

Village of Sleepy Hollow, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2016

Village of Sleepy Hollow, New York

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Sleepy Hollow, New York ("Village") as of and for the year ended May 31, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2016, and

the respective changes in financial position, thereof, and the budgetary comparison for the General and Water Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2C and Note 3E in the notes to financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board Statement Nos. 68 "*Accounting and Financial Reporting for Pensions*" and 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

January 23, 2017

Village of Sleepy Hollow, New York

Management's Discussion and Analysis (MD&A) May 31, 2016

Introduction

The management of the Village of Sleepy Hollow offers this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2016 to readers of the Village's financial statements. It should be read in conjunction with the basic financial statements and the notes to the Village's financial statements which immediately follow this section, to enhance the understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2016 are as follows:

- Net position may serve over time as a useful indicator of the Village's financial position. On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of the fiscal year 2016 by \$9,774,691. Of this amount, the unrestricted portion is (\$9,093,484) and net invested in capital assets is \$14,215,724. The restricted amount totals \$4,652,451. Of this amount, \$1,727,382 is solely to be used to alleviate impacts related to the Edge-on-Hudson project as specified in a Special Permit. The balance of \$2,925,069 is for use for the Water, Sewer, Parking and Special Purpose (Parks & Recreation Developer's Fund) funds and for future snow removal and debt service expenses.
- As of the close of the fiscal year, the Village's governmental funds (exclusive of the Capital Projects Fund) reported combined ending fund balances of \$8,116,158; an increase of \$3,675,283 from the prior year's fund balance of \$4,440,875.
 - Of this balance, \$2,521,579 or 31.1%, is unassigned for fiscal year 2016. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.
 - The remainder of fund balance is either classified as Nonspendable, Restricted or Assigned to indicate that it is not available for new spending.
- The General fund balance increased by \$2,974,712 to \$4,734,488 from \$1,759,776. At the end of the fiscal years 2016 and 2015, unassigned fund balance for the General Fund was \$2,521,579 or 53.26% and \$1,124,441 or 6.43% respectively, of total General Fund expenditures and other financing uses. This indicates very strong growth in the unassigned fund balance for general activities of the Village.
- The Village retired \$1,150,000 of long-term debt. During the current fiscal year, the Village issued bond anticipation notes for Capital Projects of \$9,234,364.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

The government-wide financial statements distinguish the functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village 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 grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

The Village maintains seven individual governmental funds: the General Fund, Water Fund, Parking Fund, Sewer Fund, Sanitation Fund, Special Purpose Fund and the Capital Projects Fund. The General, Water and Capital Projects funds are considered major funds and information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for these funds. The remaining funds are non-major and their information is aggregated and presented in a single column as other governmental funds.

Budgetary comparison statements are provided for the General Fund and Water Fund. Budgetary comparison statements have been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

Government-wide Financial Analysis

As noted previously, over a period of time net position may serve as a useful indicator of a government's financial position. At fiscal year end, May 31, 2016, the assets of the Village exceeded the liabilities by \$9,774,691.

The Village's total net position increased by \$1,292,982 for the year ended May 31, 2016, primarily due to several factors including recognition of deferred outflows of resources, deferred inflows of resources, and net pension liability related to the New York State and Local Retirement System ("NYSLRS") required under the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68. The GASB is charged with developing the accounting rules that apply to governments. For the year ending May 31, 2016, the village had deferred outflows of resources of \$5,567,354, deferred inflows of resources of \$957,090 and a net pension liability of \$5,638,459 related to NYSLRS. In addition, the Village received \$1,727,382 in cash to be used to alleviate impacts related to the Edge-on-Hudson project as specified in a Special Permit.

Net Position

	May 31,	
	2016	2015
Current Assets	\$ 18,463,326	\$ 15,435,658
Capital Assets, net	27,910,152	28,171,503
Total Assets	46,373,478	43,607,161
Deferred Outflows of Resources	5,619,535	58,320
Current Liabilities	11,439,905	11,007,539
Non-Current Liabilities	29,821,327	24,176,233
Total Liabilities	41,261,232	35,183,772
Deferred Inflows of Resources	957,090	-
Net Position		
Net Investment in Capital Assets	14,215,724	13,887,105
Restricted	4,652,451	2,306,737
Unrestricted	(9,093,484)	(7,712,133)
Total Net Position	\$ 9,774,691	\$ 8,481,709

Change in Net Position

	May 31,	
	2016	2015
REVENUES		
Program Revenues		
Charges for Services	\$ 6,621,766	\$ 6,160,721
Operating Grants and Contributions	145,633	135,016
Capital Grants and Contributions	2,345,598	158,465
Total Program Revenues	9,112,997	6,454,202
General Revenues		
Real Property Taxes	11,788,977	10,697,660
Other Tax Items	806,583	755,833
Non-Property Taxes	1,700,666	1,689,835
Unrestricted Use of Money and Property	28,130	25,142
Sale of Property and Compensation for Loss	30,066	83,033
Unrestricted State Aid	225,329	156,636
Insurance recoveries	118,580	-
Miscellaneous	11,676	74,436
Total General Revenues	14,710,007	13,482,575
Total Revenues	23,823,004	19,936,777
PROGRAM EXPENSES		
General Government Support	3,404,011	3,291,391
Public Safety	9,129,149	8,499,162
Health	252,326	200,159
Transportation	2,104,214	2,356,049
Economic Opportunity and Development	238,924	126,616
Culture and Recreation	2,548,399	2,345,387
Home and Community Services	3,828,364	3,471,989
Interest	527,421	548,317
Total Expenses	22,032,808	20,839,070
Change in Net Position	1,790,196	(902,293)
NET POSITION		
Beginning	8,481,709	9,384,002
Cumulative Effect of Change in Accounting Principle	(497,214)	-
Beginning, as restated	7,984,495	9,384,002
Ending	\$ 9,774,691	\$ 8,481,709

Governmental Activities

For the fiscal years ended May 31, 2016 and 2015, revenues from governmental activities totaled \$23,823,004 and \$19,936,777, respectively. Tax revenues \$14,296,226 in 2016 and \$13,143,328 in 2015, comprised of real property taxes, other tax items and non-property taxes; represent the largest revenue source (60.0% in 2016 and 65.9% in 2015).

The largest components of governmental activities' expenditures are public safety (41.4% in 2016 and 40.8% in 2015), home and community services (17.4% in 2016 and 16.7% in 2015), general government support (15.4% in 2016 and 15.8% in 2015) and culture and recreation (11.6% in 2016 and 11.3% in 2015). Public safety includes police, fire and safety inspections. Home and community services include planning, refuse and garbage and shade tree costs. General government support reflects various administrative services including clerk, engineer, law, treasurer, justices and the Board of Trustees. Culture and recreation includes recreation administration, parks maintenance, general recreation, youth programs, public library and adult recreation.

Financial Analysis of the Village's Funds

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

Fund Balance Reporting

It is important to note that this year's financial statements again include the presentation of the Governmental Accounting Standards board ("GASB") Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*". GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: Non-spendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below:

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

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

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

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

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

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements.

The Village's governmental funds reported ending fund balances of May 31, as follows:

<u>Fund</u>	<u>2016</u>	<u>2015</u>
General	\$ 4,734,488	\$ 1,759,776
Water	2,017,959	1,316,290
Parking	52,902	87,542
Sewer	604,892	625,661
Sanitation	47,802	(5,139)
Special Purpose	658,115	656,745
Capital Projects	(1,079,774)	(485,764)
	<u>\$ 7,036,384</u>	<u>\$ 3,955,111</u>

Exclusive of the Capital Projects Fund, the combined ending fund balance is \$8,116,158 of which \$2,521,579 is unassigned.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,521,579, representing 53.3% of the total General Fund balance of \$4,734,488. When the fiscal year 2015-2016 General Fund budget was adopted, it anticipated that revenues would equal expenditures. Actual results of operations resulted in an increase in the fund balance of \$2,974,712. Revenues and other financing sources were \$19,205,075, which was \$2,547,174 more than the final budget. This increase was primarily due to a Special Permit fee received relating to a very large project and unbudgeted revenue received from an annual Tax Lien Sale. Expenditures and other financing uses were \$16,230,363, which was \$427,538 less than the final budget. This was primarily due to savings in the General government support, Public Safety and Employee Benefit lines.

The Capital Projects Fund has a restricted fund balance of \$(1,079,774). A majority of the capital projects have been financed by long term debt and grants as of May 31, 2016.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2016, net of accumulated depreciation, was \$27,910,152. This investment in capital assets includes land, construction-in-progress, buildings, land improvements, infrastructure (not all inclusive) and machinery and equipment.

Major capital asset activity during the current fiscal year included the following:

Capital Assets

Asset	May 31,	
	2016	2015
Land	\$ 2,938,414	\$ 2,938,414
Construction-in-Progress	1,232,683	334,286
Buildings	5,551,739	5,733,409
Land Improvements	2,753,946	2,981,502
Infrastructure	11,725,040	12,325,967
Machinery and Equipment	3,708,330	3,857,925
Total (net of depreciation)	<u>\$ 27,910,152</u>	<u>\$ 28,171,503</u>

Long-Term Debt /Short-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$12,750,000. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

Economic Factors and Next Year's Budgets and Rates

We have seen continued increases in the cost of providing health insurance and retirement benefits to our employees over the last 3 years. Although retirement benefits should be decreasing over the next several years, these costs continue to put a strain on available Village resources. Luckily, we were able to continue to contribute to our fund balance this year due to revenues from an annual Tax Lien Sale and a Special Permit fee received relating to a very large project; as well as spending \$427,538 under budget.

The ongoing economic climate continues to have an impact on our local economy. Housing prices are slightly improving, new construction is still slow, and unemployment continues to reduce disposable incomes. With this in mind, the Village continually attempts to eliminate or reduce non-essential spending, while closely monitoring the costs of the programs that our residents rely on.

Requests for Information

This financial report is designed to provide a general overview of the Village of Sleepy Hollow's finances. Questions and comments concerning any of the information provided in this report should be addressed to Sara A. DiGiacomo, Village Treasurer, Village of Sleepy Hollow, 28 Beekman Avenue, Sleepy Hollow, New York 10591.

Village of Sleepy Hollow, New York

Statement of Net Position

May 31, 2016

	Primary Government	Component Unit
	Governmental Activities	Local Development Corporation
ASSETS		
Cash and equivalents	\$ 16,145,551	\$ 246,914
Receivables		
Taxes, net	179,577	-
Accounts	302,070	-
Water rents	935,792	-
Sewer rents	155,858	-
Due from State and Federal governments	256,011	-
Due from other governments	344,633	-
Due from primary government	-	55,848
Inventories	56,241	-
Prepaid expenses	87,593	90,773
Capital assets		
Not being depreciated	4,171,097	3,158,108
Being depreciated, net	23,739,055	-
Total Assets	46,373,478	3,551,643
DEFERRED OUTFLOWS OF RESOURCES	5,619,535	-
LIABILITIES		
Accounts payable	791,784	61,448
Accrued liabilities	726,957	-
Due to component unit	55,848	-
Unearned revenues	416,349	-
Bond anticipation notes payable	9,256,427	-
Accrued interest payable	192,540	-
Non-current liabilities		
Due within one year	1,776,301	-
Due in more than one year	28,045,026	-
Total Liabilities	41,261,232	61,448
DEFERRED INFLOWS OF RESOURCES	957,090	-
NET POSITION		
Net investment in capital assets	14,215,724	3,158,108
Restricted		
Snow removal	106,133	-
Debt service	271,527	-
Future capital projects	1,727,382	-
Special Revenue Funds		
Water	1,421,808	-
Sewer	426,161	-
Parking	41,325	-
Special purpose	658,115	-
Unrestricted	(9,093,484)	332,087
Total Net Position	\$ 9,774,691	\$ 3,490,195

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

Village of Sleepy Hollow, New York

Statement of Activities
Year Ended May 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 3,404,011	\$ 161,279	\$ 25,644	\$ 23,106
Public safety	9,129,149	564,109	15,623	3,521
Health	252,326	128,530	-	-
Transportation	2,104,214	346,004	102,996	-
Economic opportunity and development	238,924	-	-	-
Culture and recreation	2,548,399	208,420	1,370	38,575
Home and community services	3,828,364	5,213,424	-	2,280,137
Interest	527,421	-	-	259
Total Governmental Activities	<u>\$ 22,032,808</u>	<u>\$ 6,621,766</u>	<u>\$ 145,633</u>	<u>\$ 2,345,598</u>
Component unit				
Local Development Corporation	<u>\$ 116,652</u>	<u>\$ 392,035</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Real property taxes
Other tax items
Payments in lieu of taxes
Interest and penalties on real property taxes
Non-property taxes
Franchise fees
Utilities gross receipts taxes
Non-property tax distribution from County
Unrestricted use of money and property
Sale of property and compensation for loss
Unrestricted State aid
Miscellaneous
Insurance recoveries

Total General Revenues

Change in Net Position

NET POSITION

Beginning, as reported

Cumulative Effect of Change in Accounting Principle

Beginning, as restated

Ending

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

Primary Government	Component Unit
Net (Expense) Revenue and Changes in Net Position	Local Development Corporation
\$ (3,193,982)	-
(8,545,896)	-
(123,796)	-
(1,655,214)	-
(238,924)	-
(2,300,034)	-
3,665,197	-
(527,162)	-
(12,919,811)	-
-	275,383
11,788,977	-
520,588	-
285,995	-
150,744	-
113,205	-
1,436,717	-
28,130	-
30,066	-
225,329	-
11,676	-
118,580	-
14,710,007	-
1,790,196	275,383
8,481,709	3,214,812
(497,214)	-
7,984,495	3,214,812
\$ 9,774,691	\$ 3,490,195

Village of Sleepy Hollow, New York

Balance Sheet
Governmental Funds
May 31, 2016

	General	Water	Capital Projects
ASSETS			
Cash and equivalents	\$ 6,193,332	\$ 2,660,804	\$ 5,155,230
Taxes Receivable, net of allowance for uncollectible taxes	179,577	-	-
Other receivables			
Accounts	103,971	-	-
Water rents	-	935,792	-
Sewer rents	-	-	-
Due from State and Federal governments	13,759	-	242,252
Due from other governments	344,633	-	-
Due from other funds	2,113,674	224	3,304,935
	2,576,037	936,016	3,547,187
Other assets			
Inventories	-	56,241	-
Prepaid expenditures	77,656	5,354	-
	77,656	61,595	-
Total Assets	\$ 9,026,602	\$ 3,658,415	\$ 8,702,417
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 280,379	\$ 146,803	\$ 136,806
Accrued liabilities	658,212	31,604	-
Due to other funds	3,076,709	1,462,049	15,078
Due to component unit	55,848	-	-
Unearned revenues	19,326	-	395,943
Bond anticipation notes payable	22,063	-	9,234,364
Total Liabilities	4,112,537	1,640,456	9,782,191
Deferred inflows of resources			
Deferred tax revenues	179,577	-	-
Total Liabilities and Deferred Inflows of Resources	4,292,114	1,640,456	9,782,191
Fund balances (deficits)			
Nonspendable	77,656	61,595	-
Restricted	2,105,042	-	-
Assigned	30,211	1,956,364	-
Unassigned	2,521,579	-	(1,079,774)
Total Fund Balances (Deficits)	4,734,488	2,017,959	(1,079,774)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 9,026,602	\$ 3,658,415	\$ 8,702,417

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

Non-Major Governmental	Total Governmental Funds
\$ 2,136,185	\$ 16,145,551
-	179,577
198,099	302,070
-	935,792
155,858	155,858
-	256,011
-	344,633
137,451	5,556,284
491,408	7,550,648
-	56,241
4,583	87,593
4,583	143,834
\$ 2,632,176	\$ 24,019,610

\$ 227,796	\$ 791,784
37,141	726,957
1,002,448	5,556,284
-	55,848
1,080	416,349
-	9,256,427
1,268,465	16,803,649
-	179,577
1,268,465	16,983,226
4,583	143,834
658,115	2,763,157
701,013	2,687,588
-	1,441,805
1,363,711	7,036,384
\$ 2,632,176	\$ 24,019,610

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Village of Sleepy Hollow, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position Year Ended May 31, 2016

Fund Balances - Total Governmental Funds	\$ 7,036,384
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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.	<u>27,910,152</u>
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Governmental funds do not report the effect of losses on refunding bonds
and assets or liabilities related to net pension assets (liabilities) whereas
these amounts are deferred and amortized in the statement of activities.

Deferred amounts on pension assets (liabilities)	4,610,264
Deferred amounts on refunding bonds	<u>52,181</u>

	<u>4,662,445</u>
--	------------------

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds.

Real property taxes	<u>179,577</u>
---------------------	----------------

Long-term liabilities that are not due and payable in the current
period are not reported in the funds.

Accrued interest payable	(192,540)
Bonds payable	(12,804,473)
Bond anticipation notes payable	(446,476)
Retirement incentives and other pension obligations	(577,736)
Net pension liability	(5,638,459)
Compensated absences	(864,183)
Other post employment benefit obligations payable	<u>(9,490,000)</u>

	<u>(30,013,867)</u>
--	---------------------

Net Position of Governmental Activities	<u><u>\$ 9,774,691</u></u>
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The notes to the financial statements are an integral part of this statement.

Village of Sleepy Hollow, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended May 31, 2016

	General	Water	Capital Projects
REVENUES			
Real property taxes	\$ 12,264,499	\$ -	\$ -
Other tax items	806,583	-	-
Non-property taxes	1,700,666	-	-
Departmental income	535,163	3,978,422	-
Intergovernmental charges	13,759	-	-
Use of money and property	103,901	-	-
Licenses and permits	2,172,037	-	-
Fines and forfeitures	54,276	-	-
Sale of property and compensation for loss	30,066	-	-
State aid	327,297	-	52,214
Federal aid	15,623	-	3,521
Miscellaneous	37,320	-	561,415
Total Revenues	18,061,190	3,978,422	617,150
EXPENDITURES			
Current			
General government support	2,341,992	95,208	-
Public safety	4,612,692	-	-
Health	237,724	-	-
Transportation	1,181,869	-	-
Economic opportunity and development	226,305	-	-
Culture and recreation	1,711,292	-	-
Home and community services	26,485	1,723,429	-
Employee benefits	4,050,654	369,876	-
Debt service			
Principal	1,037,443	147,022	-
Interest	415,517	59,113	-
Capital outlay	-	-	1,399,864
Total Expenditures	15,841,973	2,394,648	1,399,864
Excess (Deficiency) of Revenues Over Expenditures	2,219,217	1,583,774	(782,714)
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	118,580	-	-
Transfers in	1,025,305	-	188,704
Transfers out	(388,390)	(882,105)	-
Total Other Financing Sources (Uses)	755,495	(882,105)	188,704
Net Change in Fund Balances	2,974,712	701,669	(594,010)
FUND BALANCES (DEFICITS)			
Beginning of Year	1,759,776	1,316,290	(485,764)
End of Year	\$ 4,734,488	\$ 2,017,959	\$ (1,079,774)

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

Non - Major Governmental	Total Governmental Funds
\$ -	\$ 12,264,499
-	806,583
-	1,700,666
1,520,892	6,034,477
-	13,759
2,292	106,193
-	2,172,037
-	54,276
-	30,066
-	379,511
-	19,144
-	598,735
1,523,184	24,179,946
61,000	2,498,200
-	4,612,692
-	237,724
156,748	1,338,617
-	226,305
-	1,711,292
864,348	2,614,262
354,646	4,775,176
101,415	1,285,880
42,611	517,241
-	1,399,864
1,580,768	21,217,253
(57,584)	2,962,693
-	118,580
199,686	1,413,695
(143,200)	(1,413,695)
56,486	118,580
(1,098)	3,081,273
1,364,809	3,955,111
\$ 1,363,711	\$ 7,036,384

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Village of Sleepy Hollow, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended May 31, 2016

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

Net Change in Fund Balances - Total Governmental Funds	\$ 3,081,273
--	--------------

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 amount may be less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold.

Capital outlay expenditures	1,358,604
Depreciation expense	<u>(1,619,955)</u>
	<u>(261,351)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	<u>(475,522)</u>
---------------------	------------------

Bonds, certain bond anticipation and other obligations notes issued provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and certain bond anticipation note and other obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal paid on bond anticipation notes	135,880
Principal paid on bonds	1,150,000
Retirement incentives and other pension obligations	112,533
Amortization of loss on refunding bonds and issuance premium	<u>269</u>
	<u>1,398,682</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.

Compensated absences	(61,456)
Pension assets(liabilities)	(530,981)
Accrued interest	(10,449)
Other post employment benefit obligations payable	<u>(1,350,000)</u>
	<u>(1,952,886)</u>

Change in Net Position of Governmental Activities	<u>\$ 1,790,196</u>
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The notes to the financial statements are an integral part of this statement.

Village of Sleepy Hollow, New York

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General and Water Funds
Year Ended May 31, 2016

	General Fund			Variance with Final Budget (Positive) Negative
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 11,846,289	\$ 11,846,289	\$ 12,264,499	\$ 418,210
Other tax items	550,000	550,000	806,583	256,583
Non-property taxes	1,655,000	1,655,000	1,700,666	45,666
Departmental income	489,500	489,500	535,163	45,663
Intergovernmental charges	14,123	14,123	13,759	(364)
Use of money and property	71,000	71,000	103,901	32,901
Licenses and permits	539,500	539,500	2,172,037	1,632,537
Fines and forfeitures	140,000	140,000	54,276	(85,724)
Sale of property and compensation for loss	5,000	5,000	30,066	25,066
State aid	239,684	239,684	327,297	87,613
Federal aid	-	-	15,623	15,623
Miscellaneous	12,500	12,500	37,320	24,820
Total Revenues	15,562,596	15,562,596	18,061,190	2,498,594
EXPENDITURES				
Current				
General government support	2,703,153	2,383,480	2,341,992	41,488
Public safety	4,462,070	4,655,767	4,612,692	43,075
Health	237,466	257,792	237,724	20,068
Transportation	1,171,700	1,188,960	1,181,869	7,091
Economic opportunity and development	73,700	234,363	226,305	8,058
Culture and recreation	1,603,455	1,725,566	1,711,292	14,274
Home and community services	33,400	31,666	26,485	5,181
Employee benefits	4,461,400	4,268,750	4,050,654	218,096
Debt service				
Principal	1,067,213	1,067,213	1,037,443	29,770
Interest	455,954	455,954	415,517	40,437
Total Expenditures	16,269,511	16,269,511	15,841,973	427,538
Excess (Deficiency) of Revenues Over Expenditures	(706,915)	(706,915)	2,219,217	2,926,132
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	70,000	70,000	118,580	48,580
Transfers in	1,025,305	1,025,305	1,025,305	-
Transfers out	(388,390)	(388,390)	(388,390)	-
Total Other Financing Sources (Uses)	706,915	706,915	755,495	48,580
Net Change in Fund Balances	-	-	2,974,712	2,974,712
FUND BALANCES				
Beginning of Year	-	-	1,759,776	1,759,776
End of Year	\$ -	\$ -	\$ 4,734,488	\$ 4,734,488

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

Water Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget (Positive) Negative
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
3,518,000	3,518,000	3,978,422	460,422
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,518,000	3,518,000	3,978,422	460,422
90,000	95,208	95,208	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,972,823	1,961,052	1,723,429	237,623
373,500	373,500	369,876	3,624
145,555	147,022	147,022	-
54,017	59,113	59,113	-
2,635,895	2,635,895	2,394,648	241,247
882,105	882,105	1,583,774	701,669
-	-	-	-
-	-	-	-
(882,105)	(882,105)	(882,105)	-
(882,105)	(882,105)	(882,105)	-
-	-	701,669	701,669
-	-	1,316,290	1,316,290
\$ -	\$ -	\$ 2,017,959	\$ 2,017,959

Village of Sleepy Hollow, New York

Statement of Assets and Liabilities

Fiduciary Fund

May 31, 2016

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 453,862
Accounts receivable	<u>37,123</u>
 Total Assets	 <u><u>\$ 490,985</u></u>
 LIABILITIES	
Payroll taxes	\$ 24,458
Deposits	<u>466,527</u>
 Total Liabilities	 <u><u>\$ 490,985</u></u>

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

Village of Sleepy Hollow, New York

Notes to Financial Statements
May 31, 2016

Note 1 - Summary of Significant Accounting Policies

The Village of Sleepy Hollow, New York ("Village") was established in 1874 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Village Mayor serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

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

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

The Sleepy Hollow Local Development Corporation ("LDC") was created on September 18, 2014 as a local development corporation by the Village under Sections 102 and 1411 of the Not-For-Profit Corporation Law in order to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, lessen the burdens of government and act in the public interest. The LDC is subject to the Public Authorities Accountability Act of 2005, as amended by Chapter 506 of the Laws of 2009 (collectively, the "PAAA") and shall comply with the PAAA, as set forth within the New York State Public Authorities Law. The LDC is managed by a Board of Directors that serves at the pleasure of the Village and therefore, the Village is considered able to impose its will on the LDC. The financial statements of the LDC have been reflected as a discretely presented component unit. Complete financial information can be obtained from:

Sleepy Hollow Local Development Corporation
28 Beekman Avenue
Sleepy Hollow, New York 10591

B. Government-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

General Fund - The General Fund constitutes the primary operating fund of the Village 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 established to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the Village is as follows -

Note 1 - Summary of Significant Accounting Policies (Continued)

Water Fund - used to record the water utility operations of the Village, which renders services on a user charge basis to the general public.

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.

The following are the Village's non-major governmental funds:

Special Revenue Funds:

Parking Fund - used to account for the operation and maintenance of the public parking spaces and lots in the Village.

Sewer Fund - used to record the sewer operations of the Village, which renders services on a user charge basis to the general public.

Sanitation Fund - used to record the sanitary operations of the Village, which renders services on a user charge basis to the general public.

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

- b. Fiduciary Funds (not included in Government-wide Financial Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. The Agency Fund is used to account for employer 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 generally used for revenue recognition for most 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 retirement incentives and other pension obligations, net pension liability, compensated absences and other post employment benefit obligations 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.

Component Unit

The LDC is accounted for on the flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. With this measurement focus, all assets and liabilities (whether current or non-current) associated with the operation of these activities are included on the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in net total position. The LDC is accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

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

Deposits and Risk Disclosure

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2016.

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

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in two installments due in June and December. The Village has the responsibility for the billing and collection of its own taxes. The Village also has the responsibility for holding and collecting tax liens.

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

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2016, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - The inventories reflected in the financial statements of the Water Fund represent materials and supplies for general use and are valued at cost on a first-in, first-out basis. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The Village uses the consumption method to relieve inventory. Reported inventories are equally offset by nonspendable fund balance in the fund financial statements, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are reported as prepaid items using the consumption method in both the government wide and fund financial statements. Prepaid expenses/expenditures consist of insurance and other 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/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings	25-50
Land improvements	20
Infrastructure	20-65
Machinery and equipment	5-15

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues in the General Fund of \$19,326 for miscellaneous items, \$395,943 in the Capital Projects Fund for contributions from a local developer that are not considered earned until certain project milestones have been met, and \$1,080 for parking permits for the coming fiscal year in the Parking Fund. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The Village reported deferred outflows of resources of \$52,181 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in

Note 1 - Summary of Significant Accounting Policies (Continued)

the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Village reported deferred inflows of resources of \$179,577 for real property taxes in the General Fund. This amount is deferred and recognized as revenue in the period that the amounts become available.

The Village also reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Village's pension plans in Note 3E.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts 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 expensed as incurred.

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 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 vacation and sick leave upon separation of 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 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 legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for snow removal, debt service, future capital projects and special revenue funds. The balance is classified as unrestricted.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted fund balance is 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 is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is 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 Village Board of Trustees is the highest level of decision making authority for the Village that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Village Board of Trustees 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 Village Board of Trustees.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Village Board of Trustees for amounts assigned for balancing the subsequent year's budget or the Village Treasurer for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. 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.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order: committed, assigned and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration. The Village has not implemented an encumbrance system.

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 23, 2017.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General, Water, Parking, Sewer and Sanitation funds.
- f) Budgets for General, Water, Parking, Sewer and Sanitation 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 legally adopted by the Board for the Special Purpose Fund.
- g) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- h) Appropriations in General, Water, Parking, Sewer and Sanitation funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2016 fiscal year was \$19,442,510 which exceeded the actual levy by \$7,596,221.

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

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year. The original legislation that established the Tax Levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer 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 Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board first enacts, by a vote of at least sixty percent of the total voting power of the Village Board, a local law to override such limit for such coming fiscal year.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Cumulative Effect of Change in Accounting Principle

For the year ended May 31, 2016, the Village implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$497,214.

D. Expenditures in Excess of Budget

The following functional expenditure categories exceeded their budgetary provisions by the amounts indicated:

	<u>Amount</u>
Sewer Fund	
Home and community services	\$ 28,133

E. Capital Projects Fund Deficit

The deficit of \$1,079,774 in the Capital Projects Fund arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at May 31, 2016 consisted of the following:

Taxes Receivable	
Current	\$ 285,814
Overdue	<u>64,884</u>
	350,698
Allowance for uncollectible taxes	<u>(171,121)</u>
	<u>\$ 179,577</u>

Taxes receivable are offset by deferred tax revenues of \$179,577, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2016 were as follows:

Fund	Due From	Due To
General	\$ 2,113,674	\$ 3,076,709
Water	224	1,462,049
Capital Projects	3,304,935	15,078
Non-Major Governmental	137,451	1,002,448
	<u>\$ 5,556,284</u>	<u>\$ 5,556,284</u>

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

C. Capital Assets

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

	Balance June 1, 2015	Additions	Deletions	Balance May 31, 2016
Capital Assets, not being depreciated				
Land	\$ 2,938,414	\$ -	\$ -	\$ 2,938,414
Construction-in-progress	334,286	898,397	-	1,232,683
Total Capital Assets, not being depreciated	<u>\$ 3,272,700</u>	<u>\$ 898,397</u>	<u>\$ -</u>	<u>\$ 4,171,097</u>
Capital Assets, being depreciated				
Buildings	\$ 8,701,552	\$ -	\$ -	\$ 8,701,552
Land improvements	5,011,029	4,677	-	5,015,706
Infrastructure	82,817,515	-	-	82,817,515
Machinery and equipment	11,555,783	455,530	83,524	11,927,789
Total Capital Assets, being depreciated	<u>108,085,879</u>	<u>460,207</u>	<u>83,524</u>	<u>108,462,562</u>
Less Accumulated Depreciation for				
Buildings	2,968,143	181,670	-	3,149,813
Land improvements	2,029,527	232,233	-	2,261,760
Infrastructure	70,491,548	600,927	-	71,092,475
Machinery and equipment	7,697,858	605,125	83,524	8,219,459
Total Accumulated Depreciation	<u>83,187,076</u>	<u>1,619,955</u>	<u>83,524</u>	<u>84,723,507</u>
Total Capital Assets, being depreciated, net	<u>\$ 24,898,803</u>	<u>\$ (1,159,748)</u>	<u>\$ -</u>	<u>\$ 23,739,055</u>
Capital Assets, net	<u>\$ 28,171,503</u>	<u>\$ (261,351)</u>	<u>\$ -</u>	<u>\$ 27,910,152</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

General Government Support	\$ 178,195
Public Safety	809,978
Health	48,598
Transportation	194,395
Culture and Recreation	145,796
Home and Community Services	<u>242,993</u>
Total Depreciation Expense	<u>\$ 1,619,955</u>

Capital Assets – Component Unit

Changes in the Sleepy Hollow Local Development Corporation's capital assets are as follows:

	Balance June 1, 2015	Additions	Balance May 31, 2016
Capital Assets, not being depreciated			
Land	\$ 3,000,000	\$ -	\$ 3,000,000
Development Costs	<u>-</u>	<u>158,108</u>	<u>158,108</u>
Total Capital Assets, not being depreciated	<u>\$ 3,000,000</u>	<u>\$ 158,108</u>	<u>\$ 3,158,108</u>

D. Short-Term Capital and Non-Capital Borrowings

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

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance June 1, 2015	New Issues	Redemptions	Balance at May 31, 2016
Capital Borrowings							
Various	11/30/2012	11/23/2016	0.84 %	\$ 610,000	\$ -	\$ 20,000	\$ 590,000
Various	11/26/2013	11/23/2016	0.84	6,456,901	-	45,318	6,411,583
Various	11/24/2014	11/23/2016	0.84	1,367,890	-	123,386	1,244,504
Various	11/23/2015	11/23/2016	0.84	<u>-</u>	<u>988,277</u>	<u>-</u>	<u>988,277</u>
				<u>\$ 8,434,791</u>	<u>\$ 988,277</u>	<u>\$ 188,704</u>	<u>\$ 9,234,364</u>
Non-Capital Borrowings							
Judgments and claims	11/26/2013	11/23/2016	0.84	<u>\$ 29,417</u>	<u>\$ -</u>	<u>\$ 7,354</u>	<u>\$ 22,063</u>

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

Interest expenditures of \$84,642 were recorded in the fund financial statements in the General Fund. Interest expense of \$91,916 was recorded in the government-wide financial statements.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2016:

	Balance June 1, 2015 As reported	Cumulative Effect of Change in Accounting Principle	Balance June 1, 2015 As restated	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2016	Due Within One Year
Bonds Payable							
Judgements and claims	\$ 530,850	\$ -	\$ 530,850	\$ -	\$ 24,500	\$ 506,350	\$ 25,550
Capital construction	13,369,150	-	13,369,150	-	1,125,500	12,243,650	1,154,450
	13,900,000	-	13,900,000	-	1,150,000	12,750,000	1,180,000
Plus - Unamortized premium on bonds	60,881	-	60,881	-	6,408	54,473	-
	13,960,881	-	13,960,881	-	1,156,408	12,804,473	1,180,000
Bond Anticipation Note Payable							
Judgements and claims	155,433	-	155,433	-	77,669	77,764	77,764
Capital construction	426,923	-	426,923	-	58,211	368,712	368,712
	582,356	-	582,356	-	135,880	446,476	446,476
Retirement Incentives and Other Pension Obligations	690,269	-	690,269	-	112,533	577,736	63,825
Net Pension Liability	-	497,214	497,214	5,141,245	-	5,638,459	-
Compensated Absences	802,727	-	802,727	141,456	80,000	864,183	86,000
Other Post Employment Benefit Obligations Payable	8,140,000	-	8,140,000	2,160,000	810,000	9,490,000	-
Total Long-Term Liabilities	\$ 24,176,233	\$ 497,214	\$ 24,673,447	\$ 7,442,701	\$ 2,294,821	\$ 29,821,327	\$ 1,776,301

Each governmental fund's liability for bonds, bond anticipation notes, retirement incentives and other pension obligations, net pension liability, compensated absences and other post employment benefit obligations is liquidated by the respective fund.

Bonds Payable

Bonds payable at May 31, 2016 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2016
Various Purposes	2007	5,326,070	August, 2024	4.00 - 5.00	\$ 3,305,000
Various Purposes	2012	7,875,000	May, 2031	2.25 - 4.00	6,680,000
Refunding	2014	3,325,000	August, 2024	2.00 - 2.50	2,765,000
					<u>\$ 12,750,000</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$426,775 were recorded in the fund financial statements in the funds indicated below. Interest expense of \$429,681 was recorded in the government-wide financial statements.

<u>Fund</u>	<u>Amount</u>
General	\$ 325,051
Water	59,113
Parking	16,216
Sewer	<u>26,395</u>
	<u>\$ 426,775</u>

Bond Anticipation Notes Payable

The Village issued a bond anticipation note for \$900,000 on November 30, 2011 for various improvements and judgments and claims. The Village, pursuant to GASB guidance, has not recorded these liabilities in the fund financial statements since it has demonstrated ability to consummate refinancing. The ability to consummate refinancing was evidenced by obtaining permanent financing or a renewal of the notes prior to the issuance of the financial statements. The remaining balance of \$446,476 is due on November 23, 2016, with interest at 1.25%.

Interest expenditures/expenses of \$5,824 were recorded in the fund financial statements in the General Fund and in the government-wide financial statements.

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 260 of the Laws of 2004. This chapter authorized local governments to amortize the portion of their respective 2005 contribution which exceeded 9.5% of covered payroll, over a ten year period, commencing in 2006. The amortization payment would include interest at 5% per annum. The Village elected to amortize the maximum allowable ERS and PFRS contributions which aggregated \$26,677 for ERS and \$100,920 for PFRS. The ERS amount required to be amortized for the Village during 2016 was \$3,455 including interest and was charged to expenditures in the General Fund. The PFRS amount required to be amortized during 2016 was \$13,069, including interest. This amount was charged to expenditures in the General Fund. These payments fulfilled the obligation due on the amortization of the 2005 contribution.

The 2010 State-wide Retirement Incentive Program enacted under Chapter 105 of the Laws of 2010 authorized local municipalities to offer employees a retirement incentive. Under Part A of the plan, eligible employees would be granted one month of additional service credit for each year of service up to 36 years. The estimated cost of the program will be approximately 60% of the employee's final average salary. The Village elected to pay this obligation over a five year period with interest. The ERS amount required to be amortized for the Village during 2016 was \$38,279 including interest and was charged to expenditures in the General Fund. These payments fulfilled the obligation due on the amortization of the 2010 contribution.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their ERS and PFRS contributions beginning in 2014. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The Village elected to amortize the maximum allowable ERS and PFRS contributions in the amount of \$715,756, requiring annual installments of \$88,711. Balances due at May 31, 2016 totaled \$577,736.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of May 31, 2016, including interest payments of \$2,881,333 are as follows:

Year Ending May 31,	Bonds Payable		Bond Anticipation notes		Retirement Incentives and Other Pension Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 1,180,000	\$ 392,375	\$ 446,476	\$ 3,750	\$ 63,825	\$ 24,886	\$ 1,690,301	\$ 421,011
2018	950,000	359,413	-	-	66,585	22,126	1,016,585	381,539
2019	985,000	330,500	-	-	69,481	19,230	1,054,481	349,730
2020	1,010,000	301,775	-	-	72,514	16,197	1,082,514	317,972
2021	1,040,000	271,900	-	-	75,697	13,014	1,115,697	284,914
2022-2026	4,995,000	851,828	-	-	229,634	18,348	5,224,634	870,176
2027-2031	2,590,000	255,991	-	-	-	-	2,590,000	255,991
	<u>\$ 12,750,000</u>	<u>\$ 2,763,782</u>	<u>\$ 446,476</u>	<u>\$ 3,750</u>	<u>\$ 577,736</u>	<u>\$ 113,801</u>	<u>\$ 13,774,212</u>	<u>\$ 2,881,333</u>

The above general obligation bonds, bond anticipation notes and retirement incentives and other pension obligations are direct obligations of the Village for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Village.

Compensated Absences

Pursuant to the terms of existing collective bargaining agreements, certain employees are permitted to accumulate unused sick and personal leave. The maximum accumulation varies with each agreement. Upon termination, employees will be compensated for such accumulated leave at varying amounts according to the terms of each agreement. The value of the compensated absences has been reflected in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2016 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	18.8 %
	4 A15	18.8
	5 A15	15.5
	6 A15	10.5
PFRS	2 384D	24.7 %
	3 84D	14.3

At May 31, 2106, the Village reported a liability of \$2,497,702 for its proportionate share of the net pension liability of ERS and a liability of \$3,140,757 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2016, the Village's proportion was .0155617% for ERS and .1060784% for PFRS. For ERS this was a decrease of .0003267% and for PFRS this was an increase of .0064902% from the proportion measured as of March 31, 2015.

For the year ended May 31, 2016, the Village recognized pension expense in the government-wide financial statements, inclusive of retirement incentives and other pension obligations of \$839,285 for ERS and \$1,132,532 for PFRS. Pension expenditures of \$721,175 for ERS and \$857,882 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

	ERS	PFRS
General Fund	\$ 457,675	\$ 857,882
Water	138,500	-
Sanitation	50,000	-
Parking	25,000	-
Sewer	50,000	-
Total	<u>\$ 721,175</u>	<u>\$ 857,882</u>

At May 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,622	\$ 296,061	\$ 28,170	\$ 474,845
Changes of assumptions	666,062	-	1,353,970	-
Net difference between projected and actual earnings on pension plan investments	1,481,774	-	1,760,140	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	-	82,417	8,094	103,767
Village contributions subsequent to the measurement date	104,702	-	151,820	-
	<u>\$ 2,265,160</u>	<u>\$ 378,478</u>	<u>\$ 3,302,194</u>	<u>\$ 578,612</u>

The \$104,702 and \$151,820 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2017	\$ 446,841	\$ 606,224
2018	446,841	606,224
2019	446,841	606,224
2020	441,457	581,717
2021	-	171,373

The total pension liability for the March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liabilities to March 31, 2016. The total pension liabilities for the March 31, 2015 measurement date were determined by using an actuarial valuation as of April 1, 2014. Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary scale	3.8% in ERS, 4.5% in PFRS indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

Annuitant mortality rates are based on the April 1, 2005 – March 31, 2010 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 and 2014 are summarized below:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 5,632,136</u>	<u>\$ 2,497,702</u>	<u>\$ (150,761)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 7,015,211</u>	<u>\$ 3,140,757</u>	<u>\$ (106,875)</u>

The components of the collective net pension liability as of the March 31, 2016 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 172,303,544,000	\$ 30,347,727,000	\$ 202,651,271,000
Fiduciary net position	<u>156,253,265,000</u>	<u>27,386,940,000</u>	<u>183,640,205,000</u>
Employers' net pension liability	<u>\$ 16,050,279,000</u>	<u>\$ 2,960,787,000</u>	<u>\$ 19,011,066,000</u>
Fiduciary net position as a percentage of total pension liability	<u>90.7%</u>	<u>90.2%</u>	<u>90.6%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2016 represent the employer contribution for the period of April 1, 2016 through May 31, 2016 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the two months ended May 31, 2016 were \$104,702 and \$151,820, respectively.

Voluntary Defined Contribution Plan

The Village also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Village will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Post Employment Benefit Obligations

The Village provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing post employment health care benefits is shared between the Village and the retired employee.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds.

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

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

The Village is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis.

The assumed rate of increase in postretirement benefits is as follows:

<u>Year</u>	<u>Assumed Increase</u>
1	9.50%
2	9.00%
3	8.50%
4	8.00%
5	7.50%
6	7.00%
7	6.50%
8	6.00%
9	5.50%
10+	5.00%

The amortization basis is the level percentage of payroll method with an open amortization approach. The actuarial assumptions included a 4.5% discount rate. The Village currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The number of participants as of May 31, 2016 was as follows:

Active Employees	62
Retired Employees	<u>52</u>
Total	<u><u>114</u></u>

Amortization Component:

Actuarial Accrued Liability as of June 1, 2015	\$ 25,960,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 25,960,000</u></u>
Funded Ratio	<u><u>0.00%</u></u>
Covered Payroll (active plan members)	<u><u>\$ 7,810,000</u></u>
UAAL as a Percentage of Covered Payroll	<u><u>332.39%</u></u>
Annual Required Contribution	\$ 2,280,000
Interest on OPEB Obligation	360,000
Adjustment to Annual Required Contribution	<u>(480,000)</u>
Annual OPEB Cost	2,160,000
Contributions Made	<u>(810,000)</u>
Increase in Net OPEB Obligation	1,350,000
Net OPEB Obligation - Beginning of Year	<u>8,140,000</u>
Net OPEB Obligation - End of Year	<u><u>\$ 9,490,000</u></u>

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

Fiscal Year Ended May 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
2014	\$ 2,120,000	28.77 %	\$ 6,800,000
2015	2,070,000	35.26	8,140,000
2016	2,160,000	37.50	9,490,000

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 liability for the benefits overtime.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

F. Revenues and Expenditures

Interfund Transfers

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

Transfers Out	Transfers In			
	General	Capital Projects	Non-Major Governmental	Total
General	\$ -	\$ 188,704	\$ 199,686	\$ 388,390
Water	882,105	-	-	882,105
Non-Major Governmental	143,200	-	-	143,200
	<u>\$ 1,025,305</u>	<u>\$ 188,704</u>	<u>\$ 199,686</u>	<u>\$ 1,413,695</u>

Transfers are used to 1) move funds from the Water and non-major governmental funds to fulfill commitments for General Fund expenditures and 2) move funds earmarked in the General Fund to fulfill commitments for non-major governmental funds and Capital Projects Fund expenditures.

G. 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 Snow Removal - the component of net position that reflects funds restricted for snow removal pursuant to General Municipal Law.

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 Future Capital Projects - the component of net position that reflects funds restricted for use pursuant to the agreement made for development of the land formerly occupied by the General Motors Corporation.

Restricted for Special Revenue Funds - 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".

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2016					2015				
	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable										
Inventories	\$ -	\$ 56,241	\$ -	\$ -	\$ 56,241	\$ -	\$ 56,241	\$ -	\$ -	\$ 56,241
Advances to other funds	-	-	-	-	-	13,469	-	-	-	13,469
Prepaid expenditures	77,656	5,354	-	4,583	87,593	226,638	22,139	-	13,388	262,165
Total Nonspendable	77,656	61,595	-	4,583	143,834	240,107	78,380	-	13,388	331,875
Restricted										
Snow removal	106,133	-	-	-	106,133	106,027	-	-	-	106,027
Debt service	271,527	-	-	-	271,527	258,990	-	-	-	258,990
Future capital projects	1,727,382	-	-	-	1,727,382	-	-	-	-	-
Special purposes	-	-	-	658,115	658,115	-	-	-	656,745	656,745
Total Restricted	2,105,042	-	-	658,115	2,763,157	365,017	-	-	656,745	1,021,762
Assigned										
Major funds	-	1,956,364	-	-	1,956,364	-	1,237,910	-	-	1,237,910
Parking	-	-	-	52,069	52,069	-	-	-	85,919	85,919
Sewer	-	-	-	603,225	603,225	-	-	-	622,226	622,226
Sanitation	-	-	-	45,719	45,719	-	-	-	-	-
Tax certiorari	30,211	-	-	-	30,211	30,211	-	-	-	30,211
Total Assigned	30,211	1,956,364	-	701,013	2,687,588	30,211	1,237,910	-	708,145	1,976,266
Unassigned	2,521,579	-	(1,079,774)	-	1,441,805	1,124,441	-	(485,764)	(13,469)	625,208
Total Fund Balances (Deficits)	\$ 4,734,488	\$ 2,017,959	\$ (1,079,774)	\$ 1,363,711	\$ 7,036,384	\$ 1,759,776	\$ 1,316,290	\$ (485,764)	\$ 1,364,809	\$ 3,955,111

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described below. 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 in the Special Revenue - Water Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities. The Village anticipates utilizing them in the normal course of operations.

Advances to Other Funds has been classified as nonspendable to indicate the long-term nature of funds advanced to the Sanitation Fund. These funds do not represent "available spendable resources: even though they are a component of current assets.

Prepaid Expenditures has been established to account for employee retirement and other costs paid in advance. The amount is classified as nonspendable to indicate that these funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Assignments of fund balance are not legally required segregations but represent intended use for a specific purpose. At May 31, 2016, the Village Board has assigned amounts to be appropriated for future court awarded property tax refunds.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund represents a deficit fund balance.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

Various legal actions are pending and are in process against the Village in the ordinary course of business. It is not possible to state the ultimate liability, if any, in these matters. In management's opinion, the ultimate resolution of these actions if the plaintiffs were to prevail in the litigations would not have a material adverse effect on the financial position of the Village.

Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Village's compliance with applicable grant requirements will be established at a future date. The amount of expenditures, which may be disallowed by the granting agencies cannot be determined at this time, although the Village anticipates such amounts, if any, to be immaterial.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Risk Management

The Village maintains various liability insurance policies to provide against potential losses. The general liability policy provides coverage up to \$2 million and the Village has an umbrella policy with \$10 million of coverage. In addition, there is a law enforcement liability policy providing coverage of \$2 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage for any of the past three fiscal years. The Village purchases conventional medical and workers' compensation coverage.

Subsequent Events

The Village, on October 13, 2016 issued \$2,775,000 in Public Improvement Refunding Serial Bonds to refund \$2,680,000 of currently outstanding serial bonds with interest at 2.0% maturing in August 2024.

The Village, on November 22, 2016, issued a Bond anticipation note in the amount of \$3,011,920 bearing interest at 1.29%. The note matures on November 22, 2017 and was issued to refinance \$3,036,230 of currently outstanding notes and provide \$288,915 of new money after payment of \$313,225.

The Village, on November 22, 2016, issued \$4,198,400 in public improvement bonds to permanently finance \$1,351,753 in outstanding notes maturing November 23, 2016 and provide \$2,953,465 in new money financing various improvements to the Village including the water system, street lighting and firefighting apparatus, after payment of \$106,818.

Village of Sleepy Hollow, New York

Required Supplementary Information - Schedule of the
Village's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2016</u>
Village's proportion of the net pension liability (asset)	<u>0.0155617%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 2,497,702</u>
Village's covered-employee payroll	<u>\$ 3,472,830</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>71.92%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.70%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Village of Sleepy Hollow, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2016</u>
Contractually required contribution	\$ 669,152
Contributions in relation to the contractually required contribution	<u>(669,152)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	<u>\$ 3,768,404</u>
Contributions as a percentage of covered-employee payroll	<u>17.76%</u>

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards
Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Village of Sleepy Hollow, New York

Required Supplementary Information - Schedule of the
Village's Proportionate Share of the Net Pension Liability
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	2016
Village's proportion of the net pension liability (asset)	<u>0.1060784%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 3,140,757</u>
Village's covered-employee payroll	<u>\$ 3,141,964</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>99.96%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.20%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Village of Sleepy Hollow, New York

Required Supplementary Information - Schedule of Contributions New York State and Local Police and Fire Retirement System Last Ten Fiscal Years (1)

	<u>2016</u>
Contractually required contribution	\$ 804,336
Contributions in relation to the contractually required contribution	<u>(804,336)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	<u>\$ 3,821,773</u>
Contributions as a percentage of covered-employee payroll	<u>21.05%</u>

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Village of Sleepy Hollow, New York

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

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll	
	Value of Assets	Accrued Liability					
June 1, 2013	\$ -	\$ 23,910,000	\$ 23,910,000	- %	\$ 6,870,000	348.03	%
June 1, 2014	-	24,870,000	24,870,000	-	7,040,000	353.27	
June 1, 2015	-	25,960,000	25,960,000	-	7,810,000	332.39	

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Village of Sleepy Hollow, New York

General Fund
Comparative Balance Sheet
May 31,

	2016	2015
ASSETS		
Cash and equivalents	\$ 6,193,332	\$ 4,146,882
Taxes receivable, net of allowance for uncollected tax of \$171,121 for 2016 and 2015	179,577	980,419
Other receivables		
Accounts	103,971	161,489
Due from State and Federal governments	13,759	-
Due from other governments	344,633	288,997
Advances to other funds	-	13,469
Due from other funds	2,113,674	2,241,779
	2,576,037	2,705,734
Prepaid expenditures	77,656	226,638
Total Assets	\$ 9,026,602	\$ 8,059,673
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 280,379	\$ 258,201
Accrued liabilities	658,212	738,927
Due to other funds	3,076,709	4,581,750
Due to component unit	55,848	34,103
Unearned revenues	19,326	2,400
Bond anticipation notes payable	22,063	29,417
Total Liabilities	4,112,537	5,644,798
Deferred inflows of resources		
Deferred tax revenues	179,577	655,099
Total Liabilities and Deferred Inflows of Resources	4,292,114	6,299,897
Fund balance		
Nonspendable	77,656	240,107
Restricted	2,105,042	365,017
Assigned	30,211	30,211
Unassigned	2,521,579	1,124,441
Total Fund Balance	4,734,488	1,759,776
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 9,026,602	\$ 8,059,673

Village of Sleepy Hollow, New York

General Fund

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

	2016			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 11,846,289	\$ 11,846,289	\$ 12,264,499	\$ 418,210
Other tax items	550,000	550,000	806,583	256,583
Non-property taxes	1,655,000	1,655,000	1,700,666	45,666
Departmental income	489,500	489,500	535,163	45,663
Intergovernmental charges	14,123	14,123	13,759	(364)
Use of money and property	71,000	71,000	103,901	32,901
Licenses and permits	539,500	539,500	2,172,037	1,632,537
Fines and forfeitures	140,000	140,000	54,276	(85,724)
Sale of property and compensation for loss	5,000	5,000	30,066	25,066
State aid	239,684	239,684	327,297	87,613
Federal aid	-	-	15,623	15,623
Miscellaneous	12,500	12,500	37,320	24,820
Total Revenues	15,562,596	15,562,596	18,061,190	2,498,594
EXPENDITURES				
Current				
General government support	2,703,153	2,383,480	2,341,992	41,488
Public safety	4,462,070	4,655,767	4,612,692	43,075
Health	237,466	257,792	237,724	20,068
Transportation	1,171,700	1,188,960	1,181,869	7,091
Economic opportunity and development	73,700	234,363	226,305	8,058
Culture and recreation	1,603,455	1,725,566	1,711,292	14,274
Home and community services	33,400	31,666	26,485	5,181
Employee benefits	4,461,400	4,268,750	4,050,654	218,096
Debt service				
Principal	1,067,213	1,067,213	1,037,443	29,770
Interest	455,954	455,954	415,517	40,437
Total Expenditures	16,269,511	16,269,511	15,841,973	427,538
Excess (Deficiency) of Revenues Over Expenditures	(706,915)	(706,915)	2,219,217	2,926,132
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	70,000	70,000	118,580	48,580
Transfers in	1,025,305	1,025,305	1,025,305	-
Transfers out	(388,390)	(388,390)	(388,390)	-
Total Other Financing Sources	706,915	706,915	755,495	48,580
Net Change in Fund Balance	-	-	2,974,712	2,974,712
FUND BALANCE				
Beginning of Year	-	-	1,759,776	1,759,776
End of Year	\$ -	\$ -	\$ 4,734,488	\$ 4,734,488

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,330,428	\$ 10,330,428	\$ 10,514,016	\$ 183,588
753,568	753,568	755,833	2,265
1,655,000	1,655,000	1,689,835	34,835
444,540	444,540	565,049	120,509
14,123	14,123	13,768	(355)
71,000	71,000	101,264	30,264
404,500	404,500	450,352	45,852
140,000	140,000	53,856	(86,144)
5,000	5,000	-	(5,000)
239,684	239,684	267,033	27,349
-	-	5,007	5,007
12,500	12,500	91,788	79,288
14,070,343	14,070,343	14,507,801	437,458
2,092,778	2,159,478	2,189,556	(30,078)
4,047,493	4,076,286	4,064,909	11,377
178,539	184,286	181,159	3,127
1,084,001	1,235,067	1,232,866	2,201
64,200	60,030	119,913	(59,883)
1,517,052	1,625,298	1,583,797	41,501
30,740	27,921	27,251	670
4,304,300	3,950,737	3,925,832	24,905
1,226,546	1,226,546	1,313,206	(86,660)
369,927	369,927	451,647	(81,720)
14,915,576	14,915,576	15,090,136	(174,560)
(845,233)	(845,233)	(582,335)	262,898
70,000	70,000	74,436	4,436
911,242	911,242	809,786	(101,456)
(136,009)	(136,009)	(249,401)	(113,392)
845,233	845,233	634,821	(210,412)
-	-	52,486	52,486
-	-	1,707,290	1,707,290
\$ -	\$ -	\$ 1,759,776	\$ 1,759,776

Village of Sleepy Hollow, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
REAL PROPERTY TAXES	<u>\$ 11,846,289</u>	<u>\$ 11,846,289</u>	<u>\$ 12,264,499</u>	<u>\$ 418,210</u>	<u>\$ 10,514,016</u>
OTHER TAX ITEMS					
Payments in lieu of taxes	450,000	450,000	520,588	70,588	667,632
Interest and penalties on real property taxes	<u>100,000</u>	<u>100,000</u>	<u>285,995</u>	<u>185,995</u>	<u>88,201</u>
	<u>550,000</u>	<u>550,000</u>	<u>806,583</u>	<u>256,583</u>	<u>755,833</u>
NON-PROPERTY TAXES					
Franchise fees	125,000	125,000	150,744	25,744	166,154
Utilities gross receipts taxes	105,000	105,000	113,205	8,205	108,578
Non-property tax distribution from County	<u>1,425,000</u>	<u>1,425,000</u>	<u>1,436,717</u>	<u>11,717</u>	<u>1,415,103</u>
	<u>1,655,000</u>	<u>1,655,000</u>	<u>1,700,666</u>	<u>45,666</u>	<u>1,689,835</u>
DEPARTMENTAL INCOME					
Tax redemption fees	-	-	118	118	237
Clerk - Treasurer fees	49,300	49,300	66,831	17,531	59,130
Police fees	64,300	64,300	100,835	36,535	60,547
Ambulance charges	150,000	150,000	128,530	(21,470)	175,620
Parks and recreation charges	198,800	198,800	216,360	17,560	224,364
Zoning Board fees	3,000	3,000	2,200	(800)	5,100
Planning Board fees	19,100	19,100	19,574	474	38,726
Public works fees	<u>5,000</u>	<u>5,000</u>	<u>715</u>	<u>(4,285)</u>	<u>1,325</u>
	<u>489,500</u>	<u>489,500</u>	<u>535,163</u>	<u>45,663</u>	<u>565,049</u>

INTERGOVERNMENTAL CHARGES

Snow removal fees	14,123	14,123	13,759	(364)	13,768
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USE OF MONEY AND PROPERTY

Earnings on investments	5,000	5,000	28,495	23,495	25,493
Rental of real property	66,000	66,000	75,406	9,406	75,771
	71,000	71,000	103,901	32,901	101,264

LICENSES AND PERMITS

Business and occupational licenses	20,000	20,000	51,970	31,970	39,250
Permit fees	519,500	519,500	2,120,067	1,600,567	411,102
	539,500	539,500	2,172,037	1,632,537	450,352

FINES AND FORFEITURES

Fines and forfeited bail	140,000	140,000	54,276	(85,724)	53,856
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**SALE OF PROPERTY AND COMPENSATION
FOR LOSS**

Sale of equipment	5,000	5,000	30,066	25,066	-
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STATE AID

Per capita	64,000	64,000	62,105	(1,895)	62,105
Mortgage tax	85,000	85,000	138,933	53,933	72,168
Consolidated Highway Improvement Program	88,684	88,684	101,968	13,284	110,397
Other	2,000	2,000	24,291	22,291	22,363
	239,684	239,684	327,297	87,613	267,033

FEDERAL AID

Emergency Management Agency	-	-	15,623	15,623	5,007
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MISCELLANEOUS

Gifts and donations	1,000	1,000	25,644	24,644	8,755
Refund of prior year expenditures	10,000	10,000	775	(9,225)	28,763
Other	1,500	1,500	10,901	9,401	54,270
	12,500	12,500	37,320	24,820	91,788

TOTAL REVENUES

	15,562,596	15,562,596	18,061,190	2,498,594	14,507,801
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Village of Sleepy Hollow, New York

General Fund

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

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
OTHER FINANCING SOURCES					
Insurance recoveries	\$ 70,000	\$ 70,000	\$ 118,580	\$ 48,580	\$ 74,436
Transfers in					
Parking Fund	1,025,305	97,900	97,900	-	63,289
Sewer Fund	-	45,300	45,300	-	54,400
Water Fund	-	882,105	882,105	-	692,097
	1,025,305	1,025,305	1,025,305	-	809,786
TOTAL OTHER FINANCING SOURCES	1,095,305	1,095,305	1,143,885	48,580	884,222
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 16,657,901</u>	<u>\$ 16,657,901</u>	<u>\$ 19,205,075</u>	<u>\$ 2,547,174</u>	<u>\$ 15,392,023</u>

Village of Sleepy Hollow, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 28,500	\$ 28,500	\$ 28,500	\$ -	\$ 28,500
Justice	175,717	175,717	169,273	6,444	169,530
Mayor	21,900	29,051	29,051	-	18,877
Administrator	124,723	138,571	137,343	1,228	120,139
Auditor	38,650	38,650	35,750	2,900	34,700
Treasurer	256,473	206,824	204,949	1,875	193,747
Tax collector	6,500	1,150	1,150	-	3,531
Assessor	39,000	39,000	39,000	-	36,237
Village clerk	137,527	145,166	141,792	3,374	109,326
Law	252,000	310,591	310,591	-	295,938
Engineer	110,000	45,228	45,228	-	11,933
Buildings	247,745	237,661	223,414	14,247	240,375
Central garage	567,918	503,283	491,863	11,420	597,264
Unallocated insurance	200,000	208,973	208,973	-	207,547
Municipal association dues	5,000	5,136	5,136	-	5,136
Judgments and claims	20,000	91,310	91,310	-	37,295
Taxes and assessments	117,000	152,702	152,702	-	41,435
Miscellaneous	-	-	-	-	15,000
Metropolitan commuter transportation mobility tax	24,000	25,967	25,967	-	23,046
Contingent account	330,500	-	-	-	-
	<u>2,703,153</u>	<u>2,383,480</u>	<u>2,341,992</u>	<u>41,488</u>	<u>2,189,556</u>
PUBLIC SAFETY					
Police	3,690,738	3,948,900	3,939,995	8,905	3,510,451
Jail	4,000	4,000	890	3,110	220
Fire Department	225,650	239,001	233,250	5,751	188,304
Control of animals	3,360	3,360	3,360	-	3,360
Safety inspection	538,322	460,506	435,197	25,309	362,574
	<u>4,462,070</u>	<u>4,655,767</u>	<u>4,612,692</u>	<u>43,075</u>	<u>4,064,909</u>

HEALTH

Ambulance	203,466	222,665	202,914	19,751	151,275
Registrar of Vital Statistics	34,000	35,127	34,810	317	29,884
	<u>237,466</u>	<u>257,792</u>	<u>237,724</u>	<u>20,068</u>	<u>181,159</u>

TRANSPORTATION

Street administration	28,183	28,740	28,740	-	28,183
Street maintenance	874,017	937,808	932,315	5,493	889,553
Snow removal	137,000	105,536	105,536	-	193,003
Street lighting	130,000	114,376	114,376	-	121,484
Off-street parking	2,500	2,500	902	1,598	643
	<u>1,171,700</u>	<u>1,188,960</u>	<u>1,181,869</u>	<u>7,091</u>	<u>1,232,866</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Sleepy Hollow Local Development Corporation	-	169,588	169,588	-	59,883
Programs for the aging	73,700	64,775	56,717	8,058	60,030
	<u>73,700</u>	<u>234,363</u>	<u>226,305</u>	<u>8,058</u>	<u>119,913</u>

CULTURE AND RECREATION

Parks, playgrounds and recreation	670,438	773,757	771,256	2,501	696,582
Youth programs	85,000	102,546	102,546	-	92,173
Library	684,117	684,117	684,117	-	668,018
Celebrations	32,900	32,900	28,426	4,474	39,222
Adult recreation	131,000	132,246	124,947	7,299	87,802
	<u>1,603,455</u>	<u>1,725,566</u>	<u>1,711,292</u>	<u>14,274</u>	<u>1,583,797</u>

HOME AND COMMUNITY SERVICES

Emergency tenant protection act	4,900	4,900	2,400	2,500	4,070
Planning	18,500	9,663	6,982	2,681	6,050
Shade trees	10,000	17,103	17,103	-	17,131
	<u>33,400</u>	<u>31,666</u>	<u>26,485</u>	<u>5,181</u>	<u>27,251</u>

EMPLOYEE BENEFITS

State retirement	1,532,500	1,530,544	1,315,557	214,987	1,365,024
Local police welfare fund	70,000	70,000	67,975	2,025	61,807
Social security	475,000	424,809	424,809	-	396,934
Workers' compensation benefits	580,000	537,533	537,533	-	539,079
Life insurance	3,500	9,141	9,062	79	8,904
Unemployment benefits	15,000	-	-	-	7,214
Hospital and medical benefits	1,785,400	1,696,723	1,695,718	1,005	1,546,870
	<u>4,461,400</u>	<u>4,268,750</u>	<u>4,050,654</u>	<u>218,096</u>	<u>3,925,832</u>

(Continued)

Village of Sleepy Hollow, New York

General Fund

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

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
DEBT SERVICE					
Principal					
Serial bonds	\$ 923,979	\$ 923,979	\$ 901,563	\$ 22,416	\$ 1,177,626
Bond anticipation notes	143,234	143,234	135,880	7,354	135,580
	<u>1,067,213</u>	<u>1,067,213</u>	<u>1,037,443</u>	<u>29,770</u>	<u>1,313,206</u>
Interest					
Serial bonds	326,680	326,680	325,051	1,629	352,460
Bond anticipation notes	129,274	129,274	90,466	38,808	99,187
	<u>455,954</u>	<u>455,954</u>	<u>415,517</u>	<u>40,437</u>	<u>451,647</u>
	<u>1,523,167</u>	<u>1,523,167</u>	<u>1,452,960</u>	<u>70,207</u>	<u>1,764,853</u>
TOTAL EXPENDITURES	<u>16,269,511</u>	<u>16,269,511</u>	<u>15,841,973</u>	<u>427,538</u>	<u>15,090,136</u>
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	188,704	188,704	188,704	-	113,392
Sanitation Fund	199,686	199,686	199,686	-	136,009
TOTAL OTHER FINANCING USES	<u>388,390</u>	<u>388,390</u>	<u>388,390</u>	<u>-</u>	<u>249,401</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 16,657,901</u>	<u>\$ 16,657,901</u>	<u>\$ 16,230,363</u>	<u>\$ 427,538</u>	<u>\$ 15,339,537</u>

Village of Sleepy Hollow, New York

Water Fund
Comparative Balance Sheet
May 31,

	2016	2015
ASSETS		
Cash and equivalents	<u>\$ 2,660,804</u>	<u>\$ 2,117,459</u>
Receivables		
Water rents	935,792	932,914
Due from other funds	<u>224</u>	<u>2,040</u>
	<u>936,016</u>	<u>934,954</u>
Other assets		
Inventories	56,241	56,241
Prepaid expenditures	<u>5,354</u>	<u>22,139</u>
	<u>61,595</u>	<u>78,380</u>
Total Assets	<u><u>\$ 3,658,415</u></u>	<u><u>\$ 3,130,793</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 146,803	\$ 135,022
Accrued liabilities	31,604	27,004
Due to other funds	<u>1,462,049</u>	<u>1,652,477</u>
Total Liabilities	<u>1,640,456</u>	<u>1,814,503</u>
Fund balance		
Nonspendable	61,595	78,380
Assigned	<u>1,956,364</u>	<u>1,237,910</u>
Total Fund Balance	<u>2,017,959</u>	<u>1,316,290</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,658,415</u></u>	<u><u>\$ 3,130,793</u></u>

Village of Sleepy Hollow, New York

Water Fund

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

	2016			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 3,518,000	\$ 3,518,000	\$ 3,978,422	\$ 460,422
EXPENDITURES				
Current				
General government support	90,000	95,208	95,208	-
Home and community services	1,972,823	1,961,052	1,723,429	237,623
Employee benefits	373,500	373,500	369,876	3,624
Debt service				
Principal	145,555	147,022	147,022	-
Interest	54,017	59,113	59,113	-
Total Expenditures	2,635,895	2,635,895	2,394,648	241,247
Excess of Revenues Over Expenditures	882,105	882,105	1,583,774	701,669
OTHER FINANCING USES				
Transfers out	(882,105)	(882,105)	(882,105)	-
Net Change in Fund Balance	-	-	701,669	701,669
FUND BALANCE				
Beginning of Year	-	-	1,316,290	1,316,290
End of Year	\$ -	\$ -	\$ 2,017,959	\$ 2,017,959

2015			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,498,000	\$ 3,498,000	\$ 3,527,972	\$ 29,972
85,000	80,748	86,355	(5,607)
1,828,564	1,832,816	1,462,702	370,114
354,000	354,000	360,032	(6,032)
339,926	339,926	188,253	151,673
96,957	96,957	64,493	32,464
2,704,447	2,704,447	2,161,835	542,612
793,553	793,553	1,366,137	572,584
(793,553)	(793,553)	(692,097)	101,456
-	-	674,040	674,040
-	-	642,250	642,250
\$ -	\$ -	\$ 1,316,290	\$ 1,316,290

Village of Sleepy Hollow, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 5,155,230	\$ 4,387,934
Due from State and Federal governments	242,252	-
Due from other funds	<u>3,304,935</u>	<u>4,445,741</u>
 Total Assets	 <u>\$ 8,702,417</u>	 <u>\$ 8,833,675</u>
 LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 136,806	\$ 218,448
Due to other funds	15,078	16,200
Unearned revenues	395,943	650,000
Bond anticipation notes payable	<u>9,234,364</u>	<u>8,434,791</u>
 Total Liabilities	 9,782,191	 9,319,439
 Fund deficit		
Unassigned	<u>(1,079,774)</u>	<u>(485,764)</u>
 Total Liabilities and Fund Deficit	 <u>\$ 8,702,417</u>	 <u>\$ 8,833,675</u>

Village of Sleepy Hollow, New York

Capital Projects Fund

Comparative Statement of Revenues, Expenditures and Changes

in Fund Balance

Years Ended May 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
State aid	\$ 52,214	\$ 43,915
Federal aid	3,521	30,611
Miscellaneous	<u>561,415</u>	<u>83,694</u>
Total Revenues	617,150	158,220
EXPENDITURES		
Capital outlay	<u>1,399,864</u>	<u>1,357,064</u>
Deficiency of Revenues Over Expenditures	(782,714)	(1,198,844)
OTHER FINANCING SOURCES		
Transfers in	<u>188,704</u>	<u>113,392</u>
Net Change in Fund Balance	(594,010)	(1,085,452)
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(485,764)</u>	<u>599,688</u>
End of Year	<u><u>\$ (1,079,774)</u></u>	<u><u>\$ (485,764)</u></u>

Village of Sleepy Hollow, New York

Combining Balance Sheet
Non-Major Governmental Funds
May 31, 2016
(With Comparative Totals for 2015)

	Parking Fund	Sewer Fund	Sanitation Fund
ASSETS			
Cash and equivalents	\$ 778,168	\$ 699,190	\$ -
Receivables			
Accounts	18,590	-	179,509
Sewer rents	-	155,858	-
Due from other funds	-	-	137,451
	<u>18,590</u>	<u>155,858</u>	<u>316,960</u>
Prepaid expenditures	<u>833</u>	<u>1,667</u>	<u>2,083</u>
Total Assets	<u>\$ 797,591</u>	<u>\$ 856,715</u>	<u>\$ 319,043</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 3,622	\$ 26	\$ 224,148
Accrued liabilities	5,972	17,038	14,131
Advances from other funds	-	-	-
Due to other funds	734,015	234,759	32,962
Unearned revenues	<u>1,080</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>744,689</u>	<u>251,823</u>	<u>271,241</u>
Fund balances (deficits)			
Nonspendable	833	1,667	2,083
Restricted	-	-	-
Assigned	52,069	603,225	45,719
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>52,902</u>	<u>604,892</u>	<u>47,802</u>
Total Liabilities and Fund Balances	<u>\$ 797,591</u>	<u>\$ 856,715</u>	<u>\$ 319,043</u>

Special Purpose Fund	Total Non-Major Governmental Funds	
	2016	2015
\$ 658,827	\$ 2,136,185	\$ 1,754,112
-	198,099	190,719
-	155,858	155,944
-	137,451	136,009
-	491,408	482,672
-	4,583	13,388
\$ 658,827	\$ 2,632,176	\$ 2,250,172
\$ -	\$ 227,796	\$ 268,391
-	37,141	28,361
-	-	13,469
712	1,002,448	575,142
-	1,080	-
712	1,268,465	885,363
-	4,583	13,388
658,115	658,115	656,745
-	701,013	708,145
-	-	(13,469)
658,115	1,363,711	1,364,809
\$ 658,827	\$ 2,632,176	\$ 2,250,172

Village of Sleepy Hollow, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended May 31, 2016
(With Comparative Totals for 2015)

	Parking Fund	Sewer Fund	Sanitation Fund
REVENUES			
Departmental income	\$ 331,530	\$ 644,364	\$ 544,998
Use of money and property	922	-	-
Total Revenues	332,452	644,364	544,998
EXPENDITURES			
Current			
General government support	20,000	25,000	16,000
Transportation	156,748	-	-
Home and community services	-	362,960	501,388
Employee benefits	55,279	125,012	174,355
Debt service			
Principal	20,949	80,466	-
Interest	16,216	26,395	-
Total Expenditures	269,192	619,833	691,743
Excess (Deficiency) of Revenues Over Expenditures	63,260	24,531	(146,745)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	199,686
Transfers out	(97,900)	(45,300)	-
Total Other Financing Sources (Uses)	(97,900)	(45,300)	199,686
Net Change in Fund Balances	(34,640)	(20,769)	52,941
FUND BALANCES (DEFICITS)			
Beginning of Year	87,542	625,661	(5,139)
End of Year	\$ 52,902	\$ 604,892	\$ 47,802

Special Purpose Fund	Total Non-Major Governmental Funds	
	2016	2015
\$ -	\$ 1,520,892	\$ 1,483,068
1,370	2,292	1,636
1,370	1,523,184	1,484,704
-	61,000	48,063
-	156,748	139,218
-	864,348	710,599
-	354,646	322,490
-	101,415	114,121
-	42,611	42,457
-	1,580,768	1,376,948
1,370	(57,584)	107,756
-	199,686	136,009
-	(143,200)	(117,689)
-	56,486	18,320
1,370	(1,098)	126,076
656,745	1,364,809	1,238,733
<u>\$ 658,115</u>	<u>\$ 1,363,711</u>	<u>\$ 1,364,809</u>

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Village of Sleepy Hollow, New York

Parking Fund
Comparative Balance Sheet
May 31,

	2016	2015
ASSETS		
Cash and equivalents	\$ 778,168	\$ 435,291
Accounts receivable	18,590	14,115
Prepaid expenditures	833	1,623
Total Assets	<u>\$ 797,591</u>	<u>\$ 451,029</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 3,622	\$ 1,964
Accrued liabilities	5,972	5,136
Due to other funds	734,015	356,387
Unearned revenues	1,080	-
Total Liabilities	<u>744,689</u>	<u>363,487</u>
Fund balance		
Nonspendable	833	1,623
Assigned	52,069	85,919
Total Fund Balance	<u>52,902</u>	<u>87,542</u>
Total Liabilities and Fund Balance	<u>\$ 797,591</u>	<u>\$ 451,029</u>

Village of Sleepy Hollow, New York

Parking Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended May 31,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 375,000	\$ 375,000	\$ 331,530	\$ (43,470)
Use of money and property	-	-	922	922
Total Revenues	375,000	375,000	332,452	(42,548)
EXPENDITURES				
Current				
General government support	20,000	20,000	20,000	-
Transportation	162,935	162,935	156,748	6,187
Employee benefits	57,000	57,000	55,279	1,721
Debt service				
Principal	20,949	20,949	20,949	-
Interest	16,216	16,216	16,216	-
Total Expenditures	277,100	277,100	269,192	7,908
Excess of Revenues Over Expenditures	97,900	97,900	63,260	(34,640)
OTHER FINANCING USES				
Transfers out	(97,900)	(97,900)	(97,900)	-
Net Change in Fund Balance	-	-	(34,640)	(34,640)
FUND BALANCE				
Beginning of Year	-	-	87,542	87,542
End of Year	\$ -	\$ -	\$ 52,902	\$ 52,902

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 345,000	\$ 345,000	\$ 377,897	\$ 32,897
-	-	414	414
345,000	345,000	378,311	33,311
20,000	20,000	16,021	3,979
156,126	156,126	139,218	16,908
57,000	57,000	51,712	5,288
31,017	31,017	31,017	-
17,568	17,568	17,568	-
281,711	281,711	255,536	26,175
63,289	63,289	122,775	59,486
(63,289)	(63,289)	(63,289)	-
-	-	59,486	59,486
-	-	28,056	28,056
\$ -	\$ -	\$ 87,542	\$ 87,542

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Village of Sleepy Hollow, New York

Sewer Fund
Comparative Balance Sheet
May 31,

	2016	2015
ASSETS		
Cash and equivalents	\$ 699,190	\$ 661,693
Sewer rents	155,858	155,944
Prepaid expenditures	1,667	3,435
Total Assets	<u>\$ 856,715</u>	<u>\$ 821,072</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 26	\$ 52
Accrued liabilities	17,038	10,136
Due to other funds	234,759	185,223
Total Liabilities	<u>251,823</u>	<u>195,411</u>
Fund balance		
Nonspendable	1,667	3,435
Assigned	603,225	622,226
Total Fund Balance	<u>604,892</u>	<u>625,661</u>
Total Liabilities and Fund Balance	<u>\$ 856,715</u>	<u>\$ 821,072</u>

Village of Sleepy Hollow, New York

Sewer Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended May 31,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 637,000	\$ 637,000	\$ 644,364	\$ 7,364
EXPENDITURES				
Current				
General government support	25,000	25,000	25,000	-
Home and community services	316,372	334,827	362,960	(28,133)
Employee benefits	140,000	125,012	125,012	-
Debt service				
Principal	80,466	80,466	80,466	-
Interest	29,862	26,395	26,395	-
Total Expenditures	591,700	591,700	619,833	(28,133)
Excess of Revenues Over Expenditures	45,300	45,300	24,531	(20,769)
OTHER FINANCING USES				
Transfers out	(45,300)	(45,300)	(45,300)	-
Net Change in Fund Balance	-	-	(20,769)	(20,769)
FUND BALANCE				
Beginning of Year	-	-	625,661	625,661
End of Year	\$ -	\$ -	\$ 604,892	\$ 604,892

2015			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 592,000	\$ 592,000	\$ 577,887	\$ (14,113)
20,000	20,000	16,021	3,979
249,104	268,493	256,314	12,179
81,500	88,814	85,157	3,657
154,335	129,446	83,104	46,342
32,661	30,847	24,889	5,958
537,600	537,600	465,485	72,115
54,400	54,400	112,402	58,002
(54,400)	(54,400)	(54,400)	-
-	-	58,002	58,002
-	-	567,659	567,659
\$ -	\$ -	\$ 625,661	\$ 625,661

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Village of Sleepy Hollow, New York

Sanitation Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Receivables		
Accounts	\$ 179,509	\$ 176,604
Due from other funds	<u>137,451</u>	<u>136,009</u>
	316,960	312,613
Prepaid expenditures	<u>2,083</u>	<u>8,330</u>
Total Assets	<u><u>\$ 319,043</u></u>	<u><u>\$ 320,943</u></u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 224,148	\$ 266,375
Accrued liabilities	14,131	13,089
Advances from other funds	-	13,469
Due to other funds	<u>32,962</u>	<u>33,149</u>
Total Liabilities	<u>271,241</u>	<u>326,082</u>
Fund balance (deficit)		
Nonspendable	2,083	8,330
Assigned	45,719	-
Unassigned	<u>-</u>	<u>(13,469)</u>
Total Fund Balance (Deficit)	<u>47,802</u>	<u>(5,139)</u>
Total Liabilities and Fund Balance (Deficit)	<u><u>\$ 319,043</u></u>	<u><u>\$ 320,943</u></u>

Village of Sleepy Hollow, New York

Sanitation Fund

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

2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 519,000	\$ 519,000	\$ 544,998	\$ 25,998
EXPENDITURES				
Current				
General government support	16,000	16,000	16,000	-
Home and community services	527,686	527,685	501,388	26,297
Employee benefits	175,000	175,001	174,355	646
Total Expenditures	718,686	718,686	691,743	26,943
Deficiency of Revenues Over Expenditures	(199,686)	(199,686)	(146,745)	52,941
OTHER FINANCING SOURCES				
Transfers in	199,686	199,686	199,686	-
Net Change in Fund Balance	-	-	52,941	52,941
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	(5,139)	(5,139)
End of Year	\$ -	\$ -	\$ 47,802	\$ 47,802

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 514,000	\$ 514,000	\$ 518,169	\$ 4,169
16,000	16,021	16,021	-
444,009	448,367	454,285	(5,918)
190,000	185,621	185,621	-
650,009	650,009	655,927	(5,918)
(136,009)	(136,009)	(137,758)	(1,749)
136,009	136,009	136,009	-
-	-	(1,749)	(1,749)
-	-	(3,390)	(3,390)
\$ -	\$ -	\$ (5,139)	\$ (5,139)

Village of Sleepy Hollow, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	<u>\$ 658,827</u>	<u>\$ 657,128</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ 712	\$ 383
Fund balance		
Restricted	<u>658,115</u>	<u>656,745</u>
Total Liabilities and Fund Balance	<u>\$ 658,827</u>	<u>\$ 657,128</u>

Village of Sleepy Hollow, New York

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

	<u>2016</u>	<u>2015</u>
REVENUES		
Departmental income	\$ -	\$ 9,115
Use of money and property	<u>1,370</u>	<u>1,222</u>
Total Revenues	1,370	10,337
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	1,370	10,337
FUND BALANCE		
Beginning of Year	<u>656,745</u>	<u>646,408</u>
End of Year	<u>\$ 658,115</u>	<u>\$ 656,745</u>