

**Village of Sleepy Hollow, New York**

Financial Statements and  
Supplementary Information

Year Ended May 31, 2014



# Village of Sleepy Hollow, New York

## Table of Contents

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	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	14
Reconciliation of Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Water Funds	20
Statement of Assets and Liabilities - Fiduciary Fund	22
Notes to Financial Statements	23
Required Supplementary Information	
Schedule of Funding Progress	
Other Post Employment Benefits - Last Three Fiscal Years	47
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	48
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	49
Schedule of Revenues and Other Financing Sources Compared to Budget	51
Schedule of Expenditures and Other Financing Uses Compared to Budget	54
Water Fund	
Comparative Balance Sheet	57
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	58
Capital Projects Fund	
Comparative Balance Sheet	60
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	61
Non-Major Governmental Funds	
Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	64
Parking Fund	
Comparative Balance Sheet	66
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	67

**Village of Sleepy Hollow, New York**

**Table of Contents (Concluded)**

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	<u>Page No.</u>
Sewer Fund	
Comparative Balance Sheet	69
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	70
Sanitation Fund	
Comparative Balance Sheet	72
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	73
Special Purpose Fund	
Comparative Balance Sheet	75
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	76

## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Sleepy Hollow, New York ("Village") as of and for the year ended May 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

O'CONNOR DAVIES, LLP

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## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2014, and the respective changes in financial position, thereof, and the budgetary comparison for the General and Water Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*O'Connor Davies, LLP*

**O'Connor Davies, LLP**  
Harrison, New York  
November 7, 2014

# Village of Sleepy Hollow, New York

Management's Discussion and Analysis (MD&A)  
May 31, 2014

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## Introduction

The management of the Village of Sleepy Hollow offers this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2014 to readers of the Village's financial statements. It should be read in conjunction with the basic financial statements and the notes to the Village's financial statements which immediately follow this section, to enhance the understanding of the Village's financial performance.

## Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- Net position may serve over time as a useful indicator of the Village's financial position. On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of the fiscal year 2014 by \$9,384,002. Of this amount, the unrestricted portion is (\$6,902,046) and net invested in capital assets is \$14,677,896. The restricted amount of \$1,608,152 is for use for the Water, Sewer, Parking and Special Purpose (Parks & Recreation Developer's Fund) funds and for future snow removal and debt service expenses.
- As of the close of the fiscal year, the Village's governmental funds (exclusive of the Capital Projects Fund) reported combined ending fund balances of \$3,588,273; an increase of \$1,348,496 from the prior year's fund balance of \$2,239,777.
  - Of this balance \$1,110,852 or 31% is unassigned for fiscal year 2014. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.
  - The remainder of fund balance is either classified as Nonspendable, Restricted or Assigned to indicate that it is not available for new spending.
- The General fund balance increased by \$891,774 to \$1,707,290 from \$815,516. At the end of the fiscal years 2014 and 2013, unassigned fund balance for the General Fund was \$1,122,194 or 7.69% and \$212,537 or 1.47% respectively, of total General Fund expenditures and other financing uses. This indicates growth in the unassigned fund balance for general activities of the Village.
- The Village retired \$1,285,000 of long-term debt. During the current fiscal year, the Village issued bond anticipation notes for Capital Projects of \$7,217,064.

## **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

#### **Governmental Funds**

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

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

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

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

### **Fiduciary Funds**

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

## **Notes to the Financial Statements**

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

## **Other Information**

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

## **Government-wide Financial Analysis**

As noted previously, over a period of time net position may serve as a useful indicator of a government's financial position. At fiscal year end, May 31, 2014, the assets of the Village exceeded the liabilities.

Although the Village's total net position decreased by \$2,817,918 for the year ended May 31, 2014, this was primarily due to the recognition of the other post employment benefit ("OPEB") obligations as required under the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 45. The GASB is charged with developing the accounting rules that apply to governments. 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 accrual based measurement and recognition of OPEB expenses over periods that approximate employees' years of active service, as well as the required note disclosures. For the year ending May 31, 2014, the Village's OPEB obligations of \$6,800,000 are reflected as a liability on the entity-wide financial statements, and accordingly were the prime factor in the decrease in total net position.

**Net Position  
May 31,**

	2014	2013
Current Assets	\$ 13,169,983	\$ 6,311,137
Capital Assets, net	29,391,223	32,366,515
Total Assets	42,561,206	38,677,652
Deferred Outflows of Resources	64,459	-
Current Liabilities	8,702,668	2,777,924
Non-Current Liabilities	24,538,995	23,697,808
Total Liabilities	33,241,663	26,475,732
Net Position		
Net Investment in Capital Assets	14,677,896	15,953,721
Restricted	1,608,152	1,446,922
Unrestricted	(6,902,046)	(5,198,723)
Total Net Position	\$ 9,384,002	\$ 12,201,920

**Change in Net Position  
Fiscal Year Ended May 31,**

	2013	2013
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 6,350,423	\$ 5,987,116
Operating Grants and Contributions	142,342	195,939
Capital Grants and Contributions	286,305	184,678
	6,779,070	6,367,733
General Revenues		
Real Property Taxes	9,835,646	9,488,465
Other Tax Items	926,010	717,629
Non-Property Taxes	1,690,811	1,617,904
Unrestricted Use of Money and Property	16,628	6,248
Sale of Property and Compensation for Loss	82,327	103,646
Unrestricted State Aid	158,851	121,514
Miscellaneous	67,093	34,155
	12,777,366	12,089,561
Total General Revenues		
Total Revenues	19,556,436	18,457,294
<b>PROGRAM EXPENSES</b>		
General Government Support	3,320,335	2,888,487
Public Safety	9,200,730	9,416,741
Health	206,935	137,477
Transportation	2,538,889	2,509,519
Economic Opportunity and Development	73,783	78,918
Culture and Recreation	2,443,750	2,510,200
Home and Community Services	3,996,911	3,884,250
Interest	593,021	685,346
	22,374,354	22,110,938
Total Expenses		
Change in Net Position	(2,817,918)	(3,653,644)
<b>NET POSITION</b>		
Beginning	12,201,920	15,855,564
Ending	\$ 9,384,002	\$ 12,201,920

**Governmental Activities**

For the fiscal years ended May 31, 2014 and 2013, revenues from governmental activities totaled \$19,556,436 and \$18,457,294, respectively. Tax revenues \$12,452,467 in 2014 and \$11,823,998 in 2013, comprised of real property taxes, other tax items and non-property taxes; represent the largest revenue source (63.7% in 2014 and 64.1% in 2013).

The largest components of governmental activities' expenditures are public safety (41.1% in 2014 and 42.6% in 2013), home and community services (17.9% in 2014 and 17.6% in 2013),

general government support (14.8% in 2014 and 13.1% in 2013) and transportation (11.3% in both 2014 and 2013). Public safety includes police, fire and safety inspections. Home and community services include planning, refuse and garbage and shade tree costs. General government support reflects various administrative services including clerk, engineer, law, treasurer, justices and the Board of Trustees. Transportation includes street administration and maintenance, snow removal and street lighting.

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

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

#### **Fund Balance Reporting**

It is noteworthy to report that the Governmental Accounting Standards Board ("GASB") issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in February 2009. The requirements of GASB Statement No. 54 are effective for financial statements for periods ending May 31, 2011 and moving forward. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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

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

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

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

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

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

## **Governmental Funds**

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

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

<u>Fund</u>	<u>2014</u>	<u>2013</u>
General	\$ 1,707,290	\$ 815,516
Water	642,250	204,612
Parking	28,056	3,758
Sewer	567,659	608,905
Sanitation	(3,390)	(37,923)
Special Purpose	646,408	644,909
Capital Projects	599,688	851,070
	<u>\$ 4,187,961</u>	<u>\$ 3,090,847</u>

Exclusive of the Capital Projects Fund, the combined ending fund balance is \$3,588,273 of which \$1,110,852 is unassigned.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,122,194, representing 65.7% of the total General Fund balance of \$1,707,290. When the fiscal year 2013-2014 General Fund budget was adopted, it anticipated that revenues would equal expenditures. Actual results of operations resulted in an increase in the fund balance of \$891,774. Revenues and other financing sources were \$18,794,530 which was \$887,647 more than the final budget. This increase was primarily due to unbudgeted revenue received during a Tax Lien Sale, which had not been held in many years, and due to building permits from several large development projects. Expenditures and other financing uses were \$17,902,756, which was \$4,127 less than the final budget.

The Capital Projects Fund has a restricted fund balance of \$599,688. A majority of the capital projects have been financed by long term debt and grants as of May 31, 2014.

## **Capital Assets and Debt Administration**

### **Capital Assets**

The Village's investment in capital assets for governmental activities at May 31, 2014, net of accumulated depreciation, was \$29,391,223. This investment in capital assets includes land, construction-in-progress, buildings, land improvements, infrastructure (not all inclusive) and machinery and equipment.

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

**Capital Assets  
May 31,**

<u>Asset</u>	2014	2013
Land	\$ 2,938,414	\$ 2,938,414
Construction-in-Progress	155,832	152,272
Buildings	5,915,078	6,096,755
Land Improvements	3,159,936	3,397,587
Infrastructure	13,788,442	15,968,467
Machinery and Equipment	3,433,521	3,813,020
Total (net of depreciation)	\$ 29,391,223	\$ 32,366,515

**Long-Term Debt /Short-Term Debt**

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$15,380,000. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

**Economic Factors and Next Year's Budgets and Rates**

We have seen continued increases in the cost of providing health insurance and retirement benefits to our employees over the last 3 years. Although retirement benefits should be decreasing slightly over the next several years, these costs continue to put a strain on available Village resources and caused us to amortize our pension payment this year. Luckily we were able to contribute to our fund balance due to revenues from a Tax Lien Sale held this year and building permits from several large development projects; as well as spending slightly under budget.

The ongoing economic decline has also had an impact on our local economy. Housing prices remain low, new construction slowed, unemployment grew reducing disposable incomes, all affecting our revenues. The Village continually attempts to eliminate or reduce non-essential spending, while closely monitoring the costs of the programs that our residents rely on.

**Requests for Information**

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

Village of Sleepy Hollow, New York

Statement of Net Position

May 31, 2014

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 10,677,520
Receivables	
Taxes, net	472,583
Accounts	333,046
Water rents	956,105
Sewer rents	158,385
Due from other governments	288,718
Inventories	56,241
Prepaid expenses	227,385
Capital assets	
Not being depreciated	3,094,246
Being depreciated, net	<u>26,296,977</u>
Total Assets	<u>42,561,206</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts on refunding bonds	<u>64,459</u>
<b>LIABILITIES</b>	
Accounts payable	540,043
Accrued liabilities	748,365
Unearned revenues	5,095
Bond anticipation notes payable	7,217,064
Accrued interest payable	192,101
Non-current liabilities	
Due within one year	2,414,714
Due in more than one year	<u>22,124,281</u>
Total Liabilities	<u>33,241,663</u>
<b>NET POSITION</b>	
Net investment in capital assets	14,677,896
Restricted	
Snow removal	105,921
Debt service	244,585
Special Revenue Funds	
Water	220,949
Sewer	373,137
Parking	17,152
Special purpose	646,408
Unrestricted	<u>(6,902,046)</u>
Total Net Position	<u>\$ 9,384,002</u>

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

Village of Sleepy Hollow, New York

Statement of Activities  
Year Ended May 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 3,320,335	\$ 142,594	\$ 4,200	\$ 38,868
Public safety	9,200,730	724,303	1,084	31,688
Health	206,935	165,767	-	-
Transportation	2,538,889	439,170	135,559	-
Economic opportunity and development	73,783	-	-	-
Culture and recreation	2,443,750	222,122	1,499	187,378
Home and community services	3,996,911	4,656,467	-	28,127
Interest	593,021	-	-	244
<b>Total Governmental Activities</b>	<b>\$ 22,374,354</b>	<b>\$ 6,350,423</b>	<b>\$ 142,342</b>	<b>\$ 286,305</b>

General Revenues

Real property taxes

Other tax items

Payments in lieu of taxes

Interest and penalties on real property taxes

Non-property taxes

Franchise fees

Utilities gross receipts taxes

Non-property tax distribution from County

Unrestricted use of money and property

Unrestricted State aid

Miscellaneous

Insurance recoveries

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

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Net (Expense)  
Revenue and  
Changes in  
Net Position

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\$ (3,134,673)  
(8,443,655)  
(41,168)  
(1,964,160)

(73,783)  
(2,032,751)

687,683  
(592,777)

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(15,595,284)

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9,835,646

658,700  
267,310

151,472  
130,241  
1,409,098  
16,628

158,851  
67,093  
82,327

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12,777,366

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(2,817,918)

12,201,920

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\$ 9,384,002

**Village of Sleepy Hollow, New York**

Balance Sheet  
 Governmental Funds  
 May 31, 2014

	General	Water	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 3,982,002	\$ 674,481	\$ 4,783,920
Taxes Receivable, net of allowance for uncollectible taxes	472,583	-	-
Other receivables			
Accounts	112,628	-	-
Water rents	-	956,105	-
Sewer rents	-	-	-
Due from other governments	288,718	-	-
Advances to other funds	11,342	-	-
Due from other funds	1,133,466	2,082	2,998,190
	<u>1,546,154</u>	<u>958,187</u>	<u>2,998,190</u>
Other assets			
Inventories	-	56,241	-
Prepaid expenditures	193,037	21,105	-
	<u>193,037</u>	<u>77,346</u>	<u>-</u>
<b>Total Assets</b>	<b><u>\$ 6,193,776</u></b>	<b><u>\$ 1,710,014</u></b>	<b><u>\$ 7,782,110</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 281,042	\$ 113,369	\$ 89
Accrued liabilities	693,870	26,665	-
Advances from other funds	-	-	-
Due to other funds	2,998,253	927,730	2,040
Unearned revenues	5,095	-	-
Bond anticipation notes payable	36,771	-	7,180,293
<b>Total Liabilities</b>	<b>4,015,031</b>	<b>1,067,764</b>	<b>7,182,422</b>
Deferred inflows of resources			
Deferred tax revenues	471,455	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>4,486,486</u></b>	<b><u>1,067,764</u></b>	<b><u>7,182,422</u></b>
Fund balances (deficits)			
Nonspendable	204,379	77,346	-
Restricted	350,506	-	599,688
Assigned	30,211	564,904	-
Unassigned	1,122,194	-	-
<b>Total Fund Balances</b>	<b><u>1,707,290</u></b>	<b><u>642,250</u></b>	<b><u>599,688</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 6,193,776</u></b>	<b><u>\$ 1,710,014</u></b>	<b><u>\$ 7,782,110</u></b>

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

Non-Major Governmental	Total Governmental Funds
\$ 1,237,117	\$ 10,677,520
-	472,583
220,418	333,046
-	956,105
158,385	158,385
-	288,718
-	11,342
21	4,133,759
378,824	5,881,355
-	56,241
13,243	227,385
13,243	283,626
<u>\$ 1,629,184</u>	<u>\$ 17,315,084</u>

\$ 145,543	\$ 540,043
27,830	748,365
11,342	11,342
205,736	4,133,759
-	5,095
-	7,217,064
390,451	12,655,668
-	471,455

390,451	13,127,123
13,243	294,968
646,408	1,596,602
590,424	1,185,539
(11,342)	1,110,852
1,238,733	4,187,961
<u>\$ 1,629,184</u>	<u>\$ 17,315,084</u>

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**Village of Sleepy Hollow, New York**

Reconciliation of Governmental Funds Balance Sheet to  
the Government-Wide Statement of Net Position  
Year Ended May 31, 2014

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Fund Balances - Total Governmental Funds	<u>\$ 4,187,961</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>29,391,223</u>
The loss on refunding bonds is reported on the statement of net position. Deferred amounts on refunding bonds	<u>64,459</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Real property taxes	<u>471,455</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(192,101)
Bonds payable	(15,447,290)
Bond anticipation notes payable	(717,936)
Retirement incentives and other pension obligations	(833,047)
Compensated absences	(740,722)
Other post employment benefit obligations payable	<u>(6,800,000)</u>
	<u>(24,731,096)</u>
Net Position of Governmental Activities	<u><u>\$ 9,384,002</u></u>

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

Village of Sleepy Hollow, New York

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended May 31, 2014

	General	Water	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 10,039,274	\$ -	\$ -
Other tax items	926,010	-	-
Non-property taxes	1,690,811	-	-
Departmental income	537,219	3,466,750	-
Intergovernmental charges	13,768	-	-
Use of money and property	88,055	-	-
Licenses and permits	622,336	-	-
Fines and forfeitures	92,426	-	-
State aid	294,029	-	238,433
Federal aid	1,084	-	31,688
Miscellaneous	71,293	-	15,940
<b>Total Revenues</b>	<b>14,376,305</b>	<b>3,466,750</b>	<b>286,061</b>
<b>EXPENDITURES</b>			
Current			
General government support	2,104,102	90,677	-
Public safety	4,050,719	-	-
Health	167,998	-	-
Transportation	1,209,900	-	-
Economic opportunity and development	67,477	-	-
Culture and recreation	1,497,712	-	-
Home and community services	24,535	1,586,931	-
Employee benefits	3,577,087	363,521	-
Debt service			
Principal	1,156,185	265,544	-
Interest	490,065	96,988	-
Refunding bond issuance costs	77,966	-	-
Capital outlay	-	-	557,443
<b>Total Expenditures</b>	<b>14,423,746</b>	<b>2,403,661</b>	<b>557,443</b>
Excess (Deficiency) of Revenues Over Expenditures	(47,441)	1,063,089	(271,382)
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance premium	70,494	-	-
Refunding Bonds issued	3,325,000	-	-
Payment to refunded bond escrow agent	(3,317,528)	-	-
Insurance recoveries	82,327	-	-
Transfers in	940,404	-	20,000
Transfers out	(161,482)	(625,451)	-
<b>Total Other Financing Sources (Uses)</b>	<b>939,215</b>	<b>(625,451)</b>	<b>20,000</b>
<b>Net Change in Fund Balances</b>	<b>891,774</b>	<b>437,638</b>	<b>(251,382)</b>
<b>FUND BALANCES</b>			
Beginning of Year	815,516	204,612	851,070
End of Year	\$ 1,707,290	\$ 642,250	\$ 599,688

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

Non - Major Governmental	Total Governmental Funds
\$ -	\$ 10,039,274
-	926,010
-	1,690,811
1,546,847	5,550,816
-	13,768
1,774	89,829
-	622,336
-	92,426
-	532,462
-	32,772
-	87,233
1,548,621	19,677,737
45,668	2,240,447
-	4,050,719
-	167,998
137,412	1,347,312
-	67,477
-	1,497,712
721,592	2,333,058
334,340	4,274,948
70,335	1,492,064
46,719	633,772
-	77,966
-	557,443
1,356,066	18,740,916
192,555	936,821
-	70,494
-	3,325,000
-	(3,317,528)
-	82,327
141,482	1,101,886
(314,953)	(1,101,886)
(173,471)	160,293
19,084	1,097,114
1,219,649	3,090,847
\$ 1,238,733	\$ 4,187,961

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**Village of Sleepy Hollow, New York**

Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended May 31, 2014

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

Net Change in Fund Balances - Total Governmental Funds \$ 1,097,114

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

Capital outlay expenditures	211,771
Depreciation expense	<u>(3,187,063)</u>
	<u>(2,975,292)</u>

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

Real property taxes	<u>(203,628)</u>
---------------------	------------------

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

Principal paid on bond anticipation notes	132,064
Principal paid on bonds	1,360,000
Retirement incentives and other pension obligations	(618,228)
Amortization of loss on refunding bonds and issuance premium	135
Issuance premium	(70,494)
Refunding Bonds issued	(3,325,000)
Payment to refunded bond escrow agent	<u>3,317,528</u>
	<u>796,005</u>

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

Compensated absences	(62,733)
Accrued interest	40,616
Other post employment benefit obligations payable	<u>(1,510,000)</u>
	<u>(1,532,117)</u>

Change in Net Position of Governmental Activities \$ (2,817,918)

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

Village of Sleepy Hollow, New York

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 General and Water Funds  
 Year Ended May 31, 2014

	General Fund			Variance with Final Budget (Positive) Negative
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 9,804,637	\$ 9,804,637	\$ 10,039,274	\$ 234,637
Other tax items	695,000	695,000	926,010	231,010
Non-property taxes	1,670,000	1,670,000	1,690,811	20,811
Departmental income	448,040	448,040	537,219	89,179
Intergovernmental charges	14,123	14,123	13,768	(355)
Use of money and property	71,000	71,000	88,055	17,055
Licenses and permits	356,000	356,000	622,336	266,336
Fines and forfeitures	185,000	185,000	92,426	(92,574)
Sale of property and compensation for loss	5,000	5,000	-	(5,000)
State aid	239,684	239,684	294,029	54,345
Federal aid	-	-	1,084	1,084
Miscellaneous	12,500	12,500	71,293	58,793
<b>Total Revenues</b>	<b>13,500,984</b>	<b>13,500,984</b>	<b>14,376,305</b>	<b>875,321</b>
<b>EXPENDITURES</b>				
Current				
General government support	2,148,668	2,117,556	2,104,102	13,454
Public safety	3,980,452	3,940,859	4,050,719	(109,860)
Health	161,400	167,998	167,998	-
Transportation	1,081,668	1,214,250	1,209,900	4,350
Economic opportunity and development	56,500	67,477	67,477	-
Culture and recreation	1,457,666	1,509,600	1,497,712	11,888
Home and community services	28,240	27,315	24,535	2,780
Employee benefits	3,751,900	3,621,439	3,577,087	44,352
Debt service				
Principal	1,213,239	1,193,239	1,156,185	37,054
Interest	490,174	490,174	490,065	109
Refunding bond issuance costs	-	77,966	77,966	-
<b>Total Expenditures</b>	<b>14,369,907</b>	<b>14,427,873</b>	<b>14,423,746</b>	<b>4,127</b>
Excess (Deficiency) of Revenues Over Expenditures	(868,923)	(926,889)	(47,441)	879,448
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance premium	-	70,494	70,494	-
Refunding bonds issued	-	3,325,000	3,325,000	-
Payment to refunded bond escrow agent	-	(3,317,528)	(3,317,528)	-
Insurance recoveries	70,000	70,000	82,327	12,327
Transfers in	940,405	940,405	940,404	(1)
Transfers out	(141,482)	(161,482)	(161,482)	-
<b>Total Other Financing Sources (Uses)</b>	<b>868,923</b>	<b>926,889</b>	<b>939,215</b>	<b>12,326</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>891,774</b>	<b>891,774</b>
<b>FUND BALANCES</b>				
Beginning of Year	-	-	815,516	815,516
End of Year	\$ -	\$ -	\$ 1,707,290	\$ 1,707,290

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

Water Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget (Positive) Negative
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
3,498,000	3,498,000	3,466,750	(31,250)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,498,000	3,498,000	3,466,750	(31,250)
130,000	110,439	90,677	19,762
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,955,955	1,975,516	1,586,931	388,585
367,250	367,250	363,521	3,729
313,926	313,926	265,544	48,382
105,418	105,418	96,988	8,430
-	-	-	-
2,872,549	2,872,549	2,403,661	468,888
625,451	625,451	1,063,089	437,638
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(625,451)	(625,451)	(625,451)	-
(625,451)	(625,451)	(625,451)	-
-	-	437,638	437,638
-	-	204,612	204,612
\$ -	\$ -	\$ 642,250	\$ 642,250

Village of Sleepy Hollow, New York

Statement of Assets and Liabilities

Fiduciary Fund

May 31, 2014

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 79,837
Accounts receivable	<u>33,085</u>
 Total Assets	 <u>\$ 112,922</u>
 <b>LIABILITIES</b>	
Deposits	 <u>\$ 112,922</u>

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

## Village of Sleepy Hollow, New York

Notes to Financial Statements  
May 31, 2014

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

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

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

#### **A. Financial Reporting Entity**

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

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

#### **B. Government-Wide Financial Statements**

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

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

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

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

**C. Fund Financial Statements**

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

**Fund Categories**

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

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

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

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

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

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

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

Special Revenue Funds:

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

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

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

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

- b. Fiduciary Funds (not included in Government-wide Financial Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. The Agency Fund is used to account for employer payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

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

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

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

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

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

cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, compensated absences and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

**Deposits and Risk Disclosure**

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

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

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

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2014.

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.

## Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2014

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

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

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

**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, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

# Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)  
May 31, 2014

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

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

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues in the General Fund of \$5,095 for other items. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The Village reported deferred outflows of resources of \$64,459 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Village reported deferred inflows of resources of \$471,455 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other

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

financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

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

**Net Position** - Net position represent the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for snow removal, debt service and special revenue funds. The balance is classified as unrestricted.

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

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

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Village Board of Trustees for amounts assigned for balancing the

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

subsequent year's budget or the Village Treasurer for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

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

**F. Use of Estimates**

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

**G. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 7, 2014.

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

**A. Budgetary Data**

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.

## Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2014

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

- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General, Water, Parking, Sewer and Sanitation funds.
- f) Budgets for General, Water, Parking, Sewer and Sanitation funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not legally adopted by the Board for the Special Purpose Fund.
- g) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in General, Water, Parking, Sewer and Sanitation funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

#### **B. Property Tax Limitation**

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2014 fiscal year was \$21,360,155 which exceeded the actual levy by \$11,555,518.

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

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

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

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

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

**C. Application of Accounting Standards**

For the year ended May 31, 2014, the Village implemented GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". This statement establishes accounting and financial reporting standards that reclassify, as deferred outflow/inflow of resources, certain items that were previously reported as assets and liabilities. This statement also recognizes as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

**D. Expenditures in Excess of Budget**

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

	<u>Amount</u>
General Fund	
Justice	\$ 2,140
Treasurer	1,657
Police	121,725
Parks, playgrounds and recreation	4,050
Social security	12,673
Workers' compensation benefits	23,729

The following functional category exceeded its budgetary provision by the amount indicated.

	<u>Amount</u>
Public Safety	\$ 109,860

**Village of Sleepy Hollow, New York**

Notes to Financial Statements (Continued)  
 May 31, 2014

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

The following fund exceeded its budgetary provision in total by the amount indicated.

	<u>Amount</u>
Sanitation	\$ 4,496

**E. Fund Deficits**

The Sanitation Fund has an unassigned deficit in the amount of \$11,342 at May 31, 2014. The deficit will be addressed in a subsequent year.

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

**A. Taxes Receivable**

Taxes receivable at May 31, 2014 consisted of the following:

Taxes Receivable - Current	\$ 241,344
Taxes Receivable - Overdue	<u>391,190</u>
	632,534
Allowance for uncollectible taxes	<u>(159,951)</u>
	<u>\$ 472,583</u>

Taxes receivable are also partially offset by deferred tax revenues of \$471,455, 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, Advances From/To Other Funds**

The balances reflected as due from/to other funds at May 31, 2014 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>	<u>Advances To/From</u>
General	\$ 1,133,466	\$ 2,998,253	\$ 11,342
Water	2,082	927,730	-
Capital Projects	2,998,190	2,040	-
Non-Major Governmental	<u>21</u>	<u>205,736</u>	<u>(11,342)</u>
	<u>\$ 4,133,759</u>	<u>\$ 4,133,759</u>	<u>\$ -</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)  
 May 31, 2014

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

**C. Capital Assets**

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

	Baiance June 1, 2013	Additions	Balance May 31, 2014
Capital Assets, not being depreciated			
Land	\$ 2,938,414	\$ -	\$ 2,938,414
Construction-in-progress	152,272	3,560	155,832
Total Capital Assets, not being depreciated	<u>\$ 3,090,686</u>	<u>\$ 3,560</u>	<u>\$ 3,094,246</u>
Capital Assets, being depreciated			
Buildings	\$ 8,701,552	\$ -	\$ 8,701,552
Land improvements	4,958,175	-	4,958,175
Infrastructure	82,757,729	-	82,757,729
Machinery and equipment	11,186,947	208,211	11,395,158
Total Capital Assets, being depreciated	<u>107,604,403</u>	<u>208,211</u>	<u>107,812,614</u>
Less Accumulated Depreciation for			
Buildings	2,604,797	181,677	2,786,474
Land improvements	1,560,588	237,651	1,798,239
Infrastructure	66,789,262	2,180,025	68,969,287
Machinery and equipment	7,373,927	587,710	7,961,637
Total Accumulated Depreciation	<u>78,328,574</u>	<u>3,187,063</u>	<u>81,515,637</u>
Total Capital Assets, being depreciated, net	<u>\$ 29,275,829</u>	<u>\$ (2,978,852)</u>	<u>\$ 26,296,977</u>
Capital Assets, net	<u>\$ 32,366,515</u>	<u>\$ (2,975,292)</u>	<u>\$ 29,391,223</u>

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

General Government Support	\$ 350,577
Public Safety	1,689,143
Transportation	382,448
Culture and Recreation	286,836
Home and Community Services	<u>478,059</u>
Total Depreciation Expense	<u>\$ 3,187,063</u>

**Village of Sleepy Hollow, New York**

Notes to Financial Statements (Continued)  
May 31, 2014

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

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plans' year ended March 31, 2014 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	21.0%
	4 A15	21.0
	5 A15	16.9
	6 A15	11.5
PFRS	2 375I	20.3
	2 384D	28.4

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

	<u>ERS</u>	<u>PFRS</u>
2014	\$ 552,065	\$ 778,995
2013	611,378	814,945
2012	541,673	598,891

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)  
 May 31, 2014

**Note 3 - Detailed Notes on All Funds (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	\$ 290,443
Water	140,000
Parking	25,000
Sanitation	65,000
Sewer	<u>35,000</u>
	<u>\$ 552,065</u>

**E. Short-Term Capital Borrowings**

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

<u>Purpose</u>	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 1, 2013</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance at May 31, 2014</u>
Purchase of Fire Truck	11/30/2012	11/26/2014	1.25 %	\$ 650,000	\$ -	\$ 20,000	\$ 630,000
Machinery	11/26/2013	11/26/2014	1.25	-	276,726	-	276,726
Roads and Sidewalks	11/26/2013	11/26/2014	1.25	-	330,795	-	330,795
Vehicles	11/26/2013	11/26/2014	1.25	-	137,418	-	137,418
Parking meters	11/26/2013	11/26/2014	1.25	-	21,013	-	21,013
Ambulance	11/26/2013	11/26/2014	1.25	-	26,265	-	26,265
Dell Street Improvements	11/26/2013	11/26/2014	1.25	-	31,518	-	31,518
Emergency medical services study	11/26/2013	11/26/2014	1.25	-	21,012	-	21,012
Fire-fighting apparatus	11/26/2013	11/26/2014	1.25	-	56,732	-	56,732
Traffic signals	11/26/2013	11/26/2014	1.25	-	231,132	-	231,132
Computer improvements	11/26/2013	11/26/2014	1.25	-	21,012	-	21,012
Parking improvements	11/26/2013	11/26/2014	1.25	-	7,880	-	7,880
Park improvements	11/26/2013	11/26/2014	1.25	-	29,679	-	29,679
Water improvements	11/26/2013	11/26/2014	1.25	-	5,359,111	-	5,359,111
Judgments and claims	11/26/2013	11/26/2014	1.25	-	36,771	-	36,771
				<u>\$ 650,000</u>	<u>\$ 6,587,064</u>	<u>\$ 20,000</u>	<u>\$ 7,217,064</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 \$12,220 were recorded in the fund financial statements in the General Fund. Interest expense of \$49,210 was recorded in the government-wide financial statements.

**Village of Sleepy Hollow, New York**

Notes to Financial Statements (Continued)  
 May 31, 2014

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

**F. Long-Term Liabilities**

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2014:

	Balance June 1, 2013	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2014	Due Within One Year
<b>Bonds Payable</b>					
Judgements and claims	\$ 577,050	\$ -	\$ 22,400	\$ 554,650	\$ 23,800
Capital construction	16,087,950	3,325,000	4,587,600	14,825,350	1,456,200
	16,665,000	3,325,000	4,610,000	15,380,000	1,480,000
Plus - Unamortized premium on bonds	-	70,494	3,204	67,290	-
	16,665,000	3,395,494	4,613,204	15,447,290	1,480,000
<b>Bond Anticipation Note Payable</b>					
Judgements and claims	324,086	-	90,984	233,102	233,102
Capital construction	525,914	-	41,080	484,834	484,834
	850,000	-	132,064	717,936	717,936
<b>Retirement Incentives and Other</b>					
Pension Obligations	214,819	715,756	97,528	833,047	142,778
Compensated Absences	677,989	130,733	68,000	740,722	74,000
Other Post Employment Benefit Obligations Payable	5,290,000	2,120,000	610,000	6,800,000	-
<b>Total Long-Term Liabilities</b>	<b>\$ 23,697,808</b>	<b>\$ 6,361,983</b>	<b>\$ 5,520,796</b>	<b>\$ 24,538,995</b>	<b>\$ 2,414,714</b>

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

**Bonds Payable**

Bonds payable at May 31, 2014 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2014
Various Purposes	2001	\$ 2,890,000	August, 2016	4.375 - 4.60 %	\$ 235,000
Various Purposes	2003	3,473,000	March, 2015	3.50 - 3.60	350,000
Various Purposes	2004	4,517,512	August, 2024	3.75 - 4.25	220,000
Various Purposes	2007	5,326,070	August, 2024	4.00 - 5.00	3,880,000
Various Purposes	2012	7,875,000	May, 2031	2.25 - 5.00	7,370,000
Refunding	2014	3,325,000	August, 2024	1.00 - 2.50	3,325,000
					<b>\$ 15,380,000</b>

**Village of Sleepy Hollow, New York**

Notes to Financial Statements (Continued)  
May 31, 2014

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

Interest expenditures of \$605,651 were recorded in the fund financial statements in the funds indicated below. Interest expense of \$527,910 was recorded in the government-wide financial statements.

<u>Fund</u>	<u>Amount</u>
General	\$ 461,974
Water	96,958
Parking	34,058
Sewer	<u>12,661</u>
	<u>\$ 605,651</u>

**Bond Anticipation Notes Payable**

The Village issued a bond anticipation note for \$900,000 on November 30, 2011 for various improvements and judgments and claims. The Village, pursuant to FASB guidance, has not recorded these liabilities in the fund financial statements since it has demonstrated ability to consummate refinancing. The ability to consummate refinancing was evidenced by obtaining permanent financing or a renewal of the notes prior to the issuance of the financial statements. The remaining balance of \$717,936 is due on November 29, 2014, with interest at 1.88%.

Interest expenditures/ expenses of \$15,901 were recorded in the fund financial statements in the funds indicated below and in the government-wide financial statements.

<u>Fund</u>	<u>Amount</u>
General	\$ 15,871
Water	<u>30</u>
	<u>\$ 15,901</u>

**Retirement Incentives and Other Pension Obligations**

The State Legislature enacted Chapter 260 of the Laws of 2004. This chapter authorized local governments to amortize the portion of their respective 2004 contribution which exceeded 7.0% of covered payroll, over a ten year period, commencing in 2005. The amortization payment would include 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 Village during 2014 was \$16,194, including interest and was charged to expenditures in the General Fund. The PFRS amount required to be amortized during 2014 was \$21,600, including interest. This amount was charged to expenditures in the General Fund. The balance due at May 31, 2014 was \$15,423 for ERS and \$20,571 for PFRS.

The State Legislature enacted Chapter 260 of the Laws of 2004. This chapter authorized local governments to amortize the portion of their respective 2005 contribution which exceeded 9.5% of covered payroll, over a ten year period, commencing in 2006. The amortization payment would include interest at 5% per annum. The Village elected to amortize the maximum allowable ERS and PFRS contributions which aggregated \$26,677 for ERS and \$100,920 for PFRS. The

**Village of Sleepy Hollow, New York**

Notes to Financial Statements (Continued)  
 May 31, 2014

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

ERS amount required to be amortized for the Village during 2014 was \$3,455 including interest and was charged to expenditures in the General Fund. The PFRS amount required to be amortized during 2014 was \$13,070, including interest. This amount was charged to expenditures in the General Fund. The balance due at May 31, 2014 was \$6,424 for ERS and \$24,302 for PFRS.

The 2010 State-wide Retirement Incentive Program enacted under Chapter 105 of the Laws of 2010 authorized local municipalities to offer employees a retirement incentive. Under Part A of the plan, eligible employees would be granted one month of additional service credit for each year of service up to 36 years. The estimated cost of the program will be approximately 60% of the employee's final average salary. The Village elected to pay this obligation over a five year period with interest. The ERS amount required to be amortized for the Village during 2014 was \$38,278 including interest and was charged to expenditures in the General Fund. The balance due at May 31, 2014 was \$68,731.

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their ERS and PFRS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The Village elected to amortize the maximum allowable ERS and PFRS contributions in the amount of 715,756, requiring annual installments of \$88,741. Balances due at May 31, 2014 totaled 697,596.

**Payments to Maturity**

The annual requirements to amortize all outstanding bonded debt as of May 31, 2014, including interest payments of \$3,842,252 are as follows:

Year Ending May 31,	Bonds Payable		Bond Anticipation notes		Retirement Incentives and Other Pension Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,480,000	\$ 459,410	\$ 717,936	\$ 8,974	\$ 142,778	\$ 38,530	\$ 2,340,714	\$ 506,914
2016	1,150,000	426,775	-	-	112,533	30,981	1,262,533	457,756
2017	1,180,000	392,375	-	-	63,825	24,886	1,243,825	417,261
2018	950,000	359,413	-	-	66,585	22,126	1,016,585	381,539
2019	985,000	330,500	-	-	69,481	19,230	1,054,481	349,730
2020-2024	5,390,000	1,190,450	-	-	377,845	47,559	5,767,845	1,238,009
2025-2029	3,150,000	447,078	-	-	-	-	3,150,000	447,078
2030-2031	1,095,000	43,965	-	-	-	-	1,095,000	43,965
	<u>\$ 15,380,000</u>	<u>\$ 3,649,966</u>	<u>\$ 717,936</u>	<u>\$ 8,974</u>	<u>\$ 833,047</u>	<u>\$ 183,312</u>	<u>\$ 16,930,983</u>	<u>\$ 3,842,252</u>

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

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

**Advance Refunding**

During the 2013-14 fiscal year, the Village issued \$3,325,000 in serial bonds with interest rates ranging from 1.0% to 2.5%, depending on maturity. The proceeds were used to advance refund \$3,250,000 of 2001 and 2004 public improvement serial bonds bearing interest at rates ranging from 3.75% to 4.6%. The net proceeds of \$3,317,528 (net of \$70,494 re-offering premium and after payment of \$77,966 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2001 and 2004 public improvement serial bonds. As a result, the serial bonds are considered defeased and the liability for these serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$67,528 and the premium received was \$70,494. The premium is being netted against the new debt and amortized over the remaining life of the refunded debt. The loss on refunding is being reflected as deferred outflows of resources in the Statement of Net Position.

The Village advance refunded the 2001 and 2004 public improvement serial bonds to reduce its total debt service payments over 10 years by \$330,269 and to obtain a net present value economic gain of \$305,248.

As of May 31, 2014, \$3,250,000 of the defeased bonds are outstanding.

**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.

**Other Post Employment Benefit Obligations**

The Village provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing post employment health care benefits is shared between the Village and the retired employee. Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds.

The Village's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is

**Village of Sleepy Hollow, New York**

Notes to Financial Statements (Continued)  
May 31, 2014

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

projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

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

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

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

The amortization basis is the level percentage of payroll method with an open amortization approach. The actuarial assumptions included a 4.5% discount rate and a 3.0% annual payroll growth rate. The Village currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of May 31, 2014 was as follows:

Active Employees	69
Retired Employees	<u>47</u>
Total	<u><u>116</u></u>

**Village of Sleepy Hollow, New York**

Notes to Financial Statements (Continued)  
 May 31, 2014

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

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2013	\$ 23,910,000
Assets at Market Value	-
	<u>23,910,000</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 23,910,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 6,870,000</u>
UAAL as a Percentage of Covered Payroll	<u>348.03%</u>
Annual Required Contribution	\$ 2,190,000
Interest on OPEB Obligation	240,000
Adjustment to Annual Required Contribution	<u>(310,000)</u>
Annual OPEB Cost	2,120,000
Contributions Made	<u>(610,000)</u>
Increase in Net OPEB Obligation	1,510,000
Net OPEB Obligation - Beginning of Year	<u>5,290,000</u>
Net OPEB Obligation - End of Year	<u>\$ 6,800,000</u>

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

Fiscal Year Ended May 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
2012	\$ 1,930,000	33.16 %	\$ 3,920,000
2013	2,020,000	32.18	5,290,000
2014	2,120,000	28.77	6,800,000

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

**G. Revenues and Expenditures**

**Interfund Transfers**

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

**Village of Sleepy Hollow, New York**

Notes to Financial Statements (Continued)  
May 31, 2014

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

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General</u>	<u>Capital</u>	<u>Non-Major Governmental</u>	
General	\$ -	\$ 20,000	\$ 141,482	\$ 161,482
Water	625,451	-	-	625,451
Non-Major Governmental	314,953	-	-	314,953
	<u>\$ 940,404</u>	<u>\$ 20,000</u>	<u>\$ 141,482</u>	<u>\$ 1,101,886</u>

Transfers are used to 1) move funds from the Water, Parking and Sewer Funds to fulfill commitments for General Fund expenditures and 2) move funds earmarked in the General fund to fulfill commitments for Sanitation Fund expenditures.

**H. Net Position**

The components of net position are detailed below:

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

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

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

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

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

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)  
 May 31, 2014

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

**I. Fund Balances**

	2014					2013				
	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>										
Inventories	\$ -	\$ 56,241	\$ -	\$ -	\$ 56,241	\$ -	\$ 56,241	\$ -	\$ -	\$ 56,241
Advances to other funds	11,342	-	-	-	11,342	45,660	-	-	-	45,660
Prepaid expenditures	193,037	21,105	-	13,243	227,385	176,952	22,359	-	11,175	210,486
<b>Total Nonspendable</b>	<b>204,379</b>	<b>77,346</b>	<b>-</b>	<b>13,243</b>	<b>294,968</b>	<b>222,612</b>	<b>78,600</b>	<b>-</b>	<b>11,175</b>	<b>312,387</b>
<b>Restricted</b>										
Snow removal	105,921	-	-	-	105,921	105,815	-	-	-	105,815
Debt service	244,585	-	-	-	244,585	244,341	-	-	-	244,341
Capital projects	-	-	599,688	-	599,688	-	-	85,070	-	85,070
Special purposes	-	-	-	646,408	646,408	-	-	-	644,909	644,909
<b>Total Restricted</b>	<b>350,506</b>	<b>-</b>	<b>599,688</b>	<b>646,408</b>	<b>1,596,602</b>	<b>350,156</b>	<b>-</b>	<b>85,070</b>	<b>644,909</b>	<b>1,846,135</b>
<b>Assigned</b>										
Major funds	-	564,904	-	-	564,904	-	126,012	-	-	126,012
Parking	-	-	-	26,269	26,269	-	-	-	2,039	2,039
Sewer	-	-	-	564,155	564,155	-	-	-	607,186	607,186
Tax certiorari	30,211	-	-	-	30,211	30,211	-	-	-	30,211
<b>Total Assigned</b>	<b>30,211</b>	<b>564,904</b>	<b>-</b>	<b>590,424</b>	<b>1,185,539</b>	<b>30,211</b>	<b>126,012</b>	<b>-</b>	<b>609,225</b>	<b>765,448</b>
<b>Unassigned</b>										
	1,122,194	-	-	(11,342)	1,110,852	212,537	-	-	(45,660)	166,877
<b>Total Fund Balances (Deficits)</b>	<b>\$ 1,707,290</b>	<b>\$ 642,250</b>	<b>\$ 599,688</b>	<b>\$ 1,238,733</b>	<b>\$ 4,187,961</b>	<b>\$ 815,516</b>	<b>\$ 204,612</b>	<b>\$ 85,070</b>	<b>\$ 1,219,649</b>	<b>\$ 3,090,847</b>

## Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)  
May 31, 2014

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

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

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

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

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

Assignments of fund balance are not legally required segregations but represent intended use for a specific purpose. At May 31, 2014, the Village Board has assigned amounts to be appropriated for future court awarded property tax refunds.

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

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

#### **A. Litigation**

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

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

#### **Contingencies**

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

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

**Risk Management**

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

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**Village of Sleepy Hollow, New York**

## Required Supplementary Information - Schedule of Funding Progress

## Other Post Employment Benefits

## Last Three Fiscal Years

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Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
June 1, 2011	\$ -	\$ 21,750,000	\$ 21,750,000	- %	\$ 6,860,000	317.06 %
June 1, 2012	-	22,780,000	22,780,000	-	7,000,000	325.43
June 1, 2013	-	23,910,000	23,910,000	-	6,870,000	348.03

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Village of Sleepy Hollow, New York

General Fund  
Comparative Balance Sheet  
May 31,

	2014	2013
<b>ASSETS</b>		
Cash and equivalents	\$ 3,982,002	\$ 925,254
Taxes receivable, net of allowance for uncollectible taxes of \$159,951 in 2014 and \$193,338 in 2013	472,583	696,418
Other receivables		
Accounts	112,628	108,878
State and Federal aid	-	119,108
Due from other governments	288,718	267,552
Advances to other funds	11,342	45,660
Due from other funds	1,133,466	981,299
	<u>1,546,154</u>	<u>1,522,497</u>
Prepaid expenditures	193,037	176,952
Total Assets	<u>\$ 6,193,776</u>	<u>\$ 3,321,121</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 281,042	\$ 852,442
Accrued liabilities	693,870	418,644
Due to other funds	2,998,253	551,092
Unearned revenues	5,095	8,344
Bond anticipation notes payable	36,771	-
Total Liabilities	4,015,031	1,830,522
Deferred inflows of resources		
Deferred tax revenues	471,455	675,083
Total Liabilities and Deferred Inflows of Resources	<u>4,486,486</u>	<u>2,505,605</u>
Fund balance		
Nonspendable	204,379	222,612
Restricted	350,506	350,156
Assigned	30,211	30,211
Unassigned	1,122,194	212,537
Total Fund Balance	<u>1,707,290</u>	<u>815,516</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 6,193,776</u>	<u>\$ 3,321,121</u>

Village of Sleepy Hollow, New York

General Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended May 31,

2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 9,804,637	\$ 9,804,637	\$ 10,039,274	\$ 234,637
Other tax items	695,000	695,000	926,010	231,010
Non-property taxes	1,670,000	1,670,000	1,690,811	20,811
Departmental income	448,040	448,040	537,219	89,179
Intergovernmental charges	14,123	14,123	13,768	(355)
Use of money and property	71,000	71,000	88,055	17,055
Licenses and permits	356,000	356,000	622,336	266,336
Fines and forfeitures	185,000	185,000	92,426	(92,574)
Sale of property and compensation for loss	5,000	5,000	-	(5,000)
State aid	239,684	239,684	294,029	54,345
Federal aid	-	-	1,084	1,084
Miscellaneous	12,500	12,500	71,293	58,793
<b>Total Revenues</b>	<b>13,500,984</b>	<b>13,500,984</b>	<b>14,376,305</b>	<b>875,321</b>
<b>EXPENDITURES</b>				
Current				
General government support	2,148,668	2,117,556	2,104,102	13,454
Public safety	3,980,452	3,940,859	4,050,719	(109,860)
Health	161,400	167,998	167,998	-
Transportation	1,081,668	1,214,250	1,209,900	4,350
Economic opportunity and development	56,500	67,477	67,477	-
Culture and recreation	1,457,666	1,509,600	1,497,712	11,888
Home and community services	28,240	27,315	24,535	2,780
Employee benefits	3,751,900	3,621,439	3,577,087	44,352
Debt service				
Principal	1,213,239	1,193,239	1,156,185	37,054
Interest	490,174	490,174	490,065	109
Refunding bond issuance costs	-	77,966	77,966	-
<b>Total Expenditures</b>	<b>14,369,907</b>	<b>14,427,873</b>	<b>14,423,746</b>	<b>4,127</b>
Deficiency of Revenues Over Expenditures	(868,923)	(926,889)	(47,441)	879,448
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance premium	-	70,494	70,494	-
Refunding bonds issued	-	3,325,000	3,325,000	-
Payment to refunded bond escrow agent	-	(3,317,528)	(3,317,528)	-
Insurance recoveries	70,000	70,000	82,327	12,327
Transfers in	940,405	940,405	940,404	(1)
Transfers out	(141,482)	(161,482)	(161,482)	-
<b>Total Other Financing Sources</b>	<b>868,923</b>	<b>926,889</b>	<b>939,215</b>	<b>12,326</b>
Net Change in Fund Balance	-	-	891,774	891,774
<b>FUND BALANCE</b>				
Beginning of Year	-	-	815,516	815,516
End of Year	\$ -	\$ -	\$ 1,707,290	\$ 1,707,290

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 9,507,804	\$ 9,507,804	\$ 9,332,932	\$ (174,872)
588,757	588,757	717,629	128,872
1,670,000	1,670,000	1,617,904	(52,096)
392,740	392,740	472,378	79,638
25,000	25,000	14,360	(10,640)
68,000	68,000	72,966	4,966
373,500	373,500	437,621	64,121
210,000	210,000	112,438	(97,562)
5,000	5,000	-	(5,000)
239,691	239,691	179,761	(59,930)
-	-	134,514	134,514
9,500	9,500	35,155	25,655
<u>13,089,992</u>	<u>13,089,992</u>	<u>13,127,658</u>	<u>37,666</u>
2,284,486	2,089,493	2,066,725	22,768
3,772,718	3,771,902	4,009,653	(237,751)
81,600	133,754	133,754	-
1,106,333	1,189,640	1,189,602	38
93,500	79,761	79,710	51
1,484,155	1,561,173	1,559,361	1,812
33,240	24,895	24,895	-
3,585,000	3,642,950	3,758,453	(115,503)
941,217	924,193	924,193	-
608,451	572,939	572,939	-
-	-	-	-
<u>13,990,700</u>	<u>13,990,700</u>	<u>14,319,285</u>	<u>(328,585)</u>
<u>(900,708)</u>	<u>(900,708)</u>	<u>(1,191,627)</u>	<u>(290,919)</u>
-	-	-	-
-	-	-	-
-	-	-	-
35,000	35,000	103,646	68,646
995,708	995,708	960,708	(35,000)
<u>(130,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>-</u>
<u>900,708</u>	<u>900,708</u>	<u>934,354</u>	<u>33,646</u>
-	-	(257,273)	(257,273)
-	-	1,072,789	1,072,789
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 815,516</u>	<u>\$ 815,516</u>

Village of Sleepy Hollow, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget  
Year Ended May 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>REAL PROPERTY TAXES</b>	\$ 9,804,637	\$ 9,804,637	\$ 10,039,274	\$ 234,637	\$ 9,332,932
<b>OTHER TAX ITEMS</b>					
Payments in lieu of taxes	595,000	595,000	658,700	63,700	607,753
Interest and penalties on real property taxes	100,000	100,000	267,310	167,310	109,876
<b>NON-PROPERTY TAXES</b>	695,000	695,000	926,010	231,010	717,629
Franchise fees	125,000	125,000	151,472	26,472	142,548
Utilities gross receipts taxes	120,000	120,000	130,241	10,241	139,628
Non-property tax distribution from County	1,425,000	1,425,000	1,409,098	(15,902)	1,335,728
	1,670,000	1,670,000	1,690,811	20,811	1,617,904
<b>DEPARTMENTAL INCOME</b>					
Tax redemption fees	-	-	3,193	3,193	-
Clerk - Treasurer fees	48,000	48,000	46,722	(1,278)	42,024
Police fees	73,800	73,800	61,499	(12,301)	62,245
Ambulance charges	132,500	132,500	165,767	33,267	165,520
Parks and recreation charges	168,000	168,000	224,430	56,430	174,264
Zoning Board fees	3,000	3,000	6,500	3,500	2,900
Planning Board fees	17,740	17,740	22,682	4,942	13,510
Public works fees	5,000	5,000	6,426	1,426	11,915
	448,040	448,040	537,219	89,179	472,378

<b>INTERGOVERNMENTAL CHARGES</b>						
Snow removal fees	14,123	14,123	13,768	(355)	14,360	
<b>USE OF MONEY AND PROPERTY</b>						
Earnings on investments	5,000	5,000	16,978	11,978	6,598	
Rental of real property	66,000	66,000	71,077	5,077	66,368	
	71,000	71,000	88,055	17,055	72,966	
<b>LICENSES AND PERMITS</b>						
Business and occupational licenses	20,000	20,000	28,875	8,875	22,240	
Permit fees	336,000	336,000	593,461	257,461	415,381	
	356,000	356,000	622,336	266,336	437,621	
<b>FINES AND FORFEITURES</b>						
Fines and forfeited bail	185,000	185,000	92,426	(92,574)	112,438	
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>						
Sale of equipment	5,000	5,000	-	(5,000)	-	
<b>STATE AID</b>						
Per capita	64,000	64,000	62,105	(1,895)	62,105	
Mortgage tax	85,000	85,000	88,879	3,879	59,409	
Consolidated Highway Improvement Program	88,684	88,684	135,178	46,494	58,247	
Other	2,000	2,000	7,867	5,867	-	
	239,684	239,684	294,029	54,345	179,761	
<b>FEDERAL AID</b>						
Emergency Management Agency	-	-	1,084	1,084	134,514	
<b>MISCELLANEOUS</b>						
Gifts and donations	1,000	1,000	4,200	3,200	1,000	
Refund of prior year expenditures	10,000	10,000	951	(9,049)	30,836	
Other	1,500	1,500	66,142	64,642	3,319	
	12,500	12,500	71,293	58,793	35,155	
<b>TOTAL REVENUES</b>	13,500,984	13,500,984	14,376,305	875,321	13,127,658	

(Continued)

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Village of Sleepy Hollow, New York

General Fund

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

Year Ended May 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>OTHER FINANCING SOURCES</b>					
Issuance premium	\$ -	\$ 70,494	\$ 70,494	\$ -	\$ -
Refunding bonds issued	-	3,325,000	3,325,000	-	-
Insurance recoveries	70,000	70,000	82,327	12,327	103,646
	70,000	3,465,494	3,477,821	12,327	103,646
Transfers in					
Parking Fund	98,932	98,932	98,932	-	80,000
Sewer Fund	216,021	216,021	216,021	-	132,058
Water Fund	625,452	625,452	625,451	(1)	748,650
	940,405	940,405	940,404	(1)	960,708
	1,010,405	4,405,899	4,418,225	12,326	1,064,354
<b>TOTAL OTHER FINANCING SOURCES</b>					
	\$ 14,511,389	\$ 17,906,883	\$ 18,794,530	\$ 887,647	\$ 14,192,012
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>					

Village of Sleepy Hollow, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget  
 Year Ended May 31, 2014  
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Board of Trustees	\$ 28,500	\$ 28,500	\$ 28,479	\$ 21	28,893
Justice	171,166	174,379	176,519	(2,140)	168,475
Mayor	18,900	21,047	21,047	-	20,183
Administrator	91,868	132,630	130,630	2,000	111,521
Auditor	33,650	33,650	33,650	-	37,800
Treasurer	209,892	195,140	196,797	(1,657)	183,404
Tax collector	6,000	6,000	4,043	1,957	5,920
Assessor	36,000	36,000	36,000	-	36,000
Village clerk	106,886	114,799	112,601	2,198	107,350
Law	236,000	189,473	187,719	1,754	179,419
Engineer	10,000	28,462	28,462	-	6,404
Buildings	229,000	221,409	219,852	1,557	288,979
Central garage	503,806	623,301	622,445	856	593,910
Unallocated insurance	210,000	210,000	207,783	2,217	210,973
Municipal association dues	5,000	5,324	5,324	-	4,949
Judgments and claims	20,000	24,260	24,260	-	29,871
Taxes and assessments	27,000	35,377	30,686	4,691	14,557
Miscellaneous	15,000	15,000	15,000	-	15,000
Metropolitan commuter transportation mobility tax	20,000	22,805	22,805	-	23,117
Contingent account	170,000	-	-	-	-
	<u>2,148,668</u>	<u>2,117,556</u>	<u>2,104,102</u>	<u>13,454</u>	<u>2,066,725</u>
<b>PUBLIC SAFETY</b>					
Police	3,394,290	3,388,688	3,510,413	(121,725)	3,451,709
Jail	3,500	3,500	315	3,185	1,280
Fire Department	176,950	205,196	204,916	280	199,341
Control of animals	3,360	3,360	3,360	-	3,360
Safety inspection	402,352	340,115	331,715	8,400	353,963
	<u>3,980,452</u>	<u>3,940,859</u>	<u>4,050,719</u>	<u>(109,860)</u>	<u>4,009,653</u>

<b>HEALTH</b>								
Ambulance	138,400	143,752	143,752	143,752	-	103,253		
Registrar of Vital Statistics	23,000	24,246	24,246	24,246	-	30,501		
	<u>161,400</u>	<u>167,998</u>	<u>167,998</u>	<u>167,998</u>	<u>-</u>	<u>133,754</u>		
<b>TRANSPORTATION</b>								
Street administration	27,098	27,636	27,636	27,636	-	27,265		
Street maintenance	810,070	858,387	857,388	857,388	999	894,415		
Snow removal	112,000	195,727	195,727	195,727	-	150,927		
Street lighting	130,000	130,000	128,376	128,376	1,624	116,422		
Off-street parking	2,500	2,500	773	773	1,727	573		
	<u>1,081,668</u>	<u>1,214,250</u>	<u>1,209,900</u>	<u>1,209,900</u>	<u>4,350</u>	<u>1,189,602</u>		
	<u>56,500</u>	<u>67,477</u>	<u>67,477</u>	<u>67,477</u>	<u>-</u>	<u>79,710</u>		
<b>ECONOMIC OPPORTUNITY AND DEVELOPMENT</b>								
Programs for the aging								
	617,001	663,744	667,794	667,794	(4,050)	707,072		
	69,500	72,851	72,822	72,822	29	60,505		
	659,265	659,265	659,071	659,071	194	659,265		
	30,900	31,197	27,702	27,702	3,495	28,295		
	81,000	82,543	70,323	70,323	12,220	104,224		
	<u>1,457,666</u>	<u>1,509,600</u>	<u>1,497,712</u>	<u>1,497,712</u>	<u>11,888</u>	<u>1,559,361</u>		
	4,740	5,810	5,810	5,810	-	2,370		
	18,500	10,055	7,275	7,275	2,780	16,674		
	5,000	11,450	11,450	11,450	-	5,851		
	<u>28,240</u>	<u>27,315</u>	<u>24,535</u>	<u>24,535</u>	<u>2,780</u>	<u>24,895</u>		
	1,132,500	1,132,500	1,069,438	1,069,438	63,062	1,336,920		
	67,500	67,500	61,967	61,967	5,533	61,783		
	450,000	381,729	394,402	394,402	(12,673)	392,702		
	503,000	503,000	526,729	526,729	(23,729)	501,021		
	3,500	6,589	6,241	6,241	348	6,325		
	10,000	13,862	13,862	13,862	-	-		
	<u>1,585,400</u>	<u>1,516,259</u>	<u>1,504,448</u>	<u>1,504,448</u>	<u>11,811</u>	<u>1,459,702</u>		
	<u>3,751,900</u>	<u>3,621,439</u>	<u>3,577,087</u>	<u>3,577,087</u>	<u>44,352</u>	<u>3,758,453</u>		
<b>CULTURE AND RECREATION</b>								
Parks, playgrounds and recreation								
Youth programs								
Library								
Celebrations								
Adult recreation								
<b>HOME AND COMMUNITY SERVICES</b>								
Emergency tenant protection act								
Planning								
Shade trees								
<b>EMPLOYEE BENEFITS</b>								
State retirement								
Local police welfare fund								
Social security								
Workers' compensation benefits								
Life insurance								
Unemployment benefits								
Hospital and medical benefits								

(Continued)

Village of Sleepy Hollow, New York

General Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)  
 Year Ended May 31, 2014  
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
<b>DEBT SERVICE</b>					
Principal					
Serial bonds	\$ 1,025,739	\$ 1,025,739	\$ 1,025,739	\$ -	\$ 876,068
Bond anticipation notes	187,500	167,500	130,446	37,054	48,125
	1,213,239	1,193,239	1,156,185	37,054	924,193
Interest					
Serial bonds	461,974	461,974	461,974	-	558,126
Bond anticipation notes	28,200	28,200	28,091	109	14,813
	490,174	490,174	490,065	109	572,939
Refunding bond issuance costs	-	77,966	77,966	-	-
	1,703,413	1,761,379	1,724,216	37,163	1,497,132
<b>TOTAL EXPENDITURES</b>	<b>14,369,907</b>	<b>14,427,873</b>	<b>14,423,746</b>	<b>4,127</b>	<b>14,319,285</b>
<b>OTHER FINANCING USES</b>					
Payment to refunded bond escrow agent	-	3,317,528	3,317,528	-	-
Transfers out					
Capital Projects Fund	-	20,000	20,000	-	-
Sanitation Fund	141,482	141,482	141,482	-	130,000
	141,482	3,479,010	3,479,010	-	130,000
<b>TOTAL OTHER FINANCING USES</b>		<b>3,479,010</b>	<b>3,479,010</b>	<b>-</b>	<b>130,000</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 14,511,389</b>	<b>\$ 17,906,883</b>	<b>\$ 17,902,756</b>	<b>\$ 4,127</b>	<b>\$ 14,449,285</b>

Village of Sleepy Hollow, New York

Water Fund  
Comparative Balance Sheet  
May 31,

	2014	2013
<b>ASSETS</b>		
Cash and equivalents	\$ 674,481	\$ 104,144
Receivables		
Water rents	956,105	982,855
Due from other funds	2,082	2,040
	<u>958,187</u>	<u>984,895</u>
Other assets		
Inventories	56,241	56,241
Prepaid expenditures	21,105	22,359
	<u>77,346</u>	<u>78,600</u>
Total Assets	<u>\$ 1,710,014</u>	<u>\$ 1,167,639</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 113,369	\$ 185,516
Accrued liabilities	26,665	25,828
Due to other funds	927,730	751,683
	<u>1,067,764</u>	<u>963,027</u>
Fund balance		
Nonspendable	77,346	78,600
Assigned	564,904	126,012
	<u>642,250</u>	<u>204,612</u>
Total Fund Balance	<u>642,250</u>	<u>204,612</u>
Total Liabilities and Fund Balance	<u>\$ 1,710,014</u>	<u>\$ 1,167,639</u>

**Village of Sleepy Hollow, New York**

**Water Fund**

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

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Departmental income	\$ 3,498,000	\$ 3,498,000	\$ 3,466,750	\$ (31,250)
Miscellaneous	-	-	-	-
Total Revenues	<u>3,498,000</u>	<u>3,498,000</u>	<u>3,466,750</u>	<u>(31,250)</u>
<b>EXPENDITURES</b>				
Current				
General government support	130,000	110,439	90,677	19,762
Home and community services	1,955,955	1,975,516	1,586,931	388,585
Employee benefits	367,250	367,250	363,521	3,729
Debt service				
Principal	313,926	313,926	265,544	48,382
Interest	105,418	105,418	96,988	8,430
Total Expenditures	<u>2,872,549</u>	<u>2,872,549</u>	<u>2,403,661</u>	<u>468,888</u>
Excess of Revenues Over Expenditures	625,451	625,451	1,063,089	437,638
<b>OTHER FINANCING USES</b>				
Transfers out	(625,451)	(625,451)	(625,451)	-
Net Change in Fund Balance	-	-	437,638	437,638
<b>FUND BALANCE</b>				
Beginning of Year	-	-	204,612	204,612
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642,250</u>	<u>\$ 642,250</u>

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,302,252	\$ 3,302,252	\$ 3,409,968	\$ 107,716
-	-	609	609
<u>3,302,252</u>	<u>3,302,252</u>	<u>3,410,577</u>	<u>108,325</u>
130,000	87,647	87,647	-
1,767,169	1,827,698	1,843,959	(16,261)
302,000	283,824	283,824	-
226,013	226,013	254,807	(28,794)
<u>128,420</u>	<u>128,420</u>	<u>188,485</u>	<u>(60,065)</u>
<u>2,553,602</u>	<u>2,553,602</u>	<u>2,658,722</u>	<u>(105,120)</u>
748,650	748,650	751,855	3,205
<u>(748,650)</u>	<u>(748,650)</u>	<u>(748,650)</u>	<u>-</u>
-	-	3,205	3,205
-	-	201,407	201,407
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,612</u>	<u>\$ 204,612</u>

Village of Sleepy Hollow, New York

Capital Projects Fund  
Comparative Balance Sheet  
May 31,

---

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 4,783,920	\$ 1,173,015
Due from other funds	<u>2,998,190</u>	<u>389,717</u>
Total Assets	<u>\$ 7,782,110</u>	<u>\$ 1,562,732</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 89	\$ 5,718
Due to other funds	2,040	55,944
Bond anticipation notes payable	<u>7,180,293</u>	<u>650,000</u>
Total Liabilities	7,182,422	711,662
Fund balance		
Restricted	<u>599,688</u>	<u>851,070</u>
Total Liabilities and Fund Balance	<u>\$ 7,782,110</u>	<u>\$ 1,562,732</u>

**Village of Sleepy Hollow, New York**

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

---

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
State aid	\$ 238,433	\$ 72,157
Federal aid	31,688	100,000
Miscellaneous	<u>15,940</u>	<u>12,277</u>
 Total Revenues	 286,061	 184,434
 <b>EXPENDITURES</b>		
Capital outlay	<u>557,443</u>	<u>1,183,130</u>
 Deficiency of Revenues Over Expenditures	 (271,382)	 (998,696)
 <b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>20,000</u>	<u>-</u>
 Net Change in Fund Balance	 (251,382)	 (998,696)
 <b>FUND BALANCE</b>		
Beginning of Year	<u>851,070</u>	<u>1,849,766</u>
 End of Year	 <u>\$ 599,688</u>	 <u>\$ 851,070</u>

**Village of Sleepy Hollow, New York**

Combining Balance Sheet  
 Non-Major Governmental Funds  
 May 31, 2014  
 (With Comparative Totals for May 31, 2013)

	Parking Fund	Sewer Fund	Sanitation Fund
<b>ASSETS</b>			
Cash and equivalents	\$ 114,826	\$ 475,883	\$ -
Receivables			
Accounts	18,730	-	201,688
Sewer rents	-	158,385	-
Due from other funds	-	7	14
	<u>18,730</u>	<u>158,392</u>	<u>201,702</u>
Prepaid expenditures	<u>1,787</u>	<u>3,504</u>	<u>7,952</u>
Total Assets	<u>\$ 135,343</u>	<u>\$ 637,779</u>	<u>\$ 209,654</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ 2,779	\$ 9,715	\$ 133,049
Accrued liabilities	5,576	10,067	12,187
Advances from other funds	-	-	11,342
Due to other funds	98,932	50,338	56,466
Total Liabilities	<u>107,287</u>	<u>70,120</u>	<u>213,044</u>
Fund balances (deficits)			
Nonspendable	1,787	3,504	7,952
Restricted	-	-	-
Assigned	26,269	564,155	-
Unassigned	-	-	(11,342)
Total Fund Balances (Deficits)	<u>28,056</u>	<u>567,659</u>	<u>(3,390)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 135,343</u>	<u>\$ 637,779</u>	<u>\$ 209,654</u>

Special Purpose Fund	Total Non-Major Governmental Funds	
	2014	2013
\$ 646,408	\$ 1,237,117	\$ 1,280,292
-	220,418	229,284
-	158,385	157,610
-	21	207,899
-	378,824	594,793
-	13,243	11,175
<u>\$ 646,408</u>	<u>\$ 1,629,184</u>	<u>\$ 1,886,260</u>
\$ -	\$ 145,543	\$ 373,980
-	27,830	24,735
-	11,342	45,660
-	205,736	222,236
-	390,451	666,611
-	13,243	11,175
646,408	646,408	644,909
-	590,424	609,225
-	(11,342)	(45,660)
<u>646,408</u>	<u>1,238,733</u>	<u>1,219,649</u>
<u>\$ 646,408</u>	<u>\$ 1,629,184</u>	<u>\$ 1,886,260</u>

**Village of Sleepy Hollow, New York**

## Combining Statement of Revenues, Expenditures and Changes

in Fund Balances

Non-Major Governmental Funds

Year Ended May 31, 2014

(With Comparative Totals for May 31, 2013)

	<u>Parking Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>
<b>REVENUES</b>			
Departmental income	\$ 418,976	\$ 574,842	\$ 553,029
Use of money and property	275	-	-
Total Revenues	<u>419,251</u>	<u>574,842</u>	<u>553,029</u>
<b>EXPENDITURES</b>			
Current			
General government support	16,885	11,898	16,885
Transportation	137,412	-	-
Home and community services	-	261,646	459,946
Employee benefits	53,666	97,527	183,147
Debt service			
Principal	54,000	16,335	-
Interest	34,058	12,661	-
Total Expenditures	<u>296,021</u>	<u>400,067</u>	<u>659,978</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>123,230</u>	<u>174,775</u>	<u>(106,949)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	141,482
Transfers out	<u>(98,932)</u>	<u>(216,021)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(98,932)</u>	<u>(216,021)</u>	<u>141,482</u>
Net Change in Fund Balances	24,298	(41,246)	34,533
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	<u>3,758</u>	<u>608,905</u>	<u>(37,923)</u>
End of Year	<u>\$ 28,056</u>	<u>\$ 567,659</u>	<u>\$ (3,390)</u>

Special Purpose Fund	Total Non-Major Governmental Funds	
	2014	2013
\$ -	\$ 1,546,847	\$ 1,473,374
1,499	1,774	2,072
1,499	1,548,621	1,475,446
-	45,668	43,412
-	137,412	138,353
-	721,592	699,703
-	334,340	248,165
-	70,335	51,000
-	46,719	36,158
-	1,356,066	1,216,791
1,499	192,555	258,655
-	141,482	130,000
-	(314,953)	(212,058)
-	(173,471)	(82,058)
1,499	19,084	176,597
644,909	1,219,649	1,043,052
<u>\$ 646,408</u>	<u>\$ 1,238,733</u>	<u>\$ 1,219,649</u>

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Village of Sleepy Hollow, New York

Parking Fund  
Comparative Balance Sheet  
May 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 114,826	\$ 75,950
Accounts receivable	18,730	28,295
Prepaid expenditures	<u>1,787</u>	<u>1,719</u>
Total Assets	<u>\$ 135,343</u>	<u>\$ 105,964</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 2,779	\$ 6,275
Accrued liabilities	5,576	6,199
Due to other funds	<u>98,932</u>	<u>89,732</u>
Total Liabilities	<u>107,287</u>	<u>102,206</u>
Fund balance		
Nonspendable	1,787	1,719
Assigned	<u>26,269</u>	<u>2,039</u>
Total Fund Balance	<u>28,056</u>	<u>3,758</u>
Total Liabilities and Fund Balance	<u>\$ 135,343</u>	<u>\$ 105,964</u>

Village of Sleepy Hollow, New York

Parking Fund

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

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Departmental income	\$ 415,000	\$ 415,000	\$ 418,976	\$ 3,976
Use of money and property	-	-	275	275
Total Revenues	415,000	415,000	419,251	4,251
<b>EXPENDITURES</b>				
Current				
General government support	20,000	20,000	16,885	3,115
Transportation	151,010	151,010	137,412	13,598
Employee benefits	57,000	57,000	53,666	3,334
Debt service				
Principal	54,000	54,000	54,000	-
Interest	34,058	34,058	34,058	-
Total Expenditures	316,068	316,068	296,021	20,047
Excess of Revenues Over Expenditures	98,932	98,932	123,230	24,298
<b>OTHER FINANCING USES</b>				
Transfers out	(98,932)	(98,932)	(98,932)	-
Net Change in Fund Balance	-	-	24,298	24,298
<b>FUND BALANCE</b>				
Beginning of Year	-	-	3,758	3,758
End of Year	\$ -	\$ -	\$ 28,056	\$ 28,056

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 402,000	\$ 402,000	\$ 361,563	\$ (40,437)
-	-	717	717
402,000	402,000	362,280	(39,720)
20,000	18,529	16,662	1,867
137,842	139,313	138,353	960
42,000	42,000	37,781	4,219
51,000	51,000	51,000	-
36,158	36,158	36,158	-
287,000	287,000	279,954	7,046
115,000	115,000	82,326	(32,674)
(115,000)	(115,000)	(80,000)	35,000
-	-	2,326	2,326
-	-	1,432	1,432
\$ -	\$ -	\$ 3,758	\$ 3,758

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Village of Sleepy Hollow, New York

Sewer Fund  
Comparative Balance Sheet  
May 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 475,883	\$ 591,505
Receivables		
Sewer rents	158,385	157,610
Due from other funds	<u>7</u>	<u>-</u>
	<u>158,392</u>	<u>157,610</u>
Prepaid expenditures	<u>3,504</u>	<u>1,719</u>
Total Assets	<u>\$ 637,779</u>	<u>\$ 750,834</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 9,715	\$ 3,480
Accrued liabilities	10,067	5,959
Due to other funds	<u>50,338</u>	<u>132,490</u>
Total Liabilities	<u>70,120</u>	<u>141,929</u>
Fund balance		
Nonspendable	3,504	1,719
Assigned	<u>564,155</u>	<u>607,186</u>
Total Fund Balance	<u>567,659</u>	<u>608,905</u>
Total Liabilities and Fund Balance	<u>\$ 637,779</u>	<u>\$ 750,834</u>

Village of Sleepy Hollow, New York

Sewer Fund

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

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Departmental income	\$ 618,288	\$ 618,288	\$ 574,842	\$ (43,446)
<b>EXPENDITURES</b>				
Current				
General government support	32,000	12,211	11,898	313
Home and community services	262,767	262,767	261,646	1,121
Employee benefits	107,500	98,293	97,527	766
Debt service				
Principal	-	16,335	16,335	-
Interest	-	12,661	12,661	-
<b>Total Expenditures</b>	<b>402,267</b>	<b>402,267</b>	<b>400,067</b>	<b>2,200</b>
Excess of Revenues Over Expenditures	216,021	216,021	174,775	(41,246)
<b>OTHER FINANCING USES</b>				
Transfers out	(216,021)	(216,021)	(216,021)	-
Net Change in Fund Balance	-	-	(41,246)	(41,246)
<b>FUND BALANCE</b>				
Beginning of Year	-	-	608,905	608,905
End of Year	\$ -	\$ -	\$ 567,659	\$ 567,659

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2013

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<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>\$ 431,816</u>	<u>\$ 431,816</u>	<u>\$ 552,816</u>	<u>\$ 121,000</u>
32,000	22,000	16,662	5,338
174,436	191,399	189,888	1,511
57,000	50,037	42,249	7,788
-	-	-	-
<u>24,552</u>	<u>24,552</u>	<u>-</u>	<u>24,552</u>
<u>287,988</u>	<u>287,988</u>	<u>248,799</u>	<u>39,189</u>
143,828	143,828	304,017	160,189
<u>(143,828)</u>	<u>(143,828)</u>	<u>(132,058)</u>	<u>11,770</u>
-	-	171,959	171,959
<u>-</u>	<u>-</u>	<u>436,946</u>	<u>436,946</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 608,905</u>	<u>\$ 608,905</u>

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Village of Sleepy Hollow, New York

Sanitation Fund  
 Comparative Balance Sheet  
 May 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Receivables		
Accounts	\$ 201,688	\$ 200,989
Due from other funds	14	175,813
	<u>201,702</u>	<u>376,802</u>
Prepaid expenditures	<u>7,952</u>	<u>7,737</u>
Total Assets	<u>\$ 209,654</u>	<u>\$ 384,539</u>
<b>LIABILITIES AND FUND DEFICIT</b>		
Liabilities		
Accounts payable	\$ 133,049	\$ 364,225
Accrued liabilities	12,187	12,577
Advances from other funds	11,342	45,660
Due to other funds	56,466	-
Total Liabilities	<u>213,044</u>	<u>422,462</u>
Fund balance (deficit)		
Nonspendable	7,952	7,737
Unassigned	<u>(11,342)</u>	<u>(45,660)</u>
Total Fund Deficit	<u>(3,390)</u>	<u>(37,923)</u>
Total Liabilities and Fund Deficit	<u>\$ 209,654</u>	<u>\$ 384,539</u>

**Village of Sleepy Hollow, New York**

Sanitation Fund

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

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Departmental income	\$ 514,000	\$ 514,000	\$ 553,029	\$ 39,029
<b>EXPENDITURES</b>				
Current				
General government support	16,000	16,885	16,885	-
Home and community services	449,482	455,450	459,946	(4,496)
Employee benefits	190,000	183,147	183,147	-
Total Expenditures	655,482	655,482	659,978	(4,496)
Deficiency of Revenues Over Expenditures	(141,482)	(141,482)	(106,949)	34,533
<b>OTHER FINANCING SOURCES</b>				
Transfers in	141,482	141,482	141,482	-
Net Change in Fund Balance	-	-	34,533	34,533
<b>FUND DEFICIT</b>				
Beginning of Year	-	-	(37,923)	(37,923)
End of Year	\$ -	\$ -	\$ (3,390)	\$ (3,390)

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 498,076	\$ 498,076	\$ 558,995	\$ 60,919
16,000	10,088	10,088	-
470,076	475,988	509,815	(33,827)
142,000	142,000	168,135	(26,135)
628,076	628,076	688,038	(59,962)
(130,000)	(130,000)	(129,043)	957
130,000	130,000	130,000	-
-	-	957	957
-	-	(38,880)	(38,880)
\$ -	\$ -	\$ (37,923)	\$ (37,923)

Village of Sleepy Hollow, New York

Special Purpose Fund  
Comparative Balance Sheet  
May 31,

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	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 646,408	\$ 612,837
Due from other funds	-	32,086
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 646,408</u>	<u>\$ 644,923</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Due to other funds	\$ -	\$ 14
	<u>                    </u>	<u>                    </u>
Fund balance		
Restricted	646,408	644,909
	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balance	<u>\$ 646,408</u>	<u>\$ 644,923</u>

**Village of Sleepy Hollow, New York**

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

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	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Use of money and property	\$ 1,499	\$ 1,355
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	1,499	1,355
<b>FUND BALANCE</b>		
Beginning of Year	<u>644,909</u>	<u>643,554</u>
End of Year	<u>\$ 646,408</u>	<u>\$ 644,909</u>

