)	1,002,048	2,861,404
-	1,335,895	413,131	(922,764)	1,353,320	1,859,356	13,681,488	11,822,132
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,716</u>	<u>\$ 485,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,683,536</u>	<u>\$ 14,683,536</u>

Town of Yorktown, New York

Statement of Net Position
Proprietary Fund - Internal Service Funds
December 31, 2013

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets	
Cash and equivalents	\$ 392,945
LIABILITIES	
Current liabilities - Current portion of claims payable	95,192
Non-current liabilities - Claims payable, less current portion	856,941
	<u>952,133</u>
Total Liabilities	
	<u>952,133</u>
NET POSITION	
Unrestricted	\$ (559,188)
	<u><u>(559,188)</u></u>

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

Town of Yorktown, New York

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Internal Service Funds
Year Ended December 31, 2013

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 374,428
Miscellaneous	<u>121,683</u>
Total Operating Revenues	<u>496,111</u>
OPERATING EXPENSES	
Workers' compensation benefits	765,220
Judgments and claims	<u>107,515</u>
Total Operating Expenses	<u>872,735</u>
Loss from Operations	(376,624)
NON-OPERATING REVENUES	
Interest income	<u>451</u>
Change in Net Position	(376,173)
NET POSITION	
Beginning of Year	<u>(183,015)</u>
End of Year	<u><u>\$ (559,188)</u></u>

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

Town of Yorktown, New York

Statement of Cash Flows
Proprietary Fund - Internal Service Funds
Year Ended December 31, 2013

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 422,231
Cash received from insurance carriers, claimants and others	121,683
Cash payments to insurance carriers, claimants and others	<u>(621,355)</u>
Net Cash from Operating Activities	<u>(77,441)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>451</u>
Net Decrease in Cash and Equivalents	(76,990)
CASH AND EQUIVALENTS	
Beginning of Year	<u>469,935</u>
End of Year	<u>\$ 392,945</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Loss from operations	\$ (376,624)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in assets and liabilities	
Accounts receivable	47,803
Claims payable	<u>251,380</u>
Net Cash from Operating Activities	<u>\$ (77,441)</u>

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

Town of Yorktown, New York

Statement of Assets and Liabilities

Fiduciary Fund

December 31, 2013

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 1,990,141
LIABILITIES	
Employee payroll deductions	\$ 19,110
Deposits	<u>1,971,031</u>
Total Liabilities	<u>\$ 1,990,141</u>

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 Town of Yorktown, New York ("Town") was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as the chief executive officer and the Town Comptroller serves as the chief financial officer. The Town 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 Town conform to generally accepted accounting principles as applicable to 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 Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town 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 Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town'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 Position and the Statement of Activities) report information on all non-fiduciary activities of the Town 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 Position presents the financial position of the Town 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. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are 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)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Internal Service Funds are charges to customers for services. Operating expenses for the Internal Service Funds include benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

The accounts of the Town 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, 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 Town 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 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 Town's resources are reflected in the fund financial statements in three 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 Town's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the Town 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 and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenues of this fund are real property taxes and State aid, Federal aid and miscellaneous.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, sewer, refuse, park and advanced life-support districts. The major revenues of this fund are real property taxes, departmental income and intergovernmental charges.

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, other than those financed by proprietary funds.

The Town also reports the following non- major governmental funds:

Special Revenue Funds:

Community Development Fund - Housing Assistance Payments Program - The Community Development Fund is used to account for grants and entitlements received by the Town from the U.S. Department of Housing and Urban Development.

Public Library Fund - The Public Library Fund is used to account for the activities of the Town's Public Library.

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

Debt Service Fund - The Debt Service Fund is provided 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.

- b. Proprietary Funds - Proprietary funds consist of internal service funds. Internal service funds account for those operations that provide services to other departments or agencies of the government, or to other governments on a cost reimbursement basis. The Town has established its Workers' Compensation Benefits and General Liability Claims funds as internal service funds.
- c. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Agency Fund is also used to account for deposits and other liabilities 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 statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as do the Internal Service Funds. The Agency Fund has no measurement focus but 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 *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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits 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 Town's investment policies are governed by State statutes. The Town 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 Town 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, accordingly, the Town's policy provides for no credit risk on investments.

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 Town 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the Town'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 Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2013.

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

Restricted Investments - Restricted investments in the Capital Projects Fund consist of bond proceeds held by a State agency. The bond proceeds are to be used for Town sewer reconstruction projects.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special district taxes which are due April 1st and payable without penalty to April 30th. School districts taxes for the period July 1st to June 30th are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town guarantees the full payment of the County and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

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

Advances for Proposed Special Districts - Advances for proposed special districts represent funds expended prior to the establishment of a special district. The advances will be repaid when the district's operations commence. The advances are equally offset by a nonspendable fund balance, in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not "available spendable resources" even though they are a component of current assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

Due From/To Other Funds - During the course of its operations, the Town 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 December 31, 2013, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventoriable items at various locations are recorded as 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 government 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 amounts 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, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Investment in Joint Venture - The investment in joint venture represents the Town's 49% equity interest in the Northern Westchester Joint Water Works.

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 Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded as 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 Town chose to include all such items regardless of their acquisition date or amount. The Town 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 assets lives is not capitalized.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

<u>Class</u>	<u>Life in Years</u>
Land improvements	20
Buildings and improvements	20-50
Infrastructure	20-40
Machinery and equipment	5-20

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 sheet.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reported deferred inflows of resources of \$2,077,886 for real property taxes in the General Fund. The Town also reported deferred inflows of resources of \$192,429 for taxes collected in advance in the General Fund and in the government-wide Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 Position. Bond premiums and discounts 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 expended as incurred.

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 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 Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if

Note 1 - Summary of Significant Accounting Policies (Continued)

the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for debt service and special revenue funds. The balance is classified as unrestricted.

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town 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, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is 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 is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

Committed fund balance is 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. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town Board removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Comptroller for amounts assigned as encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town'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, Highway and Special Districts 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, deferred outflows of resources, liabilities and deferred inflows of resources 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 August 14, 2014.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 2 - Stewardship, Compliance and Accountability (Continued)

- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Special Districts, Public Library and Debt Service funds.
- i) Budgets for General, Highway, Special Districts, Public Library and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Community Development, Special Purpose and Proprietary funds.
- j) The Town 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 Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Town Board.
- k) Appropriations in the General, Highway, Special Districts, Public Library and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances, if any, 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 Town Board.

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes which may be raised. However, 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 Town in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 Town 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 20 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 Town 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 adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

C. Application of Accounting Standards

For the year ended December 31, 2013, the Town implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities. This statement also recognizes as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

D. Fund Deficits

A deficit balance of \$513,695 exists in the Internal Service Fund – Workers Compensation Benefits Fund and a deficit balance of \$45,493 exists in the Internal Service Fund – General Liability Claims Fund as of December 31, 2013. The Workers' Compensation Benefits Fund and General Liability Claims Fund deficits are attributable to the accrual of claims including incurred but not reported claims which will be satisfied in subsequent years. These deficits will be addressed in future periods.

E. Capital Projects Fund Deficit

The unassigned deficit of \$5,764,061 in the Capital Projects Fund arises 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 are accounted for

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 2 - Stewardship, Compliance and Accountability (Continued)

in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed or converted to permanent financing. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or are 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 these projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

F. Excess of Actual Expenditures Over Budget

The following categories of expenditures exceeded their budgetary authorization by the amounts indicated below:

Special Districts Funds	
Debt Service – Principal	\$170,000
Capital Projects Fund	
JV Sidewalk East Main Street	6,180

Note 3 - Detailed Notes on All Funds

A. Restricted Investments

The restricted investments of \$589,346 in the Capital Projects Fund consist of investments, the use of which is restricted to sewer reconstruction projects. These investments are held by a State agency and are not subject to risk categorization.

B. Taxes Receivable

Taxes receivable at December 31, 2013 consisted of the following:

Town and County taxes - Current	\$ 580,314
School districts taxes - Current	34,094,280
Taxes receivable - Overdue	2,581,390
Property acquired for taxes	<u>801,157</u>
	38,057,141
Allowance for uncollectible taxes	<u>(1,728,668)</u>
	<u>\$ 36,328,473</u>

School district taxes are offset by liabilities to the school districts which will be paid no later than April 5, 2014. Taxes receivable are also partially offset by deferred tax revenues of \$2,077,886, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

Town of Yorktown, New York

Notes to Financial Statements (Continued)

December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2013 were as follows:

Fund	Due From	Due To
General	\$ 164,495	\$ -
Capital Projects	-	131,918
Non-Major Governmental	-	32,577
	<u>\$ 164,495</u>	<u>\$ 164,495</u>

The outstanding balances between funds result 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.

D. Investment in Joint Venture

The Town, together with the Town of Cortlandt, the Town of Somers and the Montrose Improvement District, participate in the Northern Westchester Joint Water Works. The purpose of the joint venture is to construct, maintain and operate a water works transmission system for its members. The Town has an equity interest in the joint venture of 49%.

The following is an audited summary of financial information included in the financial statements of the joint venture.

Total Assets	\$ 21,630,911
Total Liabilities	2,821,916
Total Equity	18,808,995
Total Operating Revenues	8,918,134
Total Non-Operating Revenues	6,752
Total Expenses	10,528,344

E. Capital Assets

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

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Capital Assets, not being depreciated				
Land	\$ 15,184,930	\$ -	\$ -	\$ 15,184,930
Construction-in-progress	29,775,099	45,573	-	29,820,672
Total Capital Assets, not being depreciated	<u>\$ 44,960,029</u>	<u>\$ 45,573</u>	<u>\$ -</u>	<u>\$ 45,005,602</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2013
Capital Assets, being depreciated				
Land improvements	\$ 8,227,519	\$ -	\$ -	\$ 8,227,519
Buildings and improvements	32,631,520	-	-	32,631,520
Infrastructure	66,424,848	-	-	66,424,848
Machinery and equipment	15,556,759	707,533	430,362	15,833,930
Total Capital Assets, being depreciated	122,840,646	707,533	430,362	123,117,817
Less Accumulated Depreciation for				
Land improvements	3,860,657	296,649	-	4,157,306
Buildings and improvements	8,623,349	638,610	-	9,261,959
Infrastructure	42,703,317	1,181,491	-	43,884,808
Machinery and equipment	12,053,180	615,313	430,362	12,238,131
Total Accumulated Depreciation	67,240,503	2,732,063	430,362	69,542,204
Total Capital Assets, being depreciated, net	\$ 55,600,143	\$ (2,024,530)	\$ -	\$ 53,575,613
Capital Assets, net	\$ 100,560,172	\$ (1,978,957)	\$ -	\$ 98,581,215

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

Governmental Activities:	
General Government Support	\$ 133,836
Public Safety	189,646
Transportation	944,410
Economic Opportunity and Development	15,499
Culture and Recreation	453,368
Home and Community Services	995,304
Total Depreciation Expense	\$ 2,732,063

F. Pension Plans

The Town 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). These Systems are cost-sharing multiple-employer defined benefit pension plans. 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.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
 December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

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, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of member's salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and a regular pension contribution. Contribution rates for the plans' year ended March 31, 2014 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	28.8%
	2 75I	26.2
	3 A14	21.0
	4 A15	21.0
	5 A15	16.9
	6 A15	11.4
PFRS	1 384D	33.7
	2 384D	28.4
	5 384D	22.7

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

	<u>ERS</u>	<u>PFRS</u>
2013	\$ 2,544,831	\$ 2,005,661
2012	1,993,072	1,386,049
2011	1,775,248	1,180,077

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

The current ERS contribution for the Town was charged to the funds identified below. The current PFRS contribution was charged to the General Fund.

<u>Fund</u>	<u>Amount</u>
General	\$ 1,516,714
Highway	375,106
Special Districts	460,927
Non-Major Governmental	<u>192,084</u>
	<u>\$ 2,544,831</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

G. Short-Term Capital Borrowings

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

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2013	Redemptions	Balance December 31, 2013
Hunterbrook Rt. 202 Extension	12/05/08	12/18/14	0.93 %	\$ 1,013,000	\$ 135,000	\$ 878,000
Gomer Street Sewer	12/05/08	12/18/14	0.93	509,000	29,000	480,000
Library HVAC	12/20/10	12/18/14	0.93	300,000	50,000	250,000
Commerce Streetscape Phase II	12/30/09	12/18/14	0.93	380,000	100,000	280,000
Yorktown Sewer Consent Order Improvement	12/15/03	12/18/14	0.93	1,625,000	250,000	1,375,000
Suncrest Sewer	12/05/08	12/18/14	0.93	651,000	30,000	621,000
Kitchawan Water District	12/15/05	12/18/14	0.93	205,000	55,000	150,000
Shrub Oak Lake Dredging	12/10/04	12/18/14	0.93	52,000	40,000	12,000
Overlook Sewer	12/05/08	12/18/14	0.93	1,168,000	60,000	1,108,000
Baptist/Mohegan/Sherman/Old Crompound Bridge	12/30/09	12/18/14	0.93	280,000	100,000	180,000
Open Space	12/20/10	12/18/14	0.93	1,400,000	392,000	1,008,000
				<u>\$ 7,583,000</u>	<u>\$ 1,241,000</u>	<u>\$ 6,342,000</u>

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 \$81,896 were recorded in the fund financial statements in the funds identified below. Interest expense of \$81,080 was recorded in the government-wide financial statements for governmental activities.

<u>Fund</u>	<u>Amount</u>
General	\$ 7,128
Special Districts	71,528
Non-Major Governmental	<u>3,240</u>
	<u>\$ 81,896</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

H. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2013:

	Balance January 1, 2013	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2013	Due Within One Year
Bonds Payable					
Capital Construction	\$ 20,685,000	\$ -	\$ 1,020,000	\$ 19,665,000	\$ 1,035,000
Other	3,350,000	-	505,000	2,845,000	525,000
	24,035,000	-	1,525,000	22,510,000	1,560,000
Other Non-Current Liabilities:					
Claims Payable	700,753	872,735	621,355	952,133	95,400
Compensated Absences	1,254,337	245,202	125,000	1,374,539	137,000
Other Post Employment Benefit Obligations Payable	13,480,000	3,950,000	640,000	16,790,000	-
Total Other Non-Current Liabilities	15,435,090	5,067,937	1,386,355	19,116,672	232,400
Total Long-Term Liabilities	<u>\$ 39,470,090</u>	<u>\$ 5,067,937</u>	<u>\$ 2,911,355</u>	<u>\$ 41,626,672</u>	<u>\$ 1,792,400</u>

Each governmental fund's liability for bonds, compensated absences, claims payable and other post employment benefit obligations is liquidated by the General, Special Districts and Debt Service funds.

Bonds Payable

Bonds payable at December 31, 2013 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at December 31, 2013
Sewer District Improvements	1996	\$ 260,000	June, 2016	1.817 - 2.637 %	\$ 45,000
Environmental Improvements	1998	1,500,000	June, 2018	1.915 - 3.105	485,000
Environmental Improvements Shrub Oak Memorial Park	1998	7,400,113	June, 2018	1.801 - 3.283	2,360,000
Pool Improvements	2000	4,000,000	October, 2015	5.200 - 5.250	600,000
Sewer District Improvements	2002	670,800	October, 2031	3.602 - 5.082	385,000
Sewer District Improvements	2003	5,644,195	July, 2030	3.946 - 6.306	3,785,000
Sewer District Improvements	2004	5,960,770	May, 2033	2.025 - 4.625	4,450,000
Sewer District Improvements	2007	11,995,329	March, 2037	4.040 - 4.656	10,400,000
					<u>\$ 22,510,000</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$595,699 were recorded in the fund financial statements in the following funds:

<u>Fund</u>	<u>Amount</u>
General	\$ 47,255
Special Districts	<u>548,444</u>
	<u>\$ 595,699</u>

Interest expense of \$591,893 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2013 including interest payments of \$11,072,557 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,560,000	\$ 1,012,257	\$ 2,572,257
2015	1,610,000	951,117	2,561,117
2016	1,345,000	888,320	2,233,320
2017	1,375,000	837,312	2,212,312
2018	1,420,000	782,309	2,202,309
2019-2023	4,325,000	3,259,428	7,584,428
2024-2028	4,510,000	2,129,265	6,639,265
2029-2033	4,220,000	1,006,931	5,226,931
2034-2037	<u>2,145,000</u>	<u>205,618</u>	<u>2,350,618</u>
	<u>\$ 22,510,000</u>	<u>\$ 11,072,557</u>	<u>\$ 33,582,557</u>

Claims Payable

The Internal Service Funds and the government-wide financial statements reflect workers' compensation liabilities and general liability claim liabilities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities for the year ended December 31, 2013 is as follows:

	Year Ended December 31, 2013		Year Ended December 31, 2012	
	Workers' Compensation Benefits	General Liability Claims	Workers' Compensation Benefits	General Liability Claims
Balance - Beginning of Year	\$ 597,682	\$ 103,071	\$ 506,538	\$ 164,431
Provision for Claims and Claims Adjustment Expenses	765,220	107,515	455,369	-
Claims and Claims Adjustment Expenses Paid	<u>(544,998)</u>	<u>(76,357)</u>	<u>(364,225)</u>	<u>(61,360)</u>
Balance - End of Year	<u>\$ 817,904</u>	<u>\$ 134,229</u>	<u>\$ 597,682</u>	<u>\$ 103,071</u>
Due Within One Year	<u>\$ 82,000</u>	<u>\$ 13,400</u>	<u>\$ 60,000</u>	<u>\$ 10,000</u>

Compensated Absences

The collective bargaining agreements with the Superior Police Officers and all other Police Officers provide that an officer with twenty years of service shall be compensated for 75% of accumulated sick leave at current salary rates. Employees with ten years of service and who have attained the age of 55 are entitled to 50% of their accumulated sick leave. All employees are compensated for unused vacation leave upon retirement. The value of the compensated absences has been reflected in the government-wide financial statements.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post-employment health care benefits is shared between the Town and the retired employee. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds. The Town has recognized revenues and expenditures of \$29,612 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

The Town's annual other post employment benefits ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

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 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. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits are as follows:

<u>Year Ended December 31,</u>	<u>Assumed Increase</u>
2014	8.50 %
2015	8.00
2016	7.50
2017	7.00
2018	6.50
2019	6.00
2020	5.50
2021+	5.00

The amortization basis is the level percentage of payroll method with an open amortization approach. The actuarial assumptions include a 4.5% investment rate of return. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of December 31, 2013 was as follows:

Active Employees	216
Retired Employees	<u>82</u>
Total	<u><u>298</u></u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2013	\$ 39,720,000
Assets at Market Value	-
	<u>39,720,000</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 39,720,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active Plan Members)	<u>\$ 19,580,000</u>
UAAL as a Percentage of Covered Payroll	<u>202.86%</u>
Annual Required Contribution	\$ 4,130,000
Interest on Net OPEB Obligation	610,000
Adjustment to Annual Required Contribution	<u>(790,000)</u>
Annual OPEB Cost	3,950,000
Contributions Made	<u>(640,000)</u>
Increase in Net OPEB Obligation	3,310,000
Net OPEB Obligation - Beginning of Year	<u>13,480,000</u>
Net OPEB Obligation -End of Year	<u>\$ 16,790,000</u>

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 3,740,000	15.5 %	\$ 10,380,000
2012	3,750,000	17.3	13,480,000
2013	3,950,000	16.2	16,790,000

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.

I. 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:

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In				Total
	General	Highway	Special Districts	Capital Projects	
General	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Special Districts	1,381,760	84,746	30,925	991,000	2,488,431
Capital Projects	-	-	495,000	-	495,000
Non-Major Governmental	-	-	-	50,000	50,000
	<u>\$ 1,381,760</u>	<u>\$ 84,746</u>	<u>\$ 525,925</u>	<u>\$ 1,241,000</u>	<u>\$ 3,233,431</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 2) move amounts earmarked in the operating funds to fulfill commitments for General, Highway and Special District funds expenditures.

J. Net Position

The components of net position are detailed below:

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

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

Restricted for Special Revenue Funds - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2013							2012						
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Other Governmental Funds	Total	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Other Governmental Funds	Total		
Nonspendable														
Advances	\$ 99,366	\$ -	\$ -	\$ -	\$ -	\$ 99,366	\$ 98,184	\$ -	\$ -	\$ -	\$ -	\$ 98,184		
Prepaid expenditures	857,672	80,918	107,021	-	46,217	1,091,828	607,612	109,673	-	-	59,328	885,484		
Total Nonspendable	957,038	80,918	107,021	-	46,217	1,191,194	705,796	109,673	-	59,328	984,668			
Restricted														
Employee benefit accrued liability	883,584	192,135	88,271	-	134,707	1,298,697	803,879	183,077	-	195,763	1,254,337			
Debt service	-	-	1,451,092	-	59,590	1,210,682	-	-	-	59,410	1,333,502			
Parklands	-	-	-	-	520,571	520,571	-	-	-	468,807	468,807			
Trusts	-	-	-	-	634,322	634,322	-	-	-	632,697	632,697			
Total Restricted	883,584	192,135	1,239,363	-	1,349,190	3,664,272	803,879	183,077	-	1,356,677	3,691,343			
Assigned														
Purchases on order	8,647	-	-	-	-	8,647	10,161	-	-	-	-	10,161		
General government support	2,230	-	-	-	-	2,230	9,776	-	-	-	-	9,776		
Public safety	-	-	-	-	-	-	-	-	-	-	-	-		
Health	-	-	11,563	-	-	11,563	-	-	11,700	-	-	11,700		
Transportation	1,000	5,438	-	-	-	6,438	-	-	-	-	-	-		
Economic opportunity and development	86	-	-	-	-	86	-	-	-	-	-	-		
Culture and recreation	6,744	-	-	-	-	6,744	13,750	-	-	-	-	13,750		
Home and community services	-	-	30,576	-	-	30,576	-	-	-	-	-	4,620		
Subsequent year's expenditures	18,707	5,438	42,139	-	-	66,284	33,687	-	16,320	-	-	50,007		
Tax certiorari	800,000	-	2,108,000	-	225,000	3,133,000	565,350	-	1,337,000	-	-	1,902,350		
Ballpark	529,810	-	-	-	-	529,810	529,810	-	-	-	-	529,810		
Energy grant	25,000	-	-	-	-	25,000	25,000	-	-	-	-	25,000		
Major funds	-	207,225	11,187,013	-	-	11,394,238	129,860	120,381	10,870,587	-	-	129,860		
Non-major funds	-	-	-	-	-	-	-	-	-	-	-	10,990,968		
Community development	-	-	-	-	77,425	77,425	-	-	-	139,632	-	139,632		
Public Library	-	-	-	-	748,891	748,891	-	-	-	745,697	-	745,697		
Total Assigned	1,373,517	212,663	13,337,152	-	1,051,316	15,974,648	1,283,707	120,381	12,223,907	885,329	-	14,513,324		
Unassigned	4,897,768	-	-	(5,764,061)	-	(866,293)	4,263,283	-	(6,559,583)	-	-	(2,296,300)		
Total Fund Balances	\$ 8,111,907	\$ 485,716	\$ 14,683,536	\$ (5,764,061)	\$ 2,446,723	\$ 19,963,821	\$ 7,056,666	\$ 413,131	\$ 13,681,488	\$ 2,301,334	\$ -	\$ 16,893,035		

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 Position but are reported in the governmental funds balance sheet are described below.

Reserved

Advances have been established to indicate the long-term nature of funds advanced to the Special Districts Fund. These funds do not represent "available" spendable resources even though they are component of current assets.

Prepaid Expenditures has been established to account for retirement and health insurance 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.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Purchases on order are assigned and represent the Town'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 represent that at December 31, 2013, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Assigned for tax certiorari is used to segregate a portion of the fund balance of the General Fund to be utilized for potential tax certiorari settlements.

Ballpark - This has been established to set aside funds to renovate a Town owned Ballpark.

Energy grant- This has been established to set aside funds for Energy improvements to Town property.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balances in the Capital Projects Fund represent the deficit balances in the projects.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. There are also numerous tort claims pending against the Town. Town management has indicated there are individual tort claims for amounts in excess of insurance coverage. However, it is anticipated that insurance coverage will be sufficient to satisfy any resolution of the tort claims pending against the Town. The Town's claims administrator has reviewed the status of pending general liability and workers' compensation actions and has determined that the amounts reflected as liabilities in the Internal Service Funds are sufficient to satisfy any payments arising therefrom.

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 Town, 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 the payment is made.

B. Risk Management

The Town has General Liability coverage with limits of \$1,000,000 each occurrence with a \$6,000,000 general aggregate with a deductible of \$50,000 each occurrence. Additional coverage has been purchased for liability claims with a limit of \$10,000,000 each occurrence with a \$10,000,000 aggregate. In addition the Town purchased insurance for Workers Compensation benefits with a maximum limit of \$10,000,000 with a self retention limit per occurrence for police officers of \$525,000 and for all other Town employees of \$500,000. The governmental funds are charged premiums by the Internal Service Funds. Accrued liabilities in the Internal Service Funds include provisions for claims reported and claims incurred but not reported.

C. Contingencies

The Town participates in various Federal grant programs. These programs are 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 Town anticipates such amounts, if any, to be immaterial.

Town of Yorktown, New York

Required Supplementary Information
 Schedule of Funding Progress - Other Postemployment 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				
January 1, 2011	\$ -	\$ 35,070,000	\$ 35,070,000	- %	\$ 18,940,000	185.16 %
January 1, 2012	-	37,340,000	37,340,000	-	19,720,000	189.35
January 1, 2013	-	39,720,000	39,720,000	-	19,580,000	202.86

Town of Yorktown, New York

General Fund
Comparative Balance Sheet
December 31,

	2013	2012
ASSETS		
Cash and equivalents	\$ 21,345,372	\$ 19,238,853
Taxes receivable		
Town and County taxes	580,314	737,649
School districts taxes	34,094,280	35,099,122
Taxes receivable - Overdue	2,581,390	3,038,513
Property acquired for taxes	801,157	-
	38,057,141	38,875,284
Allowance for uncollectible taxes	(1,728,668)	(823,851)
	36,328,473	38,051,433
Other receivables		
Accounts	117,427	192,040
State and Federal aid	-	8,328
Due from other governments	1,336,687	1,236,402
Advances for proposed special districts	99,366	98,184
Due from other funds	164,495	148,729
	1,717,975	1,683,683
Prepaid expenditures	857,672	607,612
Total Assets	\$ 60,249,492	\$ 59,581,581
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 793,790	\$ 867,222
Retainaged percentages payable	7,781	24,230
Due to other governments	55,397	-
Due to school districts	49,010,184	48,786,862
Overpayments	118	331
Total Liabilities	49,867,270	49,678,645
Deferred inflows of resources		
Taxes collected in advance	192,429	122,164
Deferred tax revenues	2,077,886	2,724,107
Total Deferred Inflows of Resources	2,270,315	2,846,271
Total Liabilities and Deferred Inflows of Resources	52,137,585	52,524,916
Fund balance		
Nonspendable	957,038	705,796
Restricted	883,584	803,879
Assigned	1,373,517	1,283,707
Unassigned	4,897,768	4,263,283
Total Fund Balance	8,111,907	7,056,665
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 60,249,492	\$ 59,581,581

Town of Yorktown, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Years Ended December 31,

	2013			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 11,855,437	\$ 11,855,437	\$ 11,586,667	\$ (268,770)
Other tax items	715,000	715,000	1,252,019	537,019
Non-property taxes	5,315,000	5,315,000	6,209,083	894,083
Departmental income	2,235,605	2,235,605	2,120,274	(115,331)
Use of money and property	627,000	627,000	684,131	57,131
Licenses and permits	582,700	582,700	711,407	128,707
Fines and forfeitures	450,000	450,000	672,139	222,139
Sale of property and compensation for loss	11,500	11,500	11,229	(271)
State aid	1,153,460	1,153,460	1,518,671	365,211
Federal aid	184,860	184,860	200,214	15,354
Miscellaneous	67,500	67,500	60,967	(6,533)
Total Revenues	23,198,062	23,198,062	25,026,801	1,828,739
EXPENDITURES				
Current				
General government support	6,232,482	6,453,818	5,913,006	540,812
Public safety	9,542,134	9,650,773	9,377,299	273,474
Health	1,250	1,250	1,250	-
Transportation	344,425	357,768	352,242	5,526
Economic opportunity and development	580,850	588,050	574,952	13,098
Culture and recreation	2,926,327	2,958,741	2,895,290	63,451
Home and community services	532,540	542,014	497,062	44,952
Employee benefits	4,434,200	5,503,743	5,187,835	315,908
Debt service				
Principal	300,000	300,000	300,000	-
Interest	84,650	84,650	54,383	30,267
Total Expenditures	24,978,858	26,440,807	25,153,319	1,287,488
Deficiency of Revenues Over Expenditures	(1,780,796)	(3,242,745)	(126,518)	3,116,227
OTHER FINANCING SOURCES (USES)				
Transfers in	1,381,759	1,381,759	1,381,760	1
Transfers out	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources	1,181,759	1,181,759	1,181,760	1
Net Change in Fund Balance	(599,037)	(2,060,986)	1,055,242	3,116,228
FUND BALANCE				
Beginning of Year	599,037	2,060,986	7,056,665	4,995,679
End of Year	\$ -	\$ -	\$ 8,111,907	\$ 8,111,907

2012

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 11,437,182	\$ 11,339,543	\$ 11,371,396	\$ 31,853
865,000	865,000	686,792	(178,208)
5,240,000	5,240,000	5,634,849	394,849
2,006,675	2,006,675	1,994,684	(11,991)
647,000	647,000	678,244	31,244
387,000	387,000	626,711	239,711
400,000	400,000	513,377	113,377
11,500	11,500	202,103	190,603
1,233,060	1,233,060	1,347,711	114,651
60,000	291,208	306,332	15,124
66,000	66,000	102,538	36,538
<u>22,353,417</u>	<u>22,486,986</u>	<u>23,464,737</u>	<u>977,751</u>
6,103,706	5,759,135	5,687,480	71,655
8,785,189	9,475,593	9,448,002	27,591
1,250	1,250	1,250	-
350,975	353,380	351,529	1,851
563,607	881,665	874,551	7,114
2,808,587	2,865,818	2,802,174	63,644
505,983	588,630	575,046	13,584
4,111,957	3,957,790	3,906,847	50,943
300,000	300,000	300,000	-
89,650	89,645	73,050	16,595
<u>23,620,904</u>	<u>24,272,906</u>	<u>24,019,929</u>	<u>252,977</u>
<u>(1,267,487)</u>	<u>(1,785,920)</u>	<u>(555,192)</u>	<u>1,230,728</u>
1,177,487	1,179,987	1,179,988	1
(200,000)	(300,000)	(300,000)	-
<u>977,487</u>	<u>879,987</u>	<u>879,988</u>	<u>1</u>
(290,000)	(905,933)	324,796	1,230,729
<u>290,000</u>	<u>905,933</u>	<u>6,731,869</u>	<u>5,825,936</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,056,665</u>	<u>\$ 7,056,665</u>

Town of Yorktown, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended December 31, 2013
(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
REAL PROPERTY TAXES	\$ 11,855,437	\$ 11,855,437	\$ 11,586,667	\$ (268,770)	\$ 11,371,396
OTHER TAX ITEMS					
Interest and penalties on real property taxes	700,000	700,000	1,175,706	475,706	663,890
Payments in lieu of taxes	15,000	15,000	76,313	61,313	22,902
	715,000	715,000	1,252,019	537,019	686,792
NON-PROPERTY TAXES					
Non-property tax distribution from County	4,500,000	4,500,000	5,075,440	575,440	4,760,189
Franchise fees	815,000	815,000	1,133,643	318,643	874,660
	5,315,000	5,315,000	6,209,083	894,083	5,634,849
DEPARTMENTAL INCOME					
Tax collector fees	10,000	10,000	14,154	4,154	8,350
Town Clerk fees	40,000	40,000	53,572	13,572	33,438
Police fees	10,000	10,000	11,517	1,517	34,607
Police alarm fees	65,000	65,000	65,892	892	67,155
Parks and recreation fees	1,109,605	1,109,605	1,108,134	(1,471)	963,895
Planning Board fees	60,000	60,000	32,665	(27,335)	33,509
Zoning fees	15,000	15,000	22,723	7,723	15,237
Wetland permits	-	-	-	-	2,467
Inspection fees	50,000	50,000	62,979	12,979	85,623
Title search fees	50,000	50,000	44,502	(5,498)	50,975
General administration fees	131,000	131,000	14,679	(116,321)	21,837
ABACA	15,000	15,000	7,082	(7,918)	4,250
Assessors fees	2,000	2,000	1,296	(704)	962
Tax map	500	500	471	(29)	186
School resources officers	402,000	402,000	402,061	61	386,473
Services to other governments	162,000	162,000	157,369	(4,631)	157,658
Driving While Intoxicated Program	3,500	3,500	-	(3,500)	2,932
Section 8 Housing Assistance Fund reimbursement	110,000	110,000	121,178	11,178	125,130
	2,235,605	2,235,605	2,120,274	(115,331)	1,994,684

USE OF MONEY AND PROPERTY

Earnings on investments	75,000	75,000	66,876	(8,124)	78,754
Rental of real property	300,000	300,000	379,282	79,282	367,596
Special facility charges (YCCC)	252,000	252,000	237,973	(14,027)	231,894
	627,000	627,000	684,131	57,131	678,244

LICENSES AND PERMITS

Certificates of occupancy	8,000	8,000	10,313	2,313	17,970
Bingo licenses	1,500	1,500	1,590	90	1,465
Dog license fund apportionment	13,000	13,000	14,604	1,604	13,572
Building permits	551,000	551,000	671,330	120,330	583,694
Plumbing fees	8,000	8,000	11,695	3,695	9,135
Non-conforming building permits	1,200	1,200	1,875	675	875
	582,700	582,700	711,407	128,707	626,711
	450,000	450,000	672,139	222,139	513,377

FINES AND FORFEITURES

Fines and forfeited bail					
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Minor sales	1,500	1,500	3,702	2,202	2,128
Sale of equipment	-	-	2,462	2,462	183,745
Insurance recoveries	10,000	10,000	5,065	(4,935)	16,230
	11,500	11,500	11,229	(271)	202,103

STATE AID

Per capita	180,000	180,000	176,777	(3,223)	176,777
Mortgage tax	925,000	925,000	1,284,188	359,188	1,045,595
Youth officer	5,500	5,500	8,328	2,828	8,328
Programs for the aging	30,000	30,000	38,664	8,664	43,995
Seatbelt grant	12,960	12,960	10,714	(2,246)	10,938
Stream team	-	-	-	-	55,153
Emergency management assistance	-	-	-	-	6,925
	1,153,460	1,153,460	1,518,671	365,211	1,347,711

FEDERAL AID

Senior center renovation	129,860	129,860	-	(129,860)	\$ 231,208
Emergency management assistance	-	-	149,208	149,208	20,776
Nutrition program	55,000	55,000	49,091	(5,909)	54,348
Bullet proof vest	-	-	1,915	1,915	-
	184,860	184,860	200,214	15,354	306,332

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Town of Yorktown, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
 Year Ended December 31, 2013
 (With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
MISCELLANEOUS					
Refund of prior year's expenditures	\$ 15,000	\$ 15,000	\$ 6,620	\$ (8,380)	19,675
Medicare Part D reimbursements	40,000	40,000	20,029	(19,971)	38,746
County grants	9,500	9,500	18,088	8,588	22,524
Unclassified	3,000	3,000	16,230	13,230	21,593
	67,500	67,500	60,967	(6,533)	102,538
TOTAL REVENUES	23,198,062	23,198,062	25,026,801	1,828,739	23,464,737
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	2,500
Highway Fund					
Special Districts Fund	490,956	490,956	490,956	-	391,978
Consolidated Water District	591,753	591,753	591,754	1	513,097
Sewer districts	270,969	270,969	270,969	-	243,782
Refuse District	28,081	28,081	28,081	-	28,631
Park districts					
	1,381,759	1,381,759	1,381,760	1	1,179,988
TOTAL OTHER FINANCING SOURCES	1,381,759	1,381,759	1,381,760	1	1,179,988
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 24,579,821	\$ 24,579,821	\$ 26,408,561	\$ 1,828,740	\$ 24,644,725

Town of Yorktown, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 146,632	\$ 146,338	\$ 136,357	\$ 9,981	131,852
Town Justice	604,423	604,423	547,266	57,157	531,297
Supervisor	494,634	491,627	467,520	24,107	474,498
Finance	526,510	482,793	461,093	21,700	619,865
Auditor	35,000	35,000	29,501	5,499	34,349
Receiver of Taxes	172,250	188,435	180,047	8,388	167,079
Purchasing	130,900	121,302	103,316	17,986	159,641
Board of Assessors	367,550	367,550	350,289	17,261	367,668
Town Clerk	335,075	334,528	328,581	5,947	319,242
Town Attorney	655,626	565,964	477,585	88,379	532,099
Engineer	635,749	819,265	814,058	5,207	648,054
Elections	87,650	87,650	82,966	4,684	86,341
Buildings	596,780	575,457	525,522	49,935	533,172
Community and cultural center	236,250	418,245	347,066	71,179	226,671
Public safety facilities	153,999	153,999	127,659	26,340	116,728
Central services	54,656	54,657	45,420	9,237	49,067
Central garage	297,298	300,605	274,975	25,630	249,996
Unallocated insurance	275,000	282,208	282,208	-	226,025
Municipal association dues	5,000	5,000	2,800	2,200	4,300
Taxes on Town-owned property	50,000	90,000	89,933	67	23,844
Property tax refunds	225,500	225,500	196,257	30,243	140,995
Metropolitan commuter transportation mobility tax	46,000	44,447	43,587	860	44,697
Contingency	100,000	58,825	-	58,825	-
	<u>6,232,482</u>	<u>6,453,818</u>	<u>5,913,006</u>	<u>540,812</u>	<u>5,687,480</u>
PUBLIC SAFETY					
Police Department	8,810,229	8,909,707	8,650,192	259,515	8,718,679
Traffic control	16,500	14,400	9,311	5,089	19,038
Jail	750	750	336	414	492
Building inspector	706,205	717,500	709,487	8,013	703,359
Civil defense	8,450	8,416	7,973	443	6,434
	<u>9,542,134</u>	<u>9,650,773</u>	<u>9,377,299</u>	<u>273,474</u>	<u>9,448,002</u>

HEALTH						
Health services	1,250	1,250	1,250	-	1,250	
TRANSPORTATION						
Superintendent of Highways	229,425	229,425	228,204	1,221	228,878	
Street lighting	115,000	128,343	124,038	4,305	122,651	
	344,425	357,768	352,242	5,526	351,529	
ECONOMIC OPPORTUNITY AND DEVELOPMENT						
Nutrition program	577,850	585,050	573,431	11,619	873,485	
Historical celebrations	3,000	3,000	1,521	1,479	1,066	
	580,850	588,050	574,952	13,098	874,551	
CULTURE AND RECREATION						
Recreation administration	495,277	494,557	482,325	12,232	514,407	
Theater	5,000	5,000	2,111	2,889	6,923	
Playgrounds and recreation centers	1,245,821	1,282,582	1,267,828	14,754	1,256,078	
Joint Program for Developmentally Disabled	38,232	38,232	38,232	-	38,232	
Swimming pool	409,855	393,919	384,911	9,008	351,406	
Special events	22,050	22,050	14,907	7,143	17,739	
Adult recreation	84,000	66,600	63,726	2,874	65,879	
Youth programs	530,100	555,266	545,254	10,012	462,220	
Museum	63,692	66,235	64,726	1,509	62,571	
Senior citizens program	32,300	34,300	31,270	3,030	26,719	
	2,926,327	2,958,741	2,895,290	63,451	2,802,174	
HOME AND COMMUNITY SERVICES						
Zoning Board	1,650	1,650	1,375	275	1,125	
Section 8 Housing	96,255	96,255	88,015	8,240	92,056	
Planning Board	422,810	432,283	396,519	35,764	474,355	
Conservation	11,825	11,826	11,153	673	7,510	
	532,540	542,014	497,062	44,952	575,046	
EMPLOYEE BENEFITS						
State retirement	1,199,000	1,653,546	1,516,714	136,832	946,207	
Police retirement	1,600,000	2,118,889	2,005,661	113,228	1,386,049	
Social security	985,000	985,000	952,312	32,688	956,954	
Hospital, medical and dental insurance	466,200	533,417	524,465	8,952	489,270	
Workers' compensation benefits	125,000	153,891	153,891	-	83,481	
Unemployment benefits	20,000	20,000	18,947	1,053	28,904	
Other	39,000	39,000	15,845	23,155	15,982	
	4,434,200	5,503,743	5,187,835	315,908	3,906,847	

(Continued)

Town of Yorktown, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
DEBT SERVICE					
Principal					
Serial bonds	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	\$ 300,000
Interest					
Serial bonds	64,650	64,650	47,255	17,395	62,587
Bond anticipation notes	20,000	20,000	7,128	14,532	10,463
	84,650	84,650	54,383	31,927	73,050
	384,650	384,650	354,383	31,927	373,050
TOTAL EXPENDITURES	24,978,858	26,440,807	25,153,319	1,287,488	24,019,929
OTHER FINANCING USES					
Transfers out					
Highway Fund	-	-	-	-	100,000
Capital Projects Fund	200,000	200,000	200,000	-	200,000
TOTAL OTHER FINANCING USES	200,000	200,000	200,000	-	300,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 25,178,858	\$ 26,640,807	\$ 25,353,319	\$ 1,287,488	\$ 24,319,929

Town of Yorktown, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 788,494	\$ 783,502
Prepaid expenditures	<u>80,918</u>	<u>109,673</u>
Total Assets	<u>\$ 869,412</u>	<u>\$ 893,175</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 383,696</u>	<u>\$ 480,044</u>
Fund balance		
Nonspendable	80,918	109,673
Restricted	192,135	183,077
Assigned	<u>212,663</u>	<u>120,381</u>
Total Fund Balance	<u>485,716</u>	<u>413,131</u>
Total Liabilities and Fund Balance	<u>\$ 869,412</u>	<u>\$ 893,175</u>

Town of Yorktown, New York

Highway Fund

Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 4,486,629	\$ 4,486,629	\$ 4,486,629	\$ -
Use of money and property	5,500	5,500	6,272	772
Sale of property and compensation for loss	9,500	9,500	47,989	38,489
State aid	296,000	296,000	394,987	98,987
Federal aid	-	-	532,181	532,181
Miscellaneous	35,000	35,000	546,328	511,328
Total Revenues	4,832,629	4,832,629	6,014,386	1,181,757
EXPENDITURES				
Current				
Transportation	4,176,103	5,507,324	5,279,873	227,451
Employee benefits	742,000	746,674	746,674	-
Total Expenditures	4,918,103	6,253,998	6,026,547	227,451
Deficiency of Revenues Over Expenditures	(85,474)	(1,421,369)	(12,161)	1,409,208
OTHER FINANCING SOURCES (USES)				
Transfers in	85,474	85,474	84,746	(728)
Transfers out	-	-	-	-
Total Other Financing Sources	85,474	85,474	84,746	(728)
Net Change in Fund Balance	-	(1,335,895)	72,585	1,408,480
FUND BALANCE				
Beginning of Year	-	1,335,895	413,131	(922,764)
End of Year	\$ -	\$ -	\$ 485,716	\$ 485,716

2012

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,225,894	\$ 4,225,894	\$ 4,225,894	\$ -
10,000	10,000	6,222	(3,778)
12,000	12,000	15,936	3,936
240,000	299,982	327,394	27,412
-	113,000	95,246	(17,754)
41,500	126,572	38,467	(88,105)
<u>4,529,394</u>	<u>4,787,448</u>	<u>4,709,159</u>	<u>(78,289)</u>
4,121,804	4,591,275	4,457,960	133,315
716,800	721,152	677,299	43,853
<u>4,838,604</u>	<u>5,312,427</u>	<u>5,135,259</u>	<u>177,168</u>
<u>(309,210)</u>	<u>(524,979)</u>	<u>(426,100)</u>	<u>98,879</u>
84,210	184,210	184,210	-
-	(2,500)	(2,500)	-
<u>84,210</u>	<u>181,710</u>	<u>181,710</u>	<u>-</u>
(225,000)	(343,269)	(244,390)	98,879
<u>225,000</u>	<u>343,269</u>	<u>657,521</u>	<u>314,252</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 413,131</u>	<u>\$ 413,131</u>

Town of Yorktown, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2013
 (With Comparative Totals for 2012)

	Combined Water Districts	Combined Sewer Districts	Refuse District
ASSETS			
Cash and equivalents	\$ 5,788,642	\$ 7,238,489	\$ 984,297
Accounts receivable	1,113,699	116,407	-
Prepaid expenditures	49,595	26,103	31,323
Total Assets	<u>\$ 6,951,936</u>	<u>\$ 7,380,999</u>	<u>\$ 1,015,620</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 735,776	\$ 191,067	\$ 290,337
Retainaged percentages payable	-	-	-
Total Liabilities	<u>735,776</u>	<u>191,067</u>	<u>290,337</u>
Fund balances			
Nonspendable	49,595	26,103	31,323
Restricted	379,566	775,028	57,292
Assigned	5,786,999	6,388,801	636,668
Total Fund Balances	<u>6,216,160</u>	<u>7,189,932</u>	<u>725,283</u>
Total Liabilities and Fund Balances	<u>\$ 6,951,936</u>	<u>\$ 7,380,999</u>	<u>\$ 1,015,620</u>

Combined Park Districts	Advanced Life-Support District	Totals	
		2013	2012
\$ 570,342	\$ 32,725	\$ 14,614,495	\$ 14,856,235
-	10,137	1,240,243	833,591
-	-	107,021	109,871
<u>\$ 570,342</u>	<u>\$ 42,862</u>	<u>\$ 15,961,759</u>	<u>\$ 15,799,697</u>
\$ 19,082	\$ 41,961	\$ 1,278,223	\$ 2,102,272
-	-	-	15,937
<u>19,082</u>	<u>41,961</u>	<u>1,278,223</u>	<u>2,118,209</u>
-	-	107,021	109,871
27,477	-	1,239,363	1,347,710
<u>523,783</u>	<u>901</u>	<u>13,337,152</u>	<u>12,223,907</u>
<u>551,260</u>	<u>901</u>	<u>14,683,536</u>	<u>13,681,488</u>
<u>\$ 570,342</u>	<u>\$ 42,862</u>	<u>\$ 15,961,759</u>	<u>\$ 15,799,697</u>

Town of Yorktown, New York

Special Districts Fund

Combining Schedule of Revenues, Expenditures and Changes

in Fund Balances - Sub Funds

Year Ended December 31, 2013

(With Comparative Totals for 2012)

	Combined Water Districts	Combined Sewer Districts	Refuse District
REVENUES			
Real property taxes	\$ 1,369,860	\$ 3,772,063	\$ 4,435,722
Other tax items	36,337	-	-
Departmental income	6,606,231	618,406	51,081
Intergovernmental charges	-	806,366	-
Use of money and property	19,603	24,855	6,424
Sale of property and compensation for loss	13,419	-	-
State aid	-	-	-
Federal aid	35,500	182,775	20,649
Miscellaneous	2,520	9,375	1,920
Total Revenues	8,083,470	5,413,840	4,515,796
EXPENDITURES			
Current			
Health	-	-	-
Culture and recreation	-	-	-
Home and community services	6,339,887	2,290,759	3,875,140
Employee benefits	685,448	193,904	369,991
Debt service			
Principal			
Serial bonds	505,000	720,000	-
Interest			
Serial bonds	52,061	496,383	-
Bond anticipation notes	2,214	53,632	-
Total Expenditures	7,584,610	3,754,678	4,245,131
Excess (Deficiency) of Rev- enues Over Expenditures	498,860	1,659,162	270,665
OTHER FINANCING SOURCES (USES)			
Transfers in	-	525,925	-
Transfers out	(545,956)	(1,169,052)	(313,342)
Total Other Financing Uses	(545,956)	(643,127)	(313,342)
Net Change in Fund Balances	(47,096)	1,016,035	(42,677)
FUND BALANCES			
Beginning of year, as previously reported	6,263,256	6,173,897	767,960
Prior period adjustment	-	-	-
Beginning of year, as restated	6,263,256	6,173,897	767,960
End of Year	\$ 6,216,160	\$ 7,189,932	\$ 725,283

Combined Park Districts	Advanced Life-Support District	Totals	
		2013	2012
\$ 702,793	\$ 491,407	\$ 10,771,845	\$ 12,315,317
-	5,095	41,432	-
-	-	7,275,718	5,194,777
-	-	806,366	806,366
15,148	462	66,492	57,077
-	25,236	38,655	46,216
-	-	-	21,230
-	-	238,924	63,689
131	-	13,946	97,522
<u>718,072</u>	<u>522,200</u>	<u>19,253,378</u>	<u>18,602,194</u>
-	532,851	532,851	497,846
151,957	-	151,957	172,185
-	-	12,505,786	13,491,210
3,904	11	1,253,258	1,151,472
-	-	1,225,000	1,214,928
-	-	548,444	586,854
15,682	-	71,528	77,730
<u>171,543</u>	<u>532,862</u>	<u>16,288,824</u>	<u>17,192,225</u>
<u>546,529</u>	<u>(10,662)</u>	<u>2,964,554</u>	<u>1,409,969</u>
-	-	525,925	196,425
(460,081)	-	(2,488,431)	(2,286,123)
(460,081)	-	(1,962,506)	(2,089,698)
86,448	(10,662)	1,002,048	(679,729)
464,812	11,563	13,681,488	12,581,217
-	-	-	1,780,000
<u>464,812</u>	<u>11,563</u>	<u>13,681,488</u>	<u>14,361,217</u>
<u>\$ 551,260</u>	<u>\$ 901</u>	<u>\$ 14,683,536</u>	<u>\$ 13,681,488</u>

Town of Yorktown, New York

Special Districts Fund - Water Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2013
 (With Comparative Totals for 2012)

	Consolidated Water	Kitchawan Water	Totals	
			2013	2012
ASSETS				
Cash and equivalents	\$ 5,686,592	\$ 102,050	\$ 5,788,642	\$ 6,663,416
Accounts receivable	1,112,862	837	1,113,699	752,544
Prepaid expenditures	49,595	-	49,595	52,536
Total Assets	\$ 6,849,049	\$ 102,887	\$ 6,951,936	\$ 7,468,496
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 733,022	\$ 2,754	\$ 735,776	\$ 1,189,303
Retainaged percentages payable	-	-	-	15,937
Total Liabilities	733,022	2,754	735,776	1,205,240
Fund balances				
Nonspendable	49,595	-	49,595	52,536
Restricted	379,566	-	379,566	504,566
Assigned	5,686,866	100,133	5,786,999	5,706,154
Total Fund Balances	6,116,027	100,133	6,216,160	6,263,256
Total Liabilities and Fund Balances	\$ 6,849,049	\$ 102,887	\$ 6,951,936	\$ 7,468,496

Town of Yorktown, New York

Special Districts Fund - Water Districts
 Combining Schedule of Revenues, Expenditures and Changes in
 Fund Balances - Sub Funds
 Year Ended December 31, 2013
 (With Comparative Totals for 2012)

	Consolidated Water	Kitchawan Water	Totals	
			2013	2012
REVENUES				
Real property taxes	\$ 1,297,885	\$ 71,975	\$ 1,369,860	\$ 2,280,520
Other tax items	36,337	-	36,337	-
Departmental income	6,583,278	22,953	6,606,231	4,681,583
Use of money and property	19,187	416	19,603	27,154
Sale of property and compensation for loss	13,419	-	13,419	20,572
State aid	-	-	-	1,219
Federal aid	35,500	-	35,500	3,656
Miscellaneous	2,520	-	2,520	6,716
Total Revenues	7,988,126	95,344	8,083,470	7,021,420
EXPENDITURES				
Current				
Home and community services	6,319,312	20,575	6,339,887	6,352,397
Employee benefits	685,448	-	685,448	644,409
Debt service				
Principal	505,000	-	505,000	490,000
Interest	52,061	2,214	54,275	59,305
Total Expenditures	7,561,821	22,789	7,584,610	7,546,111
Excess (Deficiency) of Revenues Over Expenditures	426,305	72,555	498,860	(524,691)
OTHER FINANCING USES				
Transfers out	(490,956)	(55,000)	(545,956)	(446,978)
Net Change in Fund Balances	(64,651)	17,555	(47,096)	(971,669)
FUND BALANCES				
Beginning of Year	6,180,678	82,578	6,263,256	7,234,925
End of Year	\$ 6,116,027	\$ 100,133	\$ 6,216,160	\$ 6,263,256

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2013
 (With Comparative Totals for 2012)

	<u>Yorktown</u>	<u>Osceola</u>	<u>Hunter Brook</u>
ASSETS			
Cash and equivalents	\$ 6,212,541	\$ 163,248	\$ 111,528
Accounts receivable	116,407	-	-
Prepaid expenditures	26,103	-	-
	<u>6,355,051</u>	<u>163,248</u>	<u>111,528</u>
Total Assets	<u>\$ 6,355,051</u>	<u>\$ 163,248</u>	<u>\$ 111,528</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 176,059	\$ 3,558	\$ 5,241
Fund balances			
Nonspendable	26,103	-	-
Restricted	639,969	-	-
Assigned	5,512,920	159,690	106,287
	<u>6,178,992</u>	<u>159,690</u>	<u>106,287</u>
Total Fund Balances	<u>6,178,992</u>	<u>159,690</u>	<u>106,287</u>
	<u>\$ 6,355,051</u>	<u>\$ 163,248</u>	<u>\$ 111,528</u>
Total Liabilities and Fund Balances	<u>\$ 6,355,051</u>	<u>\$ 163,248</u>	<u>\$ 111,528</u>

<u>Clover Road</u>	<u>Mohegan East</u>	<u>Mohegan West</u>	<u>Bonnie and Jill</u>	<u>Oakside</u>	<u>Overlook</u>	<u>Suncrest</u>
\$ 32,763	\$ 110,304	\$ 40,362	\$ 2,625	\$ 170,761	\$ 129,947	\$ 150,730
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 32,763</u>	<u>\$ 110,304</u>	<u>\$ 40,362</u>	<u>\$ 2,625</u>	<u>\$ 170,761</u>	<u>\$ 129,947</u>	<u>\$ 150,730</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	10,906	-	64,633	59,520	-
<u>32,763</u>	<u>110,304</u>	<u>29,456</u>	<u>2,625</u>	<u>106,128</u>	<u>70,427</u>	<u>150,730</u>
<u>32,763</u>	<u>110,304</u>	<u>40,362</u>	<u>2,625</u>	<u>170,761</u>	<u>129,947</u>	<u>150,730</u>
<u>\$ 32,763</u>	<u>\$ 110,304</u>	<u>\$ 40,362</u>	<u>\$ 2,625</u>	<u>\$ 170,761</u>	<u>\$ 129,947</u>	<u>\$ 150,730</u>

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Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Balance Sheet - Sub Funds (Continued)
 December 31, 2013
 (With Comparative Totals for 2012)

	Gomer Street	Hunterbrook 202 Extension	Totals	
			2013	2012
ASSETS				
Cash and equivalents	\$ 18,741	\$ 94,939	\$ 7,238,489	\$ 6,443,924
Accounts receivable	-	-	116,407	78,348
Prepaid expenditures	-	-	26,103	28,459
Total Assets	<u>\$ 18,741</u>	<u>\$ 94,939</u>	<u>\$ 7,380,999</u>	<u>\$ 6,550,731</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 6,209	\$ 191,067	\$ 376,834
Fund balances				
Nonspendable	-	-	26,103	28,459
Restricted	-	-	775,028	761,164
Assigned	18,741	88,730	6,388,801	5,384,274
Total Fund Balances	<u>18,741</u>	<u>88,730</u>	<u>7,189,932</u>	<u>6,173,897</u>
Total Liabilities and Fund Balances	<u>\$ 18,741</u>	<u>\$ 94,939</u>	<u>\$ 7,380,999</u>	<u>\$ 6,550,731</u>

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Schedule of Revenues, Expenditures and Changes
 in Fund Balances - Sub Funds
 Year Ended December 31, 2013
 (With Comparative Totals for 2012)

	Yorktown	Osceola	Hunter Brook	Clover Road
REVENUES				
Real property taxes	\$ 2,852,916	\$ 26,793	\$ 287,860	\$ 5,734
Departmental income	618,406	-	-	-
Intergovernmental charges	806,366	-	-	-
Use of money and property	20,422	506	459	116
State aid	-	-	-	-
Federal aid	182,775	-	-	-
Miscellaneous	9,365	-	-	-
Total Revenues	<u>4,490,250</u>	<u>27,299</u>	<u>288,319</u>	<u>5,850</u>
EXPENDITURES				
Current				
Home and community services	2,180,787	13,268	82,015	66
Employee benefits	193,904	-	-	-
Debt service				
Principal				
Serial bonds	365,475	-	95,000	15,000
Interest				
Serial bonds	279,000	-	75,007	561
Bond anticipation notes	17,550	-	-	-
Total Expenditures	<u>3,036,716</u>	<u>13,268</u>	<u>252,022</u>	<u>15,627</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,453,534</u>	<u>14,031</u>	<u>36,297</u>	<u>(9,777)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	396,400	-	-	-
Transfers out	<u>(868,663)</u>	<u>(8,843)</u>	<u>(37,546)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(472,263)</u>	<u>(8,843)</u>	<u>(37,546)</u>	<u>-</u>
Net Change in Fund Balances	981,271	5,188	(1,249)	(9,777)
FUND BALANCES				
Beginning of Year	<u>5,197,721</u>	<u>154,502</u>	<u>107,536</u>	<u>42,540</u>
End of Year	<u>\$ 6,178,992</u>	<u>\$ 159,690</u>	<u>\$ 106,287</u>	<u>\$ 32,763</u>

Mohegan East	Mohegan West	Bonnie and Jill	Oakside	Overlook	Suncrest
\$ 162,478	\$ 66,342	\$ 12,490	\$ 31,250	\$ 85,700	\$ 39,400
-	-	-	-	-	-
-	-	-	-	-	-
432	167	23	545	530	531
-	-	-	-	-	-
-	-	-	-	-	-
-	10	-	-	-	-
<u>162,910</u>	<u>66,519</u>	<u>12,513</u>	<u>31,795</u>	<u>86,230</u>	<u>39,931</u>
7,355	1,367	332	2,850	573	318
-	-	-	-	-	-
148,170	45,600	10,000	40,755	-	-
91,254	19,333	1,971	29,257	-	-
-	-	-	-	12,614	7,031
<u>246,779</u>	<u>66,300</u>	<u>12,303</u>	<u>72,862</u>	<u>13,187</u>	<u>7,349</u>
(83,869)	219	210	(41,067)	73,043	32,582
88,770	-	-	40,755	-	-
-	-	-	-	(60,000)	(30,000)
<u>88,770</u>	<u>-</u>	<u>-</u>	<u>40,755</u>	<u>(60,000)</u>	<u>(30,000)</u>
4,901	219	210	(312)	13,043	2,582
<u>105,403</u>	<u>40,143</u>	<u>2,415</u>	<u>171,073</u>	<u>116,904</u>	<u>148,148</u>
<u>\$ 110,304</u>	<u>\$ 40,362</u>	<u>\$ 2,625</u>	<u>\$ 170,761</u>	<u>\$ 129,947</u>	<u>\$ 150,730</u>

(Continued)

Town of Yorktown, New York

Special Districts Fund - Sewer Districts
 Combining Schedule of Revenues, Expenditures and Changes
 in Fund Balances - Sub Funds (Continued)
 Year Ended December 31, 2013
 (With Comparative Totals for 2012)

	Gomer Street	Hunterbrook 202 Extension	Totals	
			2013	2012
REVENUES				
Real property taxes	\$ 36,300	\$ 164,800	\$ 3,772,063	\$ 3,777,595
Departmental income	-	-	618,406	467,672
Intergovernmental charges	-	-	806,366	806,366
Use of money and property	126	998	24,855	26,419
State aid	-	-	-	19,591
Federal aid	-	-	182,775	58,774
Miscellaneous	-	-	9,375	88,159
Total Revenues	36,426	165,798	5,413,840	5,244,576
EXPENDITURES				
Current				
Home and community services	250	1,578	2,290,759	2,304,964
Employee benefits	-	-	193,904	185,203
Debt service				
Principal				
Serial bonds	-	-	720,000	724,928
Interest				
Serial bonds	-	-	496,383	530,712
Bond anticipation notes	5,497	10,940	53,632	51,792
Total Expenditures	5,747	12,518	3,754,678	3,797,599
Excess (Deficiency) of Revenues Over Expenditures	30,679	153,280	1,659,162	1,446,977
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	525,925	196,425
Transfers out	(29,000)	(135,000)	(1,169,052)	(1,104,627)
Total Other Financing Sources (Uses)	(29,000)	(135,000)	(643,127)	(908,202)
Net Change in Fund Balances	1,679	18,280	1,016,035	538,775
FUND BALANCES				
Beginning of Year	17,062	70,450	6,173,897	5,635,122
End of Year	\$ 18,741	\$ 88,730	\$ 7,189,932	\$ 6,173,897

Town of Yorktown, New York

Refuse District Fund
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 984,297	\$ 1,205,106
Prepaid expenditures	31,323	28,876
	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,015,620</u>	<u>\$ 1,233,982</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	<u>\$ 290,337</u>	<u>\$ 466,022</u>
Fund balances		
Nonspendable	31,323	28,876
Restricted	57,292	54,503
Assigned	636,668	684,581
	<u> </u>	<u> </u>
Total Fund Balances	<u>725,283</u>	<u>767,960</u>
Total Liabilities and Fund Balances	<u>\$ 1,015,620</u>	<u>\$ 1,233,982</u>

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Town of Yorktown, New York

Special Districts Fund - Refuse District
Comparative Statement of Revenues, Expenditures and Changes
In Fund Balance
Years Ended December 31,

	<u>2013</u>	<u>2012</u>
REVENUES		
Real property taxes	\$ 4,435,722	\$ 5,118,027
Departmental income	51,081	45,522
Use of money and property	6,424	8,686
State aid	-	420
Federal aid	20,649	1,259
Miscellaneous	1,920	2,647
	<u>4,515,796</u>	<u>5,176,561</u>
EXPENDITURES		
Current		
Home and community services	3,875,140	4,833,849
Employee benefits	369,991	317,554
	<u>4,245,131</u>	<u>5,151,403</u>
Excess of Revenues Over Expenditures	270,665	25,158
OTHER FINANCING USES		
Transfers out	<u>(313,342)</u>	<u>(285,887)</u>
Net Change in Fund Balance	(42,677)	(260,729)
FUND BALANCE		
Beginning of Year	<u>767,960</u>	<u>1,028,689</u>
End of Year	<u>\$ 725,283</u>	<u>\$ 767,960</u>

Town of Yorktown, New York

Special Districts Fund - Park Districts
 Combining Balance Sheet - Sub Funds
 December 31, 2013
 (With Comparative Totals for 2012)

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve- ment	Amazon Beach
ASSETS				
Cash and equivalents	\$ 58,636	\$ 56,930	\$ 167,441	\$ 99,681
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 3,465	\$ -	\$ 13,665	\$ 327
Fund balances				
Restricted	-	-	-	-
Assigned	55,171	56,930	153,776	99,354
Total Fund Balances	55,171	56,930	153,776	99,354
Total Liabilities and Fund Balances	\$ 58,636	\$ 56,930	\$ 167,441	\$ 99,681

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals	
				2013	2012
<u>\$ 103,229</u>	<u>\$ 17,999</u>	<u>\$ 90</u>	<u>\$ 66,336</u>	<u>\$ 570,342</u>	<u>\$ 493,786</u>
<u>\$ 1,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,082</u>	<u>\$ 28,974</u>
27,477	-	-	-	27,477	27,477
<u>74,127</u>	<u>17,999</u>	<u>90</u>	<u>66,336</u>	<u>523,783</u>	<u>437,335</u>
<u>101,604</u>	<u>17,999</u>	<u>90</u>	<u>66,336</u>	<u>551,260</u>	<u>464,812</u>
<u>\$ 103,229</u>	<u>\$ 17,999</u>	<u>\$ 90</u>	<u>\$ 66,336</u>	<u>\$ 570,342</u>	<u>\$ 493,786</u>

Town of Yorktown, New York

Special Districts Fund - Park Districts

Combining Schedule of Revenues, Expenditures and Changes in

Fund Balances - Sub Funds

Year Ended December 31, 2013

(With Comparative Totals for 2012)

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve- ment	Amazon Beach
REVENUES				
Real property taxes	\$ 58,463	\$ 21,916	\$ 91,198	\$ 17,700
Use of money and property	191	159	500	299
Miscellaneous	38	-	-	43
	<u>58,692</u>	<u>22,075</u>	<u>91,698</u>	<u>18,042</u>
EXPENDITURES				
Current				
Culture and recreation	37,924	669	66,582	3,008
Employee benefits	1,840	-	1,641	-
Debt service				
Interest - Bond anticipation notes	-	-	-	-
	<u>39,764</u>	<u>669</u>	<u>68,223</u>	<u>3,008</u>
Excess of Revenues Over Expenditures	18,928	21,406	23,475	15,034
OTHER FINANCING USES				
Transfers out	(5,177)	(3,148)	(6,156)	(3,005)
	<u>13,751</u>	<u>18,258</u>	<u>17,319</u>	<u>12,029</u>
FUND BALANCES (DEFICITS)				
Beginning of year, as previously reported	41,420	38,672	136,457	87,325
Prior period adjustment	-	-	-	-
Beginning of year, as restated	<u>41,420</u>	<u>38,672</u>	<u>136,457</u>	<u>87,325</u>
End of Year	<u>\$ 55,171</u>	<u>\$ 56,930</u>	<u>\$ 153,776</u>	<u>\$ 99,354</u>

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals	
				2013	2012
\$ 68,837	\$ 30,959	\$ 2,000	\$ 411,720	\$ 702,793	\$ 647,920
12,894	65	1	1,039	15,148	2,972
-	50	-	-	131	-
<u>81,731</u>	<u>31,074</u>	<u>2,001</u>	<u>412,759</u>	<u>718,072</u>	<u>650,892</u>
23,139	19,792	11	832	151,957	172,185
-	423	-	-	3,904	4,306
<u>562</u>	<u>-</u>	<u>-</u>	<u>15,120</u>	<u>15,682</u>	<u>22,775</u>
<u>23,701</u>	<u>20,215</u>	<u>11</u>	<u>15,952</u>	<u>171,543</u>	<u>199,266</u>
58,030	10,859	1,990	396,807	546,529	451,626
<u>(45,211)</u>	<u>(3,384)</u>	<u>(2,000)</u>	<u>(392,000)</u>	<u>(460,081)</u>	<u>(448,631)</u>
<u>12,819</u>	<u>7,475</u>	<u>(10)</u>	<u>4,807</u>	<u>86,448</u>	<u>2,995</u>
88,785	10,524	100	61,529	464,812	(1,318,183)
-	-	-	-	-	1,780,000
<u>88,785</u>	<u>10,524</u>	<u>100</u>	<u>61,529</u>	<u>464,812</u>	<u>461,817</u>
<u>\$ 101,604</u>	<u>\$ 17,999</u>	<u>\$ 90</u>	<u>\$ 66,336</u>	<u>\$ 551,260</u>	<u>\$ 464,812</u>

Town of Yorktown, New York

Comparative Balance Sheet
Advanced Life Support District Fund
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 32,725	50,003
Accounts receivable	<u>10,137</u>	<u>2,699</u>
Total Assets	<u>\$ 42,862</u>	<u>\$ 52,702</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 41,961	\$ 41,139
Fund balance		
Assigned	<u>901</u>	<u>11,563</u>
Total Liabilities and Fund Balance	<u>\$ 42,862</u>	<u>\$ 52,702</u>

Town of Yorktown, New York

Special Districts Fund - Advanced Life-Support District
Comparative Statement of Revenues, Expenditures and Changes
In Fund Balance
Years Ended December 31,

	<u>2013</u>	<u>2012</u>
REVENUES		
Real property taxes	\$ 491,407	\$ 491,255
Other tax items	5,095	-
Use of money and property	462	532
Sale of property and compensation for loss	<u>25,236</u>	<u>16,958</u>
Total Revenues	<u>522,200</u>	<u>508,745</u>
EXPENDITURES		
Current		
Health	532,851	497,846
Employee benefits	<u>11</u>	<u>-</u>
Total Expenditures	<u>532,862</u>	<u>497,846</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,662)	10,899
FUND BALANCE		
Beginning of Year	<u>11,563</u>	<u>664</u>
End of Year	<u>\$ 901</u>	<u>\$ 11,563</u>

Town of Yorktown, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 178,852	\$ 131,305
Restricted investments	<u>589,346</u>	<u>1,084,346</u>
Total Assets	<u>\$ 768,198</u>	<u>\$ 1,215,651</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 9	\$ 1,984
Retainaged percentages payable	58,332	58,332
Due to other funds	131,918	131,918
Bond anticipation notes payable	<u>6,342,000</u>	<u>7,583,000</u>
Total Liabilities	6,532,259	7,775,234
Fund deficit		
Unassigned	<u>(5,764,061)</u>	<u>(6,559,583)</u>
Total Liabilities and Fund Deficit	<u>\$ 768,198</u>	<u>\$ 1,215,651</u>

Town of Yorktown, New York

Capital Projects Fund
 Comparative Statement of Revenues, Expenditures and Changes
 in Fund Balance
 Years Ended December 31,

	<u>2013</u>	<u>2012</u>
REVENUES		
State aid	\$ 55,722	\$ 46,200
Miscellaneous	-	37,201
	<u>55,722</u>	<u>83,401</u>
Total Revenues	55,722	83,401
EXPENDITURES		
Capital outlay	6,200	144,185
	<u>6,200</u>	<u>144,185</u>
Excess (Deficiency) of Revenues Over Expenditures	49,522	(60,784)
OTHER FINANCING SOURCES (USES)		
Transfers in	1,241,000	1,243,000
Transfers out	(495,000)	(165,000)
	<u>746,000</u>	<u>1,078,000</u>
Total Other Financing Sources	746,000	1,078,000
Net Change in Fund Balance	<u>795,522</u>	<u>1,017,216</u>
FUND DEFICIT		
Beginning of year, as previously reported	(6,559,583)	(5,796,799)
Prior period adjustment	-	(1,780,000)
	<u>(6,559,583)</u>	<u>(7,576,799)</u>
Beginning of year, as restated	(6,559,583)	(7,576,799)
End of Year	<u>\$ (5,764,061)</u>	<u>\$ (6,559,583)</u>

Town of Yorktown, New York

Capital Projects Fund

Project-Length Schedule

Inception Of Project Through December 31, 2013

PROJECT	Sub-Fund	Authorization	Expenditures and Transfers
Granite Knolls Ballfield	HA	\$ 25,000	\$ 13,904
Hunterbrook Rt. 202 Extension	HB	3,000,000	1,358,959
Yorktown Sewer Plant Improvements	HD	350,586	211,448
Rt. 118 Sidewalks - Phase II	HE	530,000	445,815
Veterans Road Sidewalk	HF	300,000	4,250
Gomer Street Sewer	HG	610,000	601,470
Junior Lake Dredging/Dam Repairs	HJ	747,608	637,022
Library HVAC	HL	600,000	488,894
Oakside Sewer District	HM	1,500,000	1,276,108
Comprehensive Plan Study	HO	682,000	616,364
Bonnie and Jill Courts Sewer District	HP	251,000	244,396
Commerce Streetscape Phase II	HS2	1,215,041	1,215,041
1995 - Mohegan East Sewer District	HT	5,333,897	5,221,076
Yorktown Sewer Consent Order Improvement	HZ	3,000,000	2,997,890
Holland Sport Club	JA	125,000	124,211
Open Space	JB	1,780,000	1,780,000
Trailway Improvements	JC	49,500	6,800
Suncrest Sewer	JH	750,000	750,000
RR Park Rehabilitation	JJ	456,817	32,410
Kitchawan Water District	JK	850,000	848,306
NYCDEP Reimbursable	JL	3,978,759	3,112,344
Patriot Garden	JN	236,631	234,462
Yorktown Sewer Inflow/Infiltration	JO	1,912,610	1,655,672
Shrub Oak Lake Dredging	JQ	501,820	501,820
Overlook Sewer	JW	1,600,000	1,400,000
WPC Ammonia Removal and Equipment Upgrade	JX	9,863,975	9,563,463
Baptist/Mohegan/Sherman/Old Crompond Bridge	JY	3,600,000	1,049,622
JV Sidewalk East Main Street	JY2	542,596	548,776
Totals		\$ 44,392,840	\$ 36,940,523

Unexpended Balance	Revenues	Fund Balance (Deficit) at December 31, 2013	Bond Anticipation Notes Outstanding at December 31, 2013
\$ 11,096	\$ -	\$ (13,904)	\$ -
1,641,041	628,459	(730,500)	878,000
139,138	350,586	139,138	-
84,185	491,859	46,044	-
295,750	-	(4,250)	-
8,530	121,470	(480,000)	480,000
110,586	747,608	110,586	-
111,106	150,000	(338,894)	250,000
223,892	1,395,429	119,321	-
65,636	613,019	(3,345)	-
6,604	237,448	(6,948)	-
-	935,041	(280,000)	280,000
112,821	5,333,897	112,821	-
2,110	1,625,000	(1,372,890)	1,375,000
789	-	(124,211)	-
-	772,000	(1,008,000)	1,008,000
42,700	49,500	42,700	-
-	129,000	(621,000)	621,000
424,407	54,462	22,052	-
1,694	698,306	(150,000)	150,000
866,415	2,902,858	(209,486)	-
2,169	236,631	2,169	-
256,938	1,691,629	35,957	-
-	489,820	(12,000)	12,000
200,000	292,000	(1,108,000)	1,108,000
300,512	9,863,975	300,512	-
2,550,378	844,798	(204,824)	180,000
(6,180)	521,667	(27,109)	-
<u>\$ 7,452,317</u>	<u>\$ 31,176,462</u>	<u>\$ (5,764,061)</u>	<u>\$ 6,342,000</u>

Town of Yorktown, New York

Non-Major Governmental Funds

Combining Balance Sheet

December 31, 2013

(With Comparative Totals for 2012)

	Community Development	Public Library	Special Purpose
ASSETS			
Cash and equivalents	\$ 119,526	\$ 1,140,905	\$ 1,155,273
Due from other governments	2,987	-	-
Prepaid expenditures	4,453	41,764	-
Total Assets	<u>\$ 126,966</u>	<u>\$ 1,182,669</u>	<u>\$ 1,155,273</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,520	\$ 32,307	\$ 380
Deposits	10,991	-	-
Due to other funds	32,577	-	-
Total Liabilities	<u>45,088</u>	<u>32,307</u>	<u>380</u>
Fund balances			
Nonspendable	4,453	41,764	-
Restricted	-	134,707	1,154,893
Assigned	77,425	973,891	-
Total Fund Balances	<u>81,878</u>	<u>1,150,362</u>	<u>1,154,893</u>
Total Liabilities and Fund Balances	<u>\$ 126,966</u>	<u>\$ 1,182,669</u>	<u>\$ 1,155,273</u>

Debt Service	Total Non-Major Governmental Funds	
	2013	2012
\$ 59,590	\$ 2,475,294	\$ 2,415,120
-	2,987	712
-	46,217	59,328
<u>\$ 59,590</u>	<u>\$ 2,524,498</u>	<u>\$ 2,475,160</u>
\$ -	\$ 34,207	\$ 124,577
-	10,991	32,438
-	32,577	16,811
-	77,775	173,826
-	46,217	59,328
59,590	1,349,190	1,356,677
-	1,051,316	885,329
<u>59,590</u>	<u>2,446,723</u>	<u>2,301,334</u>
<u>\$ 59,590</u>	<u>\$ 2,524,498</u>	<u>\$ 2,475,160</u>

Town of Yorktown, New York

Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes
 in Fund Balances
 Year Ended December 31, 2013
 (With Comparative Totals for 2012)

	Community Development	Public Library	Special Purpose
REVENUES			
Real property taxes	\$ -	\$ 2,059,760	\$ -
Departmental income	-	57,128	86,496
Intergovernmental charges	-	242,066	-
Use of money and property	167	5,159	3,246
State aid	-	8,444	-
Federal aid	1,446,963	-	-
Miscellaneous	5,685	9,694	-
	<u>1,452,815</u>	<u>2,382,251</u>	<u>89,742</u>
EXPENDITURES			
Current			
Economic opportunity and development	1,514,811	-	-
Culture and recreation	-	1,845,882	36,353
Employee benefits	-	329,313	-
Debt service			
Principal	-	-	-
Interest	-	3,240	-
	<u>1,514,811</u>	<u>2,178,435</u>	<u>36,353</u>
Excess (Deficiency) of Revenues Over Expenditures	(61,996)	203,816	53,389
OTHER FINANCING USES			
Transfers out	-	(50,000)	-
Net Change in Fund Balances	(61,996)	153,816	53,389
FUND BALANCES			
Beginning of Year	<u>143,874</u>	<u>996,546</u>	<u>1,101,504</u>
End of Year	<u>\$ 81,878</u>	<u>\$ 1,150,362</u>	<u>\$ 1,154,893</u>

Debt Service	Total Non-Major Governmental Funds	
	2013	2012
\$ -	\$ 2,059,760	\$ 2,086,253
-	143,624	364,882
-	242,066	250,691
180	8,752	19,628
-	8,444	9,824
-	1,446,963	1,489,472
-	15,379	17,836
180	3,924,988	4,238,586
-	1,514,811	1,543,399
-	1,882,235	1,875,432
-	329,313	344,692
-	-	125,000
-	3,240	6,198
-	3,729,599	3,894,721
180	195,389	343,865
-	(50,000)	(50,000)
180	145,389	293,865
59,410	2,301,334	2,007,469
\$ 59,590	\$ 2,446,723	\$ 2,301,334

Town of Yorktown, New York

Community Development Fund -
Housing Assistance Payments Program
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 119,526	\$ 189,914
Due from other governments	2,987	712
Prepaid expenditures	<u>4,453</u>	<u>4,242</u>
 Total Assets	 <u>\$ 126,966</u>	 <u>\$ 194,868</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,520	\$ 1,745
Deposits	10,991	32,438
Due to other funds	<u>32,577</u>	<u>16,811</u>
 Total Liabilities	 <u>45,088</u>	 <u>50,994</u>
 Fund balance		
Nonspendable	4,453	4,242
Assigned	<u>77,425</u>	<u>139,632</u>
 Total Fund Balance	 <u>81,878</u>	 <u>143,874</u>
 Total Liabilities and Fund Balance	 <u>\$ 126,966</u>	 <u>\$ 194,868</u>

Town of Yorktown, New York

Community Development Fund -

Housing Assistance Payments Program

Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance

Years Ended December 31,

	<u>2013</u>	<u>2012</u>
REVENUES		
Use of money and property	\$ 167	\$ 230
Federal aid	1,446,963	1,489,472
Miscellaneous	<u>5,685</u>	<u>9,540</u>
Total Revenues	1,452,815	1,499,242
EXPENDITURES		
Current		
Economic opportunity and development	<u>1,514,811</u>	<u>1,543,399</u>
Deficiency of Revenues Over Expenditures	(61,996)	(44,157)
FUND BALANCE		
Beginning of Year	<u>143,874</u>	<u>188,031</u>
End of Year	<u><u>\$ 81,878</u></u>	<u><u>\$ 143,874</u></u>

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Town of Yorktown, New York

Public Library Fund
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 1,140,905	\$ 1,063,967
Prepaid expenditures	<u>41,764</u>	<u>55,086</u>
Total Assets	<u>\$ 1,182,669</u>	<u>\$ 1,119,053</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 32,307</u>	<u>\$ 122,507</u>
Fund balance		
Nonspendable	41,764	55,086
Restricted	134,707	195,763
Assigned	<u>973,891</u>	<u>745,697</u>
Total Fund Balance	<u>1,150,362</u>	<u>996,546</u>
Total Liabilities and Fund Balance	<u>\$ 1,182,669</u>	<u>\$ 1,119,053</u>

Town of Yorktown, New York

Public Library Fund

Comparative Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual

Years Ended December 31,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,059,750	\$ 2,059,750	\$ 2,059,760	\$ 10
Departmental income	50,000	50,000	57,128	7,128
Intergovernmental charges	233,000	233,000	242,066	9,066
Use of money and property	5,000	5,000	5,159	159
State aid	8,000	8,000	8,444	444
Miscellaneous	5,650	5,650	9,694	4,044
Total Revenues	2,361,400	2,361,400	2,382,251	20,851
EXPENDITURES				
Current				
Culture and recreation	1,938,400	1,935,971	1,845,882	90,089
Employee benefits	364,500	366,929	329,313	37,616
Debt service				
Interest				
Bond anticipation notes	8,500	8,500	3,240	5,260
Total Expenditures	2,311,400	2,311,400	2,178,435	132,965
Excess of Revenues Over Expenditures	50,000	50,000	203,816	153,816
OTHER FINANCING USES				
Transfers out	(50,000)	(50,000)	(50,000)	-
Net Change in Fund Balance	-	-	153,816	153,816
FUND BALANCE				
Beginning of Year	-	-	996,546	996,546
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,362</u>	<u>\$ 1,150,362</u>

2012

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,988,614	\$ 2,086,253	\$ 2,086,253	\$ -
60,000	60,000	48,341	(11,659)
230,000	230,000	250,691	20,691
6,000	6,000	5,323	(677)
-	-	9,824	9,824
4,000	4,000	8,296	4,296
<u>2,288,614</u>	<u>2,386,253</u>	<u>2,408,728</u>	<u>22,475</u>
1,875,991	1,994,785	1,866,779	128,006
352,623	357,991	344,692	13,299
10,000	10,000	4,258	5,742
<u>2,238,614</u>	<u>2,362,776</u>	<u>2,215,729</u>	<u>147,047</u>
50,000	23,477	192,999	169,522
<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
-	(26,523)	142,999	169,522
-	26,523	853,547	827,024
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 996,546</u>	<u>\$ 996,546</u>

Town of Yorktown, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	<u>\$ 1,155,273</u>	<u>\$ 1,101,829</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 380	\$ 325
Fund balance		
Restricted	<u>1,154,893</u>	<u>1,101,504</u>
Total Liabilities and Fund Balance	<u>\$ 1,155,273</u>	<u>\$ 1,101,829</u>

Town of Yorktown, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	<u>2013</u>	<u>2012</u>
REVENUES		
Use of money and property	\$ 3,246	\$ 13,742
Miscellaneous	<u>86,496</u>	<u>316,541</u>
Total Revenues	89,742	330,283
EXPENDITURES		
Current		
Culture and recreation	<u>36,353</u>	<u>8,653</u>
Excess of Revenues Over Expenditures	53,389	321,630
FUND BALANCE		
Beginning of Year	<u>1,101,504</u>	<u>779,874</u>
End of Year	<u><u>\$ 1,154,893</u></u>	<u><u>\$ 1,101,504</u></u>

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Town of Yorktown, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	<u>\$ 59,590</u>	<u>\$ 59,410</u>
FUND BALANCE		
Restricted	<u>\$ 59,590</u>	<u>\$ 59,410</u>

Town of Yorktown, New York

Debt Service Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 180	\$ 180
EXPENDITURES				
Debt service				
Serial bonds				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	180	180
FUND BALANCE				
Beginning of Year	-	-	59,410	59,410
End of Year	\$ -	\$ -	\$ 59,590	\$ 59,590

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 333	\$ 333
125,000	125,000	125,000	-
1,941	1,941	1,940	1
126,941	126,941	126,940	1
(126,941)	(126,941)	(126,607)	334
126,941	126,941	186,017	59,076
\$ -	\$ -	\$ 59,410	\$ 59,410

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Net Position
 December 31, 2013
 (With Comparative Totals for 2012)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2013	2012
ASSETS				
Cash and equivalents	\$ 304,209	\$ 88,736	\$ 392,945	\$ 469,935
Accounts receivable	-	-	-	47,803
Total Assets	<u>304,209</u>	<u>88,736</u>	<u>392,945</u>	<u>517,738</u>
LIABILITIES				
Current liabilities				
Current portion of claims payable	81,792	13,400	95,192	70,068
Non-current liabilities				
Claims payable, less current portion	<u>736,112</u>	<u>120,829</u>	<u>856,941</u>	<u>630,685</u>
Total Liabilities	<u>817,904</u>	<u>134,229</u>	<u>952,133</u>	<u>700,753</u>
NET POSITION				
Unrestricted	<u>\$ (513,695)</u>	<u>\$ (45,493)</u>	<u>\$ (559,188)</u>	<u>\$ (183,015)</u>

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Revenues, Expenses and Changes
 in Net Position
 Year Ended December 31, 2013
 (With Comparative Totals for 2012)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2013	2012
OPERATING REVENUES				
Charges for services	\$ 374,428	\$ -	\$ 374,428	\$ 209,859
Miscellaneous	121,683	-	121,683	61,368
Total Operating Revenues	496,111	-	496,111	271,227
OPERATING EXPENSES				
Workers' compensation benefits	765,220	-	765,220	455,369
Judgments and claims	-	107,515	107,515	-
Total Operating Expenses	765,220	107,515	872,735	455,369
Loss from Operations	(269,109)	(107,515)	(376,624)	(184,142)
NON-OPERATING REVENUES				
Interest income	215	236	451	1,127
Change in Net Position	(268,894)	(107,279)	(376,173)	(183,015)
NET POSITION (DEFICIT)				
Beginning of Year	(244,801)	61,786	(183,015)	-
End of Year	<u>\$ (513,695)</u>	<u>\$ (45,493)</u>	<u>\$ (559,188)</u>	<u>\$ (183,015)</u>

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2013
 (With Comparative Totals for 2012)

	Workers' Compensation Benefits	General Liability Claims
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 422,231	\$ -
Cash received from insurance carriers, claimants and others	121,683	-
Cash payments to insurance carriers, claimants and others	<u>(544,998)</u>	<u>(76,357)</u>
Net Cash from Operating Activities	<u>(1,084)</u>	<u>(76,357)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>215</u>	<u>236</u>
Net Change in Cash and Equivalents	(869)	(76,121)
CASH AND EQUIVALENTS		
Beginning of Year	<u>305,078</u>	<u>164,857</u>
End of Year	<u>\$ 304,209</u>	<u>\$ 88,736</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (269,109)	\$ (107,515)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	47,803	-
Claims payable	<u>220,222</u>	<u>31,158</u>
Net Cash from Operating Activities	<u>\$ (1,084)</u>	<u>\$ (76,357)</u>

Totals	
2013	2012
\$ 422,231	\$ 209,859
121,683	13,565
<u>(621,355)</u>	<u>(425,585)</u>
<u>(77,441)</u>	<u>(202,161)</u>
451	1,127
(76,990)	(201,034)
<u>469,935</u>	<u>670,969</u>
<u>\$ 392,945</u>	<u>\$ 469,935</u>
\$ (376,624)	\$ (184,142)
47,803	(47,803)
<u>251,380</u>	<u>29,784</u>
<u>\$ (77,441)</u>	<u>\$ (202,161)</u>

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**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***

Independent Auditors' Report

**The Honorable Supervisor and Town Board
of the Town of Yorktown, New York**

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Yorktown, New York ("Town") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated August 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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 Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from 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 the management of the Town in a separate letter.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

August 14, 2014

**Report on Compliance For Each Major Federal Program and on
Internal Control Over Compliance**

Independent Auditor's Report

**The Honorable Supervisor and the Town Board
of the Town of Yorktown, New York**

Report on Compliance for Each Major Federal Program

We have audited the Town of Yorktown, New York's ("Town") compliance 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 Town's major federal programs for the year ended December 31, 2013. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Town'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report 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 Town'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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

August 14, 2014

Town of Yorktown, New York

Schedule of Expenditures of Federal Awards
Year Ending December 31, 2013

<u>Federal Grantor</u> <u>Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number (1)</u>	<u>Federal</u> <u>Program</u> <u>Expenditures</u>
<u>U.S. Department of Housing and</u> <u>Urban Development</u>		
Direct Program - Section 8 Housing Choice Vouchers	14.871	<u>\$ 1,514,811</u>
<u>Department of Justice</u>		
Direct Program - Bullet Proof Vest	16.607	<u>1,915</u>
<u>U.S. Department of Health and</u> <u>Human Services</u>		
Indirect Programs - Passed through County of Westchester Special Programs for the Aging - Title III Part B	93.044	7,491
Special Programs for the Aging - Title III Part C	93.045	<u>41,600</u>
Total U.S. Department of Health and Human Services		<u>49,091</u>
<u>U.S Department of Homeland Security</u>		
Indirect Program - Passed through New York State Division of Homeland Security and Emergency Services (DHSES)		
Disaster Grants - FEMA -Public Assistance	97.036	<u>920,313</u>
Total		<u><u>\$ 2,486,130</u></u>

(1) Catalog of Federal Domestic Assistance Number

Town of Yorktown, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2013

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Town of Yorktown, New York (the "Town") under programs of the federal government for the year ended December 31, 2013. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in the net position or cash flows of the Town.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for the Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and Local governments.

Town of Yorktown, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2013

None

Town of Yorktown, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2013

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified
- Significant deficiency(ies) identified?
- Noncompliance material to financial statements noted?

Yes No
 Yes None reported
 Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes No
 Yes None reported

Type of auditors' 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 No

Identification of major programs

CFDA Number(s)

Name of Federal Program or Cluster

97.036

Disaster Grants – FEMA Public Assistance

Dollar threshold used to distinguish
between Type A and Type B programs
Auditee qualified as low-risk auditee?

\$300,000
 Yes No

Town of Yorktown, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended December 31, 2013

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

