

**Town of Beekman, New York**

Financial Statements and  
Supplementary Information

Year Ended December 31, 2012



# Town of Beekman, New York

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## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Beekman, New York ("Town") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

O'CONNOR DAVIES, LLP

500 Mamaroneck Avenue, Suite 301, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | [www.odpkf.com](http://www.odpkf.com)

O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

## Opinion

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

## Other Matters

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules 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 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.

*O'Connor Davies, LLP*

O'Connor Davies, LLP  
Harrison, New York  
August 18, 2013

# Town of Beekman, New York

## Management's Discussion and Analysis (MD&A) December 31, 2012

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### Introduction

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

### Financial Highlights

- On the government-wide financial statements, the assets of the Town exceeded its liabilities at the close of the 2012 fiscal year by \$30,089,528.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,434,154. The total fund balance that is unassigned and available for spending at the Town's discretion is \$470,262 the remaining balance of \$963,892 is nonspendable, restricted and assigned. Included in this ending fund balance of \$1,434,154 is the General Fund's unassigned fund balance of \$1,005,826 and the Highway Fund's assigned fund balance of \$348,594.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town'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 Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, liabilities and deferred inflows/outflows of resources, with the difference 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 Town is improving or deteriorating.

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

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

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

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, 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 Town 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 short-term inflows and outflows of revenues and expenditures, as well as on appropriated balances of funds available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Government-wide financial statements cover a broad spectrum of financial reporting. It is, therefore, more useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains five individual governmental funds: the General Fund, Highway Fund, Special Districts Fund, Special Purpose Fund and the Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for all funds. All funds are considered to be major funds.

The Town adopts annual budgets for the General Fund, Highway Fund, and the Special Districts Fund. Budgetary comparison statements have been provided for these funds 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 Town programs. The Town maintains several types of fiduciary funds which include Bid Deposits and Consultant Escrows. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization, or government.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

### 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. The notes to the financial statements can be found following the basic financial statements section of this report.

### Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the Town's other post employment benefit obligations, the combining statements for the special district funds and the schedules of budget to actual comparisons.

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the Town, assets exceeded liabilities by \$30,089,528 at the close of 2012.

The following table reflects the condensed Statement of Net Position:

	2012	2011
Current Assets	\$ 2,093,880	\$ 2,615,019
Capital Assets, net	32,358,299	31,635,618
Total Assets	34,452,179	34,250,637
Current Liabilities	702,862	597,058
Long-term Liabilities	3,659,789	3,183,934
Total Liabilities	4,362,651	4,124,463
Net Position		
Net investment in capital assets	29,256,313	28,685,765
Restricted	443,443	864,677
Unrestricted	389,772	919,203
Total Net Position	\$ 30,089,528	\$ 30,469,645

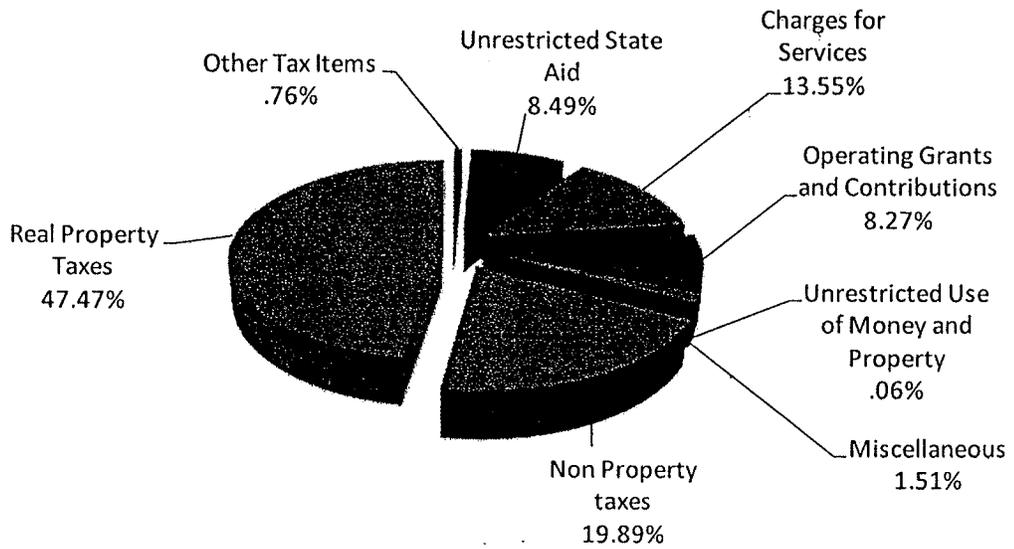
The largest portion of the Town's net position is its investment in capital assets (land, construction-in-progress, buildings, land improvements, machinery and equipment and infrastructure), less any related debt outstanding that was used to acquire those assets. The Town uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted

that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt. The restricted net assets of \$443,443 are restricted for highway, future capital projects and debt service.

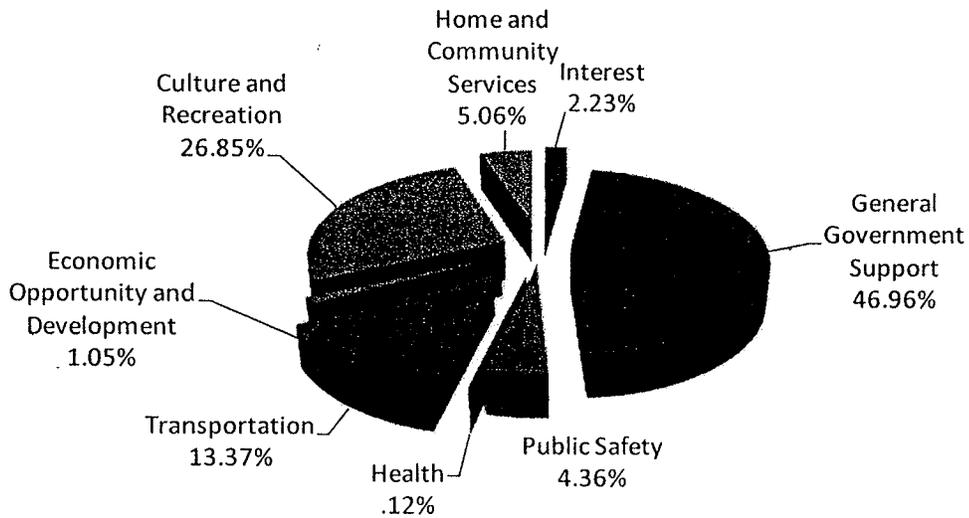
**Changes in Net Position  
December 31,**

	2012	2011
Program Revenues		
Charges for Services	\$ 598,515	\$ 595,388
Operating Grants and Contributions	365,988	396,091
Capital Grants and Contributions	6	1,075
General Revenues		
Real Property Taxes	2,096,832	2,099,866
Other Tax items	33,470	40,749
Non Property Taxes	878,859	892,685
Unrestricted Use of Money and Property	2,846	11,350
Unrestricted State Aid	375,308	378,228
Miscellaneous	66,514	53,487
Total Revenues	4,418,338	4,468,919
Program Expenses		
General Government Support	2,253,229	1,753,865
Public Safety	209,121	172,441
Health	5,776	3,917
Transportation	641,681	1,868,278
Economic Opportunity and Development	50,482	44,925
Culture and Recreation	1,288,349	826,813
Home and Community Services	242,968	241,745
Interest	106,849	98,311
Total Expenses	4,798,455	5,010,295
Change in Net Position	(380,117)	(541,376)
Net Position - Beginning	30,469,645	31,011,021
Net Position - Ending	\$ 30,089,528	\$ 30,469,645

## Sources of Revenue for Fiscal Year 2012 Governmental Activities



## Expenses for Fiscal Year 2012 Governmental Activities



## Governmental Activities

For the fiscal year ended December 31, 2012, revenues from governmental activities totaled \$4,418,338. Tax revenues of \$3,009,161 comprised of real property taxes, other tax items and non property taxes; represent the largest revenue source (68.11%).

The largest components of governmental activities' expenses are general government support (46.96%) and culture and recreation (26.85%).

## Financial Analysis of the Town's Funds

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

### Fund Balance Reporting

The Governmental Accounting Standards Board ("GASB") issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Town's fiscal period ending December 31, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications. The five new classifications are nonspendable, restricted, committed, assigned and unassigned. An explanation of each of these new classifications are as follows.

**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, and 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, such as the reserve for employee benefit accrued liability.

**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, such as the designation for tax certioraris or debt stabilization.

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

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

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

Governmental Funds

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

As of the end of the 2012 fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,434,154. The General Fund is the primary operating fund of the Town. At the end of the 2012 fiscal year, the General Fund reported a fund balance of \$1,592,134. In addition, the Highway Fund reported a year end fund balance of \$348,594.

**General Fund Budgetary Highlights**

For fiscal year 2012, the General Fund exceeded budgeted revenues by \$375,793, which offset unanticipated expenses that exceeded the budget by \$355,009. In addition to no increase in the property tax levy the budget was again adopted with no appropriation from the fund balance. An insurance recovery of \$97,595 was realized and used to defray some related unanticipated building expenses and still allowed for \$20,784 to be returned to the fund balance. The Highway Fund exceed budgeted revenues by \$21,855 and expended \$16,398 less than budgeted allowing for \$38,253 to be returned to the fund balance.

**Capital Asset and Debt Administration**

**Capital Assets**

The Town's investment in capital assets for its governmental activities as of December 31, 2012 amount to \$32,358,299 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure.

**Capital Assets  
(Net of Depreciation)**

	<u>2012</u>	<u>2011</u>
Land	\$ 2,010,114	\$ 2,010,114
Construction-in-Progress	-	256,391
Buildings		
Land Improvements	1,699,524	1,191,291
Machinery and Equipment	575,355	347,822
Infrastructure	<u>28,073,306</u>	<u>27,830,000</u>
Total	<u>\$ 32,358,299</u>	<u>\$ 31,635,618</u>

### **Long-Term Debt**

At the end of the current fiscal year, the Town had total bonded indebtedness of \$2,769,058. Due to mounting pressure to address growing infrastructure demands, primarily road, highway equipment and building repairs it is anticipated that the Town will incur debt in the future to fund these needs. As required by New York State Law, all bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Beekman, New York's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to the Town Supervisor's Office, Town of Beekman, 4 Main Street, Poughquaq, New York 12570.

**Town of Beekman, New York**

Statement of Net Position  
December 31, 2012

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 1,250,500
Receivables	
Accounts	438,277
Water and sewer rents	105,220
Due from other governments	204,840
Prepaid expenses	95,043
Capital assets	
Not being depreciated	2,010,114
Being depreciated, net	<u>30,348,185</u>
Total Assets	<u>34,452,179</u>
<b>LIABILITIES</b>	
Accounts payable	595,950
Accrued liabilities	63,776
Accrued interest payable	43,136
Non-current liabilities	
Due within one year	261,979
Due in more than one year	<u>3,397,810</u>
Total Liabilities	<u>4,362,651</u>
<b>NET POSITION</b>	
Net investment in capital assets	29,256,313
Restricted	
Highway	198,375
Future capital projects	216,113
Debt service	28,955
Unrestricted	<u>389,772</u>
Total Net Position	<u>\$ 30,089,528</u>

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

Town of Beekman, New York

Statement of Activities  
Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 2,253,229	\$ 248,926	\$ 106,470	\$ 6
Public safety	209,121	10,389	-	-
Health	5,776	-	-	-
Transportation	641,681	-	248,855	-
Economic opportunity and development	50,482	15,974	-	-
Culture and recreation	1,288,349	181,472	10,281	-
Home and community services	242,968	141,754	382	-
Interest	106,849	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 4,798,455</b>	<b>\$ 598,515</b>	<b>\$ 365,988</b>	<b>\$ 6</b>

General revenues  
 Real property taxes  
 Other tax items  
   Interest and penalties on real property taxes  
 Non-property taxes  
   Non-property tax distribution from County  
 Franchise fees  
 Unrestricted use of money and property  
 Unrestricted State aid  
 Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - Ending

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

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Net (Expense)  
Revenue and  
Changes in  
Net Position

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\$ (1,897,827)  
(198,732)  
(5,776)  
(392,826)  
  
(34,508)  
(1,096,596)  
  
(100,832)  
(106,849)

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(3,833,946)

2,096,832

33,470

799,570

79,289

2,846

375,308

66,514

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3,453,829

(380,117)

30,469,645

\$ 30,089,528

Town of Beekman, New York

Balance Sheet  
 Governmental Funds  
 December 31, 2012

	General	Highway	Special Districts
<b>ASSETS</b>			
Cash and equivalents	\$ 689,371	\$ 388,217	\$ 116,310
Receivables			
Accounts	438,277	-	-
Water and sewer rents	-	-	105,220
Due from other governments	204,840	-	-
Due from other funds	234,416	-	-
Advances to other funds	175,187	-	-
	<u>1,052,720</u>	<u>-</u>	<u>105,220</u>
Prepaid expenditures	<u>95,043</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,837,134</u>	<u>\$ 388,217</u>	<u>\$ 221,530</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ 213,651	\$ 7,161	\$ 6,837
Accrued liabilities	31,314	32,462	-
Due to other funds	-	-	184,881
Advances from other funds	-	-	175,187
Total Liabilities	<u>244,965</u>	<u>39,623</u>	<u>366,905</u>
Fund balances (deficits)			
Nonspendable	370,230	-	-
Restricted	216,113	-	28,955
Assigned	-	348,594	-
Unassigned	<u>1,005,826</u>	<u>-</u>	<u>(174,330)</u>
Total Fund Balances (Deficits)	<u>1,592,169</u>	<u>348,594</u>	<u>(145,375)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,837,134</u>	<u>\$ 388,217</u>	<u>\$ 221,530</u>

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

Special Purpose	Capital Projects	Total Governmental Funds
\$ 36,906	\$ 19,696	\$ 1,250,500
-	-	438,277
-	-	105,220
-	-	204,840
-	-	234,416
-	-	175,187
-	-	1,157,940
-	-	95,043
<u>\$ 36,906</u>	<u>\$ 19,696</u>	<u>\$ 2,503,483</u>
\$ 110,769	\$ 257,532	\$ 595,950
-	-	63,776
-	49,535	234,416
-	-	175,187
<u>110,769</u>	<u>307,067</u>	<u>1,069,329</u>
-	-	370,230
-	-	245,068
-	-	348,594
(73,863)	(287,371)	470,262
<u>(73,863)</u>	<u>(287,371)</u>	<u>1,434,154</u>
<u>\$ 36,906</u>	<u>\$ 19,696</u>	<u>\$ 2,503,483</u>

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**Town of Beekman, New York**

Reconciliation of Governmental Funds Balance Sheet to  
the Government-Wide Statement of Net Position  
December 31, 2012

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Fund Balances - Total Governmental Funds	\$ 1,434,154
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	32,358,299
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(43,136)
Bonds payable	(2,769,058)
Installment purchase debt	(332,928)
Compensated absences	(49,445)
Other post employment benefit obligations payable	(508,358)
Net Position of Governmental Activities	<u>\$ 30,089,528</u>

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

**Town of Beekman, New York**

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended December 31, 2012

	General	Highway	Special Districts
<b>REVENUES</b>			
Real property taxes	\$ 968,397	\$, 1,102,640	\$ 25,795
Other tax items	33,470	-	-
Non-property taxes	878,859	-	-
Departmental income	254,793	-	126,854
Use of money and property	2,846	10	382
Licenses and permits	173,250	-	-
Fines and forfeitures	43,618	-	-
Sale of property and compensation for loss	2,490	772	-
State aid	408,509	93,118	-
Federal aid	99,599	-	-
Miscellaneous	72,899	22,155	-
<b>Total Revenues</b>	<b>2,938,730</b>	<b>1,218,695</b>	<b>153,031</b>
<b>EXPENDITURES</b>			
Current			
General government support	1,225,381	2,958	-
Public safety	70,886	-	-
Health	1,879	-	-
Transportation	78,698	1,144,277	-
Economic opportunity and development	50,482	-	-
Culture and recreation	399,509	-	-
Home and community services	141,961	-	99,434
Employee benefits	721,136	33,207	-
Debt service			
Principal	228,797	-	25,795
Interest	96,812	-	-
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>3,015,541</b>	<b>1,180,442</b>	<b>125,229</b>
Excess (Deficiency) of Revenues Over Expenditures	(76,811)	38,253	27,802
<b>OTHER FINANCING SOURCES</b>			
Insurance recoveries	97,595	-	-
Installment purchase debt issued	-	-	-
<b>Total Other Financing Sources</b>	<b>97,595</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>20,784</b>	<b>38,253</b>	<b>27,802</b>
Fund Balances (Deficits) - Beginning of Year	1,571,385	310,341	(173,177)
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 1,592,169</b>	<b>\$ 348,594</b>	<b>\$ (145,375)</b>

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

Special Purpose	Capital Projects	Total Governmental Funds
\$ -	\$ -	\$ 2,096,832
-	-	33,470
-	-	878,859
10,000	-	391,647
281	6	3,525
-	-	173,250
-	-	43,618
-	-	3,262
-	-	501,627
-	-	99,599
-	-	95,054
10,281	6	4,320,743
-	-	1,228,339
-	-	70,886
-	-	1,879
-	-	1,222,975
-	-	50,482
456,500	-	856,009
-	-	241,395
-	-	754,343
-	-	254,592
-	-	96,812
-	664,257	664,257
456,500	664,257	5,441,969
(446,219)	(664,251)	(1,121,226)
-	-	97,595
-	406,725	406,725
-	406,725	504,320
(446,219)	(257,526)	(616,906)
372,356	(29,845)	2,051,060
\$ (73,863)	\$ (287,371)	\$ 1,434,154

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**Town of Beekman, New York**

Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2012

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

Net Change in Fund Balances - Total Governmental Funds \$ (616,906)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. This amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold.

Capital outlay expenditures	1,585,920
Depreciation expense	<u>(863,239)</u>
	<u>722,681</u>

Issuance of long-term debt provides current financial sources to governmental funds, but the issuance increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Installment purchase debt issued	(406,725)
Principal paid on bonds	180,795
Principal paid on installment purchase debt	<u>73,797</u>
	<u>(152,133)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	(10,037)
Compensated absences	(31,040)
Other post employment benefit obligations	<u>(292,682)</u>
	<u>(333,759)</u>

Change in Net Position of Governmental Activities \$ (380,117)

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

Town of Beekman, New York

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
General, Highway and Special Districts Funds  
Year Ended December 31, 2012

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 968,397	\$ 968,397	\$ 968,397	\$ -
Other tax items	36,000	36,000	33,470	(2,530)
Non-property taxes	885,135	885,135	878,859	(6,276)
Departmental income	227,500	227,500	254,793	27,293
Use of money and property	10,000	10,000	2,846	(7,154)
Licenses and permits	144,500	144,500	173,250	28,750
Fines and forfeitures	60,000	60,000	43,618	(16,382)
Sale of property and compensation for loss	-	-	2,490	2,490
State aid	310,000	310,000	408,509	98,509
Federal aid	-	-	99,599	99,599
Miscellaneous	19,000	19,000	72,899	53,899
<b>Total Revenues</b>	<b>2,660,532</b>	<b>2,660,532</b>	<b>2,938,730</b>	<b>278,198</b>
<b>EXPENDITURES</b>				
Current				
General government support	993,962	993,962	1,225,381	(231,419)
Public safety	56,979	56,979	70,886	(13,907)
Health	2,027	2,027	1,879	148
Transportation	76,655	76,655	78,698	(2,043)
Economic opportunity and development	45,000	45,000	50,482	(5,482)
Culture and recreation	429,456	429,456	399,509	29,947
Home and community services	114,255	114,255	141,961	(27,706)
Employee benefits	580,754	580,754	721,136	(140,382)
Debt service				
Principal	262,628	262,628	228,797	33,831
Interest	98,816	98,816	96,812	2,004
<b>Total Expenditures</b>	<b>2,660,532</b>	<b>2,660,532</b>	<b>3,015,541</b>	<b>(355,009)</b>
Excess of Revenues Over Expenditures	-	-	(76,811)	(76,811)
<b>OTHER FINANCING SOURCES</b>				
Insurance recoveries	-	-	97,595	97,595
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>20,784</b>	<b>20,784</b>
Fund Balances (Deficits) - Beginning of Year	-	-	1,571,385	1,571,385
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,592,169</b>	<b>\$ 1,592,169</b>

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

Highway Fund				Special Districts Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,102,640	\$ 1,102,640	\$ 1,102,640	\$ -	\$ 25,795	\$ 25,795	\$ 25,795	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
200	200	10	(190)	129,639	129,639	126,854	(2,785)
-	-	-	-	200	200	382	182
-	-	-	-	-	-	-	-
-	-	772	772	-	-	-	-
93,000	93,000	93,118	118	-	-	-	-
-	-	-	-	-	-	-	-
1,000	1,000	22,155	21,155	-	-	-	-
<u>1,196,840</u>	<u>1,196,840</u>	<u>1,218,695</u>	<u>21,855</u>	<u>155,634</u>	<u>155,634</u>	<u>153,031</u>	<u>(2,603)</u>
42,000	42,000	2,958	39,042	-	-	-	-
-	-	-	-	-	-	-	-
1,119,850	1,119,850	1,144,277	(24,427)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	129,839	129,839	99,434	30,405
34,990	34,990	33,207	1,783	-	-	-	-
-	-	-	-	25,795	25,795	25,795	-
-	-	-	-	-	-	-	-
<u>1,196,840</u>	<u>1,196,840</u>	<u>1,180,442</u>	<u>16,398</u>	<u>155,634</u>	<u>155,634</u>	<u>125,229</u>	<u>30,405</u>
-	-	38,253	38,253	-	-	27,802	27,802
-	-	-	-	-	-	-	-
-	-	38,253	38,253	-	-	27,802	27,802
-	-	310,341	310,341	-	-	(173,177)	(173,177)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,594</u>	<u>\$ 348,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145,375)</u>	<u>\$ (145,375)</u>

**Town of Beekman, New York**

Statement of Net Position

Fiduciary Fund

December 31, 2012

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	<u>Agency</u>
<b>ASSETS</b>	
Cash	
Demand deposits	\$ 186,534
Accounts receivable	<u>191,453</u>
Total Assets	<u>\$ 377,987</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 185,526
Deposits payable	<u>192,461</u>
Total Liabilities	<u>\$ 377,987</u>

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

**Note 1 - Summary of Significant Accounting Policies**

The Town of Beekman, New York ("Town") was established in 1788 (originally included the present Town of LaGrange and Union Vale) and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

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

**A. Financial Reporting Entity**

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

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

**B. Government-Wide Financial Statements**

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**C. Fund Financial Statements**

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, 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 Town'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 Town's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

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. The major special revenue funds of the Town are as follows:

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

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, sewer and park districts. The major revenue of this fund is departmental income

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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.

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - Fiduciary funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Agency Fund is used to account for employee payroll tax withholdings and various other 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 and other post employment benefit obligations payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**Deposits and Risk Disclosure**

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

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

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

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

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

**Taxes Receivable** - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special districts taxes which are levied and due January 1st and payable without penalty to February 28th. The Town retains the total amount of town, highway and special districts taxes from the total collections and returns the balance plus the uncollected items to the County which assumes collection responsibility.

**Other Receivables** - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures 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 Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2012 balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

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

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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 funds balance sheet.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow 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 December 31, 2012, no amounts were required to be reported as deferred outflows/inflows of resources.

**Long-Term Obligations** - In the government-wide financial statements, long-term debt and other long-term liabilities 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 recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

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

**Net Position** - Net position represent 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 their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for highway, future capital projects and debt service. The balance is classified as unrestricted.

**Fund Balance** - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications

**Note 1 - Summary of Significant Accounting Policies (Continued)**

that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

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

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law 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 Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, 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 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 Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**F. 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.

**G. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 18, 2013.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

- a) On or before October 5th, the Town Clerk shall present the tentative budget to the Town Board.
- b) Once the tentative budget is approved by the Town Board, it becomes the preliminary budget. The Town Board files the preliminary budget with the Town Clerk where it is available for inspection. In addition, the Board shall cause to be published a notice specifying a time and place for a public hearing.
- c) At the public hearing, taxpayers may comment on the preliminary budget.
- d) On or before November 25th, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.
- e) Formal budgetary integration is employed during the year as a management control device for the General, Highway and Special Districts funds.
- f) Budgets for the General, Highway and Special District 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 Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

- h) Appropriations in the General, Highway and Special District 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 as promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Town Board.

**B. Property Tax Limitation**

The Town is not limited as to the maximum amount of real property taxes which may be raised. On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

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

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

**C. Expenditures in Excess of Budget**

The General fund exceeded its budgetary provisions in total by \$355,009.

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

The following functional expenditure categories of the Highway Fund exceeded their budgetary authorization by the amounts indicated below:

Transportation		
Repairs and maintenance	\$	28,508
Machinery		16,452

**D. Fund Deficits**

The Special Districts Fund has an unassigned deficit of \$174,330 which the Town will address in the ensuing year. The unassigned deficit of \$73,863 in the Special Purpose will be addressed in the ensuing year with the receipt of recreation fees. The unassigned deficit in the Capital Projects Fund of \$287,371 is a result of expenditures exceeding revenues for various projects. This deficit will be eliminated with the subsequent receipt or issuance of authorized financing.

**E. Application of Accounting Standards**

For the year ended December 31, 2012, the Town 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.

**Note 3 - Detailed Notes on All Funds**

**A. Due From/To Other Funds**

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

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 234,416	\$ -
Special Districts	-	184,881
Capital Projects	-	49,535
	<u>\$ 234,416</u>	<u>\$ 234,416</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.

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

**B. Advances To/From Other Funds**

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

Fund	Due From	Due To
General	\$ 175,187	\$ -
Special Districts	-	175,187
	<u>\$ 175,187</u>	<u>\$ 175,187</u>

The outstanding balances between funds represents loans which are not expected to be repaid within the subsequent operation cycle.

**C. Capital Assets**

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

Class	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Capital Assets, not being depreciated				
Land	\$ 2,010,114	\$ -	\$ -	\$ 2,010,114
Construction-in-progress	256,391	-	256,391	-
Total Capital Assets, not being depreciated	<u>\$ 2,266,505</u>	<u>\$ -</u>	<u>\$ 256,391</u>	<u>\$ 2,010,114</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 2,601,505	\$ 613,096	-	\$ 3,214,601
Machinery and equipment	2,113,544	402,072	-	2,515,616
Infrastructure	37,760,397	827,143	-	38,587,540
Total Capital Assets, being depreciated	<u>42,475,446</u>	<u>1,842,311</u>	<u>-</u>	<u>44,317,757</u>
Less Accumulated Depreciation for				
Building and improvements	1,410,214	104,863	-	1,515,077
Machinery and equipment	1,765,722	174,539	-	1,940,261
Infrastructure	9,930,397	583,837	-	10,514,234
Total Accumulated Depreciation	<u>13,106,333</u>	<u>863,239</u>	<u>-</u>	<u>13,969,572</u>
Total Capital Assets, being depreciated, net	<u>\$ 29,369,113</u>	<u>\$ 979,072</u>	<u>\$ -</u>	<u>\$ 30,348,185</u>
Capital Assets, net	<u>\$ 31,635,618</u>	<u>\$ 979,072</u>	<u>\$ 256,391</u>	<u>\$ 32,358,299</u>

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

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

General Government Support	\$ 468,480
Public Safety	61,376
Health	1,726
Transportation	59,391
Culture and Recreation	271,575
Home and community services	<u>691</u>
Total Depreciation Expense	<u>\$ 863,239</u>

**D. Pension Plans**

The Town participates in the New York State and Local Employees' Retirement System ("ERS") ("System"). This System is a cost-sharing multiple-employer defined benefit pension plans. The System provides 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 System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to 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 plan year ended March 31, 2013 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	25.2%
	2 75I	23.0
	3 A14	18.4
	4 A15	18.4
	5 A15	14.9
	6 A15	9.9

Contributions made or accrued to the System for the current and preceding year were as follows:

2012	\$	193,557
2011		123,217

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

The current ERS contribution for the Town was charged to the General Fund.

**Town of Beekman, New York**

Notes to Financial Statements (Continued)  
December 31, 2012

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

**E. Long-Term Liabilities**

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2012:

	Balance January 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2012	Due Within One Year
Bonds Payable	\$ 2,949,853	\$ -	\$ 180,795	\$ 2,769,058	\$ 180,795
Installment Purchase Debt	-	406,725	73,797	332,928	76,284
Other Non-Current Liabilities					
Compensated Absences	18,405	32,840	1,800	49,445	4,900
Other Post Employment Benefit Obligations Payable	215,676	319,096	26,414	508,358	-
	<u>\$ 3,183,934</u>	<u>\$ 758,661</u>	<u>\$ 282,806</u>	<u>\$ 3,659,789</u>	<u>\$ 261,979</u>

Each governmental fund's liability for bonds, installment purchase debt, compensated absences and other post employment benefit obligations payable is liquidated by the General, Highway and Special Districts funds.

**Bonds Payable**

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2012
Public Improvements	2001	\$ 1,146,000	December, 2016	4.10 - 6.00 %	\$ 310,000
Clean Water	2006	773,828	April, 2036	-0-	619,058
Public Improvements	2008	2,030,000	August, 2029	2.25 - 4.50	1,840,000
					<u>\$ 2,769,058</u>

Interest expenditures of \$94,233 were recorded in the fund financial statements in the General Fund. Interest expense of \$93,196 was recorded in the government-wide financial statements.

**Installment Purchase Debt**

The Town has entered into an agreement in 2012 to finance the acquisition of certain equipment. The agreement provides for an annual payment of \$76,376 including interest at 3.4% through February 2016. The balance due at December 31, 2012 was \$281,203.

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

The Town has entered into an agreement in 2012 to finance the acquisition of certain equipment. The agreement provides for an annual payment of \$11,779 including interest at 3.4% through February 2017. The balance due at December 31, 2012 was \$51,725.

Interest expenditures of \$2,579 were recorded in the fund financial statements in the General Fund. Interest expense of \$13,653 was recorded in the government-wide financial statements.

**Payments to Maturity**

The annual requirements to amortize all bonded debt outstanding as of December 31, 2012, including interest payments of \$860,431 are as follows:

Year Ending December 31,	Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 180,795	\$ 88,982	\$ 76,284	\$ 11,871	\$ 257,079	\$ 100,853
2014	180,795	84,419	78,964	9,192	259,759	93,611
2015	190,794	77,857	81,757	6,398	272,551	84,255
2016	190,794	71,600	84,651	3,504	275,445	75,104
2017	115,794	65,050	11,272	508	127,066	65,558
2018-2022	633,970	269,950	-	-	633,970	269,950
2023-2027	753,970	151,300	-	-	753,970	151,300
2028-2032	418,970	19,800	-	-	418,970	19,800
2033-2036	103,176	-	-	-	103,176	-
	<u>\$ 2,769,058</u>	<u>\$ 828,958</u>	<u>\$ 332,928</u>	<u>\$ 31,473</u>	<u>\$ 3,101,986</u>	<u>\$ 860,431</u>

**Compensated Absences**

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

**Other Post Employment Benefit Obligations Payable**

In addition to providing pension benefits, the Town 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 Town may vary according to length of service. The cost of providing other post employment benefit obligations payable is shared between the Town and the retired employees. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of other post employment benefit obligations payable is recognized as an expenditure in the fund financial statements as claims are paid.

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

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

Year Ended December 31,	Assumed Increase			
	Health	Pharmacy	Dental	Vision
2013	5.50 %	5.50 %	3.00 %	3.00 %
2014	5.30	5.30	3.00	3.00
2015	5.20	5.20	3.00	3.00
2016	5.20	5.20	3.00	3.00
2017	5.20	5.20	3.00	3.00
2018	5.20	5.20	3.00	3.00
2019 +	4.70	4.70	3.00	3.00

The amortization basis is the level dollar of payroll method with an open amortization approach with 26 years remaining in the amortization period. The actuarial assumptions included a 2.0% investment return and a 3.0% payroll growth rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the entry age method.

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

Active Employees	25
Retired Employees and Dependents	<u>2</u>
Total	<u><u>27</u></u>

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

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2012	\$ 3,307,713
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 3,307,713</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 965,920</u>
UAAL as a Percentage of Covered Payroll	<u>342.44%</u>
Annual Required Contribution	\$ 321,234
Interest on OPEB Obligation	3,929
Adjustment to Annual Required Contribution	<u>(6,067)</u>
Annual OPEB Cost	319,096
Contributions Made	<u>(26,414)</u>
Increase in Net OPEB Obligation	292,682
Net OPEB Obligation - Beginning of Year	<u>215,676</u>
Net OPEB Obligation - End of Year	<u>\$ 508,358</u>

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 106,694	- %	\$ 106,694
2011	108,982	17.77	215,676
2012	319,096	8.28	508,358

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

**F. 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.

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

*Restricted for Highway* - the component of net position that reports the difference between assets and liabilities of the Highway Fund.

*Restricted for Future Capital Projects* - the component of net position that has been established in accordance with General Municipal Law. The amount may only be used for capital projects and only with the approval of the Town Board.

*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 net positions that do not meet the definition of "restricted" or "net investment in capital assets".

Town of Beekman, New York

Notes to Financial Statements (Continued)  
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

F. Fund Balances

	2012						2011					
	General Fund	Highway Fund	Special Districts Fund	Special Purpose Fund	Capital Projects Fund	Total	General Fund	Highway Fund	Special Districts Fund	Special Purpose Fund	Capital Projects Fund	Total
<b>Nonspendable</b>												
Advances	\$ 175,187	\$ -	\$ -	\$ -	\$ -	\$ 175,187	\$ 202,987	\$ -	\$ -	\$ -	\$ -	\$ 202,987
Long term receivable	100,000	-	-	-	-	100,000	100,000	-	-	-	-	100,000
Prepaid expenditures	95,043	-	-	-	-	95,043	28,541	-	-	-	-	28,541
<b>Total Nonspendable</b>	<b>370,230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370,230</b>	<b>331,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>331,528</b>
<b>Restricted</b>												
Future capital projects	216,113	-	-	-	-	216,113	216,113	-	-	-	-	216,113
Debt service	-	-	28,955	-	-	28,955	-	-	28,955	-	-	28,955
Special purpose	-	-	-	-	-	-	-	-	-	372,356	-	372,356
<b>Total Restricted</b>	<b>216,113</b>	<b>-</b>	<b>28,955</b>	<b>-</b>	<b>-</b>	<b>245,068</b>	<b>216,113</b>	<b>-</b>	<b>28,955</b>	<b>372,356</b>	<b>-</b>	<b>617,424</b>
<b>Assigned Major Funds</b>												
Assigned Major Funds	-	348,594	-	-	-	348,594	-	310,341	-	-	-	310,341
<b>Unassigned</b>												
Unassigned	1,005,826	-	(174,330)	(73,863)	(287,371)	470,262	1,023,744	-	(202,132)	(29,845)	-	791,767
<b>Total Fund Balances (Deficits)</b>	<b>\$ 1,592,169</b>	<b>\$ 348,594</b>	<b>\$ (145,375)</b>	<b>\$ (73,863)</b>	<b>\$ (287,371)</b>	<b>\$ 1,434,154</b>	<b>\$ 1,571,385</b>	<b>\$ 310,341</b>	<b>\$ (173,177)</b>	<b>\$ 372,356</b>	<b>\$ (29,845)</b>	<b>\$ 2,051,060</b>

**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.

Advances have been established to indicate the long-term nature of funds advanced to the Special Districts fund. The amount is classified as nonspendable to indicate that these funds do not represent "available" spendable resources even though they are a component of net assets.

Long-Term Receivables is used to indicate certain receivables will not be collected in sufficient time to use the funds to satisfy liabilities of the period. The amount is classified as nonspendable to indicate that the funds are not "available" for appropriation or expenditure even though the amounts are a component of current assets.

Prepaid Expenditures has been established to account for 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.

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

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Litigation**

The Town, in common with other municipalities, receives numerous notices of claims for money damages occurring from false arrest, property damage or personal injury. All the claims currently pending have been referred to the insurance carrier and none are expected to have a material effect on the Town's financial position, if adversely settled.

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

The Town is currently a defendant in a lawsuit, whereby the Town violated a non-solicitation clause in a services contract. A judgment was entered against the Town, however the Town has filed an appeal with the Dutchess County Supreme Court.

**B. Risk Management**

The Town purchases conventional insurance coverages to reduce its exposure to loss. The Town maintains general liability and umbrella policies with coverage up to \$3 million and \$10 million, respectively. Workers' compensation coverage is secured at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in 2012. The Town also purchases conventional health insurance coverage for employees from various providers.

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**C. Contingencies**

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

**Note 5 - Subsequent Event**

The Town, in June 2013, issued serial bonds in the amount of \$1,200,000 which were used for road improvements and various other capital projects. The bond matures annually through June 2021 with interest of 3.35%.

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Town of Beekman, 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				
January 1, 2010	\$ -	\$ 1,133,939	\$ 1,133,939	- %	\$ 1,045,569	108.45 %
January 1, 2011	-	1,468,000	1,468,000	-	984,971	149.04
January 1, 2012	-	3,307,713	3,307,713	-	965,920	342.44

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Town of Beekman, New York

General Fund  
Comparative Balance Sheet  
December 31,

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash		
Demand deposits	\$ 688,921	\$ 827,216
Petty cash	450	450
	<u>689,371</u>	<u>827,666</u>
Receivables		
Accounts	438,277	265,166
Due from other governments	204,840	399,863
Due from other funds	234,416	206,616
Advances to other funds	175,187	202,987
	<u>1,052,720</u>	<u>1,074,632</u>
Prepaid expenditures	<u>95,043</u>	<u>28,541</u>
Total Assets	<u>\$ 1,837,134</u>	<u>\$ 1,930,839</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 213,651	\$ 134,404
Accrued liabilities	31,314	34,115
Due to other governments	-	190,935
Total Liabilities	<u>244,965</u>	<u>359,454</u>
Fund balance		
Nonspendable	370,230	331,528
Restricted	216,113	216,113
Unassigned	1,005,826	1,023,744
Total Fund Balance	<u>1,592,169</u>	<u>1,571,385</u>
Total Liabilities and Fund Balance	<u>\$ 1,837,134</u>	<u>\$ 1,930,839</u>

Town of Beekman, New York

General Fund

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

2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 968,397	\$ 968,397	\$ 968,397	\$ -
Other tax items	36,000	36,000	33,470	(2,530)
Non-property taxes	885,135	885,135	878,859	(6,276)
Departmental income	227,500	227,500	254,793	27,293
Use of money and property	10,000	10,000	2,846	(7,154)
Licenses and permits	144,500	144,500	173,250	28,750
Fines and forfeitures	60,000	60,000	43,618	(16,382)
Sale of property and compensation for loss	-	-	2,490	2,490
State aid	310,000	310,000	408,509	98,509
Federal aid	-	-	99,599	99,599
Miscellaneous	19,000	19,000	72,899	53,899
<b>Total Revenues</b>	<b>2,660,532</b>	<b>2,660,532</b>	<b>2,938,730</b>	<b>278,198</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government support	993,962	993,962	1,225,381	(231,419)
Public safety	56,979	56,979	70,886	(13,907)
Health	2,027	2,027	1,879	148
Transportation	76,655	76,655	78,698	(2,043)
Economic opportunity and development	45,000	45,000	50,482	(5,482)
Culture and recreation	429,456	429,456	399,509	29,947
Home and community services	114,255	114,255	141,961	(27,706)
Employee benefits	580,754	580,754	721,136	(140,382)
<b>Debt service</b>				
Principal	262,628	262,628	228,797	33,831
Interest	98,816	98,816	96,812	2,004
<b>Total Expenditures</b>	<b>2,660,532</b>	<b>2,660,532</b>	<b>3,015,541</b>	<b>(355,009)</b>
Excess of Revenues Over Expenditures	-	-	(76,811)	(76,811)
<b>Other Financing Sources</b>				
Insurance recoveries	-	-	97,595	97,595
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>20,784</b>	<b>20,784</b>
<b>Fund Balance - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>1,571,385</b>	<b>1,571,385</b>
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,592,169</b>	<b>\$ 1,592,169</b>

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 969,562	\$ 969,562	\$ 969,562	\$ -
36,000	36,000	40,533	4,533
840,135	840,135	892,685	52,550
256,000	256,000	232,197	(23,803)
10,000	10,000	12,425	2,425
86,000	86,000	178,872	92,872
74,000	74,000	56,879	(17,121)
-	-	-	-
376,000	376,000	378,228	2,228
-	-	-	-
15,750	15,750	60,262	44,512
<u>2,663,447</u>	<u>2,663,447</u>	<u>2,821,643</u>	<u>158,196</u>
1,028,728	1,010,729	1,256,082	(245,353)
79,533	79,533	122,655	(43,122)
2,088	2,088	2,012	76
75,355	75,354	76,841	(1,487)
45,000	45,000	44,925	75
361,848	376,848	376,093	755
114,730	117,730	169,675	(51,945)
604,917	604,917	500,338	104,579
225,000	225,000	150,000	75,000
126,248	126,248	99,295	26,953
<u>2,663,447</u>	<u>2,663,447</u>	<u>2,797,916</u>	<u>(134,469)</u>
-	-	23,727	23,727
-	-	158,966	158,966
-	-	182,693	182,693
-	-	1,388,692	1,388,692
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,571,385</u>	<u>\$ 1,571,385</u>

**Town of Beekman, New York**

**General Fund**

**Schedule of Revenues and Other Financing Sources Compared to Budget  
Year Ended December 31, 2012  
(With Comparative Actuals for 2011)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
<b>REAL PROPERTY TAXES</b>	\$ 968,397	\$ 968,397	\$ 968,397	\$ -	\$ 969,562
<b>OTHER TAX ITEMS</b>	36,000	36,000	33,470	(2,530)	40,533
Interest and penalties on real property taxes					
<b>NON-PROPERTY TAXES</b>	775,000	775,000	799,570	24,570	782,091
Non-property tax distribution from County	110,135	110,135	79,289	(30,846)	110,594
Franchise fees	885,135	885,135	878,859	(6,276)	892,685
<b>DEPARTMENTAL INCOME</b>	2,000	2,000	3,513	1,513	831
Town Clerk and other fees	5,000	5,000	10,300	5,300	11,500
Safety inspection fees	5,000	5,000	89	(4,911)	2,901
Dog control services	170,000	170,000	180,863	10,863	176,546
Culture and recreation fees	-	-	609	609	918
Recreation concessions	5,000	5,000	8,200	3,200	-
Planning board fees	10,000	10,000	15,974	5,974	12,116
Programs for the aging	3,000	3,000	6,700	3,700	150
Zoning fees	27,500	27,500	28,545	1,045	27,235
Other service fees					
	227,500	227,500	254,793	27,293	232,197

**USE OF MONEY AND PROPERTY**

Earnings on investments

10,000	10,000	2,846	(7,154)	12,425
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**LICENSES AND PERMITS**Dog and other licenses  
Permits

4,500	4,500	3,489	(1,011)	4,953
140,000	140,000	169,761	29,761	173,919

**FINES AND FORFEITURES**

Fines and forfeited bail

144,500	144,500	173,250	28,750	178,872
60,000	60,000	43,618	(16,382)	56,879

**SALE OF PROPERTY AND COMPENSATION FOR LOSS**

Sale of scrap metal

-	-	2,490	2,490	-
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**STATE AID**Per capita  
Mortgage tax  
Emergency Management Agency  
Other

-	-	23,060	23,060	-
300,000	300,000	345,091	45,091	334,729
-	-	33,201	33,201	-
10,000	10,000	7,157	(2,843)	43,499

**FEDERAL AID**

Emergency Management Agency

310,000	310,000	408,509	98,509	378,228
-	-	99,599	99,599	-

**MISCELLANEOUS**Refund of prior year expenditures  
Gifts and donations  
Miscellaneous

-	-	10,355	10,355	-
7,000	7,000	6,385	(615)	6,775
12,000	12,000	56,159	44,159	53,487

**TOTAL REVENUES**

19,000	19,000	72,899	53,899	60,262
2,660,532	2,660,532	2,938,730	278,198	2,821,643

(Continued)

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**Town of Beekman, New York**

**General Fund**

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

Year Ended December 31, 2012

(With Comparative Actuals for 2011 )

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
<b>OTHER FINANCING SOURCES</b>					
Insurance recoveries	\$ -	\$ -	\$ 97,595	\$ 97,595	\$ 158,966
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 2,660,532</u>	<u>\$ 2,660,532</u>	<u>\$ 3,036,325</u>	<u>\$ 375,793</u>	<u>\$ 2,980,609</u>

**Town of Beekman, New York**

**General Fund**

**Schedule of Expenditures Compared to Budget  
Year Ended December 31, 2012  
(With Comparative Actuals for 2011)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Town Board	\$ 65,920	\$ 65,920	73,672	\$ (7,752)	\$ 31,786
Town Justice	178,419	178,419	159,436	18,983	167,773
Supervisor	54,763	54,764	58,767	(4,003)	54,508
Comptroller	99,876	99,876	105,009	(5,133)	103,197
Audit	7,000	7,000	21,550	(14,550)	25,968
Tax collection	44,643	44,642	41,705	2,937	48,247
Assessor	52,628	52,628	79,636	(27,008)	75,326
Town Clerk	86,013	86,013	96,537	(10,524)	133,430
Town Attorney	90,000	90,000	152,420	(62,420)	126,889
Engineering	57,000	57,000	95,983	(38,983)	126,551
Board of ethics	100	100	-	100	-
Buildings	138,500	138,500	191,478	(52,978)	233,541
Unallocated insurance	68,000	68,000	138,097	(70,097)	74,604
Municipal association dues	1,100	1,100	1,420	(320)	1,100
Judgments and claims	-	-	-	-	41,916
Taxes and assessments on property	6,000	6,000	4,809	1,191	9,788
Metropolitan commuter transportation mobility tax	4,000	4,000	4,862	(862)	1,458
Contingency	40,000	40,000	-	40,000	-
	<u>993,962</u>	<u>993,962</u>	<u>1,225,381</u>	<u>(231,419)</u>	<u>1,256,082</u>
<b>PUBLIC SAFETY</b>					
Control of animals	27,879	27,879	25,623	2,256	26,650
Safety inspections	29,100	29,100	45,263	(16,163)	96,005
	<u>56,979</u>	<u>56,979</u>	<u>70,886</u>	<u>(13,907)</u>	<u>122,655</u>

<b>HEALTH</b>							
Registrar of Vital Statistics	2,027	2,027	1,879	148	2,012		
<b>TRANSPORTATION</b>							
Highway Administration	69,655	69,655	70,742	(1,087)	72,917		
Garage	3,000	3,000	6,654	(3,654)	3,174		
Street lighting	4,000	4,000	1,302	2,698	750		
	76,655	76,655	78,698	(2,043)	76,841		
<b>ECONOMIC OPPORTUNITY AND DEVELOPMENT</b>							
Programs for the aging	45,000	45,000	50,482	(5,482)	44,925		
<b>CULTURE AND RECREATION</b>							
Parks	222,456	222,456	211,758	10,698	209,465		
Community center	203,000	203,000	186,110	16,890	162,662		
Historian	1,000	1,000	532	468	966		
Celebrations	3,000	3,000	1,109	1,891	3,000		
	429,456	429,456	399,509	29,947	376,093		
<b>HOME AND COMMUNITY SERVICES</b>							
Zoning and appeals	525	525	379	146	196		
Planning Board	66,000	66,000	91,805	(25,805)	126,679		
New York City Watershed	38,730	38,730	25,850	12,880	22,554		
Landfill	9,000	9,000	23,927	(14,927)	20,246		
	114,255	114,255	141,961	(27,706)	169,675		

(Continued)

**Town of Beekman, New York**

**General Fund**

**Schedule of Expenditures Compared to Budget (Continued)**  
**Year Ended December 31, 2012**  
**(With Comparative Actuals for 2011)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
<b>EMPLOYEE BENEFITS</b>					
State retirement	\$ 115,429	\$ 115,429	\$ 193,557	\$ (78,128)	\$ 123,217
Social security	62,000	62,000	55,940	6,060	47,219
Workers' compensation	25,000	25,000	25,000	-	25,000
Life insurance	3,000	3,000	1,797	1,203	1,752
Unemployment benefits	15,000	15,000	6,646	8,354	17,802
Disability	325	325	207	118	389
Health insurance	345,000	345,000	424,906	(79,906)	278,976
Other	15,000	15,000	13,083	1,917	5,983
	<u>580,754</u>	<u>580,754</u>	<u>721,136</u>	<u>(140,382)</u>	<u>500,338</u>
<b>DEBT SERVICE</b>					
Principal					
Serial bonds	262,628	262,628	155,000	107,628	150,000
Installment purchase debt	-	-	73,797	(73,797)	-
	<u>262,628</u>	<u>262,628</u>	<u>228,797</u>	<u>33,831</u>	<u>150,000</u>
Interest					
Serial bonds	98,816	98,816	94,233	4,583	99,295
Installment purchase debt	-	-	2,579	(2,579)	-
	<u>98,816</u>	<u>98,816</u>	<u>96,812</u>	<u>2,004</u>	<u>99,295</u>
	<u>361,444</u>	<u>361,444</u>	<u>325,609</u>	<u>35,835</u>	<u>249,295</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,660,532</u>	<u>\$ 2,660,532</u>	<u>\$ 3,015,541</u>	<u>\$ (355,009)</u>	<u>\$ 2,797,916</u>

Town of Beekman, New York

Highway Fund  
Comparative Balance Sheet  
December 31,

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	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash		
Demand deposits	<u>\$ 388,217</u>	<u>\$ 325,570</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 7,161	\$ -
Accrued liabilities	<u>32,462</u>	<u>15,229</u>
Total Liabilities	39,623	15,229
Fund balance		
Assigned	<u>348,594</u>	<u>310,341</u>
Total Liabilities and Fund Balance	<u>\$ 388,217</u>	<u>\$ 325,570</u>

Town of Beekman, New York

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

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 1,102,640	\$ 1,102,640	\$ 1,102,640	\$ -
Use of money and property	200	200	10	(190)
Sale of property and compensation for loss	-	-	772	772
State aid	93,000	93,000	93,118	118
Federal aid	-	-	-	-
Miscellaneous	1,000	1,000	22,155	21,155
<b>Total Revenues</b>	<u>1,196,840</u>	<u>1,196,840</u>	<u>1,218,695</u>	<u>21,855</u>
<b>EXPENDITURES</b>				
Current				
General government support	42,000	42,000	2,958	39,042
Transportation				
Repairs and maintenance	228,000	228,000	256,508	(28,508)
Permanent improvements	439,000	439,000	437,128	1,872
Machinery	124,850	124,850	141,302	(16,452)
Snow removal	328,000	328,000	309,339	18,661
Employee benefits	34,990	34,990	33,207	1,783
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<u>1,196,840</u>	<u>1,196,840</u>	<u>1,180,442</u>	<u>16,398</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	38,253	38,253
Fund Balance - Beginning of Year	-	-	310,341	310,341
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,594</u>	<u>\$ 348,594</u>

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,104,509 200	\$ 1,104,509 200	\$ 1,104,509 77	\$ - (123)
-	-	-	-
93,000	93,000	99,340	6,340
-	-	37,256	37,256
1,000	1,000	8,336	7,336
<u>1,198,709</u>	<u>1,198,709</u>	<u>1,249,518</u>	<u>50,809</u>
2,000	2,000	1,054	946
266,509	266,509	355,750	(89,241)
352,401	352,401	376,979	(24,578)
141,024	141,024	179,272	(38,248)
317,379	317,379	319,201	(1,822)
34,990	34,990	24,791	10,199
60,000	60,000	-	60,000
24,406	24,406	-	24,406
<u>1,198,709</u>	<u>1,198,709</u>	<u>1,257,047</u>	<u>(58,338)</u>
-	-	(7,529)	(7,529)
-	-	317,870	317,870
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,341</u>	<u>\$ 310,341</u>

Town of Beekman, New York

Special Districts Fund  
 Combining Balance Sheet - Sub-Funds  
 December 31, 2012  
 (With Comparative Totals For 2011)

	Dover Ridge Water	Dover Ridge Sewer	Pawling Lake Estates
<b>ASSETS</b>			
Cash			
Demand deposits	\$ 18,630	\$ 96,823	\$ 857
Water and sewer rents receivable	40,858	64,362	-
Total Assets	<u>\$ 59,488</u>	<u>\$ 161,185</u>	<u>\$ 857</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ 2,767	\$ 4,070	\$ -
Due to other funds	56,721	128,160	-
Advances from other funds	39,011	136,176	-
Total Liabilities	<u>98,499</u>	<u>268,406</u>	<u>-</u>
Fund balances (deficits)			
Restricted	-	28,955	-
Unassigned	(39,011)	(136,176)	857
Total Fund Balances (Deficits)	<u>(39,011)</u>	<u>(107,221)</u>	<u>857</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 59,488</u>	<u>\$ 161,185</u>	<u>\$ 857</u>

Totals	
2012	2011
\$ 116,310	\$ 118,145
<u>105,220</u>	<u>73,531</u>
<u>\$ 221,530</u>	<u>\$ 191,676</u>
\$ 6,837	\$ 4,785
184,881	157,081
<u>175,187</u>	<u>202,987</u>
<u>366,905</u>	<u>364,853</u>
28,955	28,955
<u>(174,330)</u>	<u>(202,132)</u>
<u>(145,375)</u>	<u>(173,177)</u>
<u>\$ 221,530</u>	<u>\$ 191,676</u>

**Town of Beekman, New York**

Special Districts Fund  
 Combining Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Sub-Funds  
 Year Ended December 31, 2012  
 (With Comparative Totals For 2011)

	Dover Ridge Water	Dover Ridge Sewer	Pawling Lake Estates
<b>REVENUES</b>			
Real property taxes	\$ -	\$ 25,795	\$ -
Other tax items	-	-	-
Departmental income	49,425	77,429	-
Use of money and property	107	273	2
	<u>49,532</u>	<u>103,497</u>	<u>2</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current			
Home and community services	66,019	33,415	-
Debt service			
Principal	-	25,795	-
	<u>66,019</u>	<u>59,210</u>	<u>-</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	(16,487)	44,287	2
Fund Balances (Deficits) - Beginning of Year	<u>(22,524)</u>	<u>(151,508)</u>	<u>855</u>
Fund Balances (Deficits) - End of Year	<u>\$ (39,011)</u>	<u>\$ (107,221)</u>	<u>\$ 857</u>

Totals	
2012	2011
\$ 25,795	\$ 25,795
-	445
126,854	126,940
382	271
<u>153,031</u>	<u>153,451</u>
99,434	72,070
<u>25,795</u>	<u>25,795</u>
<u>125,229</u>	<u>97,865</u>
27,802	55,586
<u>(173,177)</u>	<u>(228,763)</u>
<u>\$ (145,375)</u>	<u>\$ (173,177)</u>

**Town of Beekman, New York**

Special Purpose Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash		
Demand deposits	<u>\$ 36,906</u>	<u>\$ 556,847</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>		
Liabilities		
Accounts payable	<u>\$ 110,769</u>	<u>\$ 184,491</u>
Fund balance (deficit)		
Restricted	-	372,356
Unassigned	<u>(73,863)</u>	<u>-</u>
Total Fund Balance (Deficit)	<u>(73,863)</u>	<u>372,356</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 36,906</u>	<u>\$ 556,847</u>

**Town of Beekman, New York**

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

---

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Departmental income	\$ 10,000	\$ 85,000
Use of money and property	<u>281</u>	<u>341</u>
Total Revenues	10,281	85,341
<b>EXPENDITURES</b>		
Current		
Culture and recreation	<u>456,500</u>	<u>440,882</u>
Deficiency of Revenues Over Expenditures	(446,219)	(355,541)
Fund Balance - Beginning of Year	<u>372,356</u>	<u>727,897</u>
Fund Balance (Deficit) - End of Year	<u>\$ (73,863)</u>	<u>\$ 372,356</u>

Town of Beekman, New York

Capital Projects Fund  
Comparative Balance Sheet  
December 31,

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash		
Demand deposits	<u>\$ 19,696</u>	<u>\$ 19,690</u>
<b>LIABILITIES AND FUND DEFICIT</b>		
Liabilities		
Accounts payable	\$ 257,532	\$ -
Due to other funds	<u>49,535</u>	<u>49,535</u>
Total Liabilities	307,067	49,535
Fund deficit		
Unassigned	<u>(287,371)</u>	<u>(29,845)</u>
Total Liabilities and Fund Deficit	<u>\$ 19,696</u>	<u>\$ 19,690</u>

**Town of Beekman, New York**

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

---

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Use of money and property	\$ 6	\$ -
<b>EXPENDITURES</b>		
Capital outlay	<u>664,257</u>	<u>-</u>
Deficiency of Revenues Over Expenditures	(664,251)	-
<b>OTHER FINANCING SOURCES</b>		
Installment purchase debt issued	<u>406,725</u>	<u>-</u>
Net Change in Fund Balance	(257,526)	-
Fund Deficit - Beginning of Year	<u>(29,845)</u>	<u>(29,845)</u>
Fund Deficit - End of Year	<u>\$ (287,371)</u>	<u>\$ (29,845)</u>

Town of Beekman, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through December 31, 2012

<u>PROJECT</u>	<u>Authorization</u>	<u>Expenditures and Transfers To Date</u>	<u>Unexpended Balance</u>	<u>Total Revenues</u>	<u>Fund Deficit at December 31, 2012</u>
Road Improvements	\$ 287,371	\$ 287,371	\$ -	\$ -	\$ (287,371)
Street Sweeper	51,725	51,725	-	51,725	-
Equipment	355,000	355,000	-	355,000	-
	<u>\$ 694,096</u>	<u>\$ 694,096</u>	<u>\$ -</u>	<u>\$ 406,725</u>	<u>\$ (287,371)</u>