

Village of Mamaroneck, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2013

Village of Mamaroneck, New York

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Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Village of Mamaroneck, New York**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village, as of May 31, 2013, and the respective changes in financial position, therefore, and the respective budgetary comparison for the General and Water funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2013 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
October 23, 2013

Village of Mamaroneck, New York

Management's Discussion and Analysis (MD&A) as of May 31, 2013

Introduction

The management of the Village of Mamaroneck offers this overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2013 to readers of the Village's financial statements. This document should be read and considered in conjunction with the basic financial statements, which immediately follow this section, in order to enhance the understanding of the Village's financial performance.

Financial Highlights and Comparative Information

- ❖ On the government-wide financial statements, the assets of the Village exceeded the liabilities at the close of 2011-2012 by \$16,607,824. At the conclusion of fiscal year 2012-2013, assets exceeded liabilities by \$16,483,766.
- ❖ As of the close of 2011-2012, the Village's governmental funds reported combined ending fund balances of \$9,448,790, of which \$4,648,047 was unassigned. The majority of these funds is included in the General Fund and is available for spending at the Village's discretion.
- ❖ As of the close of 2012-2013, the Village's governmental funds reported combined ending fund balances of \$8,180,539, of which \$4,147,888 was unassigned. The majority of these funds is included in the General Fund and is available for spending at the Village's discretion.
- ❖ At the end of FY 2012-2013, the unassigned fund balance for the General Fund increased by 18.59% from \$5,668,694 to \$6,722,684, which equates to 20.16% of total General Fund expenditures budgeted for 2012-2013.
- ❖ During the current fiscal year, the Village issued short term debt of \$2,204,189. This amount was issued to refinance bond anticipation notes outstanding as of May 31, 2012.
- ❖ The Village's bond rating by Moody's Investors Services, Inc. remained Aa2.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event

giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (ex. uncollected taxes and accrued but unused vacation and compensatory leave, Post-employment benefits).

The governmental activities of the Village include general government support, public safety, transportation, economic assistance, home and community services, and culture and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

The Village maintains three major governmental funds: the General Fund, Water Fund and the Capital Projects Fund. This information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The Debt Service Fund and Special Purpose Fund are grouped together as non-major governmental funds.

The Village adopts budgets for the General Fund, Water Fund and Debt Service Fund. Budgetary comparison statements are provided for the General Fund and Water Fund within the basic financial statements to demonstrate compliance with the respective budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Village programs. The Village maintains one type of fiduciary fund, an Agency Fund. Resources in the Agency Fund are held by the Village purely in a custodial capacity. The activity in this fund is limited to the receipt and remittance of resources to the appropriate individual, organization, or government.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements and include individual fund financial statements and schedules of "budgets to actual" comparisons.

Government-wide Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. In the case of the Village of Mamaroneck, assets exceeded liabilities by \$16,483,766 for fiscal year ended 2013. A portion of the Village's net position is its investment in capital assets (land, buildings and improvements, infrastructure, machinery and equipment, and construction-in-progress), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The following table reflects the condensed Statement of Net Position:

	May 31,	
	2013	2012
Current Assets	\$ 29,397,351	\$ 29,245,899
Capital Assets, net	50,503,075	48,328,460
Total Assets	79,900,426	77,574,359
Current Liabilities	9,509,778	7,686,820
Non-current Liabilities	53,906,882	53,279,714
Total Liabilities	63,416,660	60,966,534
Net Position		
Net Invested in Capital Assets	28,833,816	24,698,511
Restricted	1,466,512	2,310,550
Unrestricted	(13,816,562)	(10,401,237)
Total Net Position	\$ 16,483,766	\$ 16,607,824

Change in Net Position

	2013	2012
REVENUES		
Program Revenues		
Charges for services	\$ 6,091,311	\$ 5,942,520
Operating grants and contributions	1,273,518	424,397
Capital grants and contributions	1,389,332	1,009,320
Total Program Revenues	8,754,161	7,376,237
General Revenues		
Real property taxes	22,744,570	22,082,260
Other tax items	165,538	135,603
Non-property taxes	2,911,963	2,811,911
Unrestricted use of money and property	19,324	30,190
Sale of property and compensation for loss	17,819	56,255
Unrestricted State aid	513,088	493,428
Insurance recoveries	141,818	136,753
Miscellaneous	339,059	261,622
Total General Revenues	26,853,179	26,008,022
Total Revenues	35,607,340	33,384,259
PROGRAM EXPENSES		
General government support	6,479,191	6,847,163
Public safety	15,464,946	15,050,110
Health	138,501	117,382
Transportation	2,991,166	2,700,738
Economic Opportunity and Development	215	2,638
Culture and recreation	3,403,487	3,001,624
Home and community services	5,710,898	5,491,181
Interest	1,542,994	1,660,316
Total Expenses	35,731,398	34,871,152
Change in Net Position	(124,058)	(1,486,893)
Net Position - Beginning	16,607,824	18,094,717
Net Position - Ending	\$ 16,483,766	\$ 16,607,824

Governmental Activities

Government-wide activities decreased the Village's net assets by \$124,058. For the fiscal year ended May 31, 2013, revenues from governmental activities totaled \$35,607,340. Real estate property tax revenues for Fiscal Year 2012-2013 were \$22,744,570. Total tax revenues (\$25,822,071), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (72.5%). Total Program Revenues were \$8,754,161.

For the fiscal year ended May 31, 2013, expenses from governmental activities totaled \$35,731,398. The largest components of governmental activities' expenses are public safety \$15,464,946 (43.3%), home

and community services \$5,710,898 (16%), general government support \$6,479,191 (18.1%) and transportation \$2,991,166 (8.4%). Public Safety includes the following: Police, Fire & Safety Inspection and Animal Control. Home and Community Services includes the following: Zoning, Planning, Storm and Sanitary Sewers, Refuse Collection & Recycling, and Shade Trees. General Government Support includes the following: Board of Trustees, Village Manager, Village Treasurer, Village Offices, Clerk, Law, Management Information Systems, Central Communications, Central Garage, Central Supplies, Central Printing and Mail, Unallocated Insurance, Consulting Fees, Bonding Expenses, Taxes on Village Property, Judgments and Claims and Contingency. Transportation includes the following: Highway Maintenance, Snow Removal, Street and Traffic Lights.

Financial Analysis of the Village's Funds

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

Fund Balance Reporting

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the fiscal period ending June 30, 2011; therefore they are reflected in this analysis for the first time. Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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

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

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

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

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

According to GASB, these changes were made to bring greater clarity and consistency to fund balance reporting.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, the total of assigned and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year the Village's governmental funds reported combined ending fund balances of \$8,180,539 which included a negative \$993,496 Capital Projects fund balance, and a negative \$1,581,300 Water fund balance. \$5,004,319 of the total ending fund balance constitutes assigned and unassigned fund balance. Of this amount, \$560,000 of this fund balance has been appropriated for use in the 2013-2014 budget. A portion of fund balance (\$1,292,512) is restricted to indicate that it is not available for new spending because it has already been restricted to trusts (\$441,603), debt service (\$841,618), and law enforcement (\$9,291).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, total fund balance of the General Fund was \$9,298,114, of which \$682,431 was assigned: \$122,431 for encumbrances and \$560,000 appropriated for 2013-14 budget.

Actual results of general fund operations resulted in an increase in the General Fund Balance by \$1,647,871. Revenues were \$32,672,676 which was \$1,049,518 or 3.3% more than the final budget. Expenditures were \$31,038,265 which was \$1,707,418 or 5.2%, less than the final budget.

The major areas where revenues exceeded budget were: Non-property Taxes of \$2,911,963 due mainly to increase in Sales Tax distributions and Utilities Gross Receipt Tax, Departmental Income of \$2,269,121, and Federal Aid of \$580,096 for FEMA Disaster Assistance for Super Storm Sandy, Hurricane Irene, and Tropical Storm Lee.

The major areas where spending was less than budgeted were Public Safety, under expended by 677,090 of which the Police Department accounted for over \$489,399, and General Government, under expended by 478,714.

The Capital Projects Fund has an unassigned deficit of \$1,581,300, which is normal due to the fact that this includes short-term bond anticipation notes. These short-term notes will be paid off over a period of five years from their dates of issue. As of May 31, 2013, the majority of capital projects are financed by short and long term debt.

General Fund Budgetary Highlights

The difference between the appropriations in the original adopted budget and the appropriations in the final amended budget for the General Fund was an increase of \$871,566. This increase was to provide funding for capital projects, various programs, functional categories, and Employee Benefits.

Capital Assets and Debt Administration

Capital Assets

The value of the Village's investment in capital assets for governmental activities at May 31, 2013, net of accumulated depreciation, was \$50,503,075. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

Major capital asset activity during the current fiscal year is depicted in the following chart:

Capital Assets

	May 31,	
	2013	2012
Capital Assets, not being depreciated:		
Land	\$ 2,843,273	\$ 2,843,273
Construction-in-Progress	3,570,995	- 508,375
Total Capital Assets, not being depreciated	6,414,268	3,351,648
Capital Assets, being depreciated:		
Buildings and improvements	53,787,950	52,833,622
Infrastructure	18,810,564	18,755,817
Machinery and equipment	13,913,539	13,614,938
Total Capital Assets, being depreciated	86,512,053	85,204,377
Less Accumulated Depreciation for:		
Infrastructure	26,547,487	25,270,089
Buildings and Improvements	5,636,891	5,242,063
Machinery and Equipment	10,238,868	9,715,413
Total Accumulated Depreciation	42,423,246	40,227,565
Total Capital Assets being Depreciated, Net	\$ 44,088,807	\$ 44,976,812
Capital Assets, net	\$ 50,503,075	\$ 48,328,460

Long-Term Debt/Short-Term Debt

At the end of the fiscal 2013 year, the Village had total bonded debt outstanding of \$39,430,000. On November 29, 2012, the Village of Mamaroneck rolled over a total of \$2,204,189 in short term bond anticipation notes debt.

Total short-term and long-term debt outstanding at May 31, 2013 was \$41,634,189. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law §104, the Village must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. At May 31, 2013, the Village's five- year average full valuation was \$4,389,879,750 and the constitutional debt limit is \$307,291,583.

Other Post Employment Benefits

The Government Accounting Standard Board Statement No. 45 required municipalities to account for Post-Employment Benefits other than pensions such as health insurance coverage. The fiscal year ending May 31, 2009 was the implementation date for the Village of Mamaroneck. An actuarial firm was hired by the Village to compute the present value of the liability, which measures the value of OPEB

benefits earned by employees during their tenure and likely to be paid during their retirement. This amount is substantial, although, at the present time there is no requirement to fund this obligation. Under the present laws of the State of New York, there is no legal mechanism set up that would enable the funding of this obligation.

The Village's annual OPEB cost for 2012-13 was \$4,320,000. Contributions made on the pay as you go basis were \$1,550,000, leaving a Net OPEB Obligation of \$2,770,000 for fiscal year 2013 and \$11,790,000 total Net OPEB obligation as of May 31, 2013. This amount is reflected in the government-wide financial statements. It should be noted that even with this amount included in our Statement of Net Position, the Village of Mamaroneck has maintained a positive Total Net Position balance of \$16,483,766.

Economic Factors and Next Year's Budgets and Rates

Even though the Federal Reserve Board has kept interest rates low, the economy remains fragile and weak. There has been slight movement in home sales and refinancing. As a result, the Mortgage Tax again had a slight increase, but remains less than in previous years. Also, due to low interest rates, the Village's interest earnings are anticipated to be significantly lower again for 2013-2014. There continues to be some improvement in consumer spending as evidenced in the continued increase in Sales Tax Revenues distributed by Westchester County.

Collective bargaining agreement contractual salary increases, contractual and supply expenses, increases in Employee Benefits and increased Debt Service costs, were all factors that were taken into consideration in development and preparation of the FY 2013-2014 budget. The Police Benevolent Association is without a contract for FYE 2012-13.

The Village appropriated unrestricted general fund balance in the amount of \$560,000 for expenditures in FY 2013-2014.

Chapter 97 of the Laws of 2011 established a tax levy limit on all local governments in New York State, effective January 1, 2012. This law requires that local governments maintain any property tax levy increase to no more than 2 per cent or the rate of inflation, whichever is less. While the Village Board of Trustees voted to over-ride the property cap tax limit, the actual tax levy limit remained within two percent.

The 2013-14 tax levy for Village of Mamaroneck was also within the allowable limit although the tax over-ride was approved for 2013-2014.

Requests for Information

This financial report is designed to provide a general overview of the Village of Mamaroneck's finances. Questions and comments concerning any of the information provided in this report should be addressed to Agostino Fusco, Clerk-Treasurer, Village of Mamaroneck, 123 Mamaroneck Avenue, Mamaroneck, New York, 10543.

Village of Mamaroneck, New York**Statement of Net Position****May 31, 2013**

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 14,123,347
Receivables	
Accounts	1,207,726
State and Federal aid	714,107
Due from other governments	13,010,718
Prepaid expenses	282,933
Deferred charges	58,520
Capital assets	
Not being depreciated	6,414,268
Being depreciated, net	<u>44,088,807</u>
 Total Assets	 <u>79,900,426</u>
LIABILITIES	
Accounts payable	687,570
Accrued liabilities	216,280
Retainages payable	131,113
Due to other governments	5,236,971
Unearned tax revenues	53,695
Unearned revenues	159,797
Due to retirement systems	513,677
Bond anticipation notes payable	2,204,189
Accrued interest payable	306,486
Non-current liabilities	
Due within one year	2,441,232
Due in more than one year	<u>51,465,650</u>
 Total Liabilities	 <u>63,416,660</u>
NET POSITION	
Net investment in capital assets	28,833,816
Restricted	
Law enforcement	9,291
Special purposes	441,603
Debt service	1,015,618
Unrestricted	<u>(13,816,562)</u>
 Total Net Position	 <u><u>\$ 16,483,766</u></u>

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

Village of Mamaroneck, New York

**Statement of Activities
Year Ended May 31, 2013**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government			
General government support	\$ 6,479,191	\$ 706,785	\$ -
Public safety	15,464,946	997,982	190,873
Health	138,501	-	-
Transportation	2,991,166	809,559	449,491
Economic opportunity and development	215	11,039	-
Culture and recreation	3,403,487	1,189,802	4,184
Home and community services	5,710,898	2,376,144	628,970
Interest	1,542,994	-	-
Total Governmental Activities - Primary Government	<u>\$ 35,731,398</u>	<u>\$ 6,091,311</u>	<u>\$ 1,273,518</u>

General revenues

Real property taxes

Other tax items

Payments in lieu of taxes

Interest and penalties on real property taxes

Non-property taxes

Non-property tax distribution from County

Utilities gross receipts taxes

Unrestricted use of money and property

Sale of property and compensation for loss

Unrestricted State aid

Miscellaneous

Insurance recoveries

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
\$ -	\$ (5,772,406)
-	(14,276,091)
-	(138,501)
751,487	(980,629)
-	10,824
-	(2,209,501)
140,270	(2,565,514)
497,575	(1,045,419)

<u>\$ 1,389,332</u>	<u>(26,977,237)</u>
---------------------	---------------------

22,744,570

25,000

140,538

2,577,071

334,892

19,324

17,819

513,088

339,059

141,818

26,853,179

(124,058)

16,607,824

\$ 16,483,766

Village of Mamaroneck, New York

Balance Sheet
Governmental Funds
May 31, 2013

	General	Water	Capital Projects
ASSETS			
Cash and equivalents	\$ 6,620,749	\$ 2,945,793	\$ 3,098,009
Other receivables			
Accounts	146,592	1,061,134	-
State and Federal aid	604,739	-	109,368
Due from other governments	1,055,718	-	11,955,000
Due from other funds	2,627,785	236,548	-
Prepaid expenditures	282,933	-	-
Total Assets	<u>\$ 11,338,516</u>	<u>\$ 4,243,475</u>	<u>\$ 15,162,377</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 449,654	\$ -	\$ 237,777
Accrued liabilities	216,280	-	-
Retainages payable	24,251	-	106,862
Due to other funds	236,548	-	2,626,349
Due to other governments	-	5,236,971	-
Unearned tax revenues	53,695	-	-
Unearned revenues	159,797	-	11,955,000
Due to retirement systems	513,677	-	-
Bond anticipation notes payable	386,500	-	1,817,689
Total Liabilities	<u>2,040,402</u>	<u>5,236,971</u>	<u>16,743,677</u>
Fund balances (deficits)			
Nonspendable	282,933	-	-
Restricted	9,291	-	-
Committed	1,600,775	-	-
Assigned	682,431	-	-
Unassigned	6,722,684	(993,496)	(1,581,300)
Total Fund Balances (Deficits)	<u>9,298,114</u>	<u>(993,496)</u>	<u>(1,581,300)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 11,338,516</u>	<u>\$ 4,243,475</u>	<u>\$ 15,162,377</u>

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

<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 1,458,796	\$ 14,123,347
-	1,207,726
-	714,107
-	13,010,718
1,950	2,866,283
-	282,933
<u>\$ 1,460,746</u>	<u>\$ 32,205,114</u>

\$ 139	\$ 687,570
-	216,280
-	131,113
3,386	2,866,283
-	5,236,971
-	53,695
-	12,114,797
-	513,677
-	2,204,189
<u>3,525</u>	<u>24,024,575</u>

-	282,933
1,283,221	1,292,512
-	1,600,775
174,000	856,431
-	4,147,888
<u>1,457,221</u>	<u>8,180,539</u>
<u>\$ 1,460,746</u>	<u>\$ 32,205,114</u>

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Village of Mamaroneck, New York

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

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

Fund Balances - Total Governmental Funds	\$ 8,180,539
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	50,503,075
Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charges	58,520
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.	
Departmental income	11,955,000
Long-term and other liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(306,486)
Bonds payable	(39,469,355)
Capital lease payable	(515,151)
Claims payable	(613,543)
Compensated absences	(1,518,833)
Other post employment benefit obligations payable	(11,790,000)
	(54,213,368)
	\$ 16,483,766

Net Position of Governmental Activities

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

Village of Mamaroneck, New York

Statement of Assets and Liabilities

Fiduciary Fund

May 31, 2013

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 257,217</u>
LIABILITIES	
Accounts payable	\$ 33,751
Employee payroll deductions	78,721
Deposits	<u>144,745</u>
Total Liabilities	<u>\$ 257,217</u>

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

Village of Mamaroneck, New York

Notes to Financial Statements
May 31, 2013

Note 1 - Summary of Significant Accounting Policies

The Village of Mamaroneck, New York ("Village") was established in 1895 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Village Manager serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

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

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component unit is included in the Village's reporting entity because of its financial relationship with the Village.

B. Government-Wide Financial Statements

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

C. Fund Financial Statements

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

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the Village is as follows:

Water Fund - The Water Fund is used to account for distributions from the Westchester Joint Water Works. These funds are used primarily for debt service expenditures.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Special Revenue Fund -

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.

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

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. The Village's Agency Fund is primarily utilized to account for various deposits that are payable to other jurisdictions or individuals.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, certain claims and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are

Note 1 - Summary of Significant Accounting Policies (Continued)

reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Deposits and Risk Disclosure

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

The Village's investment policies are governed by State statutes. The Village has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the Villages policy provides for no credit risk on investments.

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

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2013.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2013, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

<u>Class</u>	<u>Life in Years</u>
Infrastructure	10-65
Buildings and improvements	20-50
Machinery and equipment	5-10

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

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

Unearned revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues of \$53,695 for real property taxes and \$159,797 for camp fees received in advance in the General Fund and \$11,955,000 for amounts due from the Mamaroneck Public Library for outstanding bonds. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

As of May 31, 2013, no amounts were required to be reported as deferred outflows/inflows of resources.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the

Note 1 - Summary of Significant Accounting Policies (Continued)

General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 23, 2013.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General, Water and Debt Service funds.
- f) Budgets for General, Water and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose fund.
- g) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in General, Water and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2012-2013 fiscal year was \$88,540,188, inclusive of exclusions, which exceeded the actual levy by \$65,508,347.

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

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

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer

Note 2 - Stewardship, Compliance and Accountability (Continued)

Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board first enacts, by a vote of at least sixty percent of the total voting power of the Village Board, a local law to override such limit for such coming fiscal year.

C. Application of Accounting Standards

For the year ended May 31, 2013, the Village implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" ("GASB Statement No. 63"). This statement provides financial reporting guidance for these elements first introduced in GASB Concept Statement No. 4, "Elements of Financial Statements". Previous financial reporting standards did not include guidance for reporting these financial statement elements, which are distinct from assets and liabilities.

D. Fund Deficits

The Water Fund reflects an undesignated deficit of \$993,496 at May 31, 2013. This deficit is the result of an accrual for filtration plant fines of approximately \$5,200,000 as disclosed in note 4B.

E. Capital Projects Fund Project Deficits

The unassigned deficit in the Capital Projects Fund of \$1,581,300 arise in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits where no bond anticipation notes are outstanding arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

F. Excess of Actual Expenditures Over Budget

The following capital projects reflect deficits at May 31, 2013:

Taylor Lane Site Clean-up	\$54,383
Parks Department Foreman Vehicle	2,411

These deficits will be eliminated with the subsequent receipt of authorized financing.

Village of Mamaroneck, New York**Notes to Financial Statements (Continued)**

May 31, 2013

Note 3 - Detailed Notes on All Funds**A. Taxes Receivable**

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

Prior years	\$	47,845
Less - Allowance for uncollectible taxes		<u>47,845</u>
	\$	<u>-</u>

B. Due From/To Other Funds

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

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 2,627,785	\$ 236,548
Water	236,548	-
Capital Projects	-	2,626,349
Non-Major Governmental Funds	<u>1,950</u>	<u>3,386</u>
	<u>\$ 2,866,283</u>	<u>\$ 2,866,283</u>

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

C. Capital Assets

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

<u>Class</u>	<u>Balance June 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance May 31, 2013</u>
Capital Assets, not being depreciated				
Land	\$ 2,843,273	\$ -	\$ -	\$ 2,843,273
Construction-in-Progress	<u>508,375</u>	<u>3,257,441</u>	<u>194,821</u>	<u>3,570,995</u>
Total Capital Assets, not being depreciated	<u>\$ 3,351,648</u>	<u>\$ 3,257,441</u>	<u>\$ 194,821</u>	<u>\$ 6,414,268</u>

Village of Mamaroneck, New York

Notes to Financial Statements (Continued)

May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance June 1, 2012	Additions	Deductions	Balance May 31, 2013
Capital Assets, being depreciated				
Infrastructure	\$ 52,833,622	\$ 958,352	\$ 4,024	\$ 53,787,950
Buildings and Improvements	18,755,817	54,747	-	18,810,564
Machinery and Equipment	13,614,938	647,645	349,044	13,913,539
Total Capital Assets, being depreciated	<u>85,204,377</u>	<u>1,660,744</u>	<u>353,068</u>	<u>86,512,053</u>
Less Accumulated Depreciation for				
Infrastructure	25,270,089	1,281,422	4,024	26,547,487
Buildings and Improvements	5,242,063	394,828	-	5,636,891
Machinery and Equipment	9,715,413	872,499	349,044	10,238,868
Total Accumulated Depreciation	<u>40,227,565</u>	<u>2,548,749</u>	<u>353,068</u>	<u>42,423,246</u>
Total Capital Assets, being depreciated, net	<u>\$ 44,976,812</u>	<u>\$ (888,005)</u>	<u>\$ -</u>	<u>\$ 44,088,807</u>
Capital Assets, net	<u>\$ 48,328,460</u>	<u>\$ 2,369,436</u>	<u>\$ 194,821</u>	<u>\$ 50,503,075</u>

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

General Government Support	\$ 182,854
Public Safety	626,013
Health	6,173
Transportation	817,968
Culture and Recreation	243,886
Home and Community Services	<u>671,855</u>
Total Depreciation Expense	<u>\$ 2,548,749</u>

D. Accrued Liabilities

The Village has reported accrued liabilities for contractual obligations of \$216,280 in the General Fund.

E. Pension Plans

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

Village of Mamaroneck, New York

Notes to Financial Statements (Continued)
May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plans' year ended March 31, 2013 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75I	23.2%
	3 A14	18.6
	4 A14	18.6
	5 A15	15.1
	6 A15	10.1
PFRS	2 384D	25.1
	5 384D	20.1
	6 384D	14.6

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

	<u>ERS</u>	<u>PFRS</u>
2013	\$ 1,118,936	\$ 1,537,623
2012	888,596	1,269,214
2011	756,279	1,138,880

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

The current ERS and PFRS contributions for the Village were charged to the General Fund.

The Village also provides benefits to those police officers who retired from service prior to the inception of PFRS. Benefits are calculated pursuant to Section 192 of the Retirement and Social Security Law. It is the policy of the Village to fund any benefits from the General Fund. Local pension costs for the year ended May 31, 2013 were \$18,000.

F. Short-Term Non-Capital Borrowings

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 1, 2012</u>	<u>New Issues</u>	<u>Balance May 31, 2013</u>
Bond Anticipation Notes - Judgement and Claims	2012	11/27/13	1.10 %	\$ 386,500	\$ -	\$ 386,500

Village of Mamaroneck, New York

Notes to Financial Statements (Continued)
May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$4,097 were recorded in the fund financial statements in the General Fund. Interest expense of \$3,833 was recorded in the government-wide financial statements for governmental activities.

G. Short-Term Capital Borrowings

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

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 1, 2012</u>	<u>New Issues</u>	<u>Balance May 31, 2013</u>
Bond Anticipation Notes - Various Purposes	2012	11/27/13	1.10 %	<u>\$ 1,817,689</u>	<u>\$ -</u>	<u>\$ 1,817,689</u>

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

Interest expenditures of \$19,268 were recorded in the fund financial statements in the following funds:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 14,717
Water Fund	<u>4,551</u>
	<u>\$ 19,268</u>

Interest expense of \$18,026 was recorded in the government-wide financial statements for governmental activities.

Village of Mamaroneck, New York

Notes to Financial Statements (Continued)
May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

H. Long-Term Liabilities

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

	Balance June 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2013	Due Within One-Year
Bonds Payable					
Capital construction	\$ 23,890,248	\$ -	\$ 1,420,741	\$ 22,469,507	\$ 1,442,430
Judgement and claims	5,209,752	-	204,259	5,005,493	207,570
Other	12,360,000	-	405,000	11,955,000	410,000
	41,460,000	-	2,030,000	39,430,000	2,060,000
Add- Deferred amounts on refunding	46,199	-	6,844	39,355	-
	41,506,199	-	2,036,844	39,469,355	2,060,000
Capital Lease Payable	679,991	-	164,840	515,151	168,232
Claims Payable	661,126	676	48,259	613,543	61,000
Compensated Absences	1,412,398	247,435	141,000	1,518,833	152,000
Other Post Employment Benefit Obligations Payable	9,020,000	4,320,000	1,550,000	11,790,000	-
Total Other Non-Current Liabilities	\$ 11,773,515	\$ 4,568,111	\$ 1,904,099	\$ 14,437,527	\$ 381,232
Total Long-Term Current Liabilities	\$ 53,279,714	\$ 4,568,111	\$ 3,940,943	\$ 53,906,882	\$ 2,441,232

Each governmental fund's liability for bonds, capital leases, claims, compensated absences and other post employment benefit obligation is liquidated by the General and Water funds.

Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2013
Various Public Improvements	2008	\$ 7,107,200	August, 2027	4.050 - 5.00 %	\$ 2,985,000
Refunding	2010	2,935,000	February, 2019	2.000 - 5.00	2,020,000
Various Public Improvements and Judgements and claims	2011	24,315,000	May, 2031	2.750 - 4.50	22,470,000
Public Library	2011	12,710,000	May, 2034	3.750 - 4.50	11,955,000
					<u>\$ 39,430,000</u>

Village of Mamaroneck, New York**Notes to Financial Statements (Continued)**
May 31, 2013**Note 3 - Detailed Notes on All Funds (Continued)**

Interest expenditures of \$1,525,315 were recorded in the fund financial statements in the following funds:

<u>Fund</u>	<u>Amount</u>
General	\$ 1,294,625
Water	<u>230,690</u>
	<u>\$ 1,525,315</u>

Interest expense of \$1,508,053 was recorded in the government-wide financial statements for governmental activities.

Capital Lease Payable

During the 2011 fiscal year, the Village entered into a \$843,692 capital lease agreement to acquire a Fire Truck. The agreement provides for annual payments of \$177,922, including interest at 2.05% through February 2016. The balance due at May 31, 2013 was \$515,151.

Interest expenditures/expense of \$13,082 was recorded in the fund financial statements in the General Fund and in the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of May 31, 2013, including interest payments of \$14,837,585 are as follows:

Year Ending May 31,	<u>Bonds</u>		<u>Capital Lease</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 2,060,000	\$ 1,453,090	\$ 168,232	\$ 9,690	\$ 2,228,232	\$ 1,462,780
2015	2,090,000	1,382,634	171,693	6,229	2,261,693	1,388,863
2016	2,135,000	1,305,746	175,226	2,696	2,310,226	1,308,442
2017	2,175,000	1,221,715	-	-	2,175,000	1,221,715
2018	1,995,000	1,138,472	-	-	1,995,000	1,138,472
2019-2023	9,340,000	4,548,692	-	-	9,340,000	4,548,692
2024-2028	10,325,000	2,872,099	-	-	10,325,000	2,872,099
2029-2033	8,475,000	877,734	-	-	8,475,000	877,734
2034	835,000	18,788	-	-	835,000	18,788
	<u>\$ 39,430,000</u>	<u>\$ 14,818,970</u>	<u>\$ 515,151</u>	<u>\$ 18,615</u>	<u>\$ 39,945,151</u>	<u>\$ 14,837,585</u>

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

Note 3 - Detailed Notes on All Funds (Continued)

Claims Payable

The government-wide financial statements reflect the liability for self-insured workers' compensation claims (See Note 4). These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred, but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities in the government-wide financial statements is as follows:

	May 31,	
	2013	2012
Balance - Beginning of Year	\$ 661,126	\$ 677,393
Provision for Claims and Claims Adjustment Expenses	676	31,544
Claims and Claims Adjustment Expenses Paid	(48,259)	(47,811)
Balance - End of Year	<u>\$ 613,543</u>	<u>\$ 661,126</u>
Due Within One Year	<u>\$ 61,000</u>	<u>\$ 66,000</u>

Compensated Absences

Pursuant to collective bargaining agreements, substantially all full-time employees, with the exception of police officers are entitled to accumulate sick leave up to a maximum of 260 days. These employees may receive payment for accumulated sick leave in an amount which represents 50% of the difference between the amount accumulated and 165 days. Police officers are entitled to unlimited sick leave and therefore, are not compensated for such leave. Vacation time is required to be taken in the year earned by police officers but may be accumulated by other employees. The value of compensated absences has been reflected in the government-wide financial statements.

Other Post Employment Benefit Obligations

The Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing post-employment health care benefits is shared between the Village and the retired employee. Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. The cost of

Village of Mamaroneck, New York

Notes to Financial Statements (Continued)

May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statement. The Village has recognized revenues and expenditures of \$71,022 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

The Village and Library's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

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

<u>Year Ended May 31,</u>	<u>Assumed Increase</u>
2014	9.50 %
2015	9.00
2016	8.50
2017	8.00
2018	7.50
2019	7.00
2020	6.50
2021	6.00
2022	5.50
2023+	5.00

The amortization basis is the level percentage of payroll basis with a open amortization approach with 25 years for the Village remaining in the amortization period. The actuarial assumptions include a 4.5% investment rate of return and a 3% annual payroll growth rate. The Village currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

Village of Mamaroneck, New York

Notes to Financial Statements (Continued)
May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

The number of participants as of June 1, 2012 was as follows:

	<u>Village</u>
Active Employees	150
Retired Employees	<u>117</u>
Total	<u><u>267</u></u>
	<u>Village</u>
Amortization Component:	
Actuarial Accrued Liability as of June 1, 2012	\$ 51,140,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 51,140,000</u></u>
Funded Ratio	<u><u>0.00%</u></u>
Covered Payroll (Active plan members)	<u><u>\$ 12,900,000</u></u>
UAAL as a Percentage of Covered Payroll	<u><u>396.43%</u></u>
Annual Required Contribution	\$ 4,450,000
Interest on Net OPEB Obligation	400,000
Adjustment to Annual Required Contribution	<u>(530,000)</u>
Annual OPEB Cost	4,320,000
Contributions Made	<u>(1,550,000)</u>
Increase in Net OPEB Obligation	2,770,000
Net OPEB Obligation - Beginning of Year	<u>9,020,000</u>
Net OPEB Obligation - End of Year	<u><u>\$ 11,790,000</u></u>

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

	<u>Village</u>		
<u>Fiscal Year Ended May 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 4,320,000	35.9 %	\$ 11,790,000
2012	4,390,000	32.8	9,020,000
2011	4,210,000	31.6	6,070,000

Note 3 - Detailed Notes on All Funds (Continued)

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

I. Revenues and Expenditures

Interfund Transfers

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

Transfers Out	Transfers In			Total
	General Fund	Water Fund	Capital Projects Fund	
General Fund	\$ -	\$ -	\$ 423,358	\$ 423,358
Water Fund	135,000	-	-	135,000
Non-Major Governmental Funds	160,000	15,000	-	175,000
	<u>\$ 295,000</u>	<u>\$ 15,000</u>	<u>\$ 423,358</u>	<u>\$ 733,358</u>

Transfers are used to 1) move funds earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and move funds from the Debt Service Fund to the operating funds as debt service principal and interest payments become due.

J. Net Position

The components of net position are detailed below:

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

Restricted for Law Enforcement - the component of net position that represents the proceeds of seized funds which are restricted by New York State for use in law enforcement activities.

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

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

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

Village of Mamaroneck, New York

Notes to Financial Statements (Continued)
May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2013					2012				
	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable	\$ 282,933	\$ -	\$ -	\$ -	\$ 282,933	\$ 268,556	\$ -	\$ -	\$ -	\$ 268,556
Prepaid expenditures										
Restricted										
Law enforcement	9,291	-	-	-	9,291	9,198	-	-	-	9,198
Capital	-	-	-	-	-	-	-	989,843	-	989,843
Special purposes	-	-	-	441,603	441,603	-	-	-	645,577	645,577
Debt service	-	-	-	841,618	841,618	-	-	-	1,009,774	1,009,774
Total Restricted	9,291	-	-	1,283,221	1,292,512	9,198	-	989,843	1,655,351	2,654,392
Committed										
Capital Projects	1,600,775	-	-	-	1,600,775	780,000	-	-	-	780,000
Assigned										
Purchases on order										
General government support	26,447	-	-	-	26,447	363,795	-	-	-	363,795
Public safety	48,809	-	-	-	48,809	-	-	-	-	-
Culture and recreation	22,012	-	-	-	22,012	-	-	-	-	-
Home and community services	25,163	-	-	-	25,163	-	-	-	-	-
	122,431	-	-	-	122,431	363,795	-	-	-	363,795
Subsequent year's expenditures										
Major funds	560,000	-	-	-	560,000	560,000	-	-	-	560,000
Non-Major governmental funds										
Debt service	-	-	-	174,000	174,000	-	-	-	174,000	174,000
Total Assigned	682,431	-	-	174,000	856,431	923,795	-	-	174,000	1,097,795
Unassigned	6,722,684	(993,496)	(1,581,300)	-	4,147,888	5,668,694	(1,020,647)	-	-	4,648,047
Total Fund Balances	\$ 9,298,114	\$ (993,496)	\$ (1,581,300)	\$ 1,457,221	\$ 8,180,539	\$ 7,650,243	\$ (1,020,647)	\$ 989,843	\$ 1,829,351	\$ 9,448,790

Village of Mamaroneck, New York

Notes to Financial Statements (Continued)

May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

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

Committed for Capital Projects represents amounts that have been established by the Village Board and will be utilized to fund costs associated with various capital projects in the future budgets.

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

Subsequent year's expenditures represent that at May 31, 2013, the Village Board has assigned the above amounts to be appropriated for the ensuing year's budget and for future court awarded property tax refunds.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balance in the Water and Capital Projects funds represent the deficits in those funds.

L. Joint Venture

The Village, together with the Town of Mamaroneck and the Town/Village of Harrison, participate in the Westchester Joint Water Works. The purpose of the joint venture is to acquire, construct, provide, maintain and operate a water works system.

The following is an audited summary of the General Fund special purpose financial information as of and for the year ended December 31, 2012 of the joint venture.

Total Assets	\$ 9,528,757
Total Liabilities	22,180,128
Net Deficiency	(12,651,371)
Total Revenues	23,076,563
Total Expenses	23,361,216
Net Decrease in Net Assets	(284,653)

The Village, the Town of Mamaroneck and the Village of Larchmont formed the Tri-Municipal Larchmont-Mamaroneck Cable TV Board of Control. The Board was organized to administer the franchise agreement with UA-Columbia Cablevision of Westchester. The franchise fees received are used to operate three public cable-TV channels, serving the community interests of Larchmont and Mamaroneck.

Village of Mamaroneck, New York

Notes to Financial Statements (Continued)
May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

The following is an audited summary of financial information as of and for the year ended December 31, 2012 of the joint venture.

Total Assets	\$	146,565
Total Liabilities		6,739
Net Assets		139,826
Total Revenues		551,208
Total Expenses		539,965
Net Increase in Net Assets		11,243

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

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

The Village is aware of two notices of claims from the Mamaroneck Beach and Yacht Club seeking five million dollars in damages. These notices of claims were converted into a single lawsuit in August, 2012. It is advised that insurance covers the litigations costs and may cover any potential damages. This case has currently been withdrawn without prejudice and may be reopened if certain events occur.

The Village is handling a case in the matter of Witt vs the Village of Mamaroneck. The Plaintiffs' home was severely damaged by floodwaters as a result of Hurricane Irene on or about August 22, 2011. The complaint alleges Plaintiffs were issued a building permit for repairs, began work and was subsequently advised by the building inspector that the permit had been issued in error in which the building inspector issued a stop order. The building inspector deemed the repairs a "cumulative substantial improvement" which required the owner to reconstruct and elevate the home's foundation, unless a variance was applied for and granted by the Planning Board. The Plaintiff asserted seven claims; an equal protection claim, substantial due process claim, procedural due process claim, a Monell claim, a state negligence claim, a cause of action state claim and a state respondeat superior claim against the Village. The Plaintiffs also assert a claim for punitive damages. On May 31, 2013 a motion to dismiss the complaint on behalf of all defendants was made. Following Plaintiffs' opposition papers and reply papers the matter was fully submitted for decision by the Court on or about August 12, 2013. It is the opinion of counsel that most of the claims will be dismissed and if the case proceeds because of applicable legal principles, a judgment against the Village is unlikely.

Village of Mamaroneck, New York

Notes to Financial Statements (Continued)
May 31, 2013

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The Village of Mamaroneck, the Village of Mamaroneck Zoning Board of Appeals, and the Village of Mamaroneck Building Inspector is in suit with the Westchester Supreme Court Index No. 2335-12 to reverse and nullify a March 1, 2012 decision by the Village's Zoning Board of Appeals determining that certain building permits issued to the Petitioners on January 14, 2011 are invalid and should be revoked. The Petition also seeks injunctive relief to restrain the permits null and void. The petition seeks an award of attorney's fees and costs but does not otherwise assert any claim for damages so the range of any loss cannot be estimated. The Supreme Court Westchester decision and restrained and enjoined the Zoning Board of Appeals and the Building Inspector from taking any further action to invalidate, revoke, or otherwise declare null and void the building permits. The time to answer the Petition has not expired and issue has not joined. Subject to considerations of commercial reasonableness, the Village expects to defend the claim vigorously, but the range of any loss cannot be estimated and the conclusion of the matter by litigation, negotiation, or otherwise cannot be predicted.

B. Contingencies

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

Westchester Joint Water Works ("WJWW") a joint venture of the Village as reported in note 3 is currently being fined by the New York State Health Department for not meeting a Supreme Court of the State of New York ruling requiring the construction of a filtration plant by December 3, 2008. These fines amount to \$19,471,250 as of December 31, 2012 and continue to accrue at \$13,750 a day. The Village' share of these fines is approximately \$5,275,000 or 27.1% of the total. Management of the WJWW has indicated that the State is holding in abeyance the imposition of these fines although they continue to be accrued by the WJWW. The Village has not accrued their share in the Special District Fund – Water District as the expectation of management is that the fines will be suspended or replaced with a negotiated settlement as the WJWW signed an inter-municipal agreement with the County for a filtration plant alternative.

The WJWW receives numerous additional notices of claims for money damages occurring from property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the WJWW if adversely settled.

C. Risk Management

The Village was self-insured for general liability, auto physical damage, property and workers' compensation benefits through December 1, 1996. The Village's liability was limited to \$100,000 per occurrence for general liability and \$250,000 per occurrence up to a limit of \$1 million per year for workers' compensation. The estimated liability for the remaining claims has been recorded in the government-wide financial statements.

Village of Mamaroneck, New York

Notes to Financial Statements (Concluded)
May 31, 2013

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The Village, as of December 2, 1996, purchased various insurance coverages to reduce its exposure to loss. The Village maintains a general liability insurance policy with coverage up to \$1 million for each occurrence and \$2 million in the aggregate. The Village also maintains public officials liability insurance coverage with limits of \$1 million for each occurrence and \$2 million in the aggregate. The Village maintains two excess liability and public officials liability insurance policies with aggregate coverage of \$10 million for each policy that total \$20 million. The Village also purchases conventional health insurance and workers' compensation insurance with coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 5 - Subsequent Events

The Village, in September 2013, issued a bond anticipation note in the amount of \$5,069,250. The note is due on September 4, 2014 with interest at 1.00%.

Village of Mamaroneck, New York

Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
June 1, 2010	\$ -	\$ 47,660,000	\$ 47,660,000	- %	\$ 12,880,000	370.03 %
June 1, 2011	-	49,900,000	49,900,000	-	12,570,000	396.98
June 1, 2012	-	51,140,000	51,140,000	-	12,900,000	396.43

Village of Mamaroneck, New York

General Fund
Comparative Balance Sheet
May 31,

	2013	2012
ASSETS		
Cash and equivalents	\$ 6,620,749	\$ 8,291,578
Taxes Receivable, net of allowance for uncollectible taxes of \$47,845 and \$50,032 in 2013 and 2012, respectively	-	1,478
Other receivables		
Accounts	146,592	175,167
State and Federal aid	604,739	134,920
Due from other governments	1,055,718	1,015,819
Due from other funds	2,627,785	88,042
	4,434,834	1,413,948
Prepaid expenditures	282,933	268,556
Total Assets	\$ 11,338,516	\$ 9,975,560
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 449,654	\$ 528,155
Accrued liabilities	216,280	58,671
Retainages payable	24,251	-
Due to other funds	236,548	747,278
Unearned tax revenues	53,695	-
Unearned revenues	159,797	143,937
Due to retirement systems	513,677	460,776
Bond anticipation notes payable	386,500	386,500
Total Liabilities	2,040,402	2,325,317
Fund balance		
Nonspendable	282,933	268,556
Restricted	9,291	9,198
Committed	1,600,775	780,000
Assigned	682,431	923,795
Unassigned	6,722,684	5,668,694
Total Fund Balance	9,298,114	7,650,243
Total Liabilities and Fund Balance	\$ 11,338,516	\$ 9,975,560

Village of Mamaroneck, New York

General Fund

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

	2013			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 22,741,841	\$ 22,741,841	\$ 22,744,570	\$ 2,729
Other tax items	120,000	120,000	165,538	45,538
Non-property taxes	2,770,000	2,770,000	2,911,963	141,963
Departmental income	1,852,580	1,855,080	2,269,121	414,041
Intergovernmental charges	970,176	970,176	965,380	(4,796)
Use of money and property	148,458	148,458	160,528	12,070
Licenses and permits	341,300	341,300	477,006	135,706
Fines and forfeitures	865,000	865,000	956,552	91,552
Sale of property and compensation for loss	29,200	29,200	17,819	(11,381)
State aid	1,051,167	1,114,499	1,085,044	(29,455)
Federal aid	-	363,004	580,096	217,092
Miscellaneous	265,600	304,600	339,059	34,459
Total Revenues	31,155,322	31,623,158	32,672,676	1,049,518
EXPENDITURES				
Current				
General government support	5,501,462	5,111,894	4,633,180	478,714
Public safety	9,147,740	9,506,116	8,829,026	677,090
Health	113,692	126,228	114,850	11,378
Transportation	2,226,227	2,080,993	1,850,791	230,202
Economic opportunity and development	3,600	3,600	215	3,385
Culture and recreation	1,982,989	2,072,633	1,875,846	196,787
Home and community services	2,136,903	2,632,797	2,548,075	84,722
Employee benefits	8,269,178	8,126,096	8,104,556	21,540
Debt service				
Principal	1,755,205	1,755,205	1,755,205	-
Interest	1,337,121	1,330,121	1,326,521	3,600
Total Expenditures	32,474,117	32,745,683	31,038,265	1,707,418
Excess (Deficiency) of Revenues Over Expenditures	(1,318,795)	(1,122,525)	1,634,411	2,756,936
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	100,000	117,038	141,818	24,780
Bonds issued	-	-	-	-
Transfers in	295,000	295,000	295,000	-
Transfers out	-	(599,880)	(423,358)	176,522
Total Other Financing Sources (Uses)	395,000	(187,842)	13,460	201,302
Net Change in Fund Balance	(923,795)	(1,310,367)	1,647,871	2,958,238
Fund Balance - Beginning of Year	923,795	1,310,367	7,650,243	6,339,876
Fund Balance - End of Year	\$ -	\$ -	\$ 9,298,114	\$ 9,298,114

2012

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 22,093,502	\$ 22,093,502	\$ 22,082,260	\$ (11,242)
145,000	145,000	135,603	(9,397)
2,620,000	2,620,000	2,811,911	191,911
1,701,060	1,711,060	2,068,727	357,667
70,146	978,570	981,113	2,543
142,664	142,664	170,399	27,735
353,300	353,300	398,940	45,640
962,000	962,000	828,750	(133,250)
23,500	23,500	56,255	32,755
700,682	715,119	601,368	(113,751)
-	-	122,020	122,020
266,000	266,000	261,622	(4,378)
29,077,854	30,010,715	30,518,968	508,253
5,359,515	5,599,065	5,130,192	468,873
8,983,502	9,340,046	8,532,219	807,827
113,692	130,222	105,154	25,068
1,710,725	1,210,895	1,181,669	29,226
500	2,700	2,638	62
1,885,659	2,229,601	1,786,093	443,508
2,152,245	2,517,039	2,200,948	316,091
7,840,581	7,425,377	7,302,449	122,928
1,340,703	1,693,113	1,693,113	-
899,915	1,458,340	1,419,853	38,487
30,287,037	31,606,398	29,354,328	2,252,070
(1,209,183)	(1,595,683)	1,164,640	2,760,323
90,000	90,000	136,753	46,753
-	386,500	-	(386,500)
160,000	160,000	160,000	-
-	-	-	-
250,000	636,500	296,753	(339,747)
(959,183)	(959,183)	1,461,393	2,420,576
959,183	959,183	6,188,850	5,229,667
\$ -	\$ -	\$ 7,650,243	\$ 7,650,243

Village of Mamaroneck, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
REAL PROPERTY TAXES	\$ 22,741,841	\$ 22,741,841	\$ 22,744,570	\$ 2,729	\$ 22,082,260
OTHER TAX ITEMS					
Payments in lieu of taxes	25,000	25,000	25,000	-	25,000
Interest and penalties on real property taxes	95,000	95,000	140,538	45,538	110,603
	120,000	120,000	165,538	45,538	135,603
NON-PROPERTY TAXES					
Non-property tax distribution from County	2,450,000	2,450,000	2,577,071	127,071	2,495,763
Utilities gross receipts taxes	320,000	320,000	334,892	14,892	316,148
	2,770,000	2,770,000	2,911,963	141,963	2,811,911
DEPARTMENTAL INCOME					
Engineering fees	61,100	61,100	54,758	(6,342)	79,746
Clerk/Treasurer fees	4,000	4,000	1,505	(2,495)	1,677
Police fees	11,000	11,000	90,101	79,101	849
Security alarm system	35,000	35,000	32,312	(2,688)	32,912
Parking lots and meters	647,560	647,560	809,559	161,999	730,810
Parks and recreation charges	123,920	126,420	125,834	(586)	142,369
Tennis fees	380,000	380,000	439,517	59,517	403,067
Day camp fees	140,000	140,000	188,365	48,365	142,569
Beach fees	8,000	8,000	38,382	30,382	39,600
Marina and dock fees	360,000	360,000	397,510	37,510	409,003
Vital statistics fees	10,000	10,000	11,039	1,039	10,256
Planning and zoning fees	17,000	17,000	19,136	2,136	23,640
Sewer user charges	55,000	55,000	61,103	6,103	52,229
	1,852,580	1,855,080	2,269,121	414,041	2,068,727

INTERGOVERNMENTAL CHARGES

Snow removal services	29,290	29,290	25,303	(3,987)	26,025
Sewer charges	3,990	3,990	3,990	-	3,990
Bus shelters	7,100	7,100	8,777	1,677	8,131
Selective enforcement	13,065	13,065	13,270	205	8,519
Transportation of prisoners	21,000	21,000	18,309	(2,691)	26,024
Library debt service reimbursement	895,731	895,731	895,731	-	908,424

USE OF MONEY AND PROPERTY

Earnings on investments	970,176	970,176	965,380	(4,796)	981,113
Rental of real property - Land	22,500	22,500	19,324	(3,176)	30,190
Rental of real property - Buildings	125,358	125,358	140,754	15,396	139,609
	600	600	450	(150)	600

LICENSES AND PERMITS

Use of streets	148,458	148,458	160,528	12,070	170,399
Business and occupational licenses	3,000	3,000	6,414	3,414	5,072
Bingo fees	2,500	2,500	5,911	3,411	4,431
Permit fees	100	100	25	(75)	25
Dog licenses	327,700	327,700	455,192	127,492	378,935
Other	3,000	3,000	3,436	436	4,835
	5,000	5,000	6,028	1,028	5,642

FINES AND FORFEITURES

Fines and forfeited bail	341,300	341,300	477,006	135,706	398,940
False alarm charges	850,000	850,000	938,647	88,647	810,465
	15,000	15,000	17,905	2,905	18,285

SALE OF PROPERTY AND COMPENSATION**FOR LOSS**

Sale of equipment	865,000	865,000	956,552	91,552	828,750
Recycling sales	20,000	20,000	14,225	(5,775)	45,011
Minor sales	7,200	7,200	3,209	(3,991)	8,024
Other	1,000	1,000	385	(615)	505
	1,000	1,000	-	(1,000)	2,715
	29,200	29,200	17,819	(11,381)	56,255

(Continued)

Village of Mamaroneck, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended May 31, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
STATE AID					
Per capita	\$ 149,682	\$ 149,682	\$ 149,682	\$ -	\$ 149,682
Mortgage tax	310,000	310,000	363,406	53,406	343,746
Youth programs	2,000	2,000	4,184	2,184	5,172
Public safety	4,672	4,672	4,800	128	19,228
Navigation law enforcement	20,000	20,000	64,607	44,607	23,451
Consolidated Highway Improvement Program	564,813	564,813	449,491	(115,322)	-
Justice court aid	-	-	-	-	7,862
Emergency Management Assistance	-	63,332	37,668	(25,664)	42,227
Other	-	-	11,206	11,206	10,000
	1,051,167	1,114,499	1,085,044	(29,455)	601,368
FEDERAL AID					
Emergency Management Assistance	-	363,004	580,096	217,092	122,020
MISCELLANEOUS					
Medicare part D reimbursement	-	-	71,022	71,022	-
Refunds of prior year's expenditures	1,000	1,000	43,085	42,085	1,371
Workers compensation insurance dividend	95,000	95,000	-	(95,000)	87,393
Larchmont-Mamaroneck Cable TV distributions	169,600	169,600	169,608	8	169,608
Other	-	39,000	55,344	16,344	3,250
	265,600	304,600	339,059	34,459	261,622
TOTAL REVENUES	31,155,322	31,623,158	32,672,676	1,049,518	30,518,968

OTHER FINANCING SOURCES

Insurance recoveries					
Transfers in					
Water Fund	100,000	117,038	141,818	24,780	136,753
Debt Service Fund	135,000	135,000	135,000	-	-
	160,000	160,000	160,000	-	160,000
TOTAL OTHER FINANCING SOURCES	395,000	412,038	436,818	24,780	296,753
TOTAL REVENUES AND					
OTHER FINANCING SOURCES	\$ 31,550,322	\$ 32,035,196	\$ 33,109,494	\$ 1,074,298	\$ 30,815,721

Village of Mamaroneck, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
GENERAL GOVERNMENT SUPPORT					
Legislative	\$ 36,528	\$ 32,664	\$ 30,473	\$ 2,191	\$ 41,668
Judicial	472,396	460,294	448,455	11,839	448,497
Mayor	11,162	11,447	10,005	1,442	9,711
Manager	613,960	553,615	510,779	42,836	504,854
Clerk/Treasurer	603,689	619,059	569,625	49,434	542,328
Assessment	110,081	112,312	98,298	14,014	92,990
Law	511,045	555,412	541,803	13,609	628,708
Engineer	157,200	224,800	160,082	64,718	23,708
Records management	15,280	15,430	12,499	2,931	12,309
Public works	416,874	389,403	321,736	67,667	333,296
Village hall	130,979	121,547	102,300	19,247	103,287
Administrative offices	53,548	110,648	102,687	7,961	50,116
Operation of buildings	78,654	79,009	77,262	1,747	98,314
Central garage	417,527	410,957	380,738	30,219	377,896
Central communications	46,740	49,840	49,742	98	43,625
Central printing and mailing	40,392	40,392	37,268	3,124	34,200
Central data processing	225,747	225,655	214,637	11,018	228,182
Unallocated insurance	670,125	562,925	548,716	14,209	545,295
Municipal association dues	7,290	7,390	7,386	4	6,650
Judgments and claims	-	-	-	-	5,105
Taxes and assessments	85,745	85,705	79,385	6,320	84,303
Refunds of real property taxes	600,000	400,000	285,923	114,077	873,270
MTA taxes	46,500	43,390	43,381	9	41,880
Contingency	150,000	-	-	-	-
	<u>5,501,462</u>	<u>5,111,894</u>	<u>4,633,180</u>	<u>478,714</u>	<u>5,130,192</u>

PUBLIC SAFETY

Police	7,365,163	7,612,021	7,122,622	489,399	6,803,415
Jail	7,350	7,350	4,104	3,246	5,803
Traffic control	181,691	171,381	130,697	40,684	134,903
Parking	254,534	255,424	239,540	15,884	236,279
Safety Committee	3,500	3,500	395	3,105	2,041
Electrical Department	89,538	89,758	86,661	3,097	83,916
Fire Department	632,613	696,683	634,799	61,884	670,366
Control of animals	24,648	25,748	25,699	49	25,929
Safety inspection	588,653	644,201	584,509	59,692	569,567
Civil defense	50	50	-	50	-
	<u>9,147,740</u>	<u>9,506,116</u>	<u>8,829,026</u>	<u>677,090</u>	<u>8,532,219</u>

HEALTH

Insect control	6,700	19,100	17,444	1,656	5,367
Registrar of Vital Statistics	3,500	3,635	3,634	1	3,500
Community Counseling Service	37,000	37,000	37,000	-	37,000
Ambulance service	66,492	66,493	56,772	9,721	59,287
	<u>113,692</u>	<u>126,228</u>	<u>114,850</u>	<u>11,378</u>	<u>105,154</u>

TRANSPORTATION

Street maintenance	1,059,314	1,034,080	903,427	130,653	861,991
Snow removal	315,650	285,650	207,201	78,449	98,935
Street lighting	266,200	286,200	284,987	1,213	210,651
Consolidated Highway Improvement Program	564,813	454,813	449,491	5,322	-
Off-street parking	20,250	20,250	5,685	14,565	10,092
	<u>2,226,227</u>	<u>2,080,993</u>	<u>1,850,791</u>	<u>230,202</u>	<u>1,181,669</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Publicity	3,600	3,600	215	3,385	2,638
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(Continued)

Village of Mamaroneck, New York

General Fund

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

Year Ended May 31, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
CULTURE AND RECREATION					
Parks and playgrounds	\$ 889,131	\$ 961,453	\$ 901,232	\$ 60,221	\$ 840,624
Community center	280,231	268,280	257,489	10,791	244,059
Council of the arts	19,050	22,450	20,667	1,783	11,383
Beach	143,370	160,528	149,065	11,463	150,972
Marinas and docks	209,102	213,067	192,883	20,184	175,116
Youth programs	262,880	261,780	236,977	24,803	230,454
Library/Emelin Theatre	13,200	13,200	13,200	-	13,200
Historian	1,600	1,600	-	1,600	333
Celebrations	71,525	74,025	35,526	38,499	53,989
Adult recreation	92,900	96,250	68,807	27,443	65,963
	<u>1,982,989</u>	<u>2,072,633</u>	<u>1,875,846</u>	<u>196,787</u>	<u>1,786,093</u>
HOME AND COMMUNITY SERVICES					
Board of Appeals	19,300	19,300	6,078	13,222	8,207
Planning	10,350	39,105	37,223	1,882	9,752
Sanitary sewers	182,528	142,203	128,191	14,012	121,856
Storm sewers	61,500	54,800	51,230	3,570	2,800
Refuse and garbage	1,564,612	1,615,475	1,594,801	20,674	1,581,631
Street cleaning	172,908	161,253	158,777	2,476	162,095
Community beautification	-	1,245	1,245	-	1,000
Shade trees	119,405	139,662	139,658	4	76,179
Emergency tenant protection	6,300	-	-	-	5,320
Coastal Zone Management	-	459,754	430,872	28,882	232,108
	<u>2,136,903</u>	<u>2,632,797</u>	<u>2,548,075</u>	<u>84,722</u>	<u>2,200,948</u>

EMPLOYEE BENEFITS

State retirement	1,068,823	1,118,938	1,118,936	2	888,596
State retirement - Police	1,554,910	1,542,795	1,537,623	5,172	1,269,214
Local police pension	18,000	18,000	18,000	-	18,000
Social security	1,037,662	936,805	936,803	2	899,074
Workers' compensation benefits	680,000	805,765	805,763	2	690,014
Hospital, medical and dental insurance	3,693,059	3,489,039	3,478,786	10,253	3,346,916
Life insurance	13,800	3,825	3,822	3	5,870
Unemployment benefits	40,000	44,475	44,473	2	33,980
Disability benefits	6,000	6,000	-	6,000	4,277
Police welfare fund	156,924	160,454	160,350	104	146,508
	<u>8,269,178</u>	<u>8,126,096</u>	<u>8,104,556</u>	<u>21,540</u>	<u>7,302,449</u>

DEBT SERVICE

Principal					
Serial bonds	1,590,365	1,590,365	1,590,365	-	1,529,412
Capital lease	164,840	164,840	164,840	-	163,701
	<u>1,755,205</u>	<u>1,755,205</u>	<u>1,755,205</u>	<u>-</u>	<u>1,693,113</u>

Interest

Serial bonds	1,294,625	1,294,626	1,294,625	1	1,405,632
Bond anticipation notes	29,414	22,412	18,814	3,598	-
Capital lease	13,082	13,083	13,082	1	14,221
	<u>1,337,121</u>	<u>1,330,121</u>	<u>1,326,521</u>	<u>3,600</u>	<u>1,419,853</u>
	<u>3,092,326</u>	<u>3,085,326</u>	<u>3,081,726</u>	<u>3,600</u>	<u>3,112,966</u>

TOTAL EXPENDITURES

	32,474,117	32,745,683	31,038,265	1,707,418	29,354,328
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OTHER FINANCING USES

Transfers out					
Capital Projects Fund	-	599,880	423,358	176,522	-

TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 32,474,117</u>	<u>\$ 33,345,563</u>	<u>\$ 31,461,623</u>	<u>\$ 1,883,940</u>	<u>\$ 29,354,328</u>
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Village of Mamaroneck, New York

Water Fund
Comparative Balance Sheet
May 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 2,945,793	\$ 555,548
Accounts receivable	1,061,134	1,567,690
Due from other funds	<u>236,548</u>	<u>747,278</u>
Total Assets	<u>\$ 4,243,475</u>	<u>\$ 2,870,516</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ -	\$ 18,000
Due to other governments	<u>5,236,971</u>	<u>3,873,163</u>
Total Liabilities	5,236,971	3,891,163
Fund deficit		
Unassigned	<u>(993,496)</u>	<u>(1,020,647)</u>
Total Liabilities and Fund Deficit	<u>\$ 4,243,475</u>	<u>\$ 2,870,516</u>

Village of Mamaroneck, New York

Water Fund

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

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ 500	\$ 500	\$ 2,079	\$ 1,579
Miscellaneous	2,332,026	2,332,026	2,255,756	(76,270)
Total Revenues	2,332,526	2,332,526	2,257,835	(74,691)
EXPENDITURES				
Current				
General government support	1,435,500	1,435,500	1,363,808	71,692
Home and community services	86,250	86,250	72,000	14,250
Debt service				
Principal	439,635	439,635	439,635	-
Interest	251,141	251,141	235,241	15,900
Total Expenditures	2,212,526	2,212,526	2,110,684	101,842
Excess (Deficiency) of Revenues Over Expenditures	120,000	120,000	147,151	27,151
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	15,000	15,000	-
Transfers out	(135,000)	(135,000)	(135,000)	-
Total Other Financing Sources (Uses)	(120,000)	(120,000)	(120,000)	-
Net Change in Fund Balance	-	-	27,151	27,151
Fund Deficit - Beginning of Year	-	-	(1,020,647)	(1,020,647)
Fund Deficit - End of Year	\$ -	\$ -	\$ (993,496)	\$ (993,496)

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 500	\$ 500	\$ 168	\$ (332)
932,114	2,414,114	2,413,561	(553)
932,614	2,414,614	2,413,729	(885)
60,000	1,542,000	1,375,138	166,862
86,250	86,250	72,000	14,250
430,589	430,589	430,588	1
370,775	370,775	245,775	125,000
947,614	2,429,614	2,123,501	306,113
(15,000)	(15,000)	290,228	305,228
15,000	15,000	15,000	-
-	-	-	-
15,000	15,000	15,000	-
-	-	305,228	305,228
-	-	(1,325,875)	(1,325,875)
\$ -	\$ -	\$ (1,020,647)	\$ (1,020,647)

Village of Mamaroneck, New York

Water Fund

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
USE OF MONEY AND PROPERTY					
Earnings on investments	\$ 500	\$ 500	\$ 2,079	\$ 1,579	\$ 168
MISCELLANEOUS					
Distribution from Westchester Joint Water Works	2,332,026	2,332,026	2,255,756	(76,270)	2,413,561
TOTAL REVENUES	2,332,526	2,332,526	2,257,835	(74,691)	2,413,729
OTHER FINANCING SOURCES					
Transfers in	15,000	15,000	15,000	-	15,000
Debt Service Fund					
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 2,347,526	\$ 2,347,526	\$ 2,272,835	\$ (74,691)	\$ 2,428,729

Village of Mamaroneck, New York

Water Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
GENERAL GOVERNMENT SUPPORT					
Bond and note issuance costs	\$ 55,000	\$ 55,000	\$ -	\$ 55,000	\$ -
Filtration plant fines	1,375,500	1,375,500	1,363,808	11,692	1,375,138
Contingency	5,000	5,000	-	5,000	-
	1,435,500	1,435,500	1,363,808	71,692	1,375,138
HOME AND COMMUNITY SERVICES					
Meter installation and hydrant rentals	86,250	86,250	72,000	14,250	72,000
DEBT SERVICE					
Principal					
Serial bonds	439,635	439,635	439,635	-	430,588
Interest					
Serial bonds	230,690	230,690	230,690	-	245,775
Bond anticipation notes	20,451	20,451	4,551	15,900	-
	251,141	251,141	235,241	15,900	245,775
	690,776	690,776	674,876	15,900	676,363
TOTAL EXPENDITURES	2,212,526	2,212,526	2,110,684	101,842	2,123,501
OTHER FINANCING USES					
Transfers out					
General Fund	135,000	135,000	135,000	-	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 2,347,526	\$ 2,347,526	\$ 2,245,684	\$ 101,842	\$ 2,123,501

Village of Mamaroneck, New York**Capital Projects Fund
Comparative Balance Sheet
May 31,**

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	<u>\$ 3,098,009</u>	<u>\$ 2,860,304</u>
Receivables		
State and Federal aid	109,368	109,368
Due from other governments	<u>11,955,000</u>	<u>12,360,000</u>
	<u>12,064,368</u>	<u>12,469,368</u>
 Total Assets	 <u><u>\$ 15,162,377</u></u>	 <u><u>\$ 15,329,672</u></u>
 LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 237,777	\$ 6,465
Retainages payable	106,862	16,992
Due to other funds	2,626,349	81,350
Unearned revenues	11,955,000	12,417,333
Bond anticipation notes payable	<u>1,817,689</u>	<u>1,817,689</u>
 Total Liabilities	 <u>16,743,677</u>	 <u>14,339,829</u>
 Fund balance (deficit)		
Restricted	-	989,843
Unassigned	<u>(1,581,300)</u>	<u>-</u>
 Total Fund Balance (Deficit)	 <u>(1,581,300)</u>	 <u>989,843</u>
 Total Liabilities and Fund Balance (Deficit)	 <u><u>\$ 15,162,377</u></u>	 <u><u>\$ 15,329,672</u></u>

Village of Mamaroneck, New York**Capital Projects Fund****Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended May 31,**

	<u>2013</u>	<u>2012</u>
REVENUES		
State aid	\$ 249,401	\$ 2,021
Federal aid	140,270	350,000
Miscellaneous	<u>502,086</u>	<u>96,364</u>
Total Revenues	891,757	448,385
EXPENDITURES		
Capital outlay	<u>3,886,258</u>	<u>2,881,599</u>
Deficiency of Revenues Over Expenditures	(2,994,501)	(2,433,214)
OTHER FINANCING SOURCES		
Transfers in	<u>423,358</u>	<u>-</u>
Net Change in Fund Balance	(2,571,143)	(2,433,214)
Fund Balance - Beginning of Year	<u>989,843</u>	<u>3,423,057</u>
Fund Balance (Deficit)- End of Year	<u>\$ (1,581,300)</u>	<u>\$ 989,843</u>

Village of Mamaroneck, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through May 31, 2013

PROJECT	Authorization	Expenditures and Transfers	Unexpended Balance
Taylor Lane Site Clean-up	\$ 4,150,267	\$ 4,204,650	\$ (54,383)
DPW Ramp Project	70,000	62,660	7,340
Design Rye Lake Plant	18,113,900	1,425,280	16,688,620
Larchmont Plant Modifications	324,900	299,423	25,477
Pump Station Expansion and Backup Generator	1,237,800	722,634	515,166
LED Traffic Lights	110	-	110
KVS Software Applications	71,000	66,025	4,975
Sewer Remediation	470,000	464,818	5,182
Sidewalk Improvement Project - Boston Post Road	316,500	304,705	11,795
Old White Plains Road to Jefferson Avenue.	700,000	666,890	33,110
Police Band Radio System	10,700	10,622	78
Jefferson Avenue Bridge	3,800,000	1,603,378	2,196,622
Heithaus Walkway Project	199,250	2,800	196,450
EPA Storm Sewer Discharge	162,200	31,023	131,177
Sanitation Truck	183,550	183,550	-
Dump Truck and Plow	196,400	184,824	11,576
Harbor Master Boat	43,000	30,583	12,417
Toyota Priuses	45,792	45,792	-
Beach Avenue Street Drainage	313,550	313,007	543
North Barry Avenue Drainage	841,818	72,459	769,359
Taylor Lane Water Main Rehabilitation	226,515	122,373	104,142
York Road Water Main Replacement	163,800	163,800	-
Springdale Road Booster Pump	39,000	39,000	-
Community Rating System	25,000	12,500	12,500
Public Works Foreman Vehicle	27,500	26,788	712
HVAC System - 169 Mt. Pleasant	513,000	10,490	502,510
Laserfiche Software Update	70,650	70,650	-
Toyota Prius - 2 Vehicles	50,000	47,660	2,340
Palmer Firehouse Sound Wall	100,000	-	100,000
Fire Engine - Reserve for Future Purchase	200,000	-	200,000
Parks Department Foremen Vehicle	27,000	29,411	(2,411)
Pavilion HVAC System	17,000	16,906	94
Harbor Island Beach Rake	34,734	34,734	-
Grounds Maintenance Equipment - Sandpro	21,195	21,195	-
Grounds Maintenance Equipment - Rake-O-Vac	29,950	29,950	-
HI Pavilion Roof Replacement	289,600	120,000	169,600
Jefferson Ave Bridge Sewer Main Replacement	1,091,739	626,012	465,727
Sanitation Vehicle	183,500	183,500	-
WJWW - 30" Transmission Line	424,700	397,697	27,003
WJWW - Upgrades to Water Tanks	99,955	3,973	95,982
WJWW - A 1292 Transmission Line Repair	178,100	85,673	92,427
Totals	\$ 35,063,675	\$ 12,737,435	\$ 22,326,240

Revenues and Transfers	Fund Balance (Deficit) at May 31, 2013	Bond Anticipation Notes Outstanding at May 31, 2013
\$ 3,850,797	\$ (353,853)	\$ -
70,000	7,340	-
3,677,300	2,252,020	-
324,900	25,477	-
953,553	230,919	-
110	110	-
71,000	4,975	-
-	(464,818)	470,000
159,500	(145,205)	157,000
350,000	(316,890)	350,000
-	(10,622)	-
751,487	(851,891)	-
-	(2,800)	-
-	(31,023)	-
-	(183,550)	183,550
-	(184,824)	184,824
-	(30,583)	43,000
-	(45,792)	-
313,007	-	-
242,481	170,022	-
-	(122,373)	226,515
-	(163,800)	163,800
-	(39,000)	39,000
25,000	12,500	-
-	(26,788)	-
-	(10,490)	-
-	(70,650)	-
50,000	2,340	-
100,000	100,000	-
200,000	200,000	-
-	(29,411)	-
17,000	94	-
-	(34,734)	-
-	(21,195)	-
-	(29,950)	-
-	(120,000)	-
-	(626,012)	-
-	(183,500)	-
-	(397,697)	-
-	(3,973)	-
-	(85,673)	-
<u>\$ 11,156,135</u>	<u>\$ (1,581,300)</u>	<u>\$ 1,817,689</u>

Village of Mamaroneck, New York

Combining Balance Sheet
Non-Major Governmental Funds
May 31, 2013
(With Comparative Totals for 2012)

	Special Purpose Fund	Debt Service Fund	Total Non-Major Governmental Funds	
			2013	2012
ASSETS				
Cash and equivalents	\$ 445,128	\$ 1,013,668	\$ 1,458,796	\$ 1,836,772
Due from other funds	-	1,950	1,950	-
Total Assets	<u>\$ 445,128</u>	<u>\$ 1,015,618</u>	<u>\$ 1,460,746</u>	<u>\$ 1,836,772</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 139	\$ -	\$ 139	\$ 729
Due to other funds	3,386	-	3,386	6,692
Total Liabilities	<u>3,525</u>	<u>-</u>	<u>3,525</u>	<u>7,421</u>
Fund balances				
Restricted	441,603	841,618	1,283,221	1,655,351
Assigned	-	174,000	174,000	174,000
Total Fund Balances	<u>441,603</u>	<u>1,015,618</u>	<u>1,457,221</u>	<u>1,829,351</u>
Total Liabilities and Fund Balances	<u>\$ 445,128</u>	<u>\$ 1,015,618</u>	<u>\$ 1,460,746</u>	<u>\$ 1,836,772</u>

Village of Mamaroneck, New York

**Combining Statement of Revenues, Expenditures and Changes
in Fund Balances**

Non-Major Governmental Funds

Year Ended May 31, 2013

(With Comparative Totals for 2012)

	Special Purpose Fund	Debt Service Fund	Total Non-Major Governmental Funds	
			2013	2012
REVENUES				
Use of money and property	\$ 194	\$ 6,844	\$ 7,038	\$ 2,759
Miscellaneous	41,216	-	41,216	213,665
Total Revenues	41,410	6,844	48,254	216,424
EXPENDITURES				
Current				
Health	1,522	-	1,522	8,407
Culture and recreation	243,528	-	243,528	25,818
Home and community services	334	-	334	3,059
Total Expenditures	245,384	-	245,384	37,284
Excess (Deficiency) of Revenues Over Expenditures	(203,974)	6,844	(197,130)	179,140
OTHER FINANCING USES				
Transfers out	-	(175,000)	(175,000)	(175,000)
Net Change in Fund Balances	(203,974)	(168,156)	(372,130)	4,140
Fund Balances - Beginning of Year	645,577	1,183,774	1,829,351	1,825,211
Fund Balances - End of Year	\$ 441,603	\$ 1,015,618	\$ 1,457,221	\$ 1,829,351

Village of Mamaroneck, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	<u>\$ 445,128</u>	<u>\$ 652,998</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 139	\$ 729
Due to other funds	<u>3,386</u>	<u>6,692</u>
Total Liabilities	3,525	7,421
Fund balance		
Restricted	<u>441,603</u>	<u>645,577</u>
Total Liabilities and Fund Balance	<u>\$ 445,128</u>	<u>\$ 652,998</u>

Village of Mamaroneck, New York**Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended May 31,**

	<u>2013</u>	<u>2012</u>
REVENUES		
Use of money and property	\$ 194	\$ 248
Miscellaneous	<u>41,216</u>	<u>213,665</u>
Total Revenues	<u>41,410</u>	<u>213,913</u>
EXPENDITURES		
Current		
Health	1,522	8,407
Culture and recreation	243,528	25,818
Home and community services	<u>334</u>	<u>3,059</u>
Total Expenditures	<u>245,384</u>	<u>37,284</u>
Excess (Deficiency) of Revenues Over Expenditures	(203,974)	176,629
Fund Balance - Beginning of Year	<u>645,577</u>	<u>468,948</u>
Fund Balance - End of Year	<u>\$ 441,603</u>	<u>\$ 645,577</u>

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Village of Mamaroneck, New York

Debt Service Fund
Comparative Balance Sheet
May 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 1,013,668	\$ 1,183,774
Due from other funds	<u>1,950</u>	<u>-</u>
Total Assets	<u><u>\$ 1,015,618</u></u>	<u><u>\$ 1,183,774</u></u>
FUND BALANCE		
Restricted	\$ 841,618	\$ 1,009,774
Assigned	<u>174,000</u>	<u>174,000</u>
Total Fund Balance	<u><u>\$ 1,015,618</u></u>	<u><u>\$ 1,183,774</u></u>

Village of Mamaroneck, New York**Debt Service Fund****Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended May 31,**

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ 1,000	\$ 1,000	\$ 6,844	\$ 5,844
OTHER FINANCING USES				
Transfers out	(175,000)	(175,000)	(175,000)	-
Net Change in Fund Balance	(174,000)	(174,000)	(168,156)	5,844
Fund Balance - Beginning of Year	174,000	174,000	1,183,774	1,009,774
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,015,618</u>	<u>\$ 1,015,618</u>

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Mayor and Village Board of Trustees
of the Village of Mamaroneck, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Mamaroneck, New York ("Village") as of and for the year ended May 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated October 23, 2013. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

O'CONNOR DAVIES, LLP

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Compliance and Other Matters

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

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

Purpose of this Report

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

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

October 23, 2013

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

Independent Auditor's Report

**The Honorable Mayor and Village Board of Trustees
of the Village of Mamaroneck, New York**

Report on Compliance for Each Major Federal Program

We have audited the Village of Mamaroneck, New York's ("Village") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended May 31, 2013. The Village's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Village's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Village's compliance.

Opinion on Each Major Federal Program

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

O'CONNOR DAVIES, LLP

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Report on Internal Control Over Compliance

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

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

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

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

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
October 23, 2013

Village of Mamaroneck, New York

**Schedule of Expenditures of Federal Awards
Year Ending May 31, 2013**

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Environmental Protection Agency</u>		
Direct Program		
Congressionally Mandated Projects	66.202	\$ 140,270
<u>U.S. Department of Homeland Security</u>		
Indirect Program		
Passed Through New York State		
Emergency Management Office		
Disaster Grants - Public Assistance - (Presidentially Declared Disasters)	97.036	<u>580,096</u>
Total Expenditures		<u>\$ 720,366</u>

(1) Catalog of Federal Domestic Assistance Number

The accompanying notes are an integral part of this schedule.

Village of Mamaroneck, New York

Notes to Schedule of Expenditures of Federal Awards Year Ended May 31, 2013

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

Village of Mamaroneck, New York

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

None

Village of Mamaroneck, New York

**Schedule of Findings and Questioned Costs
Year Ended May 31, 2013**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

Unqualified

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

 yes X no

Identification of major programs:

CFDA
Number

Federal Program or Cluster

97.036

Disaster Grants – Public Assistance

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

\$300,000
 Yes X No

Village of Mamaroneck, New York

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

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

