

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
AUDIT REPORT
FOR THE YEAR ENDED
MAY 31, 2011**

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MAY 31, 2011**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 16
Basic Financial Statements	
<u>Statement</u>	
Government-Wide Financial Statements:	
1 Statement of Net Assets	17
2 Statement of Activities	18
Fund Financial Statements:	
3 Balance Sheet - Governmental Funds	19
4 Reconciliation of Governmental Funds Balance Sheets to the Statement of Net Assets	20
5 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
6 Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	22
7 Statement of Fiduciary Net Assets	23
8 Statement of Changes in Fiduciary Net Assets	24
Notes to Financial Statements	25 - 49
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	50 - 51
Schedule of Findings and Questioned Costs	52 - 53
Required Supplementary Information	
<u>Schedule</u>	
1 Schedule of Revenues and Expenditures Compared to Budget - General Fund	54
2 Schedule of Revenues and Expenditures Compared to Budget - Pool Fund	55
3 Schedule of Revenues and Expenditures Compared to Budget - Library Fund	56
4 Schedule of Funding Progress for Other Postemployment Benefits	57
5 Schedule of Funding Progress for the Service Award Program	58

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MAY 31, 2011**

**TABLE OF CONTENTS
(Continued)**

		<u>PAGE</u>
	Other Supplementary Information	
<u>Schedule</u>		
6	Capital Fund Balance Schedule by Project	59
7	Schedule of Indebtedness	60
8	Investment in Capital Assets, Net of Related Debt	61



Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

101 Bracken Road
Montgomery, New York 12549
Tel (845) 457-1100
Fax (845) 457-1160
e-mail: nh@nhcpas.com

INDEPENDENT AUDITOR'S REPORT

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

Peter J. Bullis, CPA, FACFEI, DABFA
Norman M. Sassi, CPA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA

Patrick M. Bullis, CPA
Jennifer L. Capicchioni, CPA
Richard P. Capicchioni, CPA
Walter J. Jung, CPA
Brent T. Napoleon, CPA
Justin B. Wood, CPA

— CONSULTANT —
Randy E. Bullis, CPA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary funds of the Village of Hastings-on-Hudson, as of and for the year ended May 31, 2011, which collectively comprise the Village's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Village of Hastings-on-Hudson's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 fiduciary funds of the Village of Hastings-on-Hudson, as of May 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the Village implemented Governmental Accounting Standards Board Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions, which clarifies the existing fund type definitions and provides clearer fund balance categories and classifications.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2011 on our consideration of the Village of Hastings-on-Hudson'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* and should be considered in assessing the results of our audit

The management's discussion and analysis and the required supplementary information on pages 3 through 16 and 54 through 58 respectively are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Hastings-on-Hudson's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Very truly yours,

A handwritten signature in cursive script that reads "Nugent & Haeussler, P.C.".

October 31, 2011

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2011**

The following is a discussion and analysis of the Village of Hastings-on-Hudson's financial performance for the year ended May 31, 2011. 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 2011 and 2010 by \$9,019,392 and \$8,838,694 (net assets) respectively.
- Revenue, as reflected in the governmental funds statement, increased by \$667,696. This increase is primarily attributable to state funds received this year that were not received in the prior year.
- The General Fund ended the year with actual revenues exceeding the budget by \$492,641.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$471,222 at 4.4% of the total general fund expenditures.
- During the year the fund balance of the General Fund increased by \$83,045.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2011**

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.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2011**

Figure 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 Assets • 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 assets • Statement of changes in fiduciary net assets
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/liability information	All asset and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital asset or long-term liabilities are included	All assets and liabilities, 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
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2011**

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 assets 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 assets and how they have changed. Net assets, 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 assets are 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.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2011**

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 assets at the fiscal year end are \$9,019,392. This is an \$180,698 increase over last year's net assets of \$8,838,694. The following table provides a summary of the Village's net assets:

Figure A-2

Condensed Statement of Net Assets	2011	2010	Total Dollar Change
Current Assets	\$ 2,829,674	\$ 1,742,089	\$ 1,087,585
Non-Current Assets	22,844,255	22,553,399	290,856
Total Assets	25,673,929	24,295,488	1,378,441
Current Liabilities	4,389,383	2,229,828	2,159,555
Non-Current Liabilities	12,265,154	13,226,966	(961,812)
Total Liabilities	16,654,537	15,456,794	1,197,743
Investment in Capital Assets, Net of Debt	9,453,190	10,310,288	(857,098)
Restricted	1,035,732	1,157,587	(121,855)
Unrestricted Net Assets	(1,469,530)	(2,629,181)	1,159,651
Total Net Assets	\$ 9,019,392	\$ 8,838,694	\$ 180,698

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2011**

The schedule on the following page and supporting graphs provides a summary of revenues, expenses and changes in net assets for the fiscal years ended May 31, 2011 and 2010:

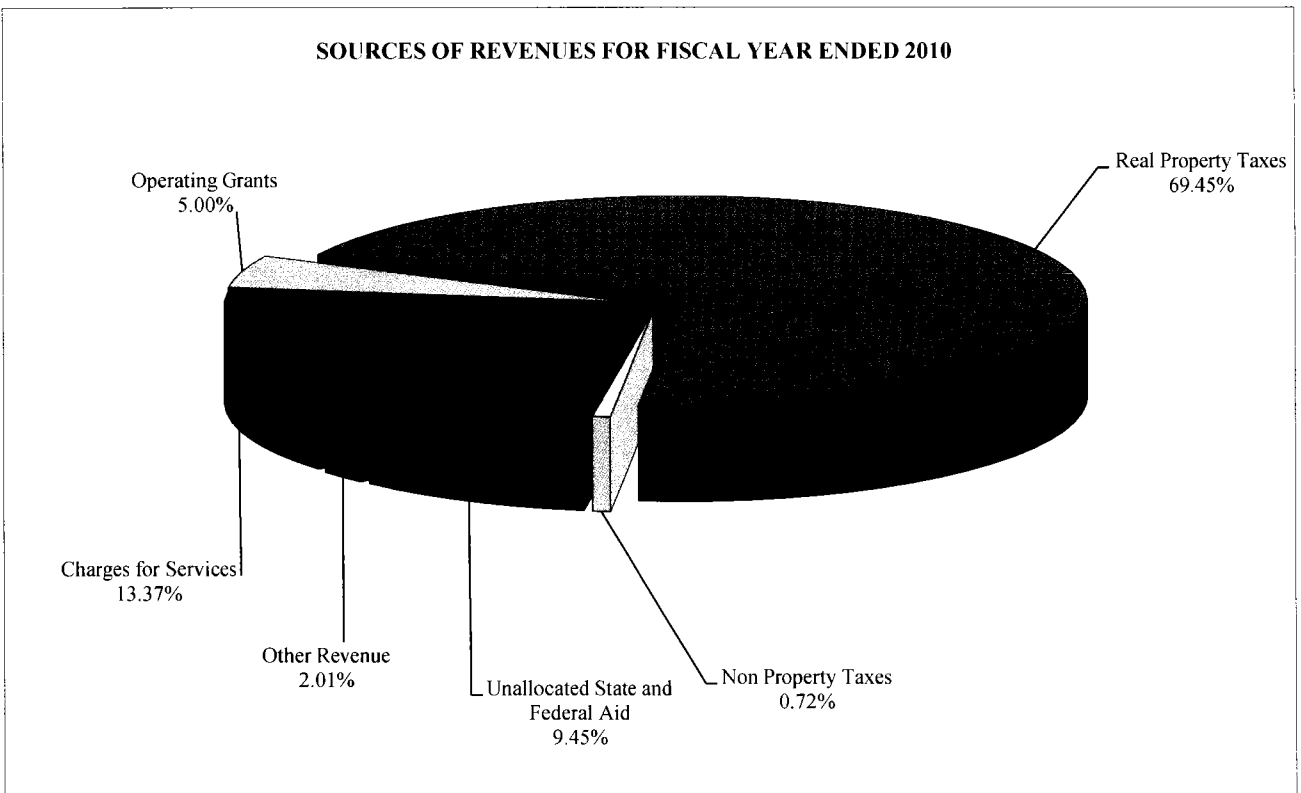
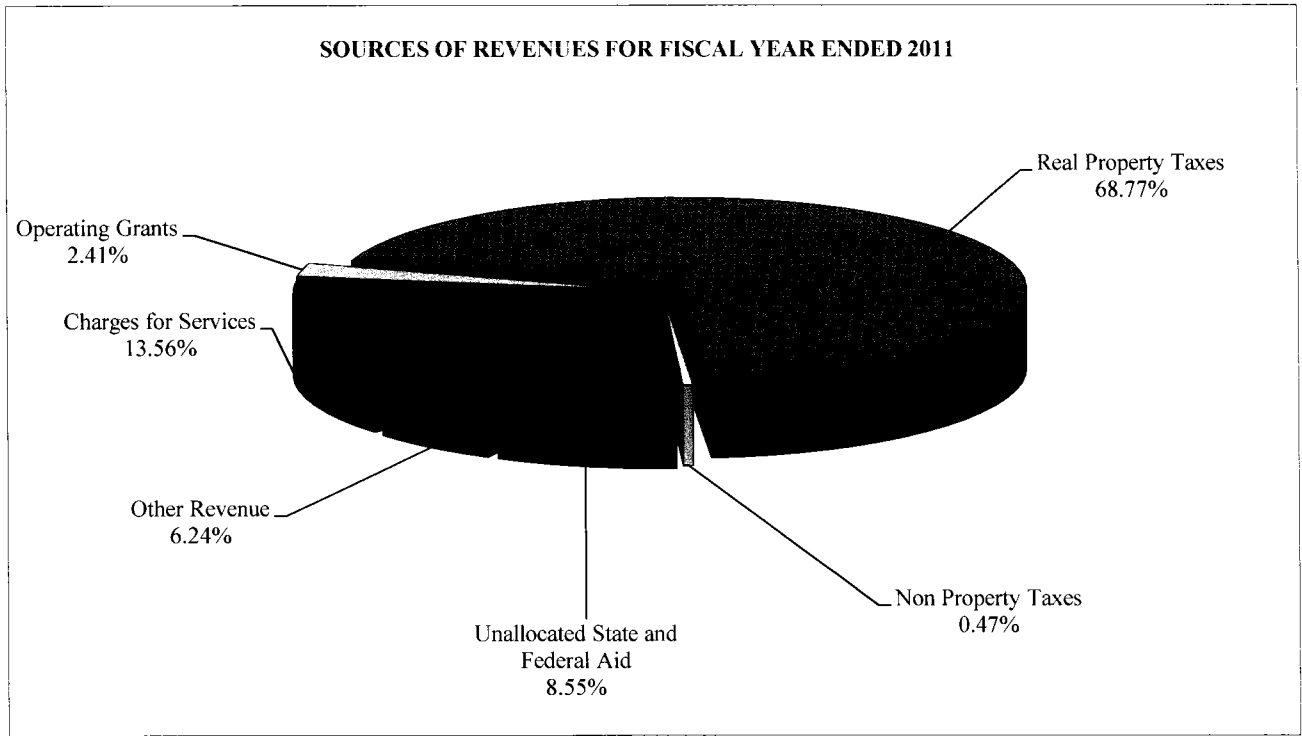
**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Figure A-3

	2011 Amount	%	2010 Amount	%
REVENUES (Chart Figure A-4)				
PROGRAM REVENUES				
Charges for Services	\$ 1,872,705	13.56%	\$ 1,760,745	13.37%
Operating Grants	333,270	2.41%	657,855	5.00%
GENERAL REVENUES				
Real Property Taxes	9,500,036	68.77%	9,143,645	69.45%
Non Property Taxes	65,000	0.47%	94,327	0.72%
Unallocated State and Federal Aid	1,181,586	8.55%	1,244,811	9.45%
Other Revenues	862,331	6.24%	265,009	2.01%
	<u>13,814,928</u>	<u>100.00%</u>	<u>13,166,392</u>	<u>100.00%</u>
EXPENDITURES (Chart Figure A-5)				
General Government	1,669,171	12.24%	1,697,156	12.35%
Public Safety	3,381,249	24.80%	3,499,758	25.46%
Health	25,612	0.19%	194,886	1.42%
Transportation	1,072,122	7.86%	1,010,576	7.35%
Economic Assistance and Opportunity	17,254	0.13%	34,305	0.25%
Culture and Recreation	1,182,252	8.67%	1,946,850	14.17%
Home and Community Services	1,874,010	13.74%	1,175,831	8.56%
Interest on Debt	491,552	3.61%	527,367	3.84%
Employee Benefits	2,902,053	21.29%	2,662,164	19.37%
Depreciation	1,018,956	7.47%	995,037	7.24%
	<u>13,634,230</u>	<u>100.00%</u>	<u>13,743,930</u>	<u>100.00%</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 180,698</u>		<u>\$ (577,538)</u>	

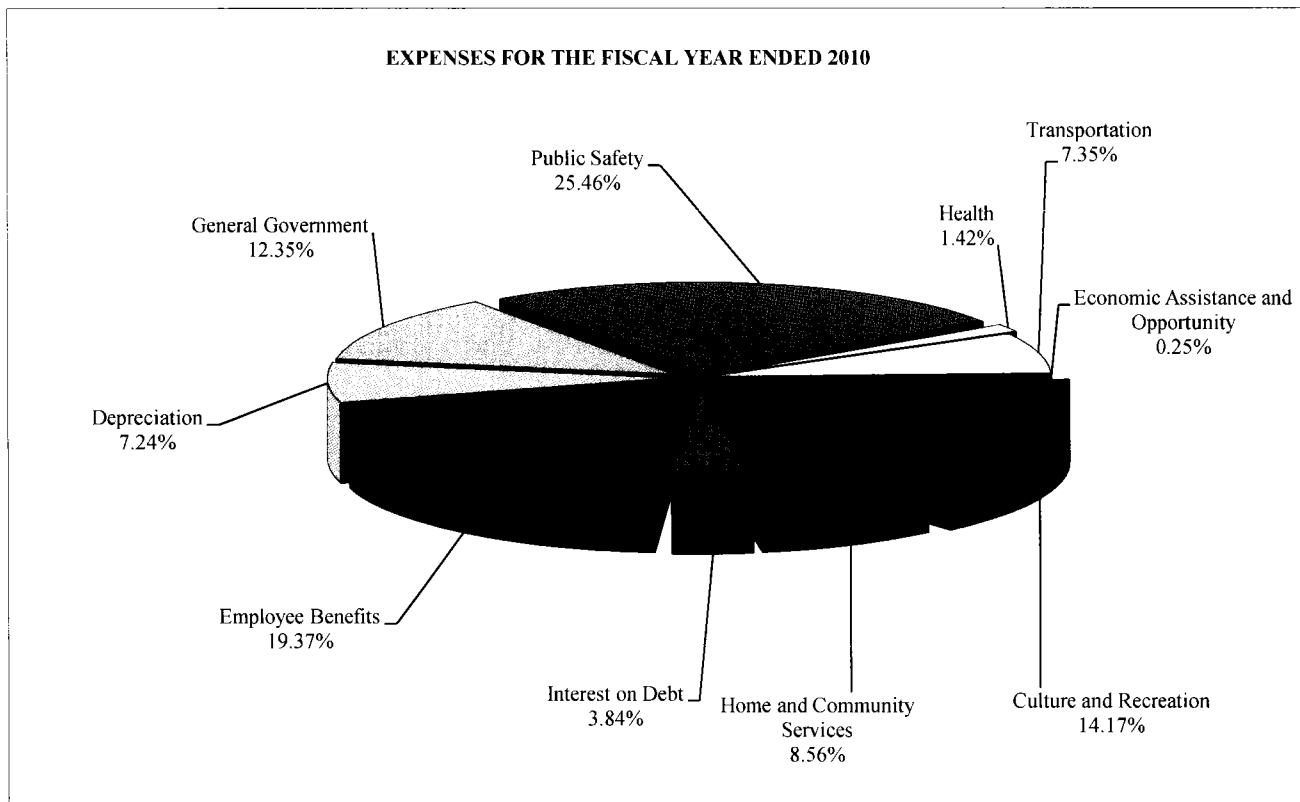
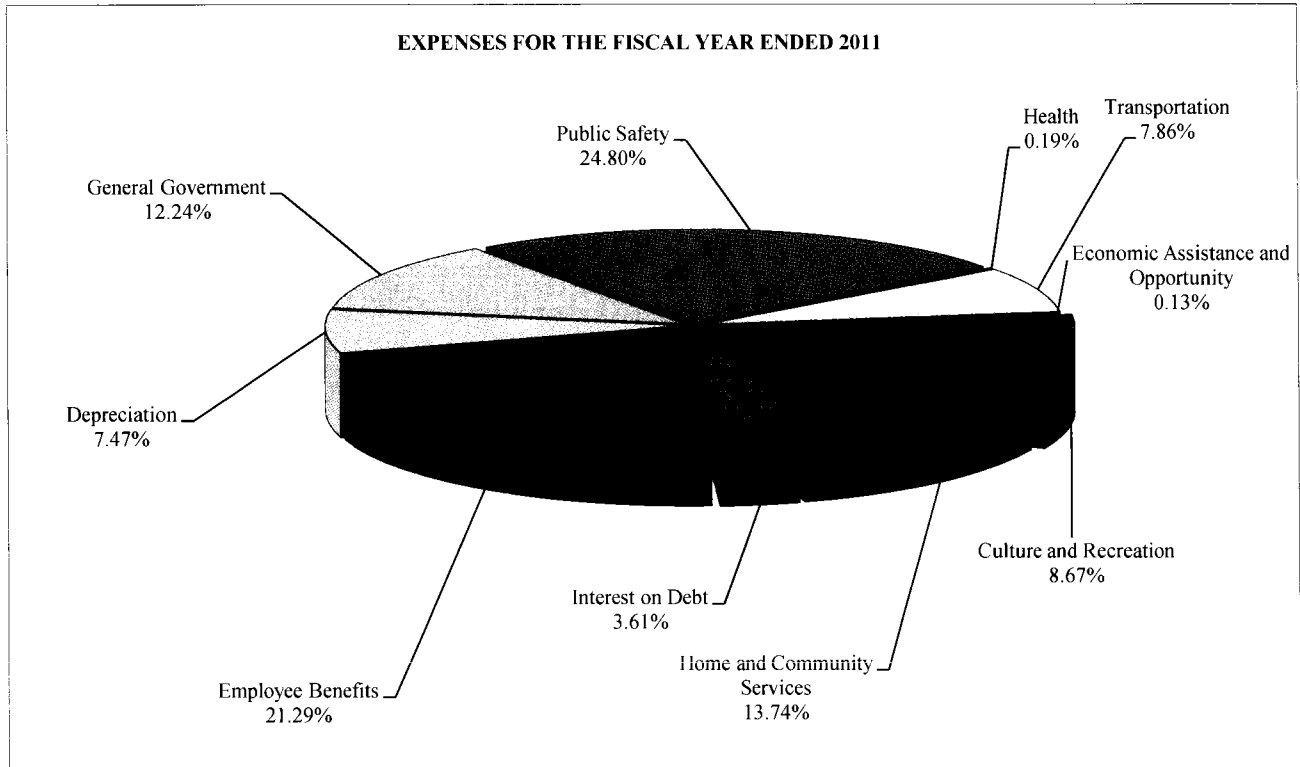
**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Figure A-4



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

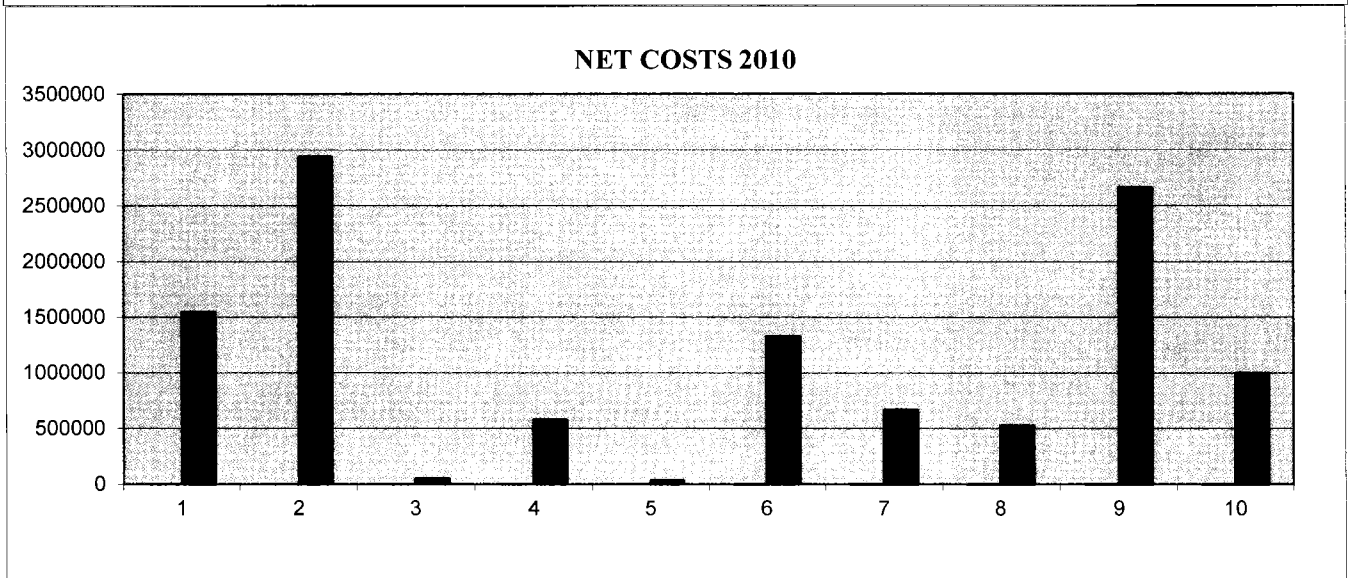
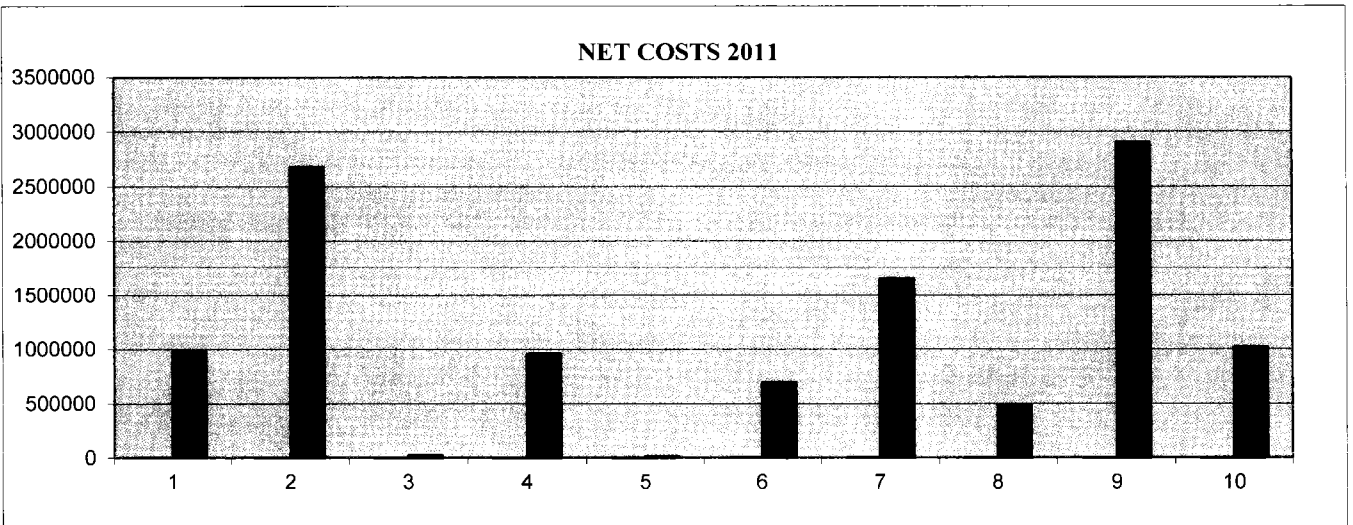
Figure A-5



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

Figure A-6

PROGRAMS	Total Costs of Services 2011	Net Costs of Services 2011	Total Costs of Services 2010	Net Costs of Services 2010
1 General Government	\$ 1,669,171	\$ 986,331	\$ 1,697,156	\$ 1,546,428
2 Public Safety	3,381,249	2,678,231	3,499,758	2,940,611
3 Health	25,612	25,612	194,886	49,886
4 Transportation	1,072,122	959,357	1,010,576	576,955
5 Economic Assistance and Opportunity	17,254	17,254	34,305	34,305
6 Culture and Recreation	1,182,252	694,705	1,946,850	1,327,794
7 Home and Community Services	1,874,010	1,654,205	1,175,831	664,783
8 Interest on Debt	491,552	491,552	527,367	527,367
9 Employee Benefits	2,902,053	2,902,053	2,662,164	2,662,164
10 Depreciation	1,018,956	1,018,956	995,037	995,037
Total Costs	\$ 13,634,230	\$ 11,428,255	\$ 13,743,930	\$ 11,325,330



**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2011**

Figure A-6 (Continued)

Total costs of services provided by the Village (Figure A-6) for the fiscal years ended May 31, 2011 and 2010 were \$13,697,229 and \$13,743,930, respectively. These charges were offset by charges and services of \$1,872,705, and grants and contributions of \$333,270, resulting in net cost of services of \$11,491,254. This is a \$165,924 increase over last year's total net costs of \$11,325,330.

The Village's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the Village consist of the General Fund, Capital Fund, Pool Fund, Library Fund, Special Purpose Fund, and Debt Service Fund. The total fund balances allocated between nonspendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

Figure A-7

	June 30, 2011	
	Restricted	Unassigned
General	\$ 0	\$ 471,222
Capital Projects	0	(2,136,573)
Pool	0	(101,569)
Library	0	(42,917)
Special Purpose	849,519	0
Debt Service	186,213	0

	June 30, 2010	
	Restricted	Unassigned
General	\$ 388,177	\$ 0
Capital Projects	0	(1,785,467)
Pool	0	(123,049)
Library	0	(45,443)
Special Purpose	854,868	0
Debt Service	185,233	0

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2011**

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Village revised the general fund budgets to reflect additional changes in budgeted revenues and expenditures. Actual revenues exceeded revised budget estimates by \$492,641 and actual expenditures were lower than budgeted expenditures by \$121,601. Figure A-8 summarizes the general funds original and revised budgets, actual expenditures and the variances for the year ended May 31, 2011.

Figure A-8

Condensed Budgetary Comparison General Funds 2011	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Real property taxes	\$ 9,485,254	\$ 9,485,254	\$ 9,485,254	\$ 0
Real property tax items	30,000	30,000	33,253	3,253
Non property taxes	65,000	65,000	65,000	0
State and Federal Aid	1,570,760	1,570,760	1,512,805	(57,955)
Departmental income	973,970	973,970	1,483,793	509,823
All other	503,900	530,258	567,778	37,520
Total Revenues	\$ 12,628,884	\$ 12,655,242	\$ 13,147,883	\$ 492,641
EXPENDITURES				
General government support	\$ 1,607,036	\$ 1,683,394	\$ 1,671,138	\$ 12,256
Public safety	3,096,607	3,146,607	3,137,193	9,414
Transportation	1,053,804	1,043,804	1,012,408	31,396
Culture & recreation	1,063,885	1,073,885	1,065,857	8,028
Home & community service	1,004,855	1,004,855	957,958	46,897
Employee benefits	2,904,853	2,804,853	2,791,243	13,610
Total Expenditures	\$ 10,731,040	\$ 10,757,398	\$ 10,635,797	\$ 121,601
Other financing uses	\$ 1,897,844	\$ 1,897,844	\$ 2,429,041	\$ (531,197)

The New York State Legislature enacted legislation, Chapter 97 of the Laws of 2011 that establishes a "property tax cap" or more appropriately "voter approval threshold" on the amount a Village's property tax levy can increase each year. This new legislation specifies that property taxes levied by a village generally cannot increase by more than two percent, or the rate of inflation, whichever is less. The legislation will take effect for beginning with the 2012-2013 fiscal year.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2011**

CAPITAL ASSETS

The Village records expenditures for land, buildings, equipment, machinery and infrastructures (roads) as capital assets in the Statement of Net Assets. Annual depreciation expense is recorded in the Statement of Activities to reflect the use of these assets over their useful lives. Land and construction in progress are not subject to depreciation. The Village's depreciation methods, assumptions regarding useful lives and capitalization thresholds are described in Notes 1 and 5 in the Notes to the Financial Statements.

Under the implementation standards of GASB 34, the Village is considered a small government, and as such is required only to recognize infrastructures on a prospective (going forward) basis. The Village has maintained detailed, separate records of infrastructure additions since 2003. The Village has elected to include infrastructure additions since 2003 in the capital assets section of the Statement of Net Assets, as management believes their inclusion provides the reader with a more complete accounting of the Village's investment in capital resources.

In 2011, the Village expended \$1,309,812 on capital additions. Figure A-9 reflects the changes in net capital assets.

Figure A-9

Changes in Net Capital Assets	Governmental Activities		Total
	2011	2010	Dollar Change
Land	\$ 6,332,206	\$ 6,332,206	\$ 0
Construction in Progress	0	86,517	(86,517)
Land Improvements	1,774,934	1,693,315	81,619
Building Improvements	9,967,704	10,143,985	(176,281)
Machinery & Equipment	2,048,280	1,276,692	771,588
Infrastructure	2,721,130	3,020,684	(299,554)
Total	\$ 22,844,255	\$ 22,553,399	\$ 290,856

Major additions in 2011 included:

Land Improvements	\$ 188,961
Buildings & Improvements	55,200
Machinery and Equipment	<u>1,065,651</u>
Total	<u>\$ 1,309,812</u>

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2011**

DEBT ADMINISTRATION

Debt, both short-term and long-term, increased by \$606,148.

Other Postemployment Benefits increased by \$580,000 during 2011.

The Village's liability for compensated absences increased by \$18,188 during 2011.

Detailed information regarding the Village's short and long-term liabilities are presented in more detail in Notes 6B, 6C, and 6D in the current year's notes to the financial statements. Figure A-10 reflects the changes in the Village's debt for 2011.

Figure A-10

Outstanding Debt	Governmental Activities		Total
	2011	2010	Dollar Change
Bond Anticipation Notes	\$ 2,811,065	\$ 1,439,917	\$ 1,371,148
Serial Bonds	10,580,000	11,345,000	(765,000)
Other Postemployment Benefits	1,830,000	1,250,000	580,000
Compensated Absences	650,154	631,966	18,188
Total	\$ 15,871,219	\$ 14,666,883	\$ 1,204,336

FINANCIAL CONTACT

The Village's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Village's finances and to demonstrate the Village's accountability. If you have questions about the report or need additional financial information, contact Francis A. Frobel, Village Manager, Village of Hastings-on-Hudson, 7 Maple Avenue, Hastings-on-Hudson, New York 10706.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
STATEMENT OF NET ASSETS
MAY 31, 2011**

ASSETS

Cash and Cash Equivalents	\$ 2,257,889
Accounts Receivable	129,016
State and Federal Aid Receivable	442,769
Capital Assets (Net of Accumulated Depreciation)	<u>22,844,255</u>
TOTAL ASSETS	<u>25,673,929</u>

LIABILITIES

Current Liabilities:

Accounts Payable	316,516
Due to Employees' Retirement System	138,579
Deferred Revenues - Other	238,400
Accrued Interest Payable	89,823
Bond Anticipation Notes Payable	2,811,065

Long-Term Liabilities:

Due and Payable Within One Year:

Bonds Payable	795,000
---------------	---------

Due and Payable More Than One Year:

Bonds Payable	9,785,000
Other Post Retirement Benefits Payable	1,830,000
Compensated Absences	<u>650,154</u>

TOTAL LIABILITIES	<u>16,654,537</u>
--------------------------	--------------------------

NET ASSETS

Investment in Capital Assets, Net of Related Debt	9,453,190
Restricted	1,035,732
Unrestricted	<u>(1,469,530)</u>
TOTAL NET ASSETS	<u>\$ 9,019,392</u>

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2011**

	Program Revenues			Net (Expense) Revenue and Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
PRIMARY GOVERNMENT				
Governmental Activities:				
General Government	\$ (2,068,380)	\$ 682,840	\$ 0	\$ (1,385,540)
Public Safety	(4,980,983)	584,579	118,439	(4,277,965)
Health	(35,717)	0	0	(35,717)
Transportation	(1,463,532)	42,934	69,831	(1,350,767)
Economic Assistance and Opportunity	(130,348)	0	0	(130,348)
Culture and Recreation	(1,945,202)	487,547	0	(1,457,655)
Home and Community Services	(2,518,516)	74,805	145,000	(2,298,711)
Interest on Debt	(491,552)	0	0	(491,552)
TOTAL PRIMARY GOVERNMENT	\$ (13,634,230)	\$ 1,872,705	\$ 333,270	(11,428,255)

GENERAL REVENUES

Real Property Taxes	9,466,783
Real Property Tax Items	33,253
Non Property Taxes	65,000
Departmental Income	306,491
Use of Money and Property	127,624
Unallocated State and Federal Aid	1,181,586
Sale of Property and Compensation for Loss	5,422
Miscellaneous	422,794

TOTAL GENERAL REVENUES**CHANGE IN NET ASSETS****NET ASSETS - BEGINNING****NET ASSETS - ENDING**

	11,608,953
	180,698
	8,838,694
	\$ 9,019,392

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
MAY 31, 2011**

	General	Capital Projects	Pool	Library	Special Purpose	Debt Service	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 466,424	\$ 730,802	\$ 124,521	\$ 6,420	\$ 929,722	\$ 0	\$ 2,257,889
Accounts Receivable, Net	128,617	0	309	90	0	0	129,016
Due from Other Funds	240,597	0	0	0	0	186,213	426,810
State and Federal Aid Receivable	442,769	0	0	0	0	0	442,769
TOTAL ASSETS	\$ 1,278,407	\$ 730,802	\$ 124,830	\$ 6,510	\$ 929,722	\$ 186,213	\$ 3,256,484
LIABILITIES							
Accounts Payable	\$ 289,708	\$ 0	\$ 8,854	\$ 16,954	\$ 1,000	\$ 0	\$ 316,516
Due to Other Funds	0	233,375	85,639	28,593	79,203	0	426,810
Due to Employees' Retirement System	134,699	0	0	3,880	0	0	138,579
Deferred Revenues - Taxes	99,219	0	0	0	0	0	99,219
Deferred Revenues - Other	106,494	0	131,906	0	0	0	238,400
Bond Anticipation Notes Payable	177,065	2,634,000	0	0	0	0	2,811,065
TOTAL LIABILITIES	807,185	2,867,375	226,399	49,427	80,203	0	4,030,589
FUND BALANCES							
Restricted	0	0	0	0	849,519	186,213	1,035,732
Unassigned Fund Balance	471,222	(2,136,573)	(101,569)	(42,917)	0	0	(1,809,837)
TOTAL FUND BALANCES	471,222	(2,136,573)	(101,569)	(42,917)	849,519	186,213	(774,105)
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,278,407	\$ 730,802	\$ 124,830	\$ 6,510	\$ 929,722	\$ 186,213	\$ 3,256,484

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE STATEMENT OF NET ASSETS
MAY 31, 2011**

	Total Governmental Funds	Long-Term Assets Liabilities	Reclassifications and Eliminations	Statement of Net Assets Totals
ASSETS				
Cash and Cash Equivalents	\$ 2,257,889	\$ 0	\$ 0	\$ 2,257,889
State & Federal Aid Receivable	442,769	0	0	442,769
Due from Other Funds	426,810	0	(426,810)	0
Other Receivables, Net	129,016	0	0	129,016
Capital Assets, Net	0	22,844,255	0	22,844,255
TOTAL ASSETS	\$ 3,256,484	\$ 22,844,255	\$ (426,810)	\$ 25,673,929
LIABILITIES				
Accounts Payable	\$ 316,516	\$ 0	\$ 0	\$ 316,516
Accrued Interest Payable	0	89,823	0	89,823
Bond Anticipation Notes Payable	2,811,065	0	0	2,811,065
Bond Payable	0	10,580,000	0	10,580,000
Due to Other Funds	426,810	0	(426,810)	0
Due to Employees' Retirement System	138,579	0	0	138,579
Other Post Retirement Benefits Payable	0	1,830,000	0	1,830,000
Compensated Absences Payable	0	650,154	0	650,154
Deferred Revenues- Other	238,400			238,400
Deferred Revenues- Taxes	99,219	(99,219)	0	0
TOTAL LIABILITIES	4,030,589	13,050,758	(426,810)	16,654,537
TOTALS FUND EQUITY/NET ASSETS	(774,105)	9,793,497	0	9,019,392
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,256,484	\$ 22,844,255	\$ (426,810)	\$ 25,673,929

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MAY 31, 2011**

	General	Capital Projects	Pool	Library	Special Purpose	Debt Service	Total Governmental Funds
REVENUES							
Real Property Taxes	\$ 9,485,254	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,485,254
Real Property Tax Items	33,253	0	0	0	0	0	33,253
Non Property Tax Items	65,000	0	0	0	0	0	65,000
Departmental Income	1,483,793	0	363,595	16,710	0	0	1,864,098
Use of Money and Property	108,244	0	194	13	18,193	980	127,624
Licences and Permits	147,738	0	0	0	0	0	147,738
Fines and Forfeitures	167,360	0	0	0	0	0	167,360
Sale of Property and Compensation for Loss	5,422	0	0	0	0	0	5,422
Miscellaneous	139,014	283,780	0	0	0	0	422,794
State and Federal Aid	1,512,805	0	0	2,051	0	0	1,514,856
TOTAL REVENUES	13,147,883	283,780	363,789	18,774	18,193	980	13,833,399
EXPENDITURES							
General Government Support	1,671,138	0	0	0	0	0	1,671,138
Public Safety	3,137,193	0	0	0	0	0	3,137,193
Transportation	1,012,408	0	0	0	0	0	1,012,408
Culture and Recreation	1,065,857	0	0	0	0	0	1,065,857
Home and Community Service	957,958	0	214,964	579,220	23,542	0	1,775,684
Employee Benefits	2,791,243	0	0	110,810	0	0	2,902,053
Capital Outlay	0	1,271,012	0	0	0	0	1,271,012
Debt Service	0	0	0	0	0	1,345,395	1,345,395
TOTAL EXPENDITURES	10,635,797	1,271,012	214,964	690,030	23,542	1,345,395	14,180,740
OTHER FINANCING SOURCES (USES)							
BANS Redeemed from Appropriations	0	95,917	0	0	0	0	95,917
Operating Transfers In	0	537,209	0	758,553	0	1,345,395	2,641,157
Operating Transfers Out	(2,429,041)	0	(127,345)	(84,771)	0	0	(2,641,157)
TOTAL FINANCING SOURCES (USES)	(2,429,041)	633,126	(127,345)	673,782	0	1,345,395	95,917
CHANGE IN FUND BALANCE	83,045	(354,106)	21,480	2,526	(5,349)	980	(251,424)
FUND BALANCE - BEGINNING	388,177	(1,782,467)	(123,049)	(45,443)	854,868	185,233	(522,681)
FUND BALANCE - ENDING	\$ 471,222	\$ (2,136,573)	\$ (101,569)	\$ (42,917)	\$ 849,519	\$ 186,213	\$ (774,105)

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS, REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2011**

	Total Governmental Funds	Long-Term Revenue and Expenses	Capital Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
REVENUES						
Real Property Taxes	\$ 9,485,254	\$ (18,471)	\$ 0	\$ 0	\$ 0	\$ 9,466,783
Real Property Tax Items	33,253	0	0	0	0	33,253
Non Property Tax Items	65,000	0	0	0	0	65,000
Departmental Income	1,864,098	0	0	0	0	1,864,098
Use of Money and Property	127,624	0	0	0	0	127,624
Licences and Permits	147,738	0	0	0	0	147,738
Fines and Forfeitures	167,360	0	0	0	0	167,360
Sale of Property and Compensation for Loss	5,422	0	0	0	0	5,422
Miscellaneous	422,794	0	0	0	0	422,794
State and Federal Aid	1,514,856	0	0	0	0	1,514,856
TOTAL REVENUES	13,833,399	(18,471)	0	0	0	13,814,928
EXPENDITURES						
General Government Support	1,645,573	1,851	103,743	0	317,214	2,068,380
Public Safety	3,137,193	7,421	415,725	0	1,420,645	4,980,983
Health	25,565	47	2,626	0	7,479	35,717
Transportation	1,012,408	1,816	101,716	0	347,592	1,463,532
Economic Assistance and Opportunity	0	525	29,390	0	100,433	130,348
Culture and Recreation	1,065,857	3,539	198,268	0	677,537	1,945,202
Home and Community Service	1,775,684	2,990	167,488	0	572,354	2,518,516
Employee Benefits	2,902,053	580,000	0	0	(3,482,053)	0
Capital Outlay	1,271,012	0	(1,309,812)	0	38,800	0
Debt Service	1,345,395	7,074	0	(860,917)	0	491,552
TOTAL EXPENDITURES	14,180,740	605,263	(290,856)	(860,917)	0	13,634,230
Excess (Deficiency) of Revenues Over Expenditures	(347,341)	(623,734)	290,856	860,917	(0)	180,698
OTHER SOURCES (USES):						
Bond Anticipation Notes Redeemed from Appropriations	95,917	0	0	(95,917)	0	0
TOTAL OTHER SOURCES (USES)	95,917	0	0	(95,917)	0	0
NET CHANGE FOR THE YEAR	\$ (251,424)	\$ (623,734)	\$ 290,856	\$ 765,000	(0)	\$ 180,698

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
STATEMENT OF FIDUCIARY NET ASSETS
MAY 31, 2011**

	AGENCY FUNDS	PENSION TRUST FUND
ASSETS		
Cash	\$ 59,371	\$ 0
Investments at Fair Value	<u>0</u>	<u>649,992</u>
TOTAL ASSETS	<u><u>\$ 59,371</u></u>	<u><u>\$ 649,992</u></u>
LIABILITIES		
Other Liabilities	\$ 24,916	\$ 0
Guarantee & Bid Deposits	<u>34,455</u>	<u>0</u>
TOTAL LIABILITIES	<u>59,371</u>	<u>0</u>
NET ASSETS		
Held in Trust for Pension Benefits	<u>0</u>	<u>649,992</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 59,371</u></u>	<u><u>\$ 649,992</u></u>

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
MAY 31, 2011**

	PENSION TRUST FUND
ADDITIONS	
Earnings on Investment	\$ 27,838
Pension Contributions	<u>126,696</u>
 TOTAL ADDITIONS	 <u>\$ 154,534</u>
 DEDUCTIONS	
Pension Benefits	<u>140,547</u>
 TOTAL DEDUCTIONS	 <u>140,547</u>
 CHANGE IN PLAN ASSETS	 13,987
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - BEGINNING OF YEAR	 <u>636,005</u>
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - END OF YEAR	 <u><u>\$ 649,992</u></u>

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Village of Hastings-on-Hudson have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Village's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Village's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. Financial Reporting Entity

The Village of Hastings-on-Hudson, which was incorporated in 1879, is governed by the laws of the State of New York and various local laws and ordinances. The Board of Trustees is the legislative body responsible for overall operations, the Mayor serves as Chief Executive Officer and the Village Manager serves as Chief Fiscal Officer.

The Village provides the following principal services: general administration, police protection, transportation (streets and highways), recreation, planning and zoning, public improvements, library and other home and community services.

All governmental activities and functions performed for the Village of Hastings-on-Hudson are its direct responsibility. No other governmental organization has been included or excluded from the reporting entity.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (Continued)

The financial reporting entity consists of the following, as defined by Governmental Accounting Standards Board (GASB) Statement #14, "The Financial Reporting Entity:"

1. The primary government which is the Village of Hastings-on-Hudson.
2. Organizations for which the primary government is financially accountable, and;
3. Other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's general purpose financial statements to be misleading or incomplete.

The decision to include a potential component unit in the reporting entity is based on the criteria set forth in GASB Statement #14, including legal standing, fiscal dependency, and financial accountability.

Based on the application of the above criteria, no other entities are included in the reporting entity.

B. Basis of Presentation

1. Government-wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the Village's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Government activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

2. Fund Financial Statements

The fund statements provide information about the Village's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major Governmental Funds, each displayed in a separate column.

The Village of Hastings-on-Hudson reports the following major Governmental Funds:

- **General Fund:** This is the Village's primary operating fund. It accounts for all financial transactions that are not required by law or other provision to be accounted for in other funds.
- **Library Fund:** The Library fund is used to account for the operations of the Village's Library.
- **Special Revenue Funds:** Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for defined purposes. The special revenue funds of the Village are as follows:

Pool Fund – The Pool fund is used to account for the operations of the Village's swimming pool.

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

- **Capital Projects Fund:** Established to account for capital improvements financed from current monies transferred from other funds, federal and state grants and proceeds of obligations.
- **Debt Service Fund:** The Debt Service fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

The Village reports the following fiduciary funds:

- **Agency Fund:** The Agency fund accounts for employee payroll tax withholdings and deposits that are payable to other jurisdictions or individuals.
- **Pension Trust Fund:** The Pension Trust fund account for the Village's Fire Service Awards Program.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Property Taxes

Village real property taxes are levied annually no later than June 1st, and become a lien on November 1st. Taxes are collected during the period June 1 to October 31.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Data

1. Budget Policies - The budget policies are as follows:

- a. No later than March 20, the budget officer submits a tentative budget to the Village Board for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except for capital projects fund and community development fund.
- b. After public hearings are conducted to obtain taxpayer comments, no later than April 15, the Village Board adopts the budget by May 1.
- c. All modifications of the budget must be approved by specific action of the Village Board.

2. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3. Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Budgetary controls for special grant funds are established in accordance with the applicable grant agreements which cover, in most cases, a period other than the Village's fiscal year.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments

The Village of Hastings-on-Hudson's investment policies are governed by State statutes. In addition, the Village of Hastings-on-Hudson has its own written investment policy. Village of Hastings-on-Hudson's monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit.

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

Deposits and investments at year-end were entirely covered by Federal Insurance or by collateral held by the Village's custodial bank in the Village's name.

G. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

H. Due To/From Other Funds

Amounts due to and due from within the same fund type have been eliminated in the Government-wide statements. A detailed description of the individual fund balances is provided subsequently in these notes.

I. Inventories and Prepaid Items

Purchases of inventorable items are recorded as expenditures in the Government Funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the government-wide statements.

Prepaid items represent payments made by the Village for which benefits extend beyond year-end.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets

Capital assets are reported at historical costs. The Village depreciates capital assets using the straight-line method over the estimated useful life of the assets. Capitalization thresholds (the dollar value above which capital asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Land Improvements	\$ 5,000	20 years
Buildings and Improvements	5,000	20-50 years
Machinery & Equipment	5,000	5-30 years
Infrastructure	5,000	15-65 years

K. Infrastructure

The Village includes long-lived improvements to roads and other infrastructure as capital assets in the government-wide statements. Infrastructures are reported at historical costs and are depreciated using the straight-line method over their estimated useful lives.

Under the implementation standards of GASB 34, the Village is considered a small government, and as such is required only to recognize infrastructures on a prospective basis. Therefore, since the adoption of GASB 34, the Village has not retroactively reported infrastructures.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Vested Employee Benefits

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

The Village's employees participate in the New York State Employees' Retirement System and New York State Police and Fire Retirement Systems.

In addition to providing pension benefits, the Village of Hastings-on-Hudson provides health insurance coverage for retired employees. Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the community. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

M. Unemployment Insurance

Village employees are covered by unemployment insurance. The Village is exempt for federal unemployment insurance tax.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Equity Classification

1. Government-wide Statements

In the government-wide statements there are three classes of net assets:

Invested in capital assets, net of related debt - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted net assets - reports net assets when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets - reports all other net assets that do not meet the definition of the above two classifications and are deemed to be available for general use by the Village.

2. Funds Statements

During the 2010-2011 fiscal year, the Village implemented GASB Statement No. 54. The purpose of this new accounting standard is to provide fund balance categories and classifications that will be more easily understood by users of financial statements and consistently applied by villages. This new standard sets forth hierarchical fund balance classifications that are based primarily upon the extent to which a Village is bound to observe constraints imposed upon the use of resources reported in governmental funds. The following is a brief description on the five new fund balance classifications that the Village can utilize:

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation.

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. The Village did not classify any of its fund balances as committed as of May 31, 2011.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Equity Classification (Continued)

2. Funds Statements (Continued)

Assigned: Includes amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balance includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the General Fund that are intended to be used for a specific purpose. This assignment is made when purchase orders are approved by the Purchasing Agent who is designated each year by the Board of Trustees at its annual reorganizational meeting pursuant to the Village's purchasing policy. This assignment is made when the tax levy is set by the Board of Trustees pursuant to the Village's annual budget policy.

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

O. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, it is the Village's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements

P. Interfund Transfers

The operations of the Village gives rise to certain transactions between funds, including transfers to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated for the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long term assets.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the government funds.

A. Total Fund Balances of Governmental Funds vs. Net Asset of Governmental Activities:

Total fund balances of the Village's governmental funds differ from "net assets" of governmental activities reported in the Statement of Net Assets. This difference primarily results from the additional long-term economic focus of the Statement of Net Assets versus the solely current financial resources focus of the Governmental Fund Balance Sheet.

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Fund Statements and Net Assets reported on the Statement of Net Assets.

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Assets includes those capital assets among the assets of the Village as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Original Cost of Capital Assets	\$ 34,881,101
Accumulated Depreciation	<u>(12,036,846)</u>
Capital Assets, Net	<u>\$ 22,844,255</u>

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)

A. Total Fund Balances of Governmental Funds vs. Net Asset of Governmental Activities (Continued)

2. Interest payable is recognized in the entity wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest that was not paid from current financial resources.

Interest Payable at May 31, 2011	\$ <u>89,823</u>
----------------------------------	------------------

3. Long-term liabilities are reported in the Statement of Net Assets, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Bonds and Notes Payable	\$ 10,580,000
Other Postemployment Benefits	1,830,000
Compensated Absences	<u>650,154</u>
	<u>\$ 13,060,154</u>

B. Explanation of Difference between Governmental Funds Operating Statement and the Statement of Activities:

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent these differences as follows:

- Long-term revenue differences arise because Governmental Funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because Governmental Funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.
- Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the Governmental Fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Assets.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)

B. Explanation of Difference between Governmental Funds Operating Statement and the Statement of Activities: (Continued)

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the Government Fund Statements and the change in net assets reported in the Statement of Activities.

Explanation of Differences between Governmental Funds Operating Statement
and the Statement of Activities and Changes in Net Assets

Total Revenue and other Funding Sources:

Total revenues and other sources governmental funds	\$ 13,929,316
Deferred Tax Revenue	(18,471)
BAN's redeemed from appropriations	<u>(95,917)</u>
Total Revenue of Governmental Activities	<u><u>\$ 13,814,928</u></u>

Total Expenditures/Expenses:

Total expenditures reported in governmental funds	\$ 14,180,740
---	---------------

In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The liability for compensated absences increased during the year. Other postemployment benefits earned exceeded the amount paid by \$580,000.

598,189

When purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$1,309,812 is more than depreciation of \$1,018,956 in the current year.

(290,856)

Interest payable is recognized in the government-wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable for the current year is more than the interest payable for the prior year.

7,074

Repayment of debt service principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets, and does not affect the Statement of Activities.

(860,917)

Total Expenses and Government Activities	<u><u>\$ 13,634,230</u></u>
--	-----------------------------

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 3. CASH

The Village of Hastings-on-Hudson's investment policies are governed by State statutes, as previously described in these notes. Deposits are valued at cost or cost plus interest and are categorized as either:

1. Insured or collateralized with securities held by the entity or by its agent in the entity's name;
2. Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name; or
3. Uncollateralized

	<u>1</u>	<u>2</u>	<u>3</u>
Governmental & Agency Funds	<u>\$ 1,706,801</u>	<u>\$ 765,012</u>	<u>\$ 0</u>

NOTE 4. INTERFUND ACTIVITY

Interfund receivables and payables at May 31, 2011, were as follows:

<u>Fund Type</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 240,597	\$ 0
Capital Project	0	233,375
Pool	0	85,639
Library	0	28,593
Special Purpose	0	79,203
Debt Service	186,213	0
Trust & Agency	0	0
Total	<u>\$ 426,810</u>	<u>\$ 426,810</u>

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended May 31, 2011, were as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals and Reclass- ifications</u>	<u>Ending Balance</u>
Capital Assets that are not Depreciated:				
Construction in Progress	\$ 86,517	\$ 0	\$ (86,517)	\$ 0
Land	6,332,206	0	0	6,332,206
Total Non-Depreciable Historical Cost	6,418,723	0	(86,517)	6,332,206
Capital Assets that are being Depreciated:				
Land Improvements	2,275,444	188,961	0	2,464,405
Buildings and Improvements	13,441,451	55,200	86,517	13,583,168
Machinery & Equipment	5,105,580	1,065,651	0	6,171,231
Infrastructure	6,330,091	0	0	6,330,091
Total Depreciable Historical Cost	27,152,566	1,309,812	86,517	28,548,895
Less Accumulated Depreciation:				
Land Improvements	582,129	107,342	0	689,471
Buildings and Improvements	3,297,466	317,998	0	3,615,464
Machinery & Equipment	3,828,888	294,063	0	4,122,951
Infrastructure	3,309,407	299,554	0	3,608,961
Total Accumulated Depreciation	11,017,890	1,018,956	0	12,036,846
Total Historical Cost, Net	\$ 22,553,399	\$ 290,856	\$ 0	\$ 22,844,255

Depreciation was charged to governmental functions as follows:

General Government Support	\$ 103,743
Public Safety	415,725
Transportation	101,716
Culture and Recreation	198,268
Home and Community Services	167,488
Total Depreciation Expense	<u>\$ 1,018,956</u>

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 6. LIABILITIES

A. Pension Plans

Plan Description

The Village of Hastings-on-Hudson 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). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of member payroll and employer contributions, used in computing the contributions required to be made by employers to the pension accumulation fund. Chapter 126 adds Article 19 "Benefits Enhancements" of the New York State and Local Employees Retirement System. An Eligible Tier III or IV member with ten or more years of membership or ten years credited service, will not be required to contribute to the Retirement System.

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

	<u>ERS</u>	<u>PFRS</u>
2011	\$ 278,279	\$ 313,970
2010	\$ 237,399	\$ 343,517
2009	\$ 208,450	\$ 341,620

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 6. LIABILITIES (Continued)

A. Pension Plans (Continued)

Village contributions made to the Systems were equal to 100% of the contributions required for each year. Since 1989, the Systems' billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the Systems' fiscal year ended March 31, 2005 (which otherwise were to have been paid on May 31, 2009) over a 10 year period, with an 8.00% interest factor added. Local governments were given the option to prepay this liability. The Village elected to prepay this liability.

B. Short-Term Debt

Liabilities for bond anticipation notes (BAN's) are generally accounted for in the Capital Projects Fund. The notes or renewal thereof may not extend more than five years beyond the original date of issue unless a portion is redeemed within five years and within each 12 month period thereafter.

State law requires that BAN's issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BAN's 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. These temporary funds were borrowed to assist with financing the renovation and construction of various projects.

The following is a summary of Village of Hastings-on-Hudson's outstanding bond anticipation notes for the year ended May 31, 2011.

<u>Description</u>	<u>Original Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Amount Outstanding at Year End</u>
Various Projects	09/29/10	1,467,065	1.50%	09/29/11	1,467,065
Various Projects	12/15/10	1,439,917	1.75%	12/15/11	1,344,000
Total BAN's Payable					<u>\$ 2,811,065</u>

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 6. LIABILITIES (Continued)

B. Short-Term Debt (Continued)

Interest on short-term debt paid during the year:

Interest paid	27,629
Less: Interest accrued-prior year	(14,249)
Add: Interest accrued-current year	<u>25,638</u>
Total Short-Term Interest	<u>\$ 39,018</u>

C. Long-Term Debt

Bonds: The Village of Hastings-on-Hudson borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers.

The following is a list of outstanding bonds at the Village of Hastings-on-Hudson for the year ending May 31, 2011.

<u>Description</u>	<u>Original Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Amount Outstanding at Year End</u>
2003 Refunding 1994	7/1/2003	\$ 1,790,000	3.00%	7/1/2014	\$ 435,000
Various 2000	10/15/2001	2,774,000	4.75%	10/15/2015	1,035,000
Various 2005	11/1/2006	8,377,000	4.00%	11/1/2026	7,000,000
Various 2006	8/15/2007	2,400,000	4.75%	8/15/2028	<u>2,110,000</u>
Total Bonds Payable					<u>\$ 10,580,000</u>

Interest on long-term debt paid during the year was:

	<u>Serial Bonds</u>
Interest paid	\$ 456,849
Less: Interest accrued-prior year	(68,500)
Add: Interest accrued-current year	<u>64,185</u>
Total Long-Term Interest	<u>\$ 452,534</u>

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 6. LIABILITIES (Continued)

C. Long-Term Debt (Continued)

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance
<u>Governmental Activities</u>				
Serial Bonds	\$ 11,345,000	\$ 0	\$ 765,000	\$ 10,580,000
Other liabilities:				
Other Post Retirement Benefits Payable	1,250,000	580,000	0	1,830,000
Compensated Absences	631,966	18,188	0	650,154
Total Long-Term Liabilities	<u>\$ 13,226,966</u>	<u>\$ 598,188</u>	<u>\$ 765,000</u>	<u>\$ 13,060,154</u>

Activity for compensated absences is shown at net due the impracticability of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Statement of Net Assets.

The following is a summary of the maturity of long-term indebtedness:

	<u>Governmental Activities</u>	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2012	795,000	424,250
2013	805,000	390,580
2014	835,000	354,012
2015	880,000	312,810
2016	500,000	279,982
2017-2021	2,885,000	1,077,288
2022-2026	3,550,000	448,869
2027-2028	330,000	20,000
Total	<u>\$ 10,580,000</u>	<u>\$ 3,307,791</u>

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 6. LIABILITIES (Continued)

D. Postemployment Benefits

The Village had implemented GASB Statement #45, Accounting and Financial Reporting by employers for Postemployment Benefits Other than Pensions, in the year ended May 31, 2009. This required the Village to calculate and record a net other post-employment benefit obligation at year-end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

The Village recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are made. For the year ended May 31, 2011, the Village recognized \$461,825 for its share of insurance premiums for currently enrolled retirees.

The Village has obtained an actuarial valuation report as of May 31, 2011 which indicates that the total liability for other post-employment benefits is \$1,830,000.

Plan Description:

Medical Benefits Program:

The Plan is a fully insured plan. Current retiree premium rates provided by the Village include:

- | | |
|----------------------------|---|
| a) Individual Pre-age 65: | Generally \$592 per month. |
| b) Family Pre-age 65: | Generally \$1,259 per month. |
| c) Individual Post-age 65: | Generally \$360 per month. |
| d) Family Post-age 65: | Generally either \$1,027 per month(one person on Medicare) or \$795 per month (two people on Medicare). |

For GASB #45 purposes, the plan is deemed "community-rated". Therefore, adjustments to the premium rates to reflect the difference between the pre-age 65 active/retiree group (for which the current premium rates were based on) and the pre-age 65 retiree group, were not required, due to the "community-rated" exception under ASOP 6.

Medicare Part B Premiums:

Paid by the Village at \$96.40/mo.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 6. LIABILITIES (Continued)

D. Postemployment Benefits (Continued)

Retiree Eligibility Requirements:

- a) Non-Uniformed: An employee must retire after age 55 with at least 20 years of service.
- b) Police Officers: An employee must retire with at least 20 years of service (no age requirement)
- c) Spousal benefit upon retiree's death:
Coverage continued; spouse pays full current premium rate.
- d) Active service death benefit: N/A
- e) Active service disability benefit: N/A

Village Subsidy:

The Village will contribute 100% of the NYSHIP/State Empire medical premium amounts for both individual and family (dependent) coverage.

Funding Policy:

The employer's funding policy is to contribute the current annual premium (net of employee contributions) for all retired participants (i.e., pay as you go). Current New York State law prohibits municipalities from pre-funding retiree medical benefit obligations in a Trust, although pre-funding moneys can arguably be "set aside" on the municipality's balance sheet.

Annual OPEB Cost and Net OPEB Obligation: The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual required contribution	\$ 1,090,000
Interest on net OPEB obligation	60,000
Adjustment to annual required contribution	50,000
Annual OPEB cost (expense)	<u>1,100,000</u>
Contributions made	<u>520,000</u>
Increase in net OPEB obligation	580,000
Net OPEB obligation - beginning of year	<u>1,250,000</u>
Net OPEB obligation - end of year	<u>\$ 1,830,000</u>

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 6. LIABILITIES (Continued)

D. Postemployment Benefits (Continued)

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

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
5/31/2011	\$1,100,000	47.27%	\$1,830,000
5/31/2010	\$1,030,000	35.92%	\$1,250,000
5/31/2009	\$1,010,000	41.60%	\$590,000

Funded Status and Funding Progress:

As of June 1, 2009, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$15,470,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,470,000. The covered payroll (annual payroll of active employees covered by the plan) was \$5,730,000, and the ratio of the UAAL to the covered payroll was 270%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following assumptions were made:

Valuation Date: June 1, 2010

Mortality: Life expectancies were based on the RP-2000 Mortality Table.

Discount Rate: 4.5% compounded annually.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 6. LIABILITIES (Continued)

D. Postemployment Benefits (Continued)

Marital - Actives: Wife is assumed to be same age as the husband. 60% are assumed to be married.

Participation Rate: 100% of eligible retirees expected to participate.

Asset Valuation Method: Market Value.

Amortization Period: Level dollar basis/open; over 30 years. The remaining amortization period at May 31, 2011 is 27 years.

E. Pension Trust Service Award Program

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

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>May 31, 2011</u>
Active - Vested	66
Active – Non-vested	33
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	40

The Village is required to contribute the amounts necessary to finance the plan as actuarially determined using the entry age normal frozen initial liability cost method. The Plan was established effective June 1, 1993. The Plan was amended January 1, 2007 to allow participants to earn service credit after entitlement age. The balance of the unfunded actuarial accrued liability is \$705,641, which resulted from the prior years' service cost when the plan was initially adopted. The remaining amortization period is 18 years. The assumed investment rate of return is 6.5% and there are no cost of living adjustments.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 6. LIABILITIES (Continued)

E. Pension Trust Service Award Program (Continued)

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

	Annual Required Contribution	Actual Contribution	Percentage of Annual Program Cost Contributed	Net Pension Obligation	(Increase) Decrease in Net Pension Obligation
2011	\$ 147,168	\$ 147,168	100%	\$ 0	\$ 0
2010	125,744	125,774	100%	0	0
2009	110,798	110,798	100%	0	0

NOTE 7. DEFICIT FUND BALANCES

The Pool Fund and the Library Fund have a deficit fund balances of \$101,569, and \$42,917 respectively at May 31, 2011. Management will continue to eliminate the deficit in subsequent years. The Capital Projects Fund also has a deficit fund balance of \$2,136,573. The Capital Fund deficit will be eliminated through permanent financing.

NOTE 8. RISK MANAGEMENT

The Village is exposed to various risks of loss including, but not limited to, torts, thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Management believes such coverage is sufficient to preclude any significant uninsured loss. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2011**

NOTE 9. CONTINGENCIES

A. Grant Program

The Village has received grants which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. Based on past audits, the Village administration believes disallowances, if any, will be immaterial

B. Litigation

The Village is party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accrual or provision for loss contingencies that may result from these proceedings. While the outcome cannot be predicted, due to the insurance coverage maintained, the Village believes that any settlement not covered by insurance would not have a material adverse effect on the financial condition of the Village.



Nugent & Haeussler, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

ESTABLISHED 1925

101 Bracken Road
Montgomery, New York 12549
Tel (845) 457-1100
Fax (845) 457-1160
e-mail: nh@nhcpas.com

Peter J. Bullis, CPA, FACFEI, DABFA
Norman M. Sassi, CPA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA

Patrick M. Bullis, CPA
Jennifer L. Capicchioni, CPA
Richard P. Capicchioni, CPA
Walter J. Jung, CPA
Brent T. Napoleon, CPA
Justin B. Wood, CPA

— CONSULTANT —
Randy E. Bullis, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and Members
of the Village Board
Village of Hastings-on-Hudson
Hastings-on-Hudson, N.Y.

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary funds of Village of Hastings-on-Hudson as of and for the year ended May 31, 2011, which collectively comprise the Village of Hastings-on-Hudson's basic financial statements and have issued our report thereon dated October 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Hastings-on-Hudson's internal control over financial reporting as a basis for designing our auditing procedures 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 Village of Hastings-on-Hudson's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Hastings-on-Hudson's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village of Hastings-on-Hudson's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village of Hastings-on-Hudson's financial statements that is more than inconsequential will not be prevented or detected by the Village of Hastings-on-Hudson's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, identified as findings 2011-1, 2011-2, and 2011-3, to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of Hastings-on-Hudson's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of Village of Hastings-on-Hudson in a separate letter dated October 31, 2011.

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

Very truly yours,



October 31, 2011

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MAY 31, 2011**

FINANCIAL STATEMENT FINDINGS

Finding 2011-1 Limited Segregation of Duties

- Condition: The auditor found instances where segregation of duties was limited. Limitations in control activities may be addressed through additional management oversight. Through interviews with management and staff we were able to satisfy ourselves that direct involvement and knowledge of these activities reduced the potential for errors or irregularities.
- Criteria: Segregation of duties relates to how various duties are assigned to different people within the organization. Generally, the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets should be assigned to different people so that no single person is in a position to both commit and conceal errors, irregularities or fraud.
- Cause: Limited resources and personnel available contribute directly to the level of segregation achieved. Another factor is the organizational structure and the assignment of responsibilities within that structure.
- Effect: The financial statements could have been significantly misstated due to errors or irregularities and fraud or misappropriation could occur and not be detected without adequate segregation of duties and responsibilities.
- Recommendation: We recommend that the management review the responsibilities of business staff, as well as the duties actually being performed currently. This review should focus on segregating the functions for authorizing transactions, recording transactions, and maintaining custody of assets. As part of this review, management should consider whether the current staffing level is sufficient to achieve the desired internal control. It may be necessary to hire additional staff.

Finding 2011-2 Management Oversight and Monitoring

- Condition: The Auditor found instances where oversight and monitoring by management were not documented. Through interviews with management and related personnel we were able to satisfy ourselves that the necessary oversight and monitoring was performed.
- Criteria: Effective internal control over financial reporting requires management oversight and monitoring to establish reasonable assurance that financial reporting is being reliably and accurately completed. Documentation of this oversight and monitoring is necessary to insure that this criteria is met.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MAY 31, 2011**

FINANCIAL STATEMENT FINDINGS (Continued)

Cause: These activities are often informal and performed as a part of the overall management of the entity's operations. Management's close involvement in operations will typically identify inaccuracies in financial data.

Effect: The financial statements could have been significantly misstated without adequate documentation and performance of oversight functions.

Recommendation: We recommend that management formally document its review of all elements of the financial data reflected in the financial reporting. This would include but not be limited to ledger account reconciliations, journal entries, trial balances, revenue status and budget status reports.

Finding 2011-3 Preparing Financial Statements and Disclosures

Condition: The auditor is currently making significant adjustments to properly record certain complex transactions and preparing the financial statements for external reporting purposes.

Criteria: The auditor cannot function as part of the Village's internal control system over financial reporting. The auditor's preparation of the financial statements and disclosures would not be reported as a significant deficiency if the Village had internal controls in place to prevent, detect, and correct a potential misstatement in the financial statements or notes.

Cause: Newly revised audit standards state that if the Village does not implement procedures to prevent, detect, or correct a potential misstatement in the financial statements or notes, this deficiency constitutes a significant deficiency in internal control. The Village relies on the external auditor to prepare the financial statements and related disclosures, and to assist with properly recording certain transactions.

Effect: The financial statements could have been significantly misstated without audit adjustment.

Recommendation: Although the independent auditor cannot be a part of the Village's internal control, relying on the auditor to assist with preparation of the Village's financial statements and help guide management through complex accounting standards is acceptable under current prescribed standards.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2011**

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Real Property Taxes	\$ 9,485,254	\$ 9,485,254	\$ 9,485,254	\$ 0
Real Property Tax Items	30,000	30,000	33,253	3,253
Non-Property Tax Items	65,000	65,000	65,000	0
Departmental Income	973,970	973,970	1,483,793	509,823
Use of Money and Property	114,100	114,100	108,244	(5,856)
Licences and Permits	140,800	140,800	147,738	6,938
Fines and Forfeitures	220,000	220,000	167,360	(52,640)
Sale of Property and Compensation for Loss	12,000	12,000	5,422	(6,578)
Miscellaneous	17,000	43,358	139,014	95,656
State and Federal Aid	1,570,760	1,570,760	1,512,805	(57,955)
TOTAL REVENUES	<u>\$ 12,628,884</u>	<u>\$ 12,655,242</u>	<u>\$ 13,147,883</u>	<u>\$ 492,641</u>
EXPENDITURES				
General Government Support	\$ 1,607,036	\$ 1,683,394	1,671,138	\$ 12,256
Public Safety	3,096,607	3,146,607	3,137,193	9,414
Transportation	1,053,804	1,043,804	1,012,408	31,396
Culture and Recreation	1,063,885	1,073,885	1,065,857	8,028
Home and Community Services	1,004,855	1,004,855	957,958	46,897
Employee Benefits	2,904,853	2,804,853	2,791,243	13,610
TOTAL EXPENDITURES	<u>10,731,040</u>	<u>10,757,398</u>	<u>10,635,797</u>	<u>121,601</u>
OTHER USES				
Operating Transfers Out	<u>1,897,844</u>	<u>1,897,844</u>	<u>2,429,041</u>	<u>(531,197)</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 12,628,884</u>	<u>\$ 12,655,242</u>	<u>\$ 13,064,838</u>	<u>\$ (409,596)</u>

See paragraph on supplemental schedules in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES COMPARED TO BUDGET
POOL FUND
FOR THE YEAR ENDED MAY 31, 2011**

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Departmental Income	\$ 343,277	\$ 343,277	\$ 363,595	\$ 20,318
Use of Money and Property	2,000	2,000	194	(1,806)
TOTAL REVENUES	<u>\$ 345,277</u>	<u>\$ 345,277</u>	<u>\$ 363,789</u>	<u>\$ 20,318</u>
 EXPENDITURES				
Home and Community Service	\$ 211,951	\$ 211,951	\$ 214,964	\$ (3,013)
TOTAL EXPENDITURES	<u>211,951</u>	<u>211,951</u>	<u>214,964</u>	<u>(3,013)</u>
 OTHER USES				
Operating Transfers Out	133,326	133,326	127,345	5,981
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 345,277</u>	<u>\$ 345,277</u>	<u>\$ 342,309</u>	<u>\$ 2,968</u>

See paragraph on supplemental schedule in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES COMPARED TO BUDGET
LIBRARY FUND
FOR THE YEAR ENDED MAY 31, 2011**

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Departmental Income	\$ 18,250	\$ 18,250	\$ 16,710	\$ (1,540)
Use of Money and Property	0	0	13	13
State Aid	2,000	2,000	2,051	51
TOTAL REVENUES	20,250	20,250	18,774	(1,476)
OTHER SOURCES				
Operating Transfers In	758,553	758,553	758,553	0
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 778,803</u>	<u>\$ 778,803</u>	<u>\$ 777,327</u>	<u>\$ (1,476)</u>
EXPENDITURES				
Home and Community Services	\$ 583,222	\$ 583,222	\$ 579,220	\$ 4,002
Employee Benefits	110,810	110,810	110,810	0
TOTAL EXPENDITURES	694,032	694,032	690,030	4,002
OTHER USES				
Operating Transfers Out	84,771	84,771	84,771	0
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 778,803</u>	<u>\$ 778,803</u>	<u>\$ 774,801</u>	<u>\$ 4,002</u>

See paragraph on supplemental schedules in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS
MAY 31, 2011**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
6/1/2008	\$0	\$ 14,440,000	\$ 14,440,000	0%	\$ 6,140,000	235%
6/1/2009	\$0	\$ 14,710,000	\$ 14,710,000	0%	\$ 5,960,000	247%
6/1/2010	\$0	\$ 15,470,000	\$ 15,470,000	0%	\$ 5,730,000	270%

See paragraph on supplemental schedules in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
SCHEDULE OF FUNDING PROGRESS FOR THE SERVICE AWARD PROGRAM
MAY 31, 2011**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Annual Required Contribution	Percentage Contributed
2006	\$ 283,618	\$ 1,213,796	\$ 930,178	23.37%	\$ 106,764	100%
2007	376,376	1,288,978	912,602	29.20%	106,319	100%
2008	459,714	1,367,382	907,668	33.62%	107,935	100%
2009	541,622	1,162,378	620,756	46.60%	110,798	100%
2010	636,005	1,269,964	633,959	50.08%	125,744	100%
2011	649,992	1,195,657	545,665	54.36%	147,168	100%

See paragraph on supplemental schedules in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
CAPITAL FUND BALANCE SCHEDULE BY PROJECT
MAY 31, 2011**

Project	Authorization	Expenditures and Transfers	Unexpended Balance	Proceeds of Obligations	Methods of Financing				Fund Balance (Deficit)	BAN's Outstanding 5/31/2011
					State and Federal Aid	Interfund Transfers	Miscellaneous	Totals		
Municipal Building Plaza	\$ 125,000	\$ 84,090	\$ 40,910	\$ 125,000	\$ 0	\$ 0	\$ 0	\$ 125,000	\$ 40,910	\$ 0
Sidewalks and Related Areas	153,000	141,731	11,269	153,000	0	0	0	153,000	11,269	0
Purchase of Sanitation Truck	170,000	169,685	315	22,666	0	0	0	22,666	(147,019)	147,334
Purchase of Fire Truck	575,000	557,316	17,684	57,500	0	0	0	57,500	(499,816)	517,500
Purchase of Ambulance	150,000	147,993	2,007	30,000	0	0	0	30,000	(117,993)	120,000
Street Resurfacing 2009-2010	675,000	238,743	436,257	20,834	75,000	0	0	95,834	(142,909)	379,166
Street Resurfacing 2009-2010	275,000	241,378	33,622	20,000	0	75,000	0	95,000	(146,378)	180,000
Aerial Fire Ladder	1,000,000	948,483	51,517	0	0	0	0	0	(948,483)	1,000,000
Washington and Maple Ave Sidewalk	268,000	140,184	127,816	0	113,000	0	5,487	118,487	(21,697)	125,000
Police Technology Grant	56,500	51,266	5,234	0	55,500	0	0	55,500	4,234	0
Purchase of Senior Rec Van	54,000	110,190	(56,190)	0	0	0	110,190	110,190	0	0
Street Resurfacing 2010	275,000	178,803	96,197	0	0	0	0	0	(178,803)	165,000
Green Team Catalyst Fund	2,500	1,250	1,250	0	2,500	0	0	2,500	1,250	0
Justice Court	4,960	1,098	3,862	0	0	4,960	0	4,960	3,862	0
Hudson River Improvements	5,000	0	5,000	0	0	0	5,000	5,000	5,000	0
	<u>\$ 3,788,960</u>	<u>\$ 3,012,210</u>	<u>\$ 776,750</u>	<u>\$ 429,000</u>	<u>\$ 246,000</u>	<u>\$ 79,960</u>	<u>\$ 120,677</u>	<u>\$ 875,637</u>	<u>\$ (2,136,573)</u>	<u>\$ 2,634,000</u>

See paragraph on supplemental schedules in auditor's report.

VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
SCHEDULE OF INDEBTEDNESS
MAY 31, 2011

Schedule 7

<u>BOND ANTICIPATION NOTES</u>										
Various Projects	1.50%	9/29/2010	9/29/2011	\$ 0	\$ 1,467,065	\$ 0	\$ 1,467,065	\$ 0	\$ 14,793	\$ 1,467,065
Various Projects	1.75%	12/15/2010	12/15/2011	\$ 1,439,917	0	95,917	1,344,000	27,629	10,845	1,344,000
TOTAL NOTES				1,439,917	1,467,065	95,917	2,811,065	27,629	25,638	2,811,065
 <u>SERIAL BONDS</u>										
2003 Refunding 1994	3.00%	7/1/2003	7/1/2014	560,000	0	125,000	435,000	15,987	5,474	120,000
Various 2000	4.75%	10/15/2001	10/15/2015	1,265,000	0	230,000	1,035,000	57,193	6,145	240,000
Various 2005	4.00%	11/1/2006	11/1/2026	7,325,000	0	325,000	7,000,000	291,479	23,333	350,000
Various 2006	4.75%	8/15/2007	8/15/2028	2,195,000	0	85,000	2,110,000	92,190	29,232	85,000
TOTAL SERIAL BONDS				11,345,000	0	765,000	10,580,000	456,849	64,185	795,000
 <u>TOTAL INDEBTEDNESS</u>										
				\$ 12,784,917	\$ 1,467,065	\$ 860,917	\$ 13,391,065	\$ 484,478	\$ 89,823	\$ 3,606,065

See paragraph on supplemental schedules in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON
HASTINGS-ON-HUDSON, NEW YORK
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
MAY 31, 2011**

Capital Assets, Net			\$22,844,255
Deduct:			
Bond Anticipation Notes	\$	2,811,065	
Short-Term Portion of Bonds Payable		795,000	
Long-Term Portion of Bonds Payable		<u>9,785,000</u>	
			<u>13,391,065</u>
Investments in Capital Assets, Net of Related Debt			<u>\$ 9,453,190</u>

See paragraph on supplemental schedules in auditor's report.