

**Town of Kent, New York**

Financial Statements and  
Supplementary Information

Year Ended December 31, 2012

RECEIVED  
TOWN OF KENT  
2013 JUL 10 PM 4:17



# Town of Kent, New York

## Table of Contents

---

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet - Governmental Funds	11
Reconciliation of Governmental Funds Balance Sheet to the Government -	
Wide Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Budget and Actual - General, Highway and Special Districts Funds	19
Statement of Assets and Liabilities - Fiduciary Fund	20
Notes to Financial Statements	
Required Supplemental Information	
Other Post Employment Benefits	
Schedule of Funding Progress - Last Three Fiscal Years	39
Combining and Individual Fund Financial Statements and Schedules	
General Fund	
Comparative Balance Sheet	40
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	41
Schedule of Revenues and Other Financing Sources Compared to Budget	43
Schedule of Expenditures and Other Financing Uses Compared to Budget	45
Highway Fund	
Comparative Balance Sheet	49
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	50
Special Districts Fund	
Combining Balance Sheet - Sub Funds	52
Combining Schedule of Revenues, Expenditures and Changes in Fund	
Balances - Sub Funds	54
Special Purpose Fund	
Comparative Balance Sheet	56
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	57
Capital Projects Fund	
Comparative Balance Sheet	58
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	59
Project-Length Schedule	60

(This page intentionally left blank)

## **Independent Auditors' Report**

### **The Honorable Supervisor and Town Board of the Town of Kent, 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 Kent, 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. 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.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 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 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

June 21, 2013

## **Town of Kent, New York**

### **Management's Discussion and Analysis December 31, 2012**

---

The purpose of Management's Discussion and Analysis (MD&A) is to provide the reader with a summary overview of the financial activities of the Town of Kent, New York (Town) for the calendar year ending December 31, 2012. The MD&A is a summary and in no way is a substitute for the detailed information presented in the basic financial statements and other financial information and the accompanying notes to the financial statements that follow this section.

#### **Financial Highlights for Calendar Year 2012**

- On the government-wide financial statements, the Town had net assets (assets exceeding liabilities) of \$22,329,696 at calendar year end 2012. Unrestricted net position, which are available to meet the ongoing obligations of the Town totaled a negative \$3,345,341. The Town's net position decreased by \$1,323,114 from calendar year end 2011 to calendar year end 2012. This is a result of many factors, including the post employment benefit cost expense as actuarially determined in accordance with GASB 45.
- The Town's governmental funds combined ending fund balances at December 31, 2012 were \$7,812,485. The total unreserved fund balances for governmental funds is \$3,762,243 at December 31, 2012.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$3,762,243 or 39% of the total General Fund expenditures and other financing uses. This is an increase of \$549,620 from fiscal year 2011.
- The Town did not issue bonds or any other form of debt during calendar year ending 2012.

#### **Overview of the Financial Statements**

The Town's financial statements are composed of this MD&A and the basic financial statements. The MD&A serves as an introduction to the basic financial statements. The MD&A is an analysis and overview of the Town's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also includes other supplementary information as listed in the table of contents.

## **Government-wide Financial Statements**

The government-wide financial statements are prepared using the accrual basis of accounting and are presented in a format similar to private sector financial statements.

The components of the government-wide financial statements are as follows:

- The statement of net position reports the Town's total assets, liabilities and deferred inflows/outflows of resources, and the difference, or net position. The intention is that, over time, the changes in net assets will indicate whether the Town's financial position is improving or deteriorating.
- The statement of activities indicates how the Town's net position changed from the prior calendar year. Changes in net position are reported as soon as the underlying event occurs, without regard to 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 such as uncollected taxes.

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

## **Fund Financial Statements**

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the Town funds can be divided into two categories: governmental funds and fiduciary funds. Governmental funds use the modified accrual basis of accounting.

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

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

The Town maintains the following governmental funds: General Fund, Special Revenue Funds (including Highway Fund, Special Districts Fund and the Special Purpose Fund) and Capital Projects Fund. Information is presented separately for each fund. Individual sub-fund data for the Special Districts Fund is provided in combining statements and schedules.



The Town adopts annual appropriated budgets for the General Fund, Highway Fund and the Special Districts Fund. Budgetary comparisons have been provided in the basic financial statements to demonstrate compliance with those budgets.

Fiduciary Funds - are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of these funds are not available to support the Town's own programs. The Town maintains one type of fiduciary fund, which is the Agency Fund. The Agency Fund maintains assets held for the benefit of others.

Notes to the Financial Statements - provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements.

### **Government-wide Financial Analysis**

As indicated previously, net assets and changes to net assets over time are expected to be a useful indicator of a government's financial position. The Town's net assets at calendar year end December 31, 2012 and 2011 were \$22,329,696 and \$23,652,810 respectively. Approximately 2% of the Town's 2012 net assets are restricted for various purposes (repairs, capital projects, future capital projects, debt service and special purpose). Investments in capital assets, less any outstanding debt used to acquire those assets, account for the majority of the total net assets. The Town uses these assets to provide services to citizens. Consequently, the assets cannot be used 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 capital assets cannot be used to liquidate these liabilities.

A summary of the Town's net position, at December 31, 2012 and 2011 is as follows:

#### **Governmental Activities Net Assets**

	December 31, 2012	December 31, 2011
Current Assets	\$ 8,515,658	\$ 7,306,883
Capital Assets, Net	28,101,207	27,953,893
<b>Total Assets</b>	<b>36,616,865</b>	<b>35,260,776</b>
Current Liabilities	645,280	446,724
Long-Term Liabilities	13,641,889	11,161,242
<b>Total Liabilities</b>	<b>14,287,169</b>	<b>11,607,966</b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	25,270,873	24,831,381
Restricted	404,164	454,237
Unrestricted	(3,345,341)	(1,632,808)
<b>Total Net Assets</b>	<b>\$ 22,329,696</b>	<b>\$ 23,652,810</b>

Restricted assets, which represent resources that are subject to external constraints on how they may be used, are approximately two percent of the total net assets. The unrestricted net assets, or about one percent, may be used to meet the Town's ongoing financial obligations. However, this amount is negative at December 31, 2012.

In 2012, The Town's net assets, which relate solely to governmental activities, decreased by \$1,323,114 and are discussed in the next section.

Governmental Activities - account for the decrease in the Town's net assets. A summary of the Town's change in net assets, at December 31, 2012 and 2011 is as follows:

### Changes in Net Assets

	December 31, 2012	December 31, 2011
Revenues		
Program Revenues:		
Charges for Services	\$ 1,065,779	\$ 936,053
Operating Grants and Contributions	372,172	64,893
Capital Grants and Contributions	808,296	627,796
General Revenues		
Real Property Taxes	14,523,450	14,365,771
Other Tax Items	41,458	56,308
Non-Property Taxes	256,088	245,415
Unrestricted Use of Money and Property	25,718	38,584
Sale of Property and Compensation for Loss	72,594	39,439
State Aid - unrestricted	327,120	290,094
Miscellaneous	65,550	117,855
Total Revenues	<u>17,558,225</u>	<u>16,782,208</u>
Program Expenses		
General Government Support	3,809,260	3,958,004
Public Safety	5,807,106	6,061,667
Health	7,314	6,658
Transportation	4,773,230	4,074,790
Economic Opportunity and Development	26,500	26,790
Culture and Recreation	2,097,660	1,967,601
Home and Community Services	2,271,548	1,923,281
Interest	88,721	87,560
Total Expenses	<u>18,881,339</u>	<u>18,106,351</u>
Decrease in Net Assets	<u>\$ (1,323,114)</u>	<u>\$ (1,324,143)</u>

The major revenue categories are: Real Property Taxes, 83%, State aid 2%, Charges for Services 6%, Operating Grants and Contribution for 2%, and Capital Grants and Contributions 5%. The major expenditure categories are: Public Safety 31%, Transportation 25%, General

Government Support 20%, Culture and Recreation 11%, and Home and Community Services 12%.

### **Financial Analysis of the Town's Funds**

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

Governmental Funds - are used to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financing requirements. The unreserved portion of fund balance can provide a useful measure of a government's net resources available for spending at the end of the calendar year. The Town's governmental funds reported total fund balances of \$7,812,485 and \$6,798,912 at December 31, 2012 and 2011, respectively. Approximately, \$3,762,243 or about 48% of the 2012 total constitutes unassigned fund balance. The reserved fund balances are not available for new spending, because they have been committed for 2012: non-spendable (\$396,638), restricted (\$404,164), assigned (3,249,440).

The General Fund is the Town's primary operating fund. At the end of the calendar year, the unassigned fund balance was \$3,762,243 and the total fund balance was \$4,689,494. As a measure of the General Fund's liquidity, it is useful to compare both the unassigned fund balance and the total fund balance to total General Fund expenditures and other financing uses. The unassigned fund balance represents approximately 80% and the total fund balance represents approximately 39% of General Fund expenditures and other financing uses.

The fund balance in the Town's General Fund increased by \$201,119 during the current calendar year. The primary reasons for the increase were the decrease in expenditures in general government support, public safety, and culture and recreation as compared with estimated expenditures.

The fund balance in the Town's Highway Fund increased by \$461,112 during the current calendar year. The primary reason for the fund balance increase was a decrease in current year expenditures.

### **General Fund Budgetary Highlights**

The difference between the original and final budgets for revenues and other financing sources is \$116,025 with the final amended budget more than the original budget. The increases relate to: departmental income of \$3,025, fines and forfeitures of \$110,000 and state aid of \$3,000.

The difference between the original and final budgets for expenditures and other financing uses is also \$116,025 with the final amended budget more than the original budget. The differences relate to: General Government Support (increase \$211,850), Public Safety (increase \$38,775), Transportation (increase \$35,350), Culture and Recreation (decrease \$101,950), Home and Community Services (decrease \$31,000) and employee benefits – Undistributed decrease \$36,200).

### **Capital Assets and Debt Administration**

Capital Assets - at December 31, 2012 for governmental activities was \$28,101,207 net of accumulated depreciation of \$8,512,667. The investment in capital assets includes: land, buildings and improvements, machinery and equipment and infrastructure.

**Capital Assets**  
**(Net of Accumulated Depreciation)**  
**December 31,**

	2012	2011
Land	\$ 17,339,460	\$ 16,824,745
Buildings and Improvements	8,511,473	8,844,029
Machinery and Equipment	1,421,032	1,435,757
Infrastructure	829,242	849,362
<b>Total Capital Assets</b>	<b>\$ 28,101,207</b>	<b>\$ 27,953,893</b>

Additional information on the Town's capital assets is available in the Notes to Financial Statements.

Outstanding Debt - at the end of calendar year 2012, the Town had a total of \$2,830,334 general obligation bonds outstanding. All of the debt is backed by the full faith and credit of the Town.

New York State statutes place a limit on the maximum amount of total outstanding long-term debt that may be incurred by a local municipal entity at no more than seven percent of the five-year average full valuation of all real property. The Town's current constitutional debt limitation is \$119,312,358 and the Town has consumed 2.37% of the debt contracting capacity.

Additional information on the Town's debt is available in the Notes to Financial Statements.

### **Economic Factors and Next Year's Budget and Rates**

The economic downturn of 2010 continues to effect resident of the Town of Kent. In consideration of this and in response to the Property Tax Cap, which established a tax levy limit, the Town of Kent kept property tax rate increases under 2% in 2012 and 2013.

While revenues were limited by the property tax increase, expenses such as retirement benefits, health insurance premiums and worker's compensation insurance increased significantly. All of these factors were considered by management in preparing the Town's 2013 budget, which contained a very small increase over the 2012 budget.

### **Requests for Information**

This financial report is designed to provide a general overview of the finances of the Town of Kent, New York. Questions about this report should be addressed to Katherine M. Doherty, Town Supervisor, Town of Kent, 25 Sybil's Crossing, Kent Lakes, New York 10512.

**Town of Kent, New York**

**Statement of Net Position  
December 31, 2012**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 7,433,622
Receivables	
Accounts	409,053
State and Federal aid	198,988
Inventories	134,261
Prepaid expenses	262,377
Deferred charges	77,357
Capital assets	
Not being depreciated	17,339,460
Being depreciated, net	<u>10,761,747</u>
Total Assets	<u>36,616,865</u>
<b>LIABILITIES</b>	
Accounts payable	440,996
Accrued liabilities	175,882
Retainage payable	8,938
Accrued interest payable	19,464
Non-current liabilities	
Due within one year	334,034
Due in more than one year	<u>13,307,855</u>
Total Liabilities	<u>14,287,169</u>
<b>NET POSITION</b>	
Net investment in capital assets	25,465,186
Restricted for	
Repairs	109,060
Future capital projects	70,120
Debt service	185,603
Special purpose	109,371
Unrestricted	<u>(3,609,644)</u>
Total Net Position	<u><u>\$ 22,329,696</u></u>

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

(This page intentionally left blank)

**Town of Kent, New York**

**Statement of Activities**

**Year Ended December 31, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 3,809,260	\$ 4,846	\$ 2,284	\$ -	\$ (3,802,130)
Public safety	5,807,106	754,648	35,459	-	(5,016,999)
Health	7,314	4,030	-	-	(3,284)
Transportation	4,773,230	-	294,906	796,427	(3,681,897)
Economic opportunity and development	26,500	-	-	-	(26,500)
Culture and recreation	2,097,660	141,842	30,274	11,869	(1,913,675)
Home and community services	2,271,548	160,413	9,249	-	(2,101,886)
Interest	88,721	-	-	-	(88,721)
<b>Total Governmental Activities</b>	<b>\$ 18,881,339</b>	<b>\$ 1,065,779</b>	<b>\$ 372,172</b>	<b>\$ 808,296</b>	<b>(16,635,092)</b>
General revenues					
Real property taxes					14,523,450
Other tax items					
Interest and penalties on real property taxes					41,458
Non-property taxes					
Franchise fees					256,088
Unrestricted use of money and property					25,718
Sale of property and compensation for loss					72,594
Unrestricted State aid					327,120
Miscellaneous					65,550
<b>Total General Revenues</b>					<b>15,311,978</b>
<b>Change in Net Position</b>					<b>(1,323,114)</b>
<b>Net Position - Beginning of Year</b>					<b>23,652,810</b>
<b>Net Position - Ending</b>					<b>\$ 22,329,696</b>

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

**Town of Kent, New York**

Balance Sheet  
Governmental Funds  
December 31, 2012

	General	Highway	Special Districts	Special Purpose
<b>ASSETS</b>				
Cash and equivalents	\$ 3,640,338	\$ 1,597,226	\$ 1,389,538	\$ 109,371
Receivables				
Accounts	223,050	-	360	-
State and Federal aid	88,733	98,133	12,122	-
Due from other funds	1,547,055	495,693	1,773,426	-
	1,858,838	593,826	1,785,908	-
Inventories	134,261	-	-	-
Prepaid expenditures	179,114	55,500	27,763	-
Total Assets	<u>\$ 5,812,551</u>	<u>\$ 2,246,552</u>	<u>\$ 3,203,209</u>	<u>\$ 109,371</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 290,271	\$ 36,163	\$ 80,546	\$ -
Accrued liabilities	69,328	81,952	24,602	-
Due to other funds	763,458	292,922	1,919,956	-
Retainage payable	-	-	-	-
Total Liabilities	1,123,057	411,037	2,025,104	-
Fund balances				
Nonspendable	313,375	55,500	27,763	-
Restricted	255,593	-	109,190	109,371
Assigned	428,273	1,780,015	1,041,152	-
Unassigned	3,692,253	-	-	-
Total Fund Balances	4,689,494	1,835,515	1,178,105	109,371
Total Liabilities and Fund Balances	<u>\$ 5,812,551</u>	<u>\$ 2,246,552</u>	<u>\$ 3,203,209</u>	<u>\$ 109,371</u>

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



<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ 697,149	\$ 7,433,622
185,643	409,053
-	198,988
<u>1,161,859</u>	<u>4,978,033</u>
<u>1,347,502</u>	<u>5,586,074</u>
<u>-</u>	<u>134,261</u>
<u>-</u>	<u>262,377</u>
<u>\$ 2,044,651</u>	<u>\$ 13,416,334</u>
\$ 34,016	\$ 440,996
-	175,882
2,001,697	4,978,033
<u>8,938</u>	<u>8,938</u>
<u>2,044,651</u>	<u>5,603,849</u>
-	396,638
-	474,154
-	3,249,440
<u>-</u>	<u>3,692,253</u>
<u>-</u>	<u>7,812,485</u>
<u>\$ 2,044,651</u>	<u>\$ 13,416,334</u>

(This page intentionally left blank)

## Town of Kent, New York

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

---

Fund Balances - Total Governmental Funds	\$	7,812,485
--	----	-----------

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.	28,101,207
--	------------

Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Deferred charges	77,357
---	--------

Long-term liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest payable	(19,464)
Bonds payable	(2,713,378)
Compensated absences	(87,175)
Other post employment benefit obligations payable	<u>(10,841,336)</u>

Net Position of Governmental Activities	\$	<u>22,329,696</u>
---	----	-------------------

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

# Town of Kent, New York

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

	General	Highway	Special Districts	Special Purpose
<b>REVENUES</b>				
Real property taxes	\$ 7,397,947	\$ 3,667,079	\$ 3,458,424	\$ -
Other tax items	41,458	-	-	-
Non-property taxes	256,088	-	-	-
Departmental income	713,664	-	14,902	-
Use of money and property	25,718	6,470	5,042	327
Licenses and permits	4,605	-	-	-
Fines and forfeitures	682,466	-	-	-
Sale of property and compensation for loss	72,594	16,362	19,555	-
State aid	408,553	-	11,806	-
Federal aid	115,968	100,357	-	-
Miscellaneous	65,550	13,709	6,291	-
<b>Total Revenues</b>	<b>9,784,611</b>	<b>3,803,977</b>	<b>3,516,020</b>	<b>327</b>
<b>EXPENDITURES</b>				
Current				
General government support	3,299,570	-	-	-
Public safety	3,751,459	-	1,274,186	-
Health	6,035	-	-	-
Transportation	258,224	2,219,943	-	-
Economic opportunity and development	26,500	-	-	-
Culture and recreation	1,169,480	-	449,014	-
Home and community services	233,637	-	1,094,386	-
Employee benefits	445,460	874,710	455,135	-
Debt service				
Principal	290,000	30,333	101,113	-
Interest	77,800	1,140	2,266	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>9,558,165</b>	<b>3,126,126</b>	<b>3,376,100</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>226,446</b>	<b>677,851</b>	<b>139,920</b>	<b>327</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	12,463	13,046	25,002	
Transfers out	(37,790)	(229,785)	(76,331)	
<b>Total Other Financing Sources (Uses)</b>	<b>(25,327)</b>	<b>(216,739)</b>	<b>(51,329)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>201,119</b>	<b>461,112</b>	<b>88,591</b>	<b>327</b>
<b>Fund Balances (Deficits)- Beginning of Year</b>	<b>4,488,375</b>	<b>1,374,403</b>	<b>1,089,514</b>	<b>109,044</b>
<b>Fund Balances - End of Year</b>	<b>\$ 4,689,494</b>	<b>\$ 1,835,515</b>	<b>\$ 1,178,105</b>	<b>\$ 109,371</b>

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

Capital Projects	Total Governmental Funds
\$ -	\$ 14,523,450
-	41,458
-	256,088
-	728,566
-	37,557
-	4,605
-	682,466
-	108,511
208,787	629,146
-	216,325
599,509	685,059
808,296	17,913,231
-	3,299,570
-	5,025,645
-	6,035
-	2,478,167
-	26,500
-	1,618,494
-	1,328,023
-	1,775,305
-	421,446
-	81,206
839,267	839,267
839,267	16,899,658
(30,971)	1,013,573
343,906	394,417
(50,511)	(394,417)
293,395	-
262,424	1,013,573
(262,424)	6,798,912
\$ -	\$ 7,812,485

(This page intentionally left blank)

## Town of Kent, 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

---

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,013,573
--	--------------

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 expense 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	770,235
Depreciation expense	<u>(622,921)</u>
	<u>147,314</u>

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

Principal paid on bonds	421,446
Amortization of issuance costs, loss on refunding and issuance premium	<u>(20,462)</u>
	<u>400,984</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	4,796
Compensated absences	(27,139)
Other post employment benefit obligations	<u>(2,862,642)</u>
	<u>(2,884,985)</u>

Change in Net Position of Governmental Activities	<u>\$ (1,323,114)</u>
---	-----------------------

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

Town of Kent, 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			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 7,397,946	\$ 7,397,946	\$ 7,397,947	\$ 1
Other tax items	72,000	72,000	41,458	(30,542)
Non-property taxes	235,934	235,934	256,088	20,154
Departmental income	781,181	784,206	713,664	(70,542)
Use of money and property	50,700	50,700	25,718	(24,982)
Licenses and permits	1,500	1,500	4,605	3,105
Fines and forfeitures	500,200	610,200	682,466	72,266
Sale of property and compensation for loss	-	-	72,594	72,594
State aid	283,000	286,000	408,553	122,553
Federal aid	-	-	115,968	115,968
Miscellaneous	-	-	65,550	65,550
Total Revenues	9,322,461	9,438,486	9,784,611	346,125
<b>EXPENDITURES</b>				
Current				
General government support	3,164,111	3,375,961	3,299,570	76,391
Public safety	3,775,646	3,814,421	3,751,459	62,962
Health	5,915	6,115	6,035	80
Transportation	252,533	287,883	258,224	29,659
Economic opportunity and development	27,500	26,500	26,500	-
Culture and recreation	1,335,127	1,233,177	1,169,480	63,697
Home and community services	275,443	244,443	233,637	10,806
Employee benefits	418,386	382,186	445,460	(63,274)
Debt service				
Principal	290,000	290,000	290,000	-
Interest	77,800	77,800	77,800	-
Total Expenditures	9,622,461	9,738,486	9,558,165	180,321
Excess (Deficiency) of Revenues Over Expenditures	(300,000)	(300,000)	226,446	526,446
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	12,463	12,463
Transfers out	-	-	(37,790)	(37,790)
Total Other Financing Uses	-	-	(25,327)	(25,327)
Net Change in Fund Balances	(300,000)	(300,000)	201,119	501,119
Fund Balances - Beginning of Year	300,000	300,000	4,488,375	4,188,375
Fund Balances - End of Year	\$ -	\$ -	\$ 4,689,494	\$ 4,689,494

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)
\$ 3,667,079	\$ 3,667,079	\$ 3,667,079	\$ -	\$ 3,458,424	\$ 3,458,424	\$ 3,458,424	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
20,000	20,000	6,470	(13,530)	10,000	10,000	14,902	4,902
-	-	-	-	9,250	9,250	5,042	(4,208)
-	-	-	-	-	-	-	-
20,600	20,600	16,362	(4,238)	3,500	3,500	19,239	15,739
-	-	-	-	-	-	-	-
-	-	100,357	100,357	-	-	12,122	12,122
-	-	13,709	13,709	6,600	12,892	6,291	(6,601)
3,707,679	3,707,679	3,803,977	96,298	3,487,774	3,494,066	3,516,020	21,954
-	-	-	-	-	-	-	-
-	-	-	-	1,276,527	1,276,527	1,274,186	2,341
-	-	-	-	-	-	-	-
2,595,009	2,593,959	2,219,943	374,016	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	474,253	490,195	449,014	41,181
-	-	-	-	1,108,809	1,129,509	1,094,386	35,123
963,152	964,202	874,710	89,492	522,261	491,911	455,135	36,776
138,964	138,964	30,333	108,631	101,113	101,113	101,113	-
10,554	10,554	1,140	9,414	4,811	4,811	2,266	2,545
3,707,679	3,707,679	3,126,126	581,553	3,487,774	3,494,066	3,376,100	117,966
-	-	677,851	677,851	-	-	139,920	139,920
-	-	13,046	13,046	-	-	25,002	25,002
-	-	(229,785)	(229,785)	-	-	(76,331)	(76,331)
-	-	(216,739)	(216,739)	-	-	(51,329)	(51,329)
-	-	461,112	461,112	-	-	88,591	88,591
-	-	1,374,403	1,374,403	-	-	1,089,514	1,089,514
\$ -	\$ -	\$ 1,835,515	\$ 1,835,515	\$ -	\$ -	\$ 1,178,105	\$ 1,178,105

**Town of Kent, New York**

Statement of Assets and Liabilities  
Fiduciary Fund  
December 31, 2012

---

	<u>Agency</u>
<b>ASSETS</b>	
Cash	
Demand deposits	\$ 799,356
Time deposits	<u>41,254</u>
	840,610
Accounts receivable	<u>246,307</u>
Total Assets	<u><u>\$ 1,086,917</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 128,366
Deposits payable	<u>958,551</u>
Total Liabilities	<u><u>\$ 1,086,917</u></u>

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

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

The Town of Kent, New York ("Town") was established in 1817 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 financial statements.

**B. Government-Wide Financial Statements**

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

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

Separate financial statements are provided for governmental 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, 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 other than debt service or capital projects. The major special revenue funds of the Town are as follows:

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

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's fire protection, park, water and sanitation districts. The major revenues of this fund are real property taxes, departmental income and use of money and property.

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.

**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 deposit and 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, and accordingly, the Town's policy provides for no credit risk on investments.

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

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 January 31st. 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.

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

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption 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.

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

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the 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.

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

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

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 inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of 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 sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide statement of net position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if 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 and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling



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

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 repairs, future capital projects, debt service and special purpose funds. The balance is classified as unrestricted.

**Fund Balances** - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the 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 the General Municipal Law of the State of New York.

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The 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 entity's 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.

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

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

**F. 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 June 21, 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 September 30th, the Supervisor shall submit a tentative budget to the Town Clerk.
- b) On or before October 5th, the Town Clerk shall present the tentative budget to the Town Board.
- c) 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.
- d) At the public hearing, taxpayers may comment on the preliminary budget.
- e) On or before November 20th, 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.

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

- f) Formal budgetary integration is employed during the year as a management control device for the General, Highway and Special Districts funds.
- g) 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.
- h) 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.
- i) 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. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

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

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

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

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

upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

**C. Application of Accounting Standards**

For the year ended December 31, 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.

**D. Excess of Actual Expenditures Over Budget**

The following functional expenditures exceeded their budgetary authorizations by the amounts indicated:

General Fund -	
Employee Benefits - Undistributed -	
Health insurance	\$ 63,497
Other Financing Uses - Transfers Out -	
Capital Projects Fund	37,790
Highway Fund - Other Financing Uses -	
Transfers out	229,785
Special Districts Fund -	
Other Financing Uses -	
Transfers out	76,331

**E. Other Deficits**

The Lake Carmel Fire Protection District reflected a deficit of \$21,316 at December 31, 2012. The Town will address this deficit in the ensuing year.

# Town of Kent, New York

Notes to Financial Statements (Continued)  
December 31, 2012

## 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 Fund	\$ 1,547,055	\$ 763,458
Highway Fund	495,693	292,922
Special Districts Fund	1,773,426	1,919,956
Capital Projects Fund	1,161,859	2,001,697
	<u>\$ 4,978,033</u>	<u>\$ 4,978,033</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.

### B. Capital Assets

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

<u>Class</u>	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2012</u>
Capital Assets, not being depreciated				
Land	\$ 16,345,620	\$ -	\$ -	\$ 16,345,620
Construction-in-progress	479,125	591,115	76,400	993,840
Total Capital Assets, not being depreciated	<u>\$ 16,824,745</u>	<u>\$ 591,115</u>	<u>\$ 76,400</u>	<u>\$ 17,339,460</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 13,325,909	\$ -	-	\$ 13,325,909
Machinery and equipment	4,686,965	255,520	-	4,942,485
Infrastructure	1,006,020	-	-	1,006,020
Total Capital Assets, being depreciated	<u>19,018,894</u>	<u>255,520</u>	<u>-</u>	<u>19,274,414</u>
Less Accumulated Depreciation for				
Building and improvements	4,481,880	332,556	\$ -	4,814,436
Machinery and equipment	3,251,208	270,245	-	3,521,453
Infrastructure	156,658	20,120	-	176,778
Total Accumulated Depreciation	<u>7,889,746</u>	<u>622,921</u>	<u>-</u>	<u>8,512,667</u>
Total Capital Assets, being depreciated, net	<u>\$ 11,129,148</u>	<u>\$ (367,401)</u>	<u>\$ -</u>	<u>\$ 10,761,747</u>
Capital Assets, net	<u>\$ 27,953,893</u>	<u>\$ 223,714</u>	<u>\$ 76,400</u>	<u>\$ 28,101,207</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	\$ 159,647
Public Safety	118,680
Transportation	164,197
Culture and Recreation	142,019
Home and Community Services	<u>38,378</u>
Total Depreciation Expense	<u>\$ 622,921</u>

**C. Pension Plans**

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

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

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	25.4%
	3 A14	18.6
	4 A15	18.7
	5 A15	15.1
	6 A15	10.1
PFRS	2 384D	25.1
	5 384D	20.1
	6 384D	14.6

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

	<u>ERS</u>	<u>PFRS</u>
2012	\$ 629,468	\$ 380,869
2011	465,693	316,385
2010	345,177	262,681

# Town of Kent, New York

Notes to Financial Statements (Continued)  
December 31, 2012

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

The ERS and PFRS 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 various functional categories within the funds identified below. The current PFRS contribution was charged to the General Fund.

<u>Fund</u>	<u>Amount</u>
General	\$ 296,418
Highway	222,000
Special Districts	111,050
	<u>\$ 629,468</u>

### D. Long-Term Liabilities

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

	<u>Balance January 1, 2011</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2012</u>	<u>Due Within One Year</u>
Bonds Payable	\$ 3,251,780	\$ -	\$ 421,446	\$ 2,830,334	\$ 325,334
Less - Deferred charges	(185,778)	-	(17,694)	(168,084)	-
Plus - Issuance premium	56,510	-	5,382	51,128	-
	<u>3,122,512</u>	<u>-</u>	<u>409,134</u>	<u>2,713,378</u>	<u>325,334</u>
Other Non-Current Liabilities:					
Compensated Absences	60,036	33,139	6,000	87,175	8,700
Other Post Employment Benefit Obligations Payable	7,978,694	3,440,807	578,165	10,841,336	-
	<u>\$ 11,161,242</u>	<u>\$ 3,473,946</u>	<u>\$ 993,299</u>	<u>\$ 13,641,889</u>	<u>\$ 334,034</u>

Each governmental fund's liability for bonds, capital leases, 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:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at December 31, 2012</u>
Public Improvements	2010	\$ 91,000	April, 2013	2.50 %	\$ 30,334
Refunding Bonds	2011	2,875,000	September, 2022	2.00 - 3.00	2,800,000
					<u>\$ 2,830,334</u>

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

Interest expenditures of \$81,206 were recorded in the fund financial statements in the following funds.

<u>Fund</u>	<u>Amount</u>
General	\$ 77,800
Highway	1,140
Special Districts	<u>2,266</u>
	<u>\$ 81,206</u>

Interest expense of \$88,721 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 \$388,990 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 325,334	\$ 67,130
2014	290,000	60,162
2015	285,000	54,362
2016	275,000	48,662
2017	295,000	43,163
2018-2022	<u>1,360,000</u>	<u>115,511</u>
	<u>\$ 2,830,334</u>	<u>\$ 388,990</u>

**Compensated Absences**

Police officers may accumulate 180 days of sick leave. Any employee may elect to be paid for unused sick time at the end of each calendar year. Such payment will be for the time accumulated during that year only and will be paid at the current rate of pay. Vacation time must be taken in the year earned. Certain employees may elect to add up to 125 days of sick time to their retirement time under Section 41j of the New York State Employee's Retirement System. The Town is liable to the System for such elections. The value of all compensated absences has been recorded in the government-wide financial statements.

**Other Post Employment Benefit Obligations Payable**

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees 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



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

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. The Town has recognized revenues and expenditures of \$63,510 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

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 2011 and 2012 actual premiums were used in the projections with the assumed rate of increase in postretirement benefits subsequent to 2012 presented below:

<u>Fiscal Year</u>	<u>Medical Premiums</u>	<u>Medicare Part B Premiums</u>
2013	9.00 %	7.00 %
2014	8.50	6.50
2015	8.00	6.00
2016	7.50	5.50
2017	7.00	5.00
2018	6.50	5.00
2019	6.00	5.00
2020	5.50	5.00
2021+	5.00	5.00

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 4.0%

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

annual discount rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

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

Active Employees	84
Retired Employees and Dependents	<u>46</u>
Total	<u><u>130</u></u>
Amortization Component:	
Actuarial Accrued Liability as of January 1, 2012	\$ 28,797,397
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 28,797,397</u></u>
Funded Ratio	<u><u>0.00%</u></u>
Covered Payroll (Active plan members)	<u>\$ 5,555,994</u>
UAAL as a Percentage of Covered Payroll	<u><u>518.31%</u></u>
Annual Required Contribution	\$ 2,677,905
Interest on Net OPEB Obligation	319,148
Adjustment to Annual Required Contribution	<u>443,754</u>
Annual OPEB Cost	3,440,807
Contributions Made	<u>(578,165)</u>
Increase in Net OPEB Obligation	2,862,642
Net OPEB Obligation - Beginning of Year	<u>7,978,694</u>
Net OPEB Obligation - End of Year	<u><u>\$ 10,841,336</u></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
2012	\$ 3,440,807	16.80 %	\$ 10,841,336
2011	2,585,498	20.26	7,978,694
2010	2,618,675	18.88	5,916,930

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.

## Town of Kent, New York

Notes to Financial Statements (Continued)  
December 31, 2012

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

#### E. Revenues and Expenditures

##### Interfund Transfers

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

Transfer Out	Transfer In				Total
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	
General Fund	\$ -	\$ -	\$ -	\$ 37,790	\$ 37,790
Highway Fund	-	-	-	229,785	229,785
Special Districts Fund	-	-	-	76,331	76,331
Capital Projects Fund	12,463	13,046	25,002	-	50,511
	<u>\$ 12,463</u>	<u>\$ 13,046</u>	<u>\$ 25,002</u>	<u>\$ 343,906</u>	<u>\$ 394,417</u>

Transfers are used to 1) move funds from the fund with collection authorization to the funds where additional amounts are needed and 2) to move amounts no longer need for project expenditures back to the fund that funded the project.

#### 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.

*Restricted for Repairs* - the component of net position that has been established in accordance with the General Municipal Law of the State of New York. The amount may only be used for repairs in the Town's Park and Water Districts and only with approval of the Town Board.

*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.

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

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

# Town of Kent, New York

Notes to Financial Statements (Continued)  
December 31, 2012

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

### G. 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,925	\$ -	\$ -	\$ 55,925
Inventories	134,261	-	-	-	-	134,261	114,665	-	-	-	-	114,665
Prepaid expenditures	179,114	55,500	27,763	-	-	262,377	307,924	200,875	115,900	-	-	624,699
<b>Total Nonspendable</b>	<b>313,375</b>	<b>55,500</b>	<b>27,763</b>	<b>-</b>	<b>-</b>	<b>396,638</b>	<b>422,589</b>	<b>200,875</b>	<b>171,825</b>	<b>-</b>	<b>-</b>	<b>795,289</b>
<b>Restricted</b>												
Repairs	-	-	109,060	-	-	109,060	-	-	108,967	-	-	108,967
Special purpose	-	-	-	109,371	-	109,371	-	-	-	109,044	-	109,044
Debt service	185,603	-	-	-	-	185,603	185,603	-	-	-	-	185,603
Future capital projects	69,990	-	130	-	-	70,120	-	-	112	-	-	112
<b>Total Restricted</b>	<b>255,593</b>	<b>-</b>	<b>109,190</b>	<b>109,371</b>	<b>-</b>	<b>474,154</b>	<b>185,603</b>	<b>-</b>	<b>109,079</b>	<b>109,044</b>	<b>-</b>	<b>403,726</b>
<b>Assigned</b>												
Future recycling projects	128,273	-	-	-	-	128,273	105,136	-	-	-	-	105,136
Subsequent year's expenditures	300,000	100,000	-	-	-	400,000	300,000	-	-	-	-	300,000
Major Funds	-	1,680,015	1,041,152	-	-	2,721,167	-	1,173,528	808,610	-	-	1,982,138
<b>Total Assigned</b>	<b>428,273</b>	<b>1,780,015</b>	<b>1,041,152</b>	<b>-</b>	<b>-</b>	<b>3,249,440</b>	<b>405,136</b>	<b>1,173,528</b>	<b>808,610</b>	<b>-</b>	<b>-</b>	<b>2,387,274</b>
<b>Unassigned</b>	<b>3,692,253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,692,253</b>	<b>3,475,047</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(262,424)</b>	<b>3,212,623</b>
<b>Total Fund Balances</b>	<b>\$ 4,689,494</b>	<b>\$ 1,835,515</b>	<b>\$ 1,178,105</b>	<b>\$ 109,371</b>	<b>\$ -</b>	<b>\$ 7,812,485</b>	<b>\$ 4,488,375</b>	<b>\$ 1,374,403</b>	<b>\$ 1,089,514</b>	<b>\$ 109,044</b>	<b>\$ (262,424)</b>	<b>\$ 6,798,912</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.

Inventories have been established to account for purchased goods which will be expended when consumed. 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.

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.

Amounts assigned for future recycling programs represent the Town's intention to use these funds for recycling programs in the future. These amounts have been set aside by the Town Board.

Subsequent years' expenditures represent that at December 31, 2012, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

**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.

**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 \$2 million and \$20 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.

**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.

\*\*\*\*\*

**Town of Kent, 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, 2012	\$ -	\$ 28,797,397	\$ 28,797,397	- %	\$ 5,555,994	518.31	%
January 1, 2011	-	27,137,897	27,137,897	-	4,594,607	590.65	
January 1, 2010	-	27,137,897	27,137,897	-	4,594,607	590.65	

**Town of Kent, New York****General Fund  
Comparative Balance Sheet  
December 31,**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash		
Demand deposits	\$ 679,548	\$ 506,933
Time deposits	2,959,790	751,003
Petty cash	<u>1,000</u>	<u>1,000</u>
	<u>3,640,338</u>	<u>1,258,936</u>
Receivables		
Accounts	223,050	244,592
State and Federal aid	88,733	12,114
Due from other funds	<u>1,547,055</u>	<u>3,841,683</u>
	<u>1,858,838</u>	<u>4,098,389</u>
Inventories	<u>134,261</u>	<u>114,665</u>
Prepaid expenditures	<u>179,114</u>	<u>307,924</u>
Total Assets	<u>\$ 5,812,551</u>	<u>\$ 5,779,914</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 290,271	\$ 179,219
Accrued liabilities	69,328	52,208
Due to other funds	<u>763,458</u>	<u>1,060,112</u>
Total Liabilities	<u>1,123,057</u>	<u>1,291,539</u>
Fund balance		
Nonspendable	313,375	422,589
Restricted	255,593	185,603
Assigned	428,273	405,136
Unassigned	<u>3,692,253</u>	<u>3,475,047</u>
Total Fund Balance	<u>4,689,494</u>	<u>4,488,375</u>
Total Liabilities and Fund Balance	<u>\$ 5,812,551</u>	<u>\$ 5,779,914</u>

**Town of Kent, New York**

General 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	\$ 7,397,946	\$ 7,397,946	\$ 7,397,947	\$ 1
Other tax items	72,000	72,000	41,458	(30,542)
Non-property taxes	235,934	235,934	256,088	20,154
Departmental income	781,181	784,206	713,664	(70,542)
Use of money and property	50,700	50,700	25,718	(24,982)
Licenses and permits	1,500	1,500	4,605	3,105
Fines and forfeitures	500,200	610,200	682,466	72,266
Sale of property and compensation for loss	-	-	72,594	72,594
State aid	283,000	286,000	408,553	122,553
Federal aid	-	-	115,968	115,968
Miscellaneous	-	-	65,550	65,550
<b>Total Revenues</b>	<b>9,322,461</b>	<b>9,438,486</b>	<b>9,784,611</b>	<b>346,125</b>
<b>EXPENDITURES</b>				
Current				
General government support	3,164,111	3,375,961	3,299,570	76,391
Public safety	3,775,646	3,814,421	3,751,459	62,962
Health	5,915	6,115	6,035	80
Transportation	252,533	287,883	258,224	29,659
Economic opportunity and development	27,500	26,500	26,500	-
Culture and recreation	1,335,127	1,233,177	1,169,480	63,697
Home and community services	275,443	244,443	233,637	10,806
Employee benefits - Undistributed	418,386	382,186	445,460	(63,274)
Debt service				
Principal	290,000	290,000	290,000	-
Interest	77,800	77,800	77,800	-
<b>Total Expenditures</b>	<b>9,622,461</b>	<b>9,738,486</b>	<b>9,558,165</b>	<b>180,321</b>
Excess (Deficiency) of Revenues Over Expenditures	(300,000)	(300,000)	226,446	526,446
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	12,463	12,463
Transfers out	-	-	(37,790)	(37,790)
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>(25,327)</b>	<b>(25,327)</b>
<b>Net Change in Fund Balance</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>201,119</b>	<b>501,119</b>
<b>Fund Balance - Beginning of Year</b>	<b>300,000</b>	<b>300,000</b>	<b>4,488,375</b>	<b>4,188,375</b>
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,689,494</b>	<b>\$ 4,689,494</b>



2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 7,266,803	\$ 7,266,803	\$ 7,269,288	\$ 2,485
72,000	72,000	56,308	(15,692)
200,000	200,000	245,415	45,415
882,581	895,608	801,091	(94,517)
100,700	100,700	38,584	(62,116)
1,800	1,800	3,219	1,419
500,000	500,000	541,099	41,099
-	13,690	39,439	25,749
291,500	291,500	303,194	11,694
-	-	-	-
-	-	117,855	117,855
9,315,384	9,342,101	9,415,492	73,391
3,123,253	3,307,909	3,275,176	32,733
3,736,946	3,752,880	3,704,133	48,747
6,376	6,404	4,958	1,446
252,704	257,348	266,280	(8,932)
27,500	27,500	26,790	710
1,355,167	1,239,849	1,150,446	89,403
289,775	235,845	197,457	38,388
381,347	391,415	457,577	(66,162)
241,652	276,652	276,652	-
150,664	96,299	96,095	204
9,565,384	9,592,101	9,455,564	136,537
(250,000)	(250,000)	(40,072)	209,928
-	-	-	-
-	-	-	-
-	-	-	-
(250,000)	(250,000)	(40,072)	209,928
250,000	250,000	4,528,447	4,278,447
\$ -	\$ -	\$ 4,488,375	\$ 4,488,375

**Town of Kent, 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>	<u>\$ 7,397,946</u>	<u>\$ 7,397,946</u>	<u>\$ 7,397,947</u>	<u>\$ 1</u>	<u>\$ 7,269,288</u>
<b>OTHER TAX ITEMS</b>					
Interest and penalties on real property taxes	<u>72,000</u>	<u>72,000</u>	<u>41,458</u>	<u>(30,542)</u>	<u>56,308</u>
<b>NON-PROPERTY TAXES</b>					
Franchise fees	<u>235,934</u>	<u>235,934</u>	<u>256,088</u>	<u>20,154</u>	<u>245,415</u>
<b>DEPARTMENTAL INCOME</b>					
Town Clerk and other fees	9,784	9,784	3,984	(5,800)	14,050
Interdepartmental charges	482,332	482,332	355,868	(126,464)	470,732
Police and dog pound fees	2,100	2,100	7,845	5,745	5,269
Safety inspection fees	60,000	60,000	64,210	4,210	70,081
Vital statistics fees	5,065	5,065	4,030	(1,035)	3,652
Culture and recreation fees	115,700	115,700	131,158	15,458	100,009
Planning board and other fees	11,000	11,000	24,125	13,125	17,700
Recycling fees	85,200	85,200	94,607	9,407	96,372
Other service fees	<u>10,000</u>	<u>13,025</u>	<u>27,837</u>	<u>14,812</u>	<u>23,226</u>
	<u>781,181</u>	<u>784,206</u>	<u>713,664</u>	<u>(70,542)</u>	<u>801,091</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	<u>50,700</u>	<u>50,700</u>	<u>25,718</u>	<u>(24,982)</u>	<u>38,584</u>

**LICENSES AND PERMITS**

Dog and other licenses	1,500	1,500	3,505	2,005	3,194
Permits	-	-	1,100	1,100	25

**FINES AND FORFEITURES**

Fines and forfeited bail	500,200	610,200	682,466	72,266	541,099
--------------------------	---------	---------	---------	--------	---------

**SALE OF PROPERTY AND COMPENSATION  
FOR LOSS**

Sale of equipment	-	-	650	650	5,200
Insurance recoveries	-	-	71,944	71,944	39,439
Other compensation for loss	-	-	-	-	7,020
	-	-	72,594	72,594	51,659

**STATE AID**

Per capita	60,000	60,000	58,361	(1,639)	58,361
Mortgage tax	200,000	200,000	268,759	68,759	231,733
DARE program	20,000	20,000	20,000	-	-
Youth programs	2,500	2,500	150	(2,350)	7,061
Public safety	500	3,500	15,459	11,959	1,196
Disaster assistance	-	-	42,040	42,040	-
Other	-	-	3,784	3,784	4,843
	283,000	286,000	408,553	122,553	303,194

**FEDERAL AID**

Disaster assistance	-	-	115,968	115,968	-
---------------------	---	---	---------	---------	---

**MISCELLANEOUS**

Refund of prior year's expenditures	-	-	1,834	1,834	60,862
Medicare Part D reimbursements	-	-	63,510	63,510	56,876
Miscellaneous	-	-	206	206	117
	-	-	65,550	65,550	117,855

**TOTAL REVENUES**

9,322,461	9,438,486	9,784,611	230,157	9,415,492
-----------	-----------	-----------	---------	-----------

**OTHER FINANCING SOURCES**

Transfers in					
Capital Projects Fund	-	-	12,463	-	-

**TOTAL REVENUES AND OTHER  
FINANCING SOURCES**

\$ 9,322,461	\$ 9,438,486	\$ 9,797,074	\$ 230,157	\$ 9,415,492
--------------	--------------	--------------	------------	--------------

**Town of Kent, New York**

General Fund

Schedule of Expenditures and Other Financing Uses 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	\$ 137,598	\$ 126,448	\$ 125,520	\$ 928	\$ 126,508
Town Justice	556,589	630,439	628,071	2,368	556,308
Supervisor	182,283	183,333	183,066	267	174,181
Finance	176,946	198,146	197,469	677	171,805
Audit	34,000	34,000	34,000	-	32,800
Tax collection	72,926	51,826	51,718	108	60,803
Budget Director	11,240	11,590	11,471	119	8,918
Assessor	211,662	181,962	178,354	3,608	174,320
Town Clerk	238,412	238,612	238,150	462	226,502
Town Attorney	155,000	242,600	242,108	492	161,979
Personnel	28,000	33,000	32,944	56	30,899
Engineering	7,000	5,800	3,481	2,319	-
Records management	29,904	31,104	29,642	1,462	33,011
Buildings	306,067	301,067	259,599	41,468	261,302
Central garage	639,699	891,399	870,899	20,500	730,876
Central communications	12,000	16,300	16,210	90	15,567
Central printing and mailing	42,000	43,200	43,129	71	50,907
Central data processing	79,000	77,200	77,134	66	80,858
Unallocated insurance	25,000	10,000	10,000	-	-
Municipal association dues	1,500	1,500	1,500	-	1,500
Judgments and claims	25,000	35,400	35,266	134	294,489
Town code	31,000	18,650	17,466	1,184	65,364
Metropolitan commuter transportation mobility tax	16,285	12,385	12,373	12	16,279
Contingency	145,000	-	-	-	-
	<u>3,164,111</u>	<u>3,375,961</u>	<u>3,299,570</u>	<u>76,391</u>	<u>3,275,176</u>

**PUBLIC SAFETY**

Police	3,536,113	3,554,588	3,510,343	44,245	3,504,951
Less - Transfers to Debt Service	-	-	-	-	(16,862)

3,536,113	3,554,588	3,510,343	44,245	3,488,089
-----------	-----------	-----------	--------	-----------

Traffic control	4,000	7,400	7,333	67	4,818
Fire prevention and control	25,005	27,905	21,558	6,347	17,990
Animal control	41,859	46,909	37,049	9,860	33,277
Safety inspection	168,669	171,119	168,676	2,443	157,782
Demolitions of unsafe buildings	-	6,500	6,500	-	-
Other	-	-	-	-	2,177

3,775,646	3,814,421	3,751,459	62,962	3,704,133
-----------	-----------	-----------	--------	-----------

**HEALTH**

Registrar of Vital Statistics	4,915	5,115	5,060	55	4,311
DARE program	1,000	1,000	975	25	647

5,915	6,115	6,035	80	4,958
-------	-------	-------	----	-------

**TRANSPORTATION**

Highway Administration	169,533	199,133	170,325	28,808	168,000
Garage	73,000	78,400	77,581	819	87,615
Street lighting	10,000	10,350	10,318	32	10,665

252,533	287,883	258,224	29,659	266,280
---------	---------	---------	--------	---------

**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Veterans' services	1,000	-	-	-	290
Programs for the aging	24,000	24,000	24,000	-	24,000
Outreach program	2,500	2,500	2,500	-	2,500

27,500	26,500	26,500	-	26,790
--------	--------	--------	---	--------

(Continued)

**Town of Kent, New York**

General Fund

Schedule of Expenditures and Other Financing Uses 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>CULTURE AND RECREATION</b>					
Parks	\$ 394,751	\$ 374,551	\$ 352,476	\$ 22,075	\$ 351,235
Recreation administration	155,477	134,977	120,682	14,295	102,500
Recreation buildings operations	16,500	19,000	18,122	878	17,895
Youth programs	150,806	104,906	79,135	25,771	78,160
Library	571,781	568,181	567,713	468	558,408
Historian	3,312	3,712	3,668	44	3,451
Celebrations	20,000	14,550	14,480	70	14,367
Adult recreation	22,500	13,300	13,204	96	24,430
	<u>1,335,127</u>	<u>1,233,177</u>	<u>1,169,480</u>	<u>63,697</u>	<u>1,150,446</u>
<b>HOME AND COMMUNITY SERVICES</b>					
Zoning and appeals	11,000	19,950	19,865	85	14,226
Planning Board	63,250	60,100	51,636	8,464	42,069
New York City Watershed	150	-	-	-	-
Stormwater contractual	45,000	37,300	37,280	20	31,057
Landfill	20,000	11,200	11,197	3	12,060
Recycling	85,200	72,550	71,771	779	62,121
Beautification	5,000	1,800	1,753	47	1,785
Code enforcement	38,568	36,268	35,537	731	29,374
Conservation advisory	775	775	98	677	265
Cemeteries	4,500	4,500	4,500	-	4,500
Cable TV	2,000	-	-	-	-
	<u>275,443</u>	<u>244,443</u>	<u>233,637</u>	<u>10,806</u>	<u>197,457</u>

**EMPLOYEE BENEFITS - UNDISTRIBUTED**

State retirement	1,000	1,000	1,000	-	445
Social security	-	4,600	4,581	19	-
Workers' compensation benefits	-	-	-	-	6,345
Unemployment benefits	10,000	4,100	4,030	70	18,626
Disability	2,123	1,023	1,009	14	2,049
Health insurance	403,763	369,963	433,460	(63,497)	428,653
Other	1,500	1,500	1,380	120	1,459

<u>418,386</u>	<u>382,186</u>	<u>445,460</u>	<u>(63,274)</u>	<u>457,577</u>
----------------	----------------	----------------	-----------------	----------------

**DEBT SERVICE**

Serial bonds					
Principal	290,000	290,000	290,000	-	276,652
Interest	77,800	77,800	77,800	-	96,095

<u>367,800</u>	<u>367,800</u>	<u>367,800</u>	<u>-</u>	<u>372,747</u>
----------------	----------------	----------------	----------	----------------

**TOTAL EXPENDITURES**

9,622,461	9,738,486	9,558,165	180,321	9,455,564
-----------	-----------	-----------	---------	-----------

**OTHER FINANCING USES**

Transfers out					
Capital Projects Fund	-	-	37,790	(37,790)	-

**TOTAL EXPENDITURES AND  
OTHER FINANCING USES**

<u>\$ 9,622,461</u>	<u>\$ 9,738,486</u>	<u>\$ 9,595,955</u>	<u>\$ 142,531</u>	<u>\$ 9,455,564</u>
---------------------	---------------------	---------------------	-------------------	---------------------

(This page intentionally left blank)



**Town of Kent, New York**

Highway Fund  
Comparative Balance Sheet  
December 31,

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash		
Time deposits	<u>\$ 1,597,226</u>	<u>\$ -</u>
Receivables		
State and Federal aid	98,133	-
Due from other funds	<u>495,693</u>	<u>1,274,474</u>
	<u>593,826</u>	<u>1,274,474</u>
Prepaid expenditures	<u>55,500</u>	<u>200,875</u>
Total Assets	<u><u>\$ 2,246,552</u></u>	<u><u>\$ 1,475,349</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	<u>\$ 36,163</u>	<u>\$ 42,179</u>
Accrued liabilities	81,952	21,306
Due to other funds	<u>292,922</u>	<u>37,461</u>
Total Liabilities	<u>411,037</u>	<u>100,946</u>
Fund balance		
Nonspendable	55,500	200,875
Assigned	<u>1,780,015</u>	<u>1,173,528</u>
Total Fund Balance	<u>1,835,515</u>	<u>1,374,403</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,246,552</u></u>	<u><u>\$ 1,475,349</u></u>

# Town of Kent, 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	\$ 3,667,079	\$ 3,667,079	\$ 3,667,079	\$ -
Use of money and property	20,000	20,000	6,470	(13,530)
Sale of property and compensation for loss	20,600	20,600	16,362	(4,238)
Federal aid	-	-	100,357	100,357
Miscellaneous	-	-	13,709	13,709
<b>Total Revenues</b>	<b>3,707,679</b>	<b>3,707,679</b>	<b>3,803,977</b>	<b>96,298</b>
<b>EXPENDITURES</b>				
Current				
Transportation				
Repairs and maintenance	1,319,843	1,640,643	1,575,235	65,408
Snow removal	1,256,666	948,566	640,050	308,516
Brush and weeds	18,500	4,750	4,658	92
	<b>2,595,009</b>	<b>2,593,959</b>	<b>2,219,943</b>	<b>374,016</b>
Employee benefits	963,152	964,202	874,710	89,492
Debt service				
Principal	138,964	138,964	30,333	108,631
Interest	10,554	10,554	1,140	9,414
	<b>149,518</b>	<b>149,518</b>	<b>31,473</b>	<b>118,045</b>
<b>Total Expenditures</b>	<b>3,707,679</b>	<b>3,707,679</b>	<b>3,126,126</b>	<b>581,553</b>
Excess of Revenues Over Expenditures	-	-	677,851	677,851
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	13,046	13,046
Transfers out	-	-	(229,785)	(229,785)
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>(216,739)</b>	<b>(216,739)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>461,112</b>	<b>461,112</b>
<b>Fund Balance - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>1,374,403</b>	<b>1,374,403</b>
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,835,515</b>	<b>\$ 1,835,515</b>

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,656,420	\$ 3,656,420	\$ 3,656,420	\$ -
20,000	20,000	2,819	(17,181)
600	600	5,701	5,101
-	-	-	-
-	-	1,450	1,450
3,677,020	3,677,020	3,666,390	(10,630)
1,384,103	1,405,801	1,397,677	8,124
1,256,666	1,251,255	1,044,400	206,855
18,500	18,500	8,418	10,082
2,659,269	2,675,556	2,450,495	225,061
919,935	892,037	851,372	40,665
93,007	104,618	104,618	-
4,809	4,809	3,090	1,719
97,816	109,427	107,708	1,719
3,677,020	3,677,020	3,409,575	267,445
-	-	256,815	256,815
-	-	-	-
-	-	-	-
-	-	-	-
-	-	256,815	256,815
-	-	1,117,588	1,117,588
\$ -	\$ -	\$ 1,374,403	\$ 1,374,403

**Town of Kent, New York**

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

	Fire Protection Districts		Park Districts	
	Lake Carmel	Kent	Lake Carmel	Lake Tibet
<b>ASSETS</b>				
Cash				
Demand deposits	\$ -	\$ -	\$ 3,000	\$ -
Time deposits	-	1,777	244,531	64,322
Petty cash	-	-	500	-
	-	1,777	248,031	64,322
Accounts receivable	-	-	360	-
State and Federal aid receivable	-	-	7,564	-
Due from other funds	60	9,211	109,871	55,162
Advances to other funds	-	-	-	-
Prepaid expenditures	-	-	8,509	-
Total Assets	<u>\$ 60</u>	<u>\$ 10,988</u>	<u>\$ 374,335</u>	<u>\$ 119,484</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
Liabilities				
Accounts payable	\$ 68	\$ -	\$ 20,667	\$ 5
Accrued liabilities	-	-	4,304	-
Due to other funds	21,308	-	50,960	-
Total Liabilities	<u>21,376</u>	<u>-</u>	<u>75,931</u>	<u>5</u>
Fund balances (deficits)				
Nonspendable	-	-	8,509	-
Restricted	-	-	75,075	33,858
Assigned	(21,316)	10,988	214,820	85,621
Total Fund Balances (Deficits)	<u>(21,316)</u>	<u>10,988</u>	<u>298,404</u>	<u>119,479</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 60</u>	<u>\$ 10,988</u>	<u>\$ 374,335</u>	<u>\$ 119,484</u>

Water Districts		Lake Carmel Sanitation District	Totals	
Romanoff	Leeside		2012	2011
\$ 17,803	\$ 9,629	\$ 132,699	\$ 163,131	\$ 160,381
40,334	26,616	848,327	1,225,907	3,926,459
-	-	-	500	500
58,137	36,245	981,026	1,389,538	4,087,340
-	-	-	360	-
4,242	316	-	12,122	1,039
27,331	59,149	1,512,642	1,773,426	435,621
-	-	-	-	55,925
-	-	19,254	27,763	115,900
<u>\$ 89,710</u>	<u>\$ 95,710</u>	<u>\$ 2,512,922</u>	<u>\$ 3,203,209</u>	<u>\$ 4,695,825</u>
\$ 1,511	\$ 1,875	\$ 56,420	\$ 80,546	\$ 62,129
-	-	20,298	24,602	22,229
-	-	1,847,688	1,919,956	3,521,953
1,511	1,875	1,924,406	2,025,104	3,606,311
-	-	19,254	27,763	171,825
127	130	-	109,190	109,079
88,072	93,705	569,262	1,041,152	808,610
88,199	93,835	588,516	1,178,105	1,089,514
<u>\$ 89,710</u>	<u>\$ 95,710</u>	<u>\$ 2,512,922</u>	<u>\$ 3,203,209</u>	<u>\$ 4,695,825</u>

# Town of Kent, 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)

	Fire Protection Districts		Park Districts	
	Lake Carmel	Kent	Lake Carmel	Lake Tibet
<b>REVENUES</b>				
Real property taxes	\$ 854,527	\$ 421,050	\$ 585,782	\$ 31,900
Departmental income	-	-	14,902	-
Use of money and property	-	127	1,483	241
Sale of property and compensation for loss	-	-	10,000	-
Federal aid	-	-	7,564	-
Miscellaneous	-	-	6,291	-
Total Revenues	854,527	421,177	626,022	32,141
<b>EXPENDITURES</b>				
Current				
Public safety	854,535	419,651	-	-
Culture and recreation	-	-	444,157	4,857
Home and community services	-	-	-	-
Employee benefits	-	-	108,904	-
Debt service				
Principal	-	-	40,000	-
Interest	-	-	1,426	-
Total Expenditures	854,535	419,651	594,487	4,857
Excess (Deficiency) of Revenues Over Expenditures	(8)	1,526	31,535	27,284
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	25,000	-
Transfers out	-	-	(76,331)	-
Total Other Financing Sources (Uses)	-	-	(51,331)	-
Net Change in Fund Balances	(8)	1,526	(19,796)	27,284
Fund Balances (Deficits) - Beginning of Year	(21,308)	9,462	318,200	92,195
Fund Balances (Deficits) - End of Year	\$ (21,316)	\$ 10,988	\$ 298,404	\$ 119,479

Water Districts		Lake Carmel Sanitation District	Totals	
Romanoff	Leeside		2012	2011
\$ 52,500	\$ 31,924	\$ 1,480,741	\$ 3,458,424	\$ 3,440,063
-	-	-	14,902	8,229
196	186	2,809	5,042	6,571
-	316	9,239	19,555	37,995
4,242	-	-	11,806	-
-	-	-	6,291	19,544
<u>56,938</u>	<u>32,426</u>	<u>1,492,789</u>	<u>3,516,020</u>	<u>3,512,402</u>
-	-	-	1,274,186	1,298,814
-	-	-	449,014	394,833
45,366	24,058	1,024,962	1,094,386	1,088,623
-	-	346,231	455,135	478,304
-	-	61,113	101,113	101,113
-	-	840	2,266	5,336
<u>45,366</u>	<u>24,058</u>	<u>1,433,146</u>	<u>3,376,100</u>	<u>3,367,023</u>
<u>11,572</u>	<u>8,368</u>	<u>59,643</u>	<u>139,920</u>	<u>145,379</u>
-	-	2	25,002	-
-	-	-	(76,331)	-
-	-	2	(51,329)	-
11,572	8,368	59,645	88,591	145,379
<u>76,627</u>	<u>85,467</u>	<u>528,871</u>	<u>1,089,514</u>	<u>944,135</u>
<u>\$ 88,199</u>	<u>\$ 93,835</u>	<u>\$ 588,516</u>	<u>\$ 1,178,105</u>	<u>\$ 1,089,514</u>

**Town of Kent, New York**

Special Purpose Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash		
Demand deposits	<u>\$      109,371</u>	<u>\$      109,044</u>
<b>FUND BALANCE</b>		
Restricted	<u>\$      109,371</u>	<u>\$      109,044</u>



**Town of Kent, 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>		
Use of money and property	\$ 327	\$ 499
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	327	499
Fund Balance - Beginning of Year	<u>109,044</u>	<u>108,545</u>
Fund Balance - End of Year	<u>\$ 109,371</u>	<u>\$ 109,044</u>

**Town of Kent, New York****Capital Projects Fund  
Comparative Balance Sheet  
December 31,**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash		
Demand deposits	\$ 369,023	\$ 129,578
Time deposits	<u>328,126</u>	<u>327,275</u>
	<u>697,149</u>	<u>456,853</u>
Receivables		
Accounts	185,643	41,515
State and Federal aid	-	270,579
Due from other funds	<u>1,161,859</u>	<u>1,018,084</u>
	<u>1,347,502</u>	<u>1,330,178</u>
Total Assets	<u><u>\$ 2,044,651</u></u>	<u><u>\$ 1,787,031</u></u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>		
Liabilities		
Accounts payable	\$ 34,016	\$ 34,256
Due to other funds	2,001,697	1,950,336
Retainage payable	8,938	8,938
Advances from other funds	<u>-</u>	<u>55,925</u>
Total Liabilities	2,044,651	2,049,455
Fund balance (deficit)		
Unassigned	<u>-</u>	<u>(262,424)</u>
Total Liabilities and Fund Balance (Deficit)	<u><u>\$ 2,044,651</u></u>	<u><u>\$ 1,787,031</u></u>

**Town of Kent, New York****Capital Projects Fund****Comparative Statement of Revenues, Expenditures and Changes  
in Fund Balance**

Years Ended December 31,

	2012	2011
<b>REVENUES</b>		
State aid	\$ 208,787	\$ 583,783
Miscellaneous	599,509	44,013
Total Revenues	808,296	627,796
<b>EXPENDITURES</b>		
Capital outlay	839,267	934,713
Deficiency of Revenues Over Expenditures	(30,971)	(306,917)
<b>OTHER FINANCING USES (SOURCES)</b>		
Refunding bonds issued	-	2,875,000
Issuance premium	-	59,201
Payment to refunded bond escrow agent	-	(2,844,625)
Transfers in	343,906	-
Transfers out	(50,511)	-
Total Other Financing Sources	293,395	-
Net Change in Fund Balance	262,424	(306,917)
Fund Balance (Deficit) - Beginning of Year	(262,424)	44,493
Fund Balance (Deficit) - End of Year	\$ -	\$ (262,424)

Town of Kent, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through December 31, 2012

PROJECT	Project Budget	Expenditures and Transfers	Unexpended Balance
<u>Closed</u>			
Huestis Park	\$ 35,000	\$ 19,546	\$ 15,454
Lake Carmel Gate Valves	341,616	341,616	-
Town Center Generator	77,790	77,790	-
Lake Carmel Community Center	25,000	25,000	-
Ludington Mill Stone	5,000	5,000	-
Lake Carmel Cultural Center (Old Firehouse)	426,365	426,365	-
Sanitation Vehicle	187,226	187,226	-
Road Resurfacing - CHIPS	405,001	405,001	-
Sweeper	229,785	229,785	-
<u>Active</u>			
North Cove Project	523,854	523,854	-
Road Construction Route 52 Sewer	5,000,000	529,755	4,470,245
Stormwater	227,500	105,848	121,652
Gateway	100,000	5,392	94,608
Totals	<u>\$ 7,584,137</u>	<u>\$ 2,882,178</u>	<u>\$ 4,701,959</u>

<u>Revenues</u>	<u>Fund Balance at December 31, 2012</u>
\$ 19,546	\$ -
341,616	-
77,790	-
25,000	-
5,000	-
426,365	-
187,226	-
405,001	-
229,785	-
523,854	-
529,755	-
105,848	-
5,392	-
<u>\$ 2,882,178</u>	<u>\$ -</u>

