

VILLAGE OF SLEEPY HOLLOW, NEW YORK

Financial Statements and
Supplementary Information

Year ended May 31, 2010

(With Independent Auditors' Report)

VILLAGE OF SLEEPY HOLLOW, NEW YORK

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
of the Village of Sleepy Hollow, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Sleepy Hollow, New York as of and for the year ended May 31, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Sufficient documentation to support the accounts receivable balance as reported in the trust and agency fund was not available and we were unable to test this balance through alternative procedures.

In our opinion, except for the adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves with regard to the accounts receivable referred to in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Sleepy Hollow, New York as of May 31, 2010, and the respective changes in financial position, thereof, and the respective budgetary comparison for the general and water funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Sleepy Hollow, New York's basic financial statements. The accompanying financial information listed as combining and individual fund financial statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village of Sleepy Hollow, New York. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Toski, Scheepers & Co., P.C.

Williamsville, New York
April 15, 2011

VILLAGE OF SLEEPY HOLLOW, NEW YORK

Management's Discussion and Analysis

May 31, 2010

Introduction

The management of the Village of Sleepy Hollow (the Village) offers this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2010 to readers of the Village's financial statements. It should be read in conjunction with the basic 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 2010 are as follows:

- Net assets 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 2010 by \$21,094,211. Of this amount, the unrestricted portion is \$424,182 and the amount invested in capital assets net of related debt was \$19,369,484. Restricted net assets in the amount of \$1,300,545 is for use for the water, parking, sewer, sanitation, and special purpose fund (parks and recreation developer's fund).
- 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 \$2,978,962; a \$203,861 decrease from the prior year's fund balance of \$3,182,823.
 - Of this balance \$1,962,970 or 66% is unreserved for fiscal year 2010. Unreserved 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 reserved to indicate that it is not available for new spending because it has already been committed for: reserved for trusts of \$686,346, snow removal expenditures of \$104,530, debt service of \$168,875 and for inventories of \$56,241.
- The general fund balance grew by \$283,494 to \$1,951,822 from \$1,668,328. At the end of fiscal years 2010 and 2009, unreserved fund balance for the general fund was \$1,678,417 or 13.8% and \$1,394,923 or 11.2% of total general fund expenditures and other financing uses. This indicates a healthy growth in the unreserved fund balance for general activities of the Village.
- The Village retired \$1,000,000 of long-term bonds and redeemed \$127,300 of short-term debt. During the current fiscal year, the Village issued bond anticipation notes for capital projects of \$3,110,750. Short-term financing was secured in the subsequent year of \$7,251,000 for various Village improvements and tax certiorari taking advantage of a very favorable interest rate of 1%.
- The Village continued to build infrastructure including projects for streetscapes, parks, a senior center, and the completion of a local senior housing project.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Management's Discussion and Analysis, Continued

- The Village was able to budget a 1.94% increase in the tax levy to residential taxpayers for fiscal year 2010 and an increase of 1.99% for fiscal year 2011.

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 assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (ex., uncollected taxes, debt payments, earned but unused vacation leave, and other postemployment benefits).

The government-wide financial statements distinguish the functions of the Village that are principally supported by taxes and intergovernmental revenue (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.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Management's Discussion and Analysis, Continued

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 funds balance sheet and the governmental funds statement of revenue, 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 funds balance sheet and in the governmental funds statement of revenue, 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 non-major 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 "budgets to actual" comparisons.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Management's Discussion and Analysis, Continued

Government-wide Financial Analysis

As noted previously, over a period of time net assets may serve as a useful indicator of a government's financial position. At May 31, 2010, the assets of the Village exceeded its liabilities.

The Village's total net assets decreased by \$2,805,500 for the year ended May 31, 2010. This was primarily due to the water fund loss, depreciation expense exceeding capital outlay by \$731,450 and recognition of the other postemployment benefit (OPEB) obligations in the amount of \$960,000 as required under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45. These obligations include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. GASB Statement No. 45 establishes standards for recognition of this liability as well as the required disclosures. For the year ended May 31, 2010, the Village's OPEB obligations of \$1,720,000 are reflected as a liability in the government-wide financial statements.

Net Assets		2010	2009
May 31,			
Current assets		\$ 7,974,778	5,999,568
Capital assets, net		<u>38,095,484</u>	<u>38,826,934</u>
Total assets		<u>46,070,262</u>	<u>44,826,502</u>
Current liabilities		11,078,723	5,423,879
Noncurrent liabilities		<u>13,897,328</u>	<u>15,502,912</u>
Total liabilities		<u>24,976,051</u>	<u>20,926,791</u>
Net assets:			
Invested in capital assets, net of related debt		19,369,484	22,084,384
Restricted		1,300,545	1,764,701
Unrestricted		<u>424,182</u>	<u>50,626</u>
Total net assets		<u>\$ 21,094,211</u>	<u>23,899,711</u>

Change in Net Assets		2010	2009
Fiscal Year Ended May 31,			
Revenue:			
Program revenue:			
Charges for services		\$ 4,724,248	5,209,347
Operating grants and contributions		394,039	137,440
Capital grants and contributions		<u>144,985</u>	<u>2,014,347</u>
Total program revenue		<u>5,263,272</u>	<u>7,361,134</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Management's Discussion and Analysis, Continued

	<u>2010</u>	<u>2009</u>
General revenue:		
Real property taxes	\$ 8,891,824	8,723,929
Nonproperty taxes	1,337,962	1,463,838
Other tax items	499,951	346,377
Unrestricted use of money and property	181,648	25,272
Sale of property and compensation for loss	167,397	67,881
Unrestricted state aid	-	148,857
Miscellaneous	<u>25,063</u>	<u>54,062</u>
Total general revenue	<u>11,103,845</u>	<u>10,830,216</u>
Total revenue	<u>16,367,117</u>	<u>18,191,350</u>
Program expenses:		
General government support	3,502,780	4,444,209
Public safety	5,530,695	5,318,497
Health	103,858	111,202
Transportation	3,760,139	4,102,754
Economic assistance and opportunity	102,280	84,088
Culture and recreation	1,737,939	1,573,151
Home and community services	3,762,338	3,602,426
Interest	<u>672,588</u>	<u>591,830</u>
Total expenses	<u>19,172,617</u>	<u>19,828,157</u>
Change in net assets	(2,805,500)	(1,636,807)
Net assets at beginning of year	<u>23,899,711</u>	<u>25,536,518</u>
Net assets at end of year	\$ <u>21,094,211</u>	<u>23,899,711</u>

Governmental Activities

For the fiscal years ended May 31, 2010 and 2009, revenue from governmental activities totaled \$16,367,117 and \$18,191,350, respectively. Tax revenue of \$10,729,737 in 2010 and \$10,534,144 in 2009, comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (65.6% in 2010 and 57.9% in 2009).

The largest components of governmental activities' expenses are public safety (28.8% in 2010 and 26.8% in 2009), transportation (19.6% in 2010 and 20.7% in 2009), general government support (18.3% in 2010 and 22.4% in 2009) and home and community services (19.6% in 2010 and 18.2% in 2009). Public safety includes police, fire and safety inspections. Transportation includes street administration and maintenance, snow removal and street lighting. General support reflects various administrative services including clerk, engineer, law, treasurer, justices and the Board of Trustees. Home and community services includes planning, refuse and garbage, water and sewer services and shade tree costs.

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.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Management's Discussion and Analysis, Continued

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 at May 31, as follows:

	<u>2010</u>	<u>2009</u>
General	\$ 1,951,822	1,668,328
Water	124,561	652,498
Parking	4,906	37,503
Sewer	129,863	130,418
Sanitation	81,464	15,709
Special purpose	686,346	678,367
Capital projects	(4,216,783)	(2,532,808)
	\$ (1,237,821)	<u>650,015</u>

Exclusive of the capital projects fund, the combined ending fund balance is \$2,978,962 at May 31, 2010 of which \$1,962,970 is unreserved, and \$3,182,823 at May 31, 2009 of which \$2,174,810 is unreserved.

The general fund is the primary operating fund of the Village. At the end of the current fiscal year unreserved fund balance of the general fund was \$1,678,417, representing 86% of the total general fund balance of \$1,951,822. When the fiscal year 2009-2010 general fund budget was adopted, it was anticipated that revenue would equal expenditures. Actual results of operations resulted in an increase in the fund balance of \$283,494. Revenue and other financing sources were \$12,435,092 which was \$553,688 less than the final budget. Expenditures and other financing uses were \$12,151,598, which was \$830,825 less than the final budget.

The capital projects fund has a temporary undesignated fund deficit of \$4,216,783 due to the utilization of bond anticipation notes in the amount of \$6,876,000 as temporary financing. Bond anticipation notes are recognized as revenue only when they are redeemed by another fund or converted to permanent financing. The majority of the capital projects are financed by long-term debt and grants as of May 31, 2010.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2010, net of accumulated depreciation, was \$38,095,484. This investment in capital assets includes land, construction-in-progress, buildings, land improvements, infrastructure (not all inclusive) and machinery and equipment.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Management's Discussion and Analysis, Continued

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

<u>Asset</u>	<u>Capital Assets</u> <u>May 31,</u>	
	<u>2010</u>	<u>2009</u>
Land	\$ 2,938,414	2,938,414
Construction-in-progress	7,121,226	5,124,862
Buildings	1,979,225	2,024,492
Land improvements	1,813,983	1,935,145
Infrastructure	20,761,996	22,900,741
Machinery and equipment	<u>3,480,640</u>	<u>3,903,280</u>
Total (net of depreciation)	\$ <u>38,095,484</u>	<u>38,826,934</u>

Long-Term Debt/Short-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$11,850,000. 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.

The Village had a bond anticipation note in the amount of \$7,501,000 outstanding at May 31, 2010, of which \$6,876,000 is related to construction projects and is considered short-term recorded in the capital projects fund, while \$625,000 is related to tax certiorari settlements and is recorded as long-term.

Economic Factors and Next Year's Budgets and Rates

Economic conditions have continued to create challenges for us all. For the Village of Sleepy Hollow the fiscal year ended May 31, 2010 was no exception. The continued decline in sales tax, mortgage tax and interest revenue have plagued municipalities everywhere. However, departmental income such as building, police fees and the continued growth in ambulance service billings, helped to partially offset those revenue declines. The Village foresees continued development as new riverfront projects are anticipated such as Rivers Edge, a proposed 60 unit condominium complex. Additionally, negotiations are ongoing with General Motors and the Village Board is optimistic that near term revenue will increase. Prior period funds from the NYS Consolidated Highway Improvement Fund (CHIPS) for street improvement projects were received as well.

A temporary stabilization of NYS Retirement rates and those of health insurance, contributed to the growth in the Village's fund balance. Unfortunately, it must be emphasized that this stabilization is for a one year period only. The NYS Retirement rates are predicted to increase sharply in the future. In response, the Village employee hiring freeze has continued and a number of unfilled positions are remaining so either temporarily or for the long-term. Additionally, the Village has instituted improved management controls, hired more qualified staff in the Treasurer's office, and reduced overtime costs. Each of these factors and many others were given a great deal of consideration in the development of the annual budget for the fiscal year 2010-2011.

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 DiGiacomo, Treasurer, Village of Sleepy Hollow, 28 Beekman Avenue, Sleepy Hollow, New York 10591.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Statement of Net Assets
May 31, 2010

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and equivalents	\$ 5,618,906
Receivables:	
Taxes, net	92,790
Accounts	1,070,697
Water rents	730,334
Sewer rents	109,812
Due from other governments	10,935
State and federal aid	285,063
Inventories	<u>56,241</u>
Total current assets	<u>7,974,778</u>
Capital assets:	
Land	2,938,414
Construction-in-progress	7,121,226
Capital assets - depreciable assets (net)	<u>28,035,844</u>
Total capital assets	<u>38,095,484</u>
Total assets	<u>\$46,070,262</u>

(Continued)

See accompanying notes to financial statements.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Statement of Net Assets, Continued

<u>Liabilities</u>	<u>Governmental Activities</u>
Current liabilities:	
Accounts payable	\$ 2,126,246
Retainages payable	133,910
Due to other governments	3,707
Accrued interest payable	286,638
Bonds payable	925,000
Bond anticipation notes	7,501,000
New York State loan - retirement	41,942
Compensated absences	<u>60,280</u>
Total current liabilities	<u>11,078,723</u>
Noncurrent liabilities:	
Bonds payable	10,925,000
New York State loan - retirement	205,558
Compensated absences	542,519
Claims payable	504,251
Other postemployment benefit obligations payable	<u>1,720,000</u>
Total noncurrent liabilities	<u>13,897,328</u>
Total liabilities	<u>24,976,051</u>
 <u>Net Assets</u>	
Invested in capital assets, net of related debt	19,369,484
Restricted for:	
Snow removal	104,530
Debt service	168,875
Special revenue funds:	
Water	124,561
Parking	4,906
Sewer	129,863
Sanitation	81,464
Special purpose	686,346
Unrestricted	<u>424,182</u>
Total net assets	<u><u>\$21,094,211</u></u>

See accompanying notes to financial statements.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Statement of Activities
Year ended May 31, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government support	\$ 3,502,780	206,127	157,373	-	(3,139,280)
Public safety	5,530,695	131,919	-	-	(5,398,776)
Health	103,858	163,437	-	-	59,579
Transportation	3,760,139	338,260	236,666	-	(3,185,213)
Economic assistance and opportunity	102,280	-	-	-	(102,280)
Culture and recreation	1,737,939	67,393	-	144,985	(1,525,561)
Home and community services	3,762,338	3,817,112	-	-	54,774
Interest	<u>672,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(672,588)</u>
Total governmental activities	<u>\$19,172,617</u>	<u>4,724,248</u>	<u>394,039</u>	<u>144,985</u>	<u>(13,909,345)</u>
General revenue:					
Real property taxes					8,891,824
Other tax items					1,337,962
Non-property taxes					499,951
Use of money and property					181,648
Sale of property and compensation for loss					167,397
Miscellaneous					<u>25,063</u>
Total general revenue					<u>11,103,845</u>
Change in net assets					(2,805,500)
Net assets at beginning of year					<u>23,899,711</u>
Net assets at end of year					<u>\$21,094,211</u>

See accompanying notes to financial statements.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Balance Sheet - Governmental Funds
May 31, 2010

<u>Assets</u>	<u>General</u>	<u>Water</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and equivalents	\$ 1,442,721	50	3,435,338	740,797	5,618,906
Taxes receivable, net of allowance for uncollectible taxes	92,790	-	-	-	92,790
Other receivables:					
Accounts	912,850	-	-	157,847	1,070,697
Water rents	-	730,334	-	-	730,334
Sewer rents	-	-	-	109,812	109,812
Due from other governments	10,935	-	-	-	10,935
State and Federal aid	254,662	-	30,401	-	285,063
Due from other funds	265,352	113,500	1,954	-	380,806
	<u>1,443,799</u>	<u>843,834</u>	<u>32,355</u>	<u>267,659</u>	<u>2,587,647</u>
Inventories	-	56,241	-	-	56,241
Total assets	<u>\$ 2,979,310</u>	<u>900,125</u>	<u>3,467,693</u>	<u>1,008,456</u>	<u>8,355,584</u>
 <u>Liabilities and Fund Balances (Deficits)</u>					
Liabilities:					
Accounts payable	849,306	589,564	545,714	34,877	2,019,461
Retainages payable	-	-	133,910	-	133,910
Due to retirement systems	95,000	6,000	-	1,000	102,000
Due to other funds	1,954	180,000	128,852	70,000	380,806
Due to other governments	3,707	-	-	-	3,707
Deferred tax revenue	72,736	-	-	-	72,736
Overpayments	4,785	-	-	-	4,785
Bond anticipation notes payable	-	-	6,876,000	-	6,876,000
Total liabilities	<u>1,027,488</u>	<u>775,564</u>	<u>7,684,476</u>	<u>105,877</u>	<u>9,593,405</u>
Fund balances (deficits):					
Reserved for:					
Snow removal	104,530	-	-	-	104,530
Debt service	168,875	-	-	-	168,875
Inventories	-	56,241	-	-	56,241
Trusts	-	-	-	686,346	686,346
Unreserved, reported in:					
General fund	1,678,417	68,320	-	-	1,746,737
Special revenue funds	-	-	-	216,233	216,233
Capital projects fund	-	-	(4,216,783)	-	(4,216,783)
Total fund balances (deficits)	<u>1,951,822</u>	<u>124,561</u>	<u>(4,216,783)</u>	<u>902,579</u>	<u>(1,237,821)</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,979,310</u>	<u>900,125</u>	<u>3,467,693</u>	<u>1,008,456</u>	<u>8,355,584</u>

See accompanying notes to financial statements.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
 Reconciliation of Governmental Funds Balance Sheet to the
 Statement of Net Assets
 May 31, 2010

Fund balances - total governmental funds		\$ (1,237,821)
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		38,095,484
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the governmental funds such as real property taxes that are deferred.		72,736
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable	\$ (11,850,000)	
Bond anticipation note - tax certiorari	(625,000)	
New York State loan - retirement	(247,500)	
Compensated absences	(602,799)	
Claims payable	(504,251)	
Accrued interest payable	(286,638)	
Other postemployment benefit obligations	<u>(1,720,000)</u>	(15,836,188)
Net assets of governmental activities		\$ <u>21,094,211</u>

See accompanying notes to financial statements.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Statement of Revenue, Expenditures and
Changes in Fund Balances - Governmental Funds
Year ended May 31, 2010

	<u>General</u>	<u>Water</u>	<u>Capital Projects</u>	<u>Non - Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue:					
Real property taxes	\$ 8,928,664	-	-	-	8,928,664
Other tax items	499,951	-	-	-	499,951
Non-property taxes	1,337,962	-	-	-	1,337,962
Departmental income	320,130	2,940,664	-	1,140,862	4,401,656
Intergovernmental charges	33,351	-	27,640	-	60,991
Use of money and property	71,934	19,901	73,065	16,748	181,648
Licenses and permits	183,228	-	-	-	183,228
Fines and forfeitures	78,373	-	-	-	78,373
Sale of property and compensation for loss	167,397	-	-	-	167,397
State aid	394,039	-	56,115	-	450,154
Federal aid	-	-	88,870	-	88,870
Miscellaneous	25,063	-	-	-	25,063
Total revenue	<u>12,040,092</u>	<u>2,960,565</u>	<u>245,690</u>	<u>1,157,610</u>	<u>16,403,957</u>
Expenditures:					
General government support	2,524,045	99,196	99,485	54,390	2,777,116
Public safety	3,535,572	-	76,705	-	3,612,277
Health	103,858	-	-	-	103,858
Transportation	1,093,090	-	139,367	152,393	1,384,850
Economic assistance and opportunity	96,129	-	-	-	96,129
Culture and recreation	1,305,646	-	1,670,694	-	2,976,340
Home and community services	12,112	2,432,329	70,714	450,810	2,965,965
Employee benefits	2,154,494	607,233	-	178,052	2,939,779
Debt service:					
Principal	892,381	174,123	-	60,796	1,127,300
Interest	434,271	75,621	-	45,587	555,479
Total expenditures	<u>12,151,598</u>	<u>3,388,502</u>	<u>2,056,965</u>	<u>942,028</u>	<u>18,539,093</u>
Excess (deficiency) of revenue over expenditures	<u>(111,506)</u>	<u>(427,937)</u>	<u>(1,811,275)</u>	<u>215,582</u>	<u>(2,135,136)</u>
Other financing sources (uses):					
Bond anticipation notes issued	120,000	-	-	-	120,000
BANs redeemed from appropriations	-	-	127,300	-	127,300
Transfers in	275,000	-	-	-	275,000
Transfers out	-	(100,000)	-	(175,000)	(275,000)
Total other financing sources (uses)	<u>395,000</u>	<u>(100,000)</u>	<u>127,300</u>	<u>(175,000)</u>	<u>247,300</u>
Net change in fund balances	283,494	(527,937)	(1,683,975)	40,582	(1,887,836)
Fund balances (deficits) at beginning of year	<u>1,668,328</u>	<u>652,498</u>	<u>(2,532,808)</u>	<u>861,997</u>	<u>650,015</u>
Fund balances (deficits) at end of year	<u>\$ 1,951,822</u>	<u>124,561</u>	<u>(4,216,783)</u>	<u>902,579</u>	<u>(1,237,821)</u>

See accompanying notes to financial statements.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Reconciliation of the Statement of Revenue, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year ended May 31, 2010

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ (1,887,836)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period. This amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold and, therefore, were not capitalized.</p>		
Capital outlay expenditures	\$ 2,244,462	
Depreciation expense	<u>(2,975,912)</u>	(731,450)
<p>Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the governmental funds such as deferred or real property taxes.</p>		
		(36,840)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Bond anticipation notes issued	(120,000)	
Principal paid on bonds	1,000,000	
Principal paid on New York State loan - retirement	<u>39,945</u>	919,945
<p>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.</p>		
Compensated absences	(6,583)	
Accrued interest	(102,736)	
Other postemployment benefit obligations payable	<u>(960,000)</u>	<u>(1,069,319)</u>
Change in net assets of governmental activities		\$ <u>(2,805,500)</u>

See accompanying notes to financial statements.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Statement of Revenue, Expenditures and Changes in Fund Balances -
Budget and Actual - General and Water Funds
Year ended May 31, 2010

	General Fund				Water Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget (Positive) Negative	Original Budget	Final Budget	Actual	Variance with Final Budget (Positive) Negative
Revenue:								
Real property taxes	\$ 8,799,304	8,799,304	8,928,664	129,360	-	-	-	-
Other tax items	540,000	540,000	499,951	(40,049)	-	-	-	-
Non-property taxes	1,299,000	1,299,000	1,337,962	38,962	-	-	-	-
Departmental income	313,000	313,000	320,130	7,130	3,826,500	3,826,500	2,940,664	(885,836)
Intergovernmental charges	15,000	15,000	33,351	18,351	-	-	-	-
Use of money and property	77,000	77,000	71,934	(5,066)	4,000	4,000	19,901	15,901
Licenses and permits	285,000	285,000	183,228	(101,772)	-	-	-	-
Fines and forfeitures	95,000	95,000	78,373	(16,627)	-	-	-	-
Sale of property and compensation of loss	35,000	35,000	167,397	132,397	-	-	-	-
State aid	242,202	395,976	394,039	(1,937)	-	-	-	-
Miscellaneous	81,000	81,000	25,063	(55,937)	-	-	-	-
Total revenue	11,781,506	11,935,280	12,040,092	104,812	3,830,500	3,830,500	2,960,565	(869,935)
Expenditures:								
General government support	2,865,677	2,732,318	2,524,045	208,273	125,000	100,000	99,196	804
Public safety	3,734,093	3,745,042	3,535,572	209,470	-	-	-	-
Health	91,560	104,359	103,858	501	-	-	-	-
Transportation	1,044,381	1,208,618	1,093,090	115,528	-	-	-	-
Economic assistance and opportunity	91,600	97,514	96,129	1,385	-	-	-	-
Culture and recreation	1,267,508	1,343,774	1,305,646	38,128	-	-	-	-
Home and community services	25,900	25,900	12,112	13,788	2,268,131	2,452,972	2,432,329	20,643
Employee benefits	2,442,000	2,398,081	2,154,494	243,587	648,000	604,621	607,233	(2,612)
Debt service:								
Principal	851,820	892,383	892,381	2	288,000	174,341	174,123	218
Interest	420,467	434,434	434,271	163	79,000	76,197	75,621	576
Total expenditures	12,835,006	12,982,423	12,151,598	830,825	3,408,131	3,408,131	3,388,502	19,629
Excess (deficiency) of revenue over expenditures	(1,053,500)	(1,047,143)	(111,506)	935,637	422,369	422,369	(427,937)	(850,306)
Other financing sources (uses):								
Proceeds from issuance of long-term debt	150,000	150,000	120,000	(30,000)	-	-	-	-
Transfers in	903,500	903,500	275,000	(628,500)	-	-	-	-
Transfers out	-	-	-	-	(671,000)	(671,000)	(100,000)	571,000
Total other financing sources (uses)	1,053,500	1,053,500	395,000	(658,500)	(671,000)	(671,000)	(100,000)	571,000
Net change in fund balances	-	6,357	283,494	277,137	(248,631)	(248,631)	(527,937)	(279,306)
Fund balances at beginning of year	1,668,328	1,668,328	1,668,328	-	652,498	652,498	652,498	-
Fund balances at end of year	\$ 1,668,328	1,674,685	1,951,822	277,137	403,867	403,867	124,561	(279,306)

See accompanying notes to financial statements.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Statement of Assets and Liabilities - Fiduciary Fund
May 31, 2010

<u>Assets</u>	<u>Agency</u>
Accounts receivable	\$ <u>209,441</u>
<u>Liabilities</u>	
Accounts payable	202,562
Payroll taxes	<u>6,879</u>
Total liabilities	\$ <u>209,441</u>

See accompanying notes to financial statements.

VILLAGE OF SLEEPY HOLLOW, NEW YORK

Notes to Financial Statements

May 31, 2010

(1) Summary of Significant Accounting Policies

The Village of Sleepy Hollow, New York (the 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 State). 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, there are no other entities which would be included in the financial statements.

(b) Government-Wide Financial Statements

The government-wide financial statements (i.e. the statement of net assets 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.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Government-Wide Financial Statements, Continued

The statement of net assets 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 are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (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 revenue are reported as general revenue. 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, liabilities, fund balances, revenue 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 statement, reconciliations are presented which briefly explain the adjustments necessary to transform the fund based financial statements to 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:

- 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.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Fund Financial Statements, Continued

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

Capital Projects Fund - The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The major special revenue fund of the Village is the water fund which is used to record the water utility operations of the Village. Services are rendered on a user charge basis to the general public.

The Village also reports the following special revenue funds as non-major governmental 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.

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 reports.

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 and utilizes the accrual basis of accounting. Revenue is 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 revenue 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.

VILLAGE OF SLEEPY HOLLOW, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenue. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenue is considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. Fees and other similar revenue is not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenue from Federal and State grants are accrued when the expenditure is made.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, certain claims and other postemployment 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.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

(e) Assets, Liabilities and Net Assets or Fund Balances

Deposits and Risk Disclosure

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

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

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Liabilities and Net Assets or Fund Balances, Continued

Deposits and Risk Disclosure, Continued

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.

The Village utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

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 were covered by depository insurance and were not exposed to custodial credit risk at May 31, 2010.

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 revenue 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, 2010, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Liabilities and Net Assets or Fund Balances. Continued
Deposits and Risk Disclosure, Continued

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

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

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.

- Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, deferred revenue consists of amounts received in advance and/or revenue from grants received before the eligibility requirements have been met.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Liabilities and Net Assets or Fund Balances. Continued

Deferred revenue in the fund financial statements is recognized when asset recognition criteria have been met, but revenue recognition criteria have not been met. The Village has reported deferred revenue in the general fund of \$72,736 for real property taxes. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

- 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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 retirement or other separation of service. The liability for such accumulated leave is reflected in the government-wide statement of net assets as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability matured through employee resignation or retirement, otherwise, it is reported in the government-wide statement of net assets. The liability for compensated absences includes salary related payments, where applicable.
- Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their 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 assets on the statement of net assets include, invested in capital assets, net of related debt, restricted for snow removal, debt service and special revenue funds. The balance is classified as unrestricted.
- Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are, therefore, not available for future appropriation or expenditure. Amounts reserved for snow removal, debt service, inventories and trusts represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designation of unreserved fund balances in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Encumbrances

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

(g) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue 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 April 15, 2011.

The Village, in August 2010, issued a bond anticipation note for various Village improvements and tax certiorari refunds in the amount of \$7,251,000. The note is due August 13, 2011 with interest at 1.0%.

(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:

- 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.
- The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- Formal budgetary integration is employed during the year as a management control device for the general, water, parking, sewer and sanitation funds.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(2) Stewardship, Compliance and Accountability, Continued

(a) Budgetary Data, Continued

- 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 or the capital projects fund.
- 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.
- 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. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

(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 2009-10 fiscal year was \$21,295,477 which exceeded the actual levy by \$14,279,717.

(c) Capital Projects Fund Deficit

The undesignated deficit in the capital projects fund of \$4,216,783 arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source." Liabilities for bond anticipation notes payable are accounted for in the capital projects fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. This deficit will be reduced and eliminated as the bond anticipation notes are redeemed or converted to permanent financing.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds

(a) Taxes Receivable

Taxes receivable at May 31, 2010 consisted of the following:

Taxes receivable - current	\$	119,141
Taxes receivable - overdue		<u>302,160</u>
		421,301
Allowance for uncollectible taxes		<u>(328,511)</u>
	\$	<u>92,790</u>

Taxes receivable are also partially offset by deferred tax revenue of \$72,736, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

(b) Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2010 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 265,352	1,954
Water	113,500	180,000
Capital Projects	1,954	128,852
Non-Major Governmental	<u>-</u>	<u>70,000</u>
	\$ <u>380,806</u>	<u>380,806</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.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(c) Capital Assets

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

	Balance June 1, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance May 31, <u>2010</u>
Capital assets, not being depreciated:				
Land	\$ 2,938,414	-	-	2,938,414
Construction-in-progress	<u>5,124,862</u>	<u>1,996,364</u>	-	<u>7,121,226</u>
Total capital assets, not being depreciated	<u>8,063,276</u>	<u>1,996,364</u>	-	<u>10,059,640</u>
Capital assets, being depreciated:				
Buildings	4,007,651	37,510	-	4,045,161
Land improvements	2,513,546	4,661	-	2,518,207
Infrastructure	81,021,596	-	-	81,021,596
Machinery and equipment	<u>9,527,000</u>	<u>205,927</u>	<u>155,022</u>	<u>9,577,905</u>
Total capital assets, being depreciated	<u>97,069,793</u>	<u>248,098</u>	<u>155,022</u>	<u>97,162,869</u>
Less accumulated depreciation for:				
Buildings	1,983,159	82,777	-	2,065,936
Land improvements	578,401	125,823	-	704,224
Infrastructure	58,120,855	2,138,745	-	60,259,600
Machinery and equipment	<u>5,623,720</u>	<u>628,567</u>	<u>155,022</u>	<u>6,097,265</u>
Total accumulated depreciation	<u>66,306,135</u>	<u>2,975,912</u>	<u>155,022</u>	<u>69,127,025</u>
Total capital assets, being depreciated, net	<u>30,763,658</u>			<u>28,035,844</u>
Capital assets, net	\$ <u>38,826,934</u>			<u>38,095,484</u>

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

General government support	\$ 364,546
Public safety	259,000
Transportation	2,145,164
Culture and recreation	127,959
Home and community services	<u>79,243</u>
Total depreciation expense	\$ <u>2,975,912</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(d) Pension Plans

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

Funding Policy - The Systems are non-contributory except for employees who joined ERS after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plans' year ended March 31, 2010 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 751	9.3%
	3 A14	7.0
	4 A15	7.0
PFRS	2 3751	10.3
	2 384D	13.8

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

	<u>ERS</u>	<u>PFRS</u>
2010	\$ 249,017	357,682
2009	201,150	353,907
2008	266,246	416,730

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

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(d) Pension Plans, Continued

The current ERS contribution for the Village was charged to the funds identified below.
The PFRS contribution was charged to the general fund.

<u>Fund</u>	<u>Amount</u>
General	\$ 195,448
Water	35,837
Parking	3,224
Sanitation	4,030
Sewer	<u>10,478</u>
	<u>\$ 249,017</u>

(e) Short-Term Capital Borrowings

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

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 1, 2009</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance May 31, 2010</u>
Various capital projects	8/14/09	8/13/10	2.50%	\$ <u>3,892,550</u>	<u>3,110,750</u>	<u>127,300</u>	<u>6,876,000</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 \$52,361 were recorded in the fund financial statements in the general, water, sewer and parking funds. Interest expense of \$160,399 was recorded in the government-wide financial statements.

(f) Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2010:

	<u>Balance June 1, 2009</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance May 31, 2010</u>	<u>Due Within One Year</u>
Bonds payable	\$ 12,850,000	-	1,000,000	11,850,000	925,000
Bond anticipation note payable - tax certiorari	505,000	120,000	-	625,000	625,000
New York State retirement loans	287,445	-	39,945	247,500	41,942
Compensated absences	596,216	6,583	-	602,799	60,280
Claims payable	504,251	-	-	504,251	-
Other postemployment benefits	<u>760,000</u>	<u>1,460,000</u>	<u>500,000</u>	<u>1,720,000</u>	<u>-</u>
Total long-term liabilities	<u>\$ 15,502,912</u>	<u>1,586,583</u>	<u>1,539,945</u>	<u>15,549,550</u>	<u>1,652,222</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(f) Long-Term Liabilities, Continued

Each governmental fund's liability for bonds, bond anticipation notes, New York State loan, compensated absences, claims and other postemployment benefit obligations is liquidated by the respective fund.

Bonds Payable - Bonds payable at May 31, 2010 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at May 31, 2010</u>
Various purposes	2001	\$ 2,890,000	August, 2016	4.00 - 5.00	1,590,000
Various purposes	2003	3,473,000	March, 2015	2.25 - 5.00	1,630,000
Various purposes	2004	4,517,512	August, 2024	3.50 - 4.25	3,745,000
Various purposes	2007	5,326,070	August, 2024	4.00 - 5.00	<u>4,885,000</u>
					<u>\$ 11,850,000</u>

Interest expenditures of \$503,118 were recorded in the fund financial statements in the general, water, sewer and parking funds. Interest expense of \$485,269 was recorded in the government-wide financial statements.

Bond Anticipation Notes Payable - The Village issued a bond anticipation note of \$505,000 on May 28, 2009 renewing that amount and issuing an additional \$120,000 on August 14, 2009 to finance tax certiorari refunds. The Village, pursuant to FASB 6, has not recorded this liability in the fund financial statements since it has demonstrated an 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 \$625,000 note is due on August 13, 2011, with interest at 1%.

New York State Loan Payable - Retirement - The State Legislature enacted Chapter 260 of the Laws of 2004. This chapter enabled local governments to amortize the portion of their respective 2004 contribution which exceeded 7.0% of covered payroll, over a ten year period, commencing in 2005. The amortization payment includes interest at 5% per annum. The Village elected to amortize the maximum allowable ERS and PFRS contributions. The ERS amount required to be amortized for the primary government during 2010 was \$16,194, including interest and was charged to expenditures in the general fund. The PFRS amount required to be amortized during 2010 was \$21,600, including interest and was charged to expenditures in the general fund. The balance due at May 31, 2010 was \$70,111 for ERS and \$93,515 for PFRS.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(f) Long-Term Liabilities, Continued

The State Legislature enacted Chapter 260 of the Laws of 2004. This chapter enabled 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 includes 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 primary government during 2010 was \$3,455 including interest and was charged to expenditures in the general fund. The PFRS amount required to be amortized during 2010 was \$13,069, including interest and was charged to expenditures in the general fund. The balance due at May 31, 2010 was \$17,540 for ERS and \$66,334 for PFRS.

Payments to Maturity - The annual requirements to amortize all outstanding bonded debt as of May 31, 2010, including interest payments are as follows:

Year Ending May 31,	Bonds		New York State Loan - Retirement		Bond Anticipation Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 925,000	466,546	41,942	12,376	625,000	15,625	1,591,942	494,547
2012	955,000	432,356	44,040	10,278	-	-	999,040	442,634
2013	995,000	396,273	46,242	8,076	-	-	1,041,242	404,349
2014	1,040,000	357,626	48,554	5,764	-	-	1,088,554	363,390
2015	1,085,000	315,929	50,980	3,338	-	-	1,135,980	319,267
2016-2020	3,340,000	1,056,053	15,742	782	-	-	3,355,742	1,056,835
2021-2025	3,510,000	378,715	-	-	-	-	3,510,000	378,715
	<u>\$ 11,850,000</u>	<u>3,403,498</u>	<u>247,500</u>	<u>40,614</u>	<u>625,000</u>	<u>15,625</u>	<u>12,722,500</u>	<u>3,459,737</u>

The above general obligation bonds, bond anticipation notes and State loan 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.

(g) Other Postemployment Benefits

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

VILLAGE OF SLEEPY HOLLOW, NEW YORK

Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(g) Other Postemployment Benefits, Continued

GASB issued Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions" which requires the accrual of these liabilities. The cost to the Village of providing health insurance benefits to retirees amounted to \$1,460,000 during the year ended December 31, 2010.

(1) Plan Description

The Village administers the plan as a single-employer defined benefit other postemployment benefit plan. The plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the Village subject to the applicable collective bargaining and employment agreements. The plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(2) Funding Policy

The obligation of the plan members, employers and other entities, are established by action of the Village pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members varies depending on the applicable agreement. The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the Village.

The plan is funded on a pay-as-you-go basis with the cost of the insurance premiums charged to the governmental funds for all beneficiaries.

(3) Accounting Policy

The accrual basis of accounting is used for the government-wide financial statements. The fair market value of assets is determined by the market value of assets paid by the willing buyer to a willing seller.

(4) Other Disclosure Information

The schedule of funding progress presents multiyear trend information that is useful in determining whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability. The projections of benefits are based on the types of benefits provided under the substantive plan at the time of the valuation date and on the pattern of cost-sharing between the employer and plan members. In addition, the projections do not explicitly incorporate the potential effects of legal or contractual funding limitation of the pattern of cost-sharing between the employer and plan members in the future. The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(g) Other Postemployment Benefits, Continued

(5) Annual OPEB cost at December 31, 2010

Annual required contribution (ARC)	\$ 1,450,000
Adjustment to ARC	(30,000)
Interest on net OPEB obligation	<u>40,000</u>
Annual OPEB cost	1,460,000
Net OPEB contributions made during the fiscal year	<u>(500,000)</u>
Increase in net OPEB obligation	960,000
Net OPEB obligation at the beginning of year	<u>760,000</u>
Net OPEB obligation at the end of the year	\$ <u>1,720,000</u>
Percentage of expense contributed	<u>34.2%</u>

(6) Schedule of Funding Process

Total actuarial accrued liability (AAL)	18,940,000
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ <u>18,940,000</u>
Annual covered payroll	\$ <u>6,490,000</u>
UAAL as a percentage of payroll	<u>292%</u>

(7) Actuarial Methods and Assumptions

Measurement date	6/1/08
Discount rate	4.5%
Expected return on plan assets	N/A
Rate of compensation increase	N/A
Health care cost trend rate of increase	5 - 10%

(8) Plan Members

Retirees	49
Active employees	<u>65</u>
	<u>114</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(h) Revenue and Expenditures

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

Transfers Out	Transfers In			Total
	General	Capital Projects	Non-Major Governmental	
General	\$ -	-	-	-
Water	100,000	-	-	100,000
Non-Major Governmental	175,000	-	-	175,000
	\$ 275,000	-	-	275,000

(i) Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, Net of Related Debt - the component of net assets 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 assets that reflects funds restricted for snow removal pursuant to General Municipal Law.

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

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

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

(j) Fund Balances

Certain elements of reserved fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below. The unreserved components of fund balance are also described below.

Reserved:

Inventories in the special revenue - water fund have been reserved to indicate that a portion of fund balance is not "available" for appropriation or expenditure because the asset is in the form of commodities. The Village anticipates utilizing them in the normal course of operations.

VILLAGE OF SLEEPY HOLLOW, NEW YORK

Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(i) Fund Balances, Continued

The reserve for trusts has been established to set aside funds in accordance with the terms of the grants.

Unreserved - Designated for Subsequent Year's Expenditures - water and sewer funds - designations of fund balance are not legally required segregations but represent intended use for a specific purpose. At May 31, 2010, the Village Board has not designated any portion of fund balance to be appropriated for the ensuing year's budget.

(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.

(b) Contingencies

The Village participates in various New York State and Federal grant programs. These programs may be subject to program compliance audits. 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.

(c) Risk Management

The Village maintains various liability insurance policies to provide against potential losses. The general liability policy provides coverage up to \$1 million and the Village has an umbrella policy with \$4 million of coverage. In addition, there is a police professional liability policy providing coverage of \$3 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.

VILLAGE OF SLEEPY HOLLOW, NEW YORK
 General Fund
 Comparative Balance Sheets
 May 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and equivalents	\$ 1,442,721	1,251,947
Taxes receivable, net of allowance for uncollectible taxes of \$328,511 in 2010 and 2009	<u>92,790</u>	<u>125,252</u>
Other receivables:		
Accounts	912,850	98,663
Due from other governments	10,935	315,589
State and Federal aid	254,662	11,221
Due from other funds	<u>265,352</u>	<u>770,352</u>
Total other receivables	<u>1,443,799</u>	<u>1,195,825</u>
Total assets	<u>\$ 2,979,310</u>	<u>2,573,024</u>
 <u>Liabilities and Fund Balance</u> 		
Liabilities:		
Accounts payable	849,306	673,124
Due to retirement systems	95,000	95,000
Due to other funds	1,954	1,954
Due to other governments	3,707	20,257
Deferred tax revenue	72,736	109,576
Overpayments	<u>4,785</u>	<u>4,785</u>
Total liabilities	<u>1,027,488</u>	<u>904,696</u>
Fund balance:		
Reserved for snow removal	104,530	104,530
Reserved for debt service	168,875	168,875
Unreserved and undesignated	<u>1,678,417</u>	<u>1,394,923</u>
Total fund balance	<u>1,951,822</u>	<u>1,668,328</u>
Total liabilities and fund balance	<u>\$ 2,979,310</u>	<u>2,573,024</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
 General Fund
 Comparative Statements of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
 Years ended May 31, 2010 and 2009

	2010				2009			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:								
Real property taxes	\$8,799,304	8,799,304	8,928,664	129,360	8,587,690	8,587,690	8,663,707	76,017
Other tax items	540,000	540,000	499,951	(40,049)	455,000	455,000	346,377	(108,623)
Non-property taxes	1,299,000	1,299,000	1,337,962	38,962	1,345,000	1,345,000	1,463,838	118,838
Departmental income	313,000	313,000	320,130	7,130	336,000	336,000	375,691	39,691
Intergovernmental charges	15,000	15,000	33,351	18,351	8,220	8,220	32,424	24,204
Use of money and property	77,000	77,000	71,934	(5,066)	106,950	106,950	99,544	(7,406)
Licenses and permits	285,000	285,000	183,228	(101,772)	360,500	360,500	463,827	103,327
Fines and forfeitures	95,000	95,000	78,373	(16,627)	100,000	100,000	55,699	(44,301)
Sale of property and compensation for los	35,000	35,000	167,397	132,397	89,000	89,000	67,881	(21,119)
State aid	242,202	395,976	394,039	(1,937)	213,449	298,351	239,563	(58,788)
Miscellaneous	81,000	81,000	25,063	(55,937)	163,000	163,000	54,062	(108,938)
Total revenue	<u>11,781,506</u>	<u>11,935,280</u>	<u>12,040,092</u>	<u>104,812</u>	<u>11,764,809</u>	<u>11,849,711</u>	<u>11,862,613</u>	<u>12,902</u>

(Continued)

VILLAGE OF SLEEPY HOLLOW, NEW YORK

General Fund

Comparative Statements of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual, Continued
Years ended May 31, 2010 and 2009

	2010				2009			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:								
General government support	\$2,865,677	2,732,318	2,524,045	208,273	2,717,800	3,226,196	2,947,251	278,945
Public safety	3,734,093	3,745,042	3,535,572	209,470	3,623,519	3,596,651	3,306,600	290,051
Health	91,560	104,359	103,858	501	101,460	111,785	111,202	583
Transportation	1,044,381	1,208,618	1,093,090	115,528	879,750	1,001,391	1,001,391	-
Economic opportunity and development	91,600	97,514	96,129	1,385	106,600	79,016	79,016	-
Culture and recreation	1,267,508	1,343,774	1,305,646	38,128	1,322,272	1,357,799	1,338,974	18,825
Home and community services	25,900	25,900	12,112	13,788	25,000	13,959	3,959	10,000
Employee benefits	2,442,000	2,398,081	2,154,494	243,587	2,449,733	2,344,922	2,158,869	186,053
Debt service:								
Principal	851,820	892,383	892,381	2	767,471	821,318	821,318	-
Interest	420,467	434,434	434,271	163	432,779	462,247	453,767	8,480
Total expenditures	<u>12,835,006</u>	<u>12,982,423</u>	<u>12,151,598</u>	<u>830,825</u>	<u>12,426,384</u>	<u>13,015,284</u>	<u>12,222,347</u>	<u>792,937</u>
Deficiency of revenue over expenditures	<u>(1,053,500)</u>	<u>(1,047,143)</u>	<u>(111,506)</u>	<u>935,637</u>	<u>(661,575)</u>	<u>(1,165,573)</u>	<u>(359,734)</u>	<u>805,839</u>
Other financing sources (uses):								
Proceeds from the issuance of long-term debt	150,000	150,000	120,000	(30,000)	-	505,000	505,000	-
Transfers in	903,500	903,500	275,000	(628,500)	894,000	894,000	513,000	(381,000)
Transfers out	-	-	-	-	(232,425)	(233,427)	(224,925)	8,502
Total other financing sources	<u>1,053,500</u>	<u>1,053,500</u>	<u>395,000</u>	<u>(658,500)</u>	<u>661,575</u>	<u>1,165,573</u>	<u>793,075</u>	<u>(372,498)</u>
Net change in fund balance	-	6,357	283,494	277,137	-	-	433,341	433,341
Fund balance at beginning of year	<u>1,668,328</u>	<u>1,668,328</u>	<u>1,668,328</u>	<u>-</u>	<u>1,234,987</u>	<u>1,234,987</u>	<u>1,234,987</u>	<u>-</u>
Fund balance at end of year	<u>\$1,668,328</u>	<u>1,674,685</u>	<u>1,951,822</u>	<u>277,137</u>	<u>1,234,987</u>	<u>1,234,987</u>	<u>1,668,328</u>	<u>433,341</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Water Fund
Comparative Balance Sheets
May 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and equivalents	\$ 50	963
Receivables:		
Water rents	730,334	704,255
Due from other funds	<u>113,500</u>	<u>113,500</u>
	<u>843,834</u>	<u>817,755</u>
Inventories	<u>56,241</u>	<u>56,241</u>
Total assets	<u>\$ 900,125</u>	<u>874,959</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	589,564	37,461
Due to retirement systems	6,000	5,000
Due to other funds	<u>180,000</u>	<u>180,000</u>
Total liabilities	<u>775,564</u>	<u>222,461</u>
Fund balance:		
Reserved for inventories	56,241	56,241
Unreserved:		
Designated for subsequent year's expenditures	-	248,631
Unreserved and undesignated	<u>68,320</u>	<u>347,626</u>
Total fund balance	<u>124,561</u>	<u>652,498</u>
Total liabilities and fund balance	<u>\$ 900,125</u>	<u>874,959</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK

Water Fund

Comparative Statements of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
Years ended May 31, 2010 and 2009

	2010				2009			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:								
Departmental income	\$ 3,826,500	3,826,500	2,940,664	(885,836)	3,607,500	3,607,500	3,193,801	(413,699)
Use of money and property	4,000	4,000	19,901	15,901	6,000	6,000	900	(5,100)
Total revenue	<u>3,830,500</u>	<u>3,830,500</u>	<u>2,960,565</u>	<u>(869,935)</u>	<u>3,613,500</u>	<u>3,613,500</u>	<u>3,194,701</u>	<u>(418,799)</u>
Expenditures:								
Current:								
General government support	125,000	100,000	99,196	804	120,000	97,887	96,135	1,752
Home and community services	2,268,131	2,452,972	2,432,329	20,643	2,120,800	2,183,111	2,148,747	34,364
Employee benefits	648,000	604,621	607,233	(2,612)	760,500	622,348	416,460	205,888
Debt service:								
Principal	288,000	174,341	174,123	218	130,000	129,582	129,582	-
Interest	79,000	76,197	75,621	576	86,200	86,072	86,072	-
Total expenditures	<u>3,408,131</u>	<u>3,408,131</u>	<u>3,388,502</u>	<u>19,629</u>	<u>3,217,500</u>	<u>3,119,000</u>	<u>2,876,996</u>	<u>242,004</u>
Excess (deficiency) of revenue over expenditures	422,369	422,369	(427,937)	(850,306)	396,000	494,500	317,705	(176,795)
Other financing uses - transfers out	<u>(671,000)</u>	<u>(671,000)</u>	<u>(100,000)</u>	<u>571,000</u>	<u>(743,000)</u>	<u>(841,500)</u>	<u>(398,000)</u>	<u>443,500</u>
Net change in fund balance	(248,631)	(248,631)	(527,937)	(279,306)	(347,000)	(347,000)	(80,295)	266,705
Fund balance at beginning of year	<u>652,498</u>	<u>652,498</u>	<u>652,498</u>	-	<u>732,793</u>	<u>732,793</u>	<u>732,793</u>	-
Fund balance at end of year	<u>\$ 403,867</u>	<u>403,867</u>	<u>124,561</u>	<u>(279,306)</u>	<u>385,793</u>	<u>385,793</u>	<u>652,498</u>	<u>266,705</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
 Capital Projects Fund
 Comparative Balance Sheets
 May 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and equivalents	\$ 3,435,338	2,013,957
Receivables:		
State and federal aid	30,401	475,328
Due from other funds	1,954	1,954
	<u>32,355</u>	<u>477,282</u>
Total assets	<u>\$ 3,467,693</u>	<u>2,491,239</u>
<u>Liabilities and Fund Deficit</u>		
Liabilities:		
Accounts payable	545,714	363,296
Retainages payable	133,910	134,349
Due to other funds	128,852	633,852
Bond anticipation notes payable	6,876,000	3,892,550
Total liabilities	<u>7,684,476</u>	<u>5,024,047</u>
Fund deficit - unreserved and undesignated	<u>(4,216,783)</u>	<u>(2,532,808)</u>
Total liabilities and fund deficit	<u>\$ 3,467,693</u>	<u>2,491,239</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
 Capital Projects Fund
 Comparative Statements of Revenue, Expenditures and Changes in Fund Balance
 Years ended May 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue:		
Intergovernmental charges	\$ 27,640	-
Use of money and property	73,065	-
State aid	56,115	973,425
Federal aid	<u>88,870</u>	<u>1,040,094</u>
Total revenue	245,690	2,013,519
Expenditures - capital outlay	<u>2,056,965</u>	<u>3,531,998</u>
Deficiency of revenue over expenditures	<u>(1,811,275)</u>	<u>(1,518,479)</u>
Other financing sources:		
BANS redeemed from appropriations	127,300	-
Transfers in	<u>-</u>	<u>155,000</u>
Total other financing sources	<u>127,300</u>	<u>155,000</u>
Net change in fund balance	(1,683,975)	(1,363,479)
Fund balance (deficit) at beginning of year	<u>(2,532,808)</u>	<u>(1,169,329)</u>
Fund balance (deficit) at end of year	<u><u>\$(4,216,783)</u></u>	<u><u>(2,532,808)</u></u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
 Non-Major Governmental Funds
 Combining Balance Sheet
 May 31, 2010
 (with comparative totals for May 31, 2009)

	<u>Parking Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Special Purpose Fund</u>	<u>Total Non-Major Governmental Funds</u>	
					<u>2010</u>	<u>2009</u>
<u>Assets</u>						
Cash and equivalents	\$ 11,872	21,351	21,228	686,346	740,797	738,846
Receivables:						
Accounts	-	-	157,847	-	157,847	105,816
Sewer rents	-	109,812	-	-	109,812	103,420
	<u>-</u>	<u>109,812</u>	<u>157,847</u>	<u>-</u>	<u>267,659</u>	<u>209,236</u>
Total assets	<u>\$ 11,872</u>	<u>131,163</u>	<u>179,075</u>	<u>686,346</u>	<u>1,008,456</u>	<u>948,082</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	6,966	300	27,611	-	34,877	16,085
Due to retirement systems	-	1,000	-	-	1,000	-
Due to other funds	-	-	70,000	-	70,000	70,000
	<u>6,966</u>	<u>1,300</u>	<u>97,611</u>	<u>-</u>	<u>105,877</u>	<u>86,085</u>
Fund balances:						
Reserved for trusts	-	-	-	686,346	686,346	678,367
Unreserved:						
Designated for subsequent year's expenditures	-	-	-	-	-	7,000
Unreserved and undesignated	4,906	129,863	81,464	-	216,233	176,630
	<u>4,906</u>	<u>129,863</u>	<u>81,464</u>	<u>686,346</u>	<u>902,579</u>	<u>861,997</u>
Total fund balances	<u>4,906</u>	<u>129,863</u>	<u>81,464</u>	<u>686,346</u>	<u>902,579</u>	<u>861,997</u>
Total liabilities and fund balances	<u>\$ 11,872</u>	<u>131,163</u>	<u>179,075</u>	<u>686,346</u>	<u>1,008,456</u>	<u>948,082</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Non-Major Governmental Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Year ended May 31, 2010
(With comparative totals for May 31, 2009)

	<u>Parking Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Special Purpose Fund</u>	<u>Total Non-Major Governmental Funds</u>	
					<u>2010</u>	<u>2009</u>
Revenue:						
Departmental income	\$ 277,269	413,076	450,517	-	1,140,862	1,030,359
Use of money and property	<u>5,840</u>	<u>2,929</u>	<u>-</u>	<u>7,979</u>	<u>16,748</u>	<u>29,936</u>
Total revenue	<u>283,109</u>	<u>416,005</u>	<u>450,517</u>	<u>7,979</u>	<u>1,157,610</u>	<u>1,060,295</u>
Expenditures:						
General government support	19,839	19,839	14,712	-	54,390	57,681
Transportation	152,393	-	-	-	152,393	127,505
Home and community services	-	128,273	322,537	-	450,810	523,936
Employee benefits	30,678	99,861	47,513	-	178,052	163,036
Debt service:						
Principal	45,000	15,796	-	-	60,796	43,214
Interest	<u>42,796</u>	<u>2,791</u>	<u>-</u>	<u>-</u>	<u>45,587</u>	<u>48,481</u>
Total expenditures	<u>290,706</u>	<u>266,560</u>	<u>384,762</u>	<u>-</u>	<u>942,028</u>	<u>963,853</u>
Excess (deficiency) of revenue over expenditures	<u>(7,597)</u>	<u>149,445</u>	<u>65,755</u>	<u>7,979</u>	<u>215,582</u>	<u>96,442</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	126,925
Transfers out	<u>(25,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(175,000)</u>	<u>(172,000)</u>
Total other financing uses	<u>(25,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(175,000)</u>	<u>(45,075)</u>
Net change in fund balances	(32,597)	(555)	65,755	7,979	40,582	51,367
Fund balances at beginning of year	<u>37,503</u>	<u>130,418</u>	<u>15,709</u>	<u>678,367</u>	<u>861,997</u>	<u>810,630</u>
Fund balances at end of year	<u>\$ 4,906</u>	<u>129,863</u>	<u>81,464</u>	<u>686,346</u>	<u>902,579</u>	<u>861,997</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
 Parking Fund
 Comparative Balance Sheets
 May 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and equivalents	\$ 11,872	31,323
Accounts receivables	<u> -</u>	<u>6,180</u>
Total assets	<u>\$ 11,872</u>	<u>37,503</u>
<u>Liabilities and Fund Balance</u>		
Liabilities - accounts payable	6,966	-
Fund balance - unreserved and undesignated	<u>4,906</u>	<u>37,503</u>
Total liabilities and fund balance	<u>\$ 11,872</u>	<u>37,503</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK

Parking Fund

Comparative Statements of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
Years ended May 31, 2010 and 2009

	2010				2009			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:								
Departmental income	\$ 327,000	327,000	277,269	(49,731)	362,000	362,000	286,043	(75,957)
Use of money and property	1,800	1,800	5,840	4,040	3,000	3,000	1,622	(1,378)
Total revenue	<u>328,800</u>	<u>328,800</u>	<u>283,109</u>	<u>(45,691)</u>	<u>365,000</u>	<u>365,000</u>	<u>287,665</u>	<u>(77,335)</u>
Expenditures:								
General government support	20,000	19,839	19,839	-	25,000	20,000	19,227	773
Transportation	138,900	152,393	152,393	-	114,400	127,505	127,505	-
Employee benefits	38,300	30,678	30,678	-	62,000	53,895	26,685	27,210
Debt service:								
Principal	45,000	45,000	45,000	-	43,300	43,300	43,214	86
Interest	42,150	42,796	42,796	-	44,300	44,300	44,240	60
Total expenditures	<u>284,350</u>	<u>290,706</u>	<u>290,706</u>	<u>-</u>	<u>289,000</u>	<u>289,000</u>	<u>260,871</u>	<u>28,129</u>
Excess (deficiency) of revenue over expenditures	44,450	38,094	(7,597)	(45,691)	76,000	76,000	26,794	(49,206)
Other financing uses - transfers out	<u>(80,000)</u>	<u>(80,000)</u>	<u>(25,000)</u>	<u>55,000</u>	<u>(76,000)</u>	<u>(76,000)</u>	<u>(25,000)</u>	<u>51,000</u>
Net change in fund balance	(35,550)	(41,906)	(32,597)	9,309	-	-	1,794	1,794
Fund balance at beginning of year	<u>37,503</u>	<u>37,503</u>	<u>37,503</u>	<u>-</u>	<u>35,709</u>	<u>35,709</u>	<u>35,709</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 1,953</u>	<u>(4,403)</u>	<u>4,906</u>	<u>9,309</u>	<u>35,709</u>	<u>35,709</u>	<u>37,503</u>	<u>1,794</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Sewer Fund
Comparative Balance Sheets
May 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and equivalents	\$ 21,351	27,226
Sewer rents receivable	<u>109,812</u>	<u>103,420</u>
Total assets	<u>\$ 131,163</u>	<u>130,646</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	300	228
Due to retirement systems	<u>1,000</u>	<u>-</u>
	<u>1,300</u>	<u>228</u>
Fund balance - unreserved:		
Designated for subsequent year's expenditures	-	7,000
Undesignated	<u>129,863</u>	<u>123,418</u>
	<u>129,863</u>	<u>130,418</u>
Total liabilities and fund balance	<u>\$ 131,163</u>	<u>130,646</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Sewer Fund

Comparative Statements of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
Years ended May 31, 2010 and 2009

	2010				2009			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:								
Departmental income	\$ 453,500	453,500	413,076	(40,424)	443,500	443,500	431,367	(12,133)
Use of money and property	1,000	1,000	2,929	1,929	2,000	2,000	200	(1,800)
Total revenue	<u>454,500</u>	<u>454,500</u>	<u>416,005</u>	<u>(38,495)</u>	<u>445,500</u>	<u>445,500</u>	<u>431,567</u>	<u>(13,933)</u>
Expenditures:								
General government support	25,000	25,000	19,839	5,161	25,000	25,000	19,227	5,773
Home and community services	179,500	160,913	128,273	32,640	180,500	180,500	178,784	1,716
Employee benefits	107,000	107,000	99,861	7,139	131,000	131,000	73,889	57,111
Debt service:								
Principal	-	15,796	15,796	-	-	-	-	-
Interest	-	2,791	2,791	-	11,000	11,000	-	11,000
Total expenditures	<u>311,500</u>	<u>311,500</u>	<u>266,560</u>	<u>44,940</u>	<u>347,500</u>	<u>347,500</u>	<u>271,900</u>	<u>75,600</u>
Excess of revenue over expenditures	143,000	143,000	149,445	6,445	98,000	98,000	159,667	61,667
Other financing uses - transfers out	(150,000)	(150,000)	(150,000)	-	(147,000)	(147,000)	(147,000)	-
Net change in fund balance	(7,000)	(7,000)	(555)	6,445	(49,000)	(49,000)	12,667	61,667
Fund balance at beginning of year	<u>130,418</u>	<u>130,418</u>	<u>130,418</u>	-	<u>117,751</u>	<u>117,751</u>	<u>117,751</u>	-
Fund balance at end of year	<u>\$ 123,418</u>	<u>123,418</u>	<u>129,863</u>	<u>6,445</u>	<u>68,751</u>	<u>68,751</u>	<u>130,418</u>	<u>61,667</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Sanitation Fund
Comparative Balance Sheets
May 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and equivalents	\$ 21,228	1,930
Accounts receivable	<u>157,847</u>	<u>99,636</u>
Total assets	<u>\$ 179,075</u>	<u>101,566</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	27,611	15,857
Due to other funds	<u>70,000</u>	<u>70,000</u>
Total liabilities	97,611	85,857
Fund balance - unreserved and undesignated	<u>81,464</u>	<u>15,709</u>
Total liabilities and fund balance	<u>\$ 179,075</u>	<u>101,566</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK

Sanitation Fund

Comparative Statements of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
Years ended May 31, 2010 and 2009

	2010				2009			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue:								
Departmental income	\$ 450,468	450,468	450,517	49	332,000	332,000	312,949	(19,051)
Use of money and property	1,000	1,000	-	(1,000)	-	-	-	-
Total revenue	<u>451,468</u>	<u>451,468</u>	<u>450,517</u>	<u>(951)</u>	<u>332,000</u>	<u>332,000</u>	<u>312,949</u>	<u>(19,051)</u>
Expenditures:								
General government support	15,000	15,000	14,712	288	25,000	25,000	19,227	5,773
Home and community services	325,450	325,450	322,537	2,913	331,425	347,405	345,152	2,253
Employee benefits	48,300	48,300	47,513	787	53,000	67,020	62,462	4,558
Debt service:								
Principal	55,400	55,400	-	55,400	-	-	-	-
Interest	14,000	14,000	-	14,000	19,500	19,500	4,241	15,259
Total expenditures	<u>458,150</u>	<u>458,150</u>	<u>384,762</u>	<u>73,388</u>	<u>428,925</u>	<u>458,925</u>	<u>431,082</u>	<u>27,843</u>
Excess (deficiency) of revenue over expenditures	(6,682)	(6,682)	65,755	72,437	(96,925)	(126,925)	(118,133)	8,792
Other financing uses - transfers in	-	-	-	-	96,925	126,925	126,925	-
Net change in fund balance	(6,682)	(6,682)	65,755	72,437	-	-	8,792	8,792
Fund balance at beginning of year	15,709	15,709	15,709	-	6,917	6,917	6,917	-
Fund balance at end of year	<u>\$ 9,027</u>	<u>9,027</u>	<u>81,464</u>	<u>72,437</u>	<u>6,917</u>	<u>6,917</u>	<u>15,709</u>	<u>8,792</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
Special Purpose Fund
Comparative Balance Sheets
May 31, 2010 and 2009

<u>Assets</u>	<u>2010</u>	<u>2009</u>
Cash and equivalents	\$ <u>686,346</u>	<u>678,367</u>
<u>Fund Balance</u>		
Reserved for trusts	\$ <u>686,346</u>	<u>678,367</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK
 Special Purpose Fund
 Comparative Statements of Revenue, Expenditures and Changes in Fund Balance
 Years ended May 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenue - use of money and property	\$ 7,979	28,114
Expenditures	<u>-</u>	<u>-</u>
Excess of revenue over expenditures	7,979	28,114
Fund balance at beginning of year	<u>678,367</u>	<u>650,253</u>
Fund balance at end of year	<u>\$ 686,346</u>	<u>678,367</u>