

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
AUDIT REPORT
FOR THE YEAR ENDED
MAY 31, 2013**

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MAY 31, 2013**

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members
of the Village Board
Village of Hastings-on-Hudson
Hastings-on-Hudson, New York

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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 Village of Hastings-on-Hudson, as of and for the year ended May 31, 2013, and the related notes to the financial statements, which collectively comprise the Village'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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with accounting principles 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Village of Hastings-on-Hudson, as of May 31, 2013, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 16 and 55 through 59 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2013 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering Village of Hastings-on-Hudson's internal control over financial reporting.



October 4, 2013

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2013**

The following is a discussion and analysis of the Village of Hastings-on-Hudson's financial performance for the year ended May 31, 2013. The Village of Hastings-on-Hudson discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

This section is a summary of the Village's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Village's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the Village of Hastings-on-Hudson exceeded its liabilities at the close of the fiscal years 2013 and 2012 by \$7,211,687 and \$8,385,855 (net position) respectively.
- Revenue, as reflected in the governmental funds statement, increased by \$258,583. This increase is primarily attributable to an increase in Federal and State Aid due to FEMA aid received during the 2012/2013 year.
- The General Fund ended the year with actual revenues exceeding the budget by \$85,357.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$938,585 at 8.25% of the total general fund expenditures.
- During the year the fund balance of the General Fund increased by \$126,952.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
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OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are *government-wide* financial statements that provide both short-term and long-term information about the Village's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Village, reporting the Village's operations in more detail than the government-wide statements. The fund financial statements concentrate on the Village's most significant funds.
- The *government fund statements* tell how basic services were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the Village acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Village's budget for the year.

Figure A-1 summarizes the major features of the Village's financial statements, including the portion of the Village's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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A-1

Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Government (except fiduciary funds)	The activities of the Village that are not proprietary or fiduciary, such as general support, police protection, building code enforcement, planning and zoning, and various other services	Instances in which the Village administrators resources on behalf of someone else, such as bid deposits, engineering fees, and street opening deposits.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/ liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long term liabilities included	All assets, deferred outflows of resources(if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**VILLAGE OF HASTINGS-ON-HUDSON
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Village's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Village's net position and how it has changed. Net Position, the difference between the Village's assets and liabilities, are one way to measure the Village's financial health or position.

- Over time, increases or decreases in the Village's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Village's overall health, you need to consider additional non-financial factors such as changes in the Village's property tax base and the condition of facilities and infrastructures.

In the government-wide financial statements, the Village's activities are shown as governmental activities. Most of the Village's basic services are included here, such as home and community services, road maintenance, and administration costs. Property taxes and charges for services finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Village's funds, focusing on its most significant or "major" funds - not the Village as a whole. Funds are accounting devices the Village uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The Village establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues.

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The Village has two kinds of funds:

- **Governmental Funds:** Most of the Village's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciling statements (Statement 4 and Statement 6) have been added to explain the relationship (or differences) between them.
- **Fiduciary Funds-Agency Funds:** The Village acts in an agency capacity for assets that are ultimately transferred to others, such as payroll withholdings. The Village excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village's net position at the fiscal year end is \$7,211,687. This is a \$1,174,168 decrease from last year's net position of \$8,385,855. The following table provides a summary of the Village's net position:

Figure A-2

Condensed Statement of Net Position	2013	2012	Total Dollar Change
Current Assets	\$ 3,480,316	\$ 2,887,708	\$ 592,608
Non-Current Assets	21,895,371	22,128,747	(233,376)
Total Assets	25,375,687	25,016,455	359,232
Current Liabilities	5,225,627	4,028,233	1,197,394
Non-Current Liabilities	12,938,373	12,602,367	336,006
Total Liabilities	18,164,000	16,630,600	1,533,400
Investment in Capital Assets, Net of Debt	9,253,371	9,770,682	(517,311)
Restricted	959,755	1,000,590	(40,835)
Unrestricted	(3,001,439)	(2,385,417)	(616,022)
Total Net Position	\$ 7,211,687	\$ 8,385,855	\$ (1,174,168)

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The schedule on the following page and supporting graphs provides a summary of revenues, expenses and changes in net position for the fiscal years ended May 31, 2013 and 2012:

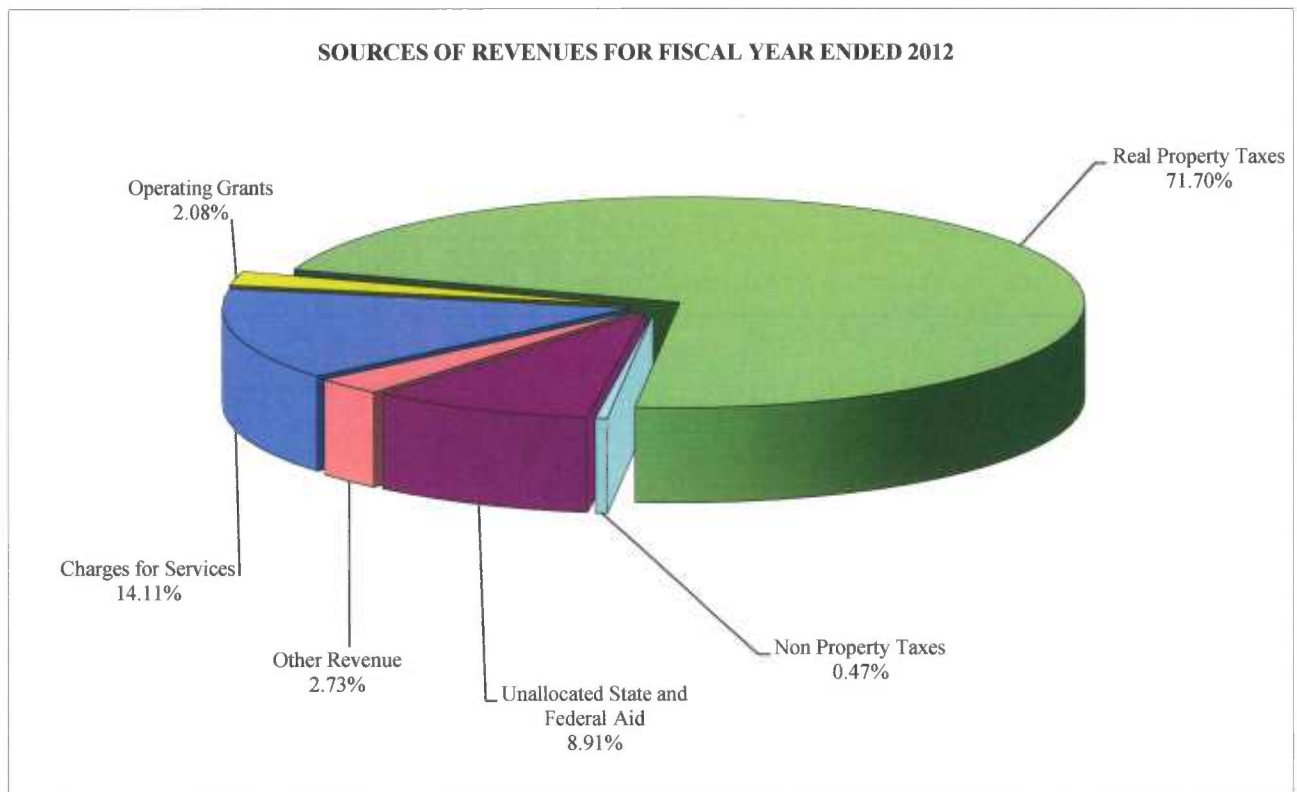
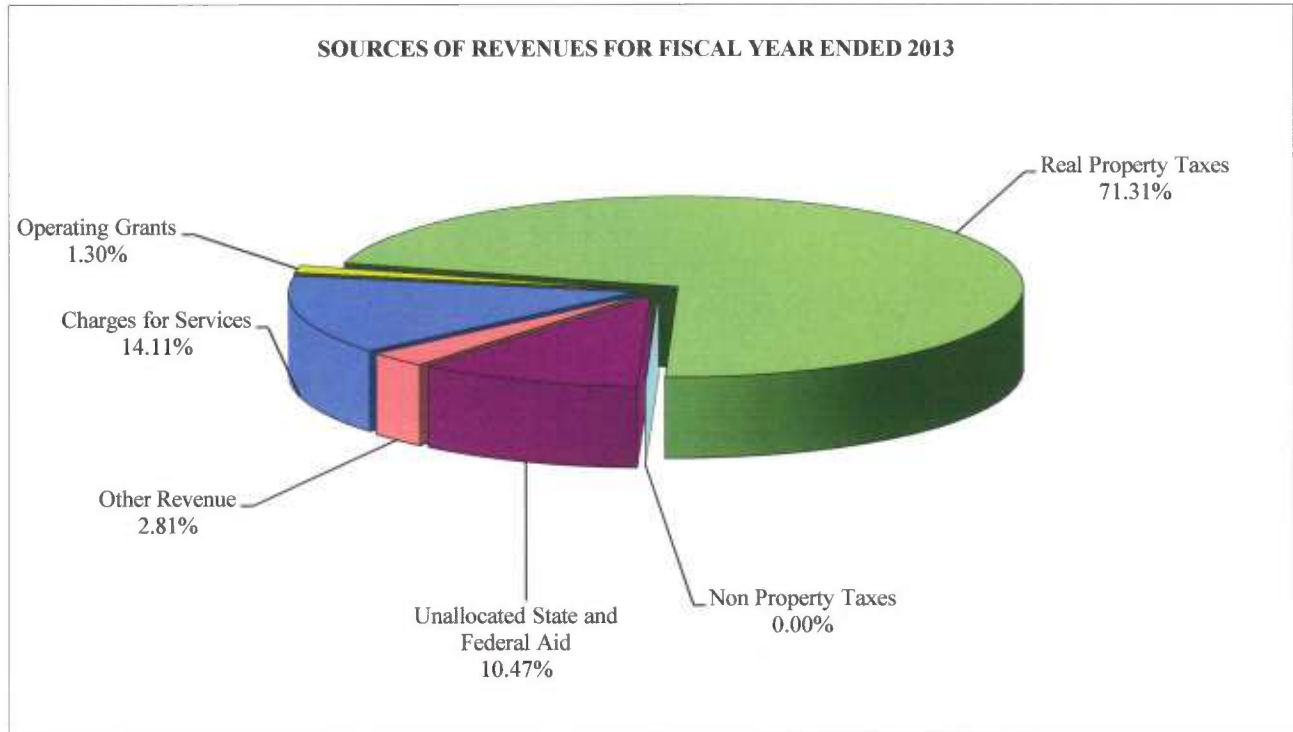
**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Figure A-3

		2013		2012	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
REVENUES	(Chart Figure A-4)				
PROGRAM REVENUES					
Charges for Services		\$ 1,970,759	14.11%	\$ 1,933,918	14.11%
Operating Grants		181,061	1.30%	285,113	2.08%
GENERAL REVENUES					
Real Property Taxes		9,957,333	71.31%	9,824,993	71.70%
Non Property Taxes		0	0.00%	65,000	0.47%
Unallocated State and Federal Aid		1,461,716	10.47%	1,220,451	8.91%
Other Revenues		392,748	2.81%	374,197	2.73%
		<u>13,963,617</u>	<u>100.00%</u>	<u>13,703,672</u>	<u>100.00%</u>
EXPENDITURES	(Chart Figure A-5)				
General Government		1,764,258	11.65%	1,531,247	10.68%
Public Safety		3,889,713	25.70%	3,682,953	25.69%
Health		29,309	0.19%	25,764	0.18%
Transportation		1,125,472	7.43%	958,536	6.69%
Economic Assistance and Opportunity		37,138	0.25%	36,225	0.25%
Culture and Recreation		1,274,352	8.42%	1,280,477	8.93%
Home and Community Services		2,079,609	13.74%	2,116,030	14.76%
Interest on Debt		434,805	2.87%	459,439	3.20%
Employee Benefits		3,340,391	22.07%	3,133,894	21.86%
Depreciation		1,162,738	7.68%	1,112,644	7.76%
		<u>15,137,785</u>	<u>100.00%</u>	<u>14,337,209</u>	<u>100.00%</u>
INCREASE (DECREASE) IN NET POSITION		<u>\$ (1,174,168)</u>		<u>\$ (633,537)</u>	

VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-4



**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Figure A-5

