

Village of Sleepy Hollow, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2018

Village of Sleepy Hollow, New York

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Sleepy Hollow, New York ("Village") as of and for the year ended May 31, 2018, 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 and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2018, and the respective changes in financial position 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 schedules included under Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit for the year ended May 31, 2018 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 for the year ended May 31, 2018 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 for the year ended May 31, 2018 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 for the year ended May 31, 2018.

We also previously audited, in accordance with auditing standards generally accepted in the United State of America, the basic financial statements of the Village as of and for the year ended May 31, 2017 (not presented herein), and have issued our report thereon dated February 5, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended May 31, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2017 financial statements.

The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 for the year ended May 31, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2019 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
February 27, 2019

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Village of Sleepy Hollow, New York

Management's Discussion and Analysis (MD&A)
May 31, 2018

Introduction

The management of the Village of Sleepy Hollow, New York ("Village") offers this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2018 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 2018 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 2018 by \$9,864,948. Of this amount, the unrestricted portion is a deficit of \$9,771,409 and net investment in capital assets is \$16,014,543. The restricted amount of \$3,621,814 is for use in the Water, Sewer and Special Purpose (Parks & Recreation Developer's Fund) funds, future snow removal, debt service expenses and future capital projects (specified in Special Permit).
- 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 \$10,453,282; an increase of \$714,219 from the prior year's fund balance of \$9,739,063.
 - Of this balance, \$5,243,594 or 50.16%, is unassigned for fiscal year 2018. 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 \$531,388 to \$6,082,011 from \$5,550,623. At the end of the fiscal years 2018 and 2017, unassigned fund balance for the General Fund was \$5,245,376 or 86.24% and \$3,180,068 or 57.29% respectively, of total General Fund expenditures and other financing uses. This indicates very strong growth in the unassigned fund balance for general activities of the Village.
- The Village retired \$1,118,400 of long-term debt. During the current fiscal year, the Village issued bond anticipation notes for Capital Projects of \$9,503,073.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

Government-wide Financial Analysis

As noted previously, over a period of time net position may serve as a useful indicator of a government's financial position. At fiscal year end, May 31, 2018, the assets of the Village exceeded the liabilities by \$9,864,948.

The Village's total net position decreased by \$1,695,574 for the year ended May 31, 2018, primarily due to the use of Special Permit funds for the East Parcel redevelopment and several factors including recognition of deferred outflows of resources, deferred inflows of resources, and net pension liability related to the New York State and Local Retirement System ("NYSLRS") required under the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68. The GASB is charged with developing the accounting rules that apply to governments. For the year ending May 31, 2018, the village had deferred outflows of resources of \$3,841,724, deferred inflows of resources of \$4,055,609 and a net pension liability of \$1,600,117 related to NYSLRS.

Net Position

	May 31,	
	2018	2017
Current Assets	\$ 17,323,664	\$ 16,658,364
Capital Assets, net	34,955,783	33,891,290
Total Assets	52,279,447	50,549,654
Deferred Outflows of Resources	3,841,724	3,159,469
Current Liabilities	11,696,588	10,378,066
Non-Current Liabilities	30,504,026	30,919,763
Total Liabilities	42,200,614	41,297,829
Deferred Inflows of Resources	4,055,609	850,772
Net Position		
Net Investment in Capital Assets	16,014,543	16,193,214
Restricted	3,621,814	5,204,448
Unrestricted	(9,771,409)	(9,837,140)
Total Net Position	\$ 9,864,948	\$ 11,560,522

Change in Net Position

	May 31,	
	2018	2017
REVENUES		
Program Revenues		
Charges for Services	\$ 6,614,665	\$ 6,970,040
Operating Grants and Contributions	163,386	129,457
Capital Grants and Contributions	154,049	2,447,967
Total Program Revenues	6,932,100	9,547,464
General Revenues		
Real Property Taxes	12,178,044	12,032,234
Other Tax Items	820,950	703,980
Non-Property Taxes	1,886,404	1,704,351
Unrestricted Use of Money and Property	25,472	23,908
Sale of Property and Compensation for Loss	1,687	-
Unrestricted State Aid	192,432	175,831
Insurance recoveries	46,631	118,560
Miscellaneous	154,864	122,742
Total General Revenues	15,306,484	14,881,606
Total Revenues	22,238,584	24,429,070
PROGRAM EXPENSES		
General Government Support	3,394,644	3,548,341
Public Safety	9,401,415	8,908,358
Health	272,766	267,468
Transportation	2,582,673	2,409,871
Economic Opportunity and Development	883,144	653,227
Culture and Recreation	2,650,403	2,437,214
Home and Community Services	4,263,976	3,998,632
Interest	485,137	420,128
Total Expenses	23,934,158	22,643,239
Change in Net Position	(1,695,574)	1,785,831
NET POSITION		
Beginning	11,560,522	9,774,691
Ending	\$ 9,864,948	\$ 11,560,522

Governmental Activities

For the fiscal years ended May 31, 2018 and 2017, revenues from governmental activities totaled \$22,238,584 and \$24,429,070, respectively. Tax revenues \$14,885,398 in 2018 and \$14,440,565 in 2017, comprised of real property taxes, other tax items and non-property taxes; and represented the largest revenue source (66.9% in 2018 and 59.1% in 2017).

The largest components of governmental activities' expenditures are public safety (39.3% in both 2018 and 2017), home and community services (17.8% in 2018 and 17.7% in 2017), general government support (14.2% in 2018 and 15.7% in 2017) and culture and recreation (11.1% in 2018 and 10.8% in 2017). Public safety includes police, fire and safety inspections. Home and community services include planning, refuse and garbage and shade tree costs. General government support reflects various administrative services including clerk, engineer, law, treasurer, justices and the Board of Trustees. Culture and recreation includes recreation administration, parks maintenance, general recreation, youth programs, public library and adult recreation.

Financial Analysis of the Village's Funds

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

Fund Balance Reporting

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

Non-spendable – consists of assets that are inherently non-spendable 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>2018</u>	<u>2017</u>
General	\$ 6,082,011	\$ 5,550,623
Water	2,771,092	2,659,052
Parking	484	16
Sewer	631,009	654,356
Sanitation	289,145	216,031
Special Purpose	679,541	658,985
Capital Projects	<u>(4,670,208)</u>	<u>(2,165,198)</u>
	<u>\$ 5,783,074</u>	<u>\$ 7,573,865</u>

Exclusive of the Capital Projects Fund, the combined ending fund balance is \$10,453,282 of which \$5,243,594 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 \$5,245,376, representing 86.24% of the total General Fund balance of \$6,082,011. When the fiscal year 2017-18 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 \$531,388. Revenues and other financing sources were \$17,634,410, which was \$617,243 more than the final budget. This increase was primarily due to a rise in franchise fees and interest & penalties, an increased PILOT payment and an increase in Sales Tax revenue. Expenditures and other financing uses were \$17,103,022, which was \$85,855 more than the final budget. This was primarily due to reimbursements owed to our component unit (Local Development Corporation) as per a Licensing Agreement.

The Capital Projects Fund has a restricted fund balance of \$(4,670,208). A majority of the capital projects have been financed by long term debt and grants as of May 31, 2018.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2018, net of accumulated depreciation, was \$34,955,783. 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

<u>Asset</u>	May 31,	
	2018	2017
Land	\$ 2,938,414	\$ 2,938,414
Construction-in-Progress	979,500	6,822,590
Buildings	5,585,590	5,558,229
Land Improvements	2,644,485	2,794,122
Infrastructure	16,861,057	11,133,259
Machinery and Equipment	5,946,737	4,644,676
Total (net of depreciation)	<u>\$ 34,955,783</u>	<u>\$ 33,891,290</u>

Long-Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$14,730,000. 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. Retirement benefits continue to put a strain on available Village resources. Fortunately, we were able to continue to contribute to our fund balance this year due to revenues from a rise in franchise fees and interest & penalties, an increased PILOT payment and an increase in Sales Tax.

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

Requests for Information

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

Village of Sleepy Hollow, New York

Statement of Net Position
May 31, 2018

	Primary Government	Component Unit
	Governmental Activities	Local Development Corporation
ASSETS		
Cash and equivalents	\$ 15,136,680	\$ 275,928
Receivables		
Taxes, net	11,429	-
Accounts	376,413	-
Water rents	716,783	-
Sewer rents	118,000	-
Due from State and Federal governments	283,482	-
Due from other governments	325,273	-
Due from primary government	-	153,466
Inventories	56,241	-
Deposits	-	135
Prepaid expenses	299,363	69,623
Capital assets		
Not being depreciated	3,917,914	5,315,074
Being depreciated, net	31,037,869	59,578
Total Assets	<u>52,279,447</u>	<u>5,873,804</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>3,841,724</u>	<u>-</u>
LIABILITIES		
Accounts payable	1,149,133	57,273
Accrued liabilities	453,982	-
Due to component unit	153,466	-
Unearned revenues	262,152	-
Bond anticipation notes payable	9,510,428	-
Accrued interest payable	167,427	-
Non-current liabilities		
Due within one year	1,334,481	-
Due in more than one year	29,169,545	-
Total Liabilities	<u>42,200,614</u>	<u>57,273</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>4,055,609</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	16,014,543	5,374,652
Restricted		
Snow removal	106,345	-
Debt service	272,071	-
Future capital projects	165,572	-
Special Revenue Funds		
Water	2,109,398	-
Sewer	288,887	-
Special purpose	679,541	-
Unrestricted	(9,771,409)	441,879
Total Net Position	<u>\$ 9,864,948</u>	<u>\$ 5,816,531</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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 3,394,644	\$ 141,243	\$ 30	\$ 14,715
Public safety	9,401,415	544,244	-	-
Health	272,766	124,202	-	-
Transportation	2,582,673	343,485	142,800	139,062
Economic opportunity and development	883,144	-	-	-
Culture and recreation	2,650,403	250,768	20,556	-
Home and community services	4,263,976	5,210,723	-	-
Interest	485,137	-	-	272
Total Governmental Activities	<u>\$ 23,934,158</u>	<u>\$ 6,614,665</u>	<u>\$ 163,386</u>	<u>\$ 154,049</u>
Component unit				
Local Development Corporation	<u>\$ 320,976</u>	<u>\$ 802,533</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

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

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Primary Government	Component Unit
Net (Expense) Revenue and Changes in Net Position	Local Development Corporation
\$ (3,238,656)	\$ -
(8,857,171)	-
(148,564)	-
(1,957,326)	-
(883,144)	-
(2,379,079)	-
946,747	-
(484,865)	-
(17,002,058)	-
-	481,557
12,178,044	-
609,268	-
211,682	-
204,943	-
136,078	-
1,545,383	-
25,472	-
1,687	-
192,432	-
46,631	-
154,864	-
15,306,484	-
(1,695,574)	481,557
11,560,522	5,334,974
\$ 9,864,948	\$ 5,816,531

Village of Sleepy Hollow, New York

Balance Sheet
 Governmental Funds
 May 31, 2018

	General	Water	Capital Projects
ASSETS			
Cash and equivalents	\$ 8,885,359	\$ 4,284,277	\$ 371,599
Taxes receivable, net of allowance for uncollectible taxes	11,429	-	-
Other receivables			
Accounts	157,891	-	-
Water rents	-	716,783	-
Sewer rents	-	-	-
Due from State and Federal governments	27,518	-	255,964
Due from other governments	325,273	-	-
Due from other funds	2,220,546	-	4,748,696
	<u>2,731,228</u>	<u>716,783</u>	<u>5,004,660</u>
Other assets			
Inventories	-	56,241	-
Prepaid expenditures	255,913	23,226	-
	<u>255,913</u>	<u>79,467</u>	<u>-</u>
Total Assets	<u>\$ 11,883,929</u>	<u>\$ 5,080,527</u>	<u>\$ 5,376,259</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 441,106	\$ 390,861	\$ 287,430
Accrued liabilities	384,147	25,181	-
Due to other funds	4,800,837	1,893,393	-
Due to component unit	153,466	-	-
Unearned revenues	3,578	-	255,964
Bond anticipation notes payable	7,355	-	9,503,073
Total Liabilities	5,790,489	2,309,435	10,046,467
Deferred inflows of resources			
Deferred tax revenues	11,429	-	-
Total Liabilities and Deferred Inflows of Resources	<u>5,801,918</u>	<u>2,309,435</u>	<u>10,046,467</u>
Fund balances (deficits)			
Nonspendable	255,913	79,467	-
Restricted	543,988	-	-
Assigned	36,734	2,691,625	-
Unassigned	5,245,376	-	(4,670,208)
Total Fund Balances (Deficits)	<u>6,082,011</u>	<u>2,771,092</u>	<u>(4,670,208)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 11,883,929</u>	<u>\$ 5,080,527</u>	<u>\$ 5,376,259</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 1,595,445	\$ 15,136,680
-	11,429
218,522	376,413
-	716,783
118,000	118,000
-	283,482
-	325,273
49,554	7,018,796
386,076	8,838,747
-	56,241
20,224	299,363
20,224	355,604
\$ 2,001,745	\$ 24,342,460

\$ 29,736	\$ 1,149,133
44,654	453,982
324,566	7,018,796
-	153,466
2,610	262,152
-	9,510,428
401,566	18,547,957
-	11,429
401,566	18,559,386
20,224	355,604
679,541	1,223,529
902,196	3,630,555
(1,782)	573,386
1,600,179	5,783,074
\$ 2,001,745	\$ 24,342,460

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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, 2018

Fund Balances - Total Governmental Funds \$ 5,783,074

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. 34,955,783

Governmental funds do not report the effect of losses on refunding bonds
and assets or liabilities related to net pension assets (liabilities) whereas
these amounts are deferred and amortized in the statement of activities.
Deferred amounts on pension assets (liabilities) (332,414)
Deferred amounts on refunding bonds 118,529
(213,885)

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds.
Real property taxes 11,429

Long-term liabilities that are not due and payable in the current
period are not reported in the funds.
Accrued interest payable (167,427)
Bonds payable (14,844,461)
Retirement incentives and other pension obligations (447,326)
Net pension liability (1,600,117)
Compensated absences (902,122)
Other post employment benefit obligations payable (12,710,000)
(30,671,453)

Net Position of Governmental Activities \$ 9,864,948

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, 2018

	<u>General</u>	<u>Water</u>	<u>Capital Projects</u>
REVENUES			
Real property taxes	\$ 12,320,003	\$ -	\$ -
Other tax items	820,950	-	-
Non-property taxes	1,886,404	-	-
Departmental income	549,221	3,806,490	-
Use of money and property	110,700	-	-
Licenses and permits	443,349	-	-
Fines and forfeitures	91,229	-	-
Sale of property and compensation for loss	1,687	-	-
State aid	335,126	-	-
Federal aid	-	-	132,245
Miscellaneous	46,661	-	14,715
	<u>16,605,330</u>	<u>3,806,490</u>	<u>146,960</u>
EXPENDITURES			
Current			
General government support	2,336,854	96,000	-
Public safety	4,621,673	-	-
Health	219,242	-	-
Transportation	1,432,486	-	-
Economic opportunity and development	875,683	-	-
Culture and recreation	1,863,991	-	-
Home and community services	36,300	1,984,209	-
Employee benefits	4,126,432	458,074	-
Debt service			
Principal	799,508	207,975	-
Interest	325,273	141,334	-
Capital outlay	-	-	3,036,426
	<u>16,637,442</u>	<u>2,887,592</u>	<u>3,036,426</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(32,112)</u>	<u>918,898</u>	<u>(2,889,466)</u>
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	154,864	-	-
Transfers in	874,216	-	384,456
Transfers out	(465,580)	(806,858)	-
	<u>563,500</u>	<u>(806,858)</u>	<u>384,456</u>
Net Change in Fund Balances	531,388	112,040	(2,505,010)
FUND BALANCES (DEFICITS)			
Beginning of Year	<u>5,550,623</u>	<u>2,659,052</u>	<u>(2,165,198)</u>
End of Year	<u>\$ 6,082,011</u>	<u>\$ 2,771,092</u>	<u>\$ (4,670,208)</u>

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

Non - Major Governmental	Total Governmental Funds
\$ -	\$ 12,320,003
-	820,950
-	1,886,404
1,644,378	6,000,089
3,337	114,037
-	443,349
-	91,229
-	1,687
-	335,126
-	132,245
19,184	80,560
<u>1,666,899</u>	<u>22,225,679</u>
61,000	2,493,854
-	4,621,673
-	219,242
148,108	1,580,594
-	875,683
-	1,863,991
847,407	2,867,916
415,994	5,000,500
110,917	1,118,400
26,448	493,055
-	3,036,426
<u>1,609,874</u>	<u>24,171,334</u>
<u>57,025</u>	<u>(1,945,655)</u>
-	154,864
106,473	1,365,145
<u>(92,707)</u>	<u>(1,365,145)</u>
<u>13,766</u>	<u>154,864</u>
70,791	(1,790,791)
<u>1,529,388</u>	<u>7,573,865</u>
<u>\$ 1,600,179</u>	<u>\$ 5,783,074</u>

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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, 2018

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (1,790,791)</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold.</p>	
Capital outlay expenditures	3,251,088
Depreciation expense	<u>(2,186,595)</u>
	<u>1,064,493</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>(141,959)</u>
<p>Bonds, certain bond anticipation notes and other obligations 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 notes and other obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Principal paid on bonds	1,118,400
Retirement incentives and other pension obligations	66,585
Amortization of loss on refunding bonds and issuance premium	<u>(625)</u>
	<u>1,184,360</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(26,184)
Pension liabilities	(184,036)
Accrued interest	8,543
Other post employment benefit obligations payable	<u>(1,810,000)</u>
	<u>(2,011,677)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (1,695,574)</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 -
 Budget and Actual
 General and Water Funds
 Year Ended May 31, 2018

	General Fund			Variance with Final Budget (Positive) Negative
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 12,206,407	\$ 12,206,407	\$ 12,320,003	\$ 113,596
Other tax items	550,000	550,000	820,950	270,950
Non-property taxes	1,655,000	1,655,000	1,886,404	231,404
Departmental income	509,960	509,960	549,221	39,261
Use of money and property	80,000	80,000	110,700	30,700
Licenses and permits	627,000	627,000	443,349	(183,651)
Fines and forfeitures	75,000	75,000	91,229	16,229
Sale of property and compensation for loss	5,000	5,000	1,687	(3,313)
State aid	291,584	291,584	335,126	43,542
Miscellaneous	13,000	13,000	46,661	33,661
Total Revenues	16,012,951	16,012,951	16,605,330	592,379
EXPENDITURES				
Current				
General government support	2,493,116	2,416,111	2,336,854	79,257
Public safety	4,821,975	4,755,720	4,621,673	134,047
Health	263,200	260,841	219,242	41,599
Transportation	1,348,027	1,477,123	1,432,486	44,637
Economic opportunity and development	106,400	89,400	875,683	(786,283)
Culture and recreation	1,741,225	1,888,308	1,863,991	24,317
Home and community services	43,510	41,064	36,300	4,764
Employee benefits	4,487,500	4,376,386	4,126,432	249,954
Debt service				
Principal	1,245,000	875,000	799,508	75,492
Interest	360,741	360,741	325,273	35,468
Total Expenditures	16,910,694	16,540,694	16,637,442	(96,748)
Excess (Deficiency) of Revenues Over Expenditures	(897,743)	(527,743)	(32,112)	495,631
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	70,000	70,000	154,864	84,864
Transfers in	934,216	934,216	874,216	(60,000)
Transfers out	(106,473)	(476,473)	(465,580)	10,893
Total Other Financing Sources (Uses)	897,743	527,743	563,500	35,757
Net Change in Fund Balances	-	-	531,388	531,388
FUND BALANCES				
Beginning of Year	-	-	5,550,623	5,550,623
End of Year	\$ -	\$ -	\$ 6,082,011	\$ 6,082,011

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
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
3,818,000	3,818,000	3,806,490	(11,510)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>3,818,000</u>	<u>3,818,000</u>	<u>3,806,490</u>	<u>(11,510)</u>
96,000	96,000	96,000	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,116,793	2,077,785	1,984,209	93,576
473,000	486,659	458,074	28,585
207,975	207,975	207,975	-
142,723	142,723	141,334	1,389
<u>3,036,491</u>	<u>3,011,142</u>	<u>2,887,592</u>	<u>123,550</u>
<u>781,509</u>	<u>806,858</u>	<u>918,898</u>	<u>112,040</u>
-	-	-	-
-	-	-	-
(781,509)	(806,858)	(806,858)	-
(781,509)	(806,858)	(806,858)	-
-	-	112,040	112,040
-	-	2,659,052	2,659,052
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,771,092</u>	<u>\$ 2,771,092</u>

Village of Sleepy Hollow, New York

Statement of Assets and Liabilities

Fiduciary Fund

May 31, 2018

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 656,616
Accounts receivable	<u>58,061</u>
 Total Assets	 <u>\$ 714,677</u>
 LIABILITIES	
Payroll taxes	\$ 404,166
Deposits	<u>310,511</u>
 Total Liabilities	 <u>\$ 714,677</u>

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

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 Manager serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

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

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

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

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

B. Government-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Water Fund - The Water Fund is used to record the water utility operations of the Village, which renders services on a user charge basis to the general public. The major revenue of this fund is departmental income.

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

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

Special Revenue Funds:

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

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

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

Special Purpose Fund - The Special Purpose Fund is 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, net pension liability, compensated absences and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Component Unit

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

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

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

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.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Village follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs

Note 1 - Summary of Significant Accounting Policies (Continued)

have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Village does not invest in any long-term investment obligations.

Custodial Credit Risk - 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, 2018.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Village does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Village's investment policy limits the amount on deposit at each of its banking institutions.

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

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

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2018, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

Inventories - The inventories reflected in the financial statements of the Water Fund represent materials and supplies for general use and are valued at cost on a first-in, first-out basis. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The Village uses the consumption method to relieve inventory. Reported inventories are equally offset by 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 acquisition 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, construction-in-progress and development costs are not depreciated. Property, plant, equipment and infrastructure of the Village are depreciated using the straight line method over the following estimated useful lives.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 \$3,578 for miscellaneous items, \$255,964 in the Capital Projects Fund for contributions from a local developer that are not considered earned until certain project milestones have been met, and \$2,610 for parking permits for the coming fiscal year in the Parking Fund. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

Deferred Outflows and Inflows of Resources have been reported on the government-wide Statement of Net Position for the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State and Local Employees' Retirement System	\$ 1,395,644	\$ 1,749,968
New York State and Local Police and Fire Retirement System	2,327,551	2,305,641
Deferred Loss on Refunding Bonds	118,529	-
	<u>\$ 3,841,724</u>	<u>\$ 4,055,609</u>

The Village reported deferred outflows of resources of \$118,529 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 \$11,429 for real property taxes in the General Fund. This amount is deferred and recognized as revenue in the period that the amounts become available.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Net Pension Liability - The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date"*.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

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

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

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

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

F. Encumbrances

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

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 27, 2019.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General, Water, Parking, Sewer and Sanitation funds.
- f) Budgets for General, Water, Parking, Sewer and Sanitation funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not legally adopted by the Board for the Special Purpose Fund.
- g) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

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

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2018 fiscal year was \$20,020,577 which exceeded the actual levy by \$7,814,170.

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

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

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

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Parking Fund Deficit Unassigned Fund Balance

The Parking Fund ended the year with a deficit unassigned fund balance in the amount of \$1,782. The Village installed a new parking meter system in the prior year and anticipated higher revenues than were realized.

D. Capital Projects Fund Deficit

The unassigned deficit of \$4,670,208 in the Capital Projects Fund arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

E. Expenditures in Excess of Budget

The following functional expenditure categories exceed their budgetary authorization by the amounts indicated:

	Amount
General Fund	
Economic opportunity and development	
Sleepy Hollow Local Development Corporation	\$ 808,135
Sewer Fund	
Employee benefits	225

In addition, the General Fund exceeded the entire appropriations budget by \$85,855.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at May 31, 2018 consisted of the following:

Taxes Receivable	
Current	\$ 145,466
Overdue	64,884
	210,350
Allowance for uncollectible taxes	(198,921)
	\$ 11,429

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Taxes receivable are offset by deferred tax revenues of \$11,429, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2018 were as follows:

Fund	Due From	Due To
General	\$ 2,220,546	\$ 4,800,837
Water	-	1,893,393
Capital Projects	4,748,696	-
Non-Major Governmental	49,554	324,566
	<u>\$ 7,018,796</u>	<u>\$ 7,018,796</u>

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

C. Capital Assets

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

	Balance June 1, 2017	Additions	Deletions	Balance May 31, 2018
Capital Assets, not being depreciated				
Land	\$ 2,938,414	\$ -	\$ -	\$ 2,938,414
Construction-in-progress	6,822,590	472,903	6,315,993	979,500
Total Capital Assets, not being depreciated	<u>\$ 9,761,004</u>	<u>\$ 472,903</u>	<u>\$ 6,315,993</u>	<u>\$ 3,917,914</u>
Capital Assets, being depreciated				
Buildings	\$ 8,890,770	\$ 227,406	\$ -	\$ 9,118,176
Land improvements	5,310,622	118,650	-	5,429,272
Infrastructure	82,817,515	6,762,507	-	89,580,022
Machinery and equipment	13,399,743	1,985,615	1,150,180	14,235,178
Total Capital Assets, being depreciated	<u>110,418,650</u>	<u>9,094,178</u>	<u>1,150,180</u>	<u>118,362,648</u>
Less Accumulated Depreciation for				
Buildings	3,332,541	200,045	-	3,532,586
Land improvements	2,516,500	268,287	-	2,784,787
Infrastructure	71,684,256	1,034,709	-	72,718,965
Machinery and equipment	8,755,067	683,554	1,150,180	8,288,441
Total Accumulated Depreciation	<u>86,288,364</u>	<u>2,186,595</u>	<u>1,150,180</u>	<u>87,324,779</u>
Total Capital Assets, being depreciated, net	<u>\$ 24,130,286</u>	<u>\$ 6,907,583</u>	<u>\$ -</u>	<u>\$ 31,037,869</u>
Capital Assets, net	<u>\$ 33,891,290</u>	<u>\$ 7,380,486</u>	<u>\$ 6,315,993</u>	<u>\$ 34,955,783</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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

General Government Support	\$ 240,525
Public Safety	1,093,298
Health	65,598
Transportation	262,391
Culture and Recreation	196,794
Home and Community Services	<u>327,989</u>
Total Depreciation Expense	<u>\$ 2,186,595</u>

Capital Assets – Component Unit

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

	Balance June 1, 2017	Additions	Balance May 31, 2018
Capital Assets, not being depreciated			
Land	\$ 2,844,560	\$ 80,134	\$ 2,924,694
Development costs	758,559	789,321	1,547,880
Construction-in-progress - Buildings and Improvements	<u>-</u>	<u>842,500</u>	<u>842,500</u>
Total Capital Assets, not being depreciated	<u>\$ 3,603,119</u>	<u>\$ 1,711,955</u>	<u>\$ 5,315,074</u>
Capital Assets, being depreciated			
Equipment	\$ 73,881	\$ -	\$ 73,881
Less Accumulated Depreciation	<u>4,907</u>	<u>9,396</u>	<u>14,303</u>
Total Capital Assets, being depreciated, net	<u>\$ 68,974</u>	<u>\$ (9,396)</u>	<u>\$ 59,578</u>
Capital Assets, net	<u>\$ 3,672,093</u>	<u>\$ 1,702,559</u>	<u>\$ 5,374,652</u>

D. Accrued Liabilities

Accrued liabilities at May 31, 2018 were as follows:

	Fund			
	General	Water	Special Districts	Total
Payroll and Employee Benefits	<u>\$ 384,147</u>	<u>\$ 25,181</u>	<u>\$ 44,654</u>	<u>\$ 453,982</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

E. Short-Term Capital and Non-Capital Borrowings

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

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance June 1, 2017	New Issues	Redemptions	Balance May 31, 2018
Capital Borrowings							
Various	11/26/2013	11/21/2018	1.32 %	\$ 594,641	\$ -	\$ 74,084	\$ 520,557
Various	11/24/2014	11/21/2018	1.32	1,125,378	-	122,095	1,003,283
Various	11/23/2015	11/21/2018	1.32	988,277	-	105,145	883,132
Various	11/22/2016	11/21/2018	1.32	288,915	-	57,783	231,132
Various	11/21/2017	11/21/2018	1.32	-	3,046,520	-	3,046,520
Water Tank (EFC)	06/30/2016	11/26/2018	-	3,843,798	-	25,349	3,818,449
				<u>\$ 6,841,009</u>	<u>\$ 3,046,520</u>	<u>\$ 384,456</u>	<u>\$ 9,503,073</u>
Non-Capital Borrowings							
Judgments and claims	11/26/2013	11/22/2017	1.29 %	\$ 14,709	\$ -	\$ 7,354	\$ 7,355

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 \$38,854 were recorded in the fund financial statements in the General Fund. Interest expense of \$58,319 was recorded in the government-wide financial statements.

F. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2018:

	Balance June 1, 2017	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2018	Due Within One Year
Bonds Payable					
Judgements and claims	\$ 480,800	\$ -	\$ 25,900	\$ 454,900	\$ 26,600
Capital construction	15,367,600	-	1,092,500	14,275,100	1,148,400
	15,848,400	-	1,118,400	14,730,000	1,175,000
Plus - Unamortized premium on bonds	132,071	-	17,610	114,461	-
	15,980,471	-	1,136,010	14,844,461	1,175,000
Retirement Incentives and Other Pension Obligations	513,911	-	66,585	447,326	69,481
Net Pension Liability	3,920,428	-	2,320,311	1,600,117	-
Compensated Absences	875,938	112,184	86,000	902,122	90,000
Other Post Employment Benefit Obligations Payable	10,900,000	2,800,000	990,000	12,710,000	-
Total Long-Term Liabilities	<u>\$ 32,190,748</u>	<u>\$ 2,912,184</u>	<u>\$ 4,598,906</u>	<u>\$ 30,504,026</u>	<u>\$ 1,334,481</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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

Bonds Payable

Bonds payable at May 31, 2018 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at May 31, 2018</u>
Various Purposes	2012	\$ 7,875,000	May, 2031	2.25 - 4.00 %	\$ 5,945,000
Refunding	2014	3,325,000	August, 2024	2.00 - 2.50	1,995,000
Refunding	2016	2,775,000	August, 2024	2.00	2,730,000
Various Purposes	2016	4,198,400	August, 2036	2.00 - 3.40	4,060,000
					<u>\$ 14,730,000</u>

Interest expenditures of \$454,201 were recorded the fund financial statements in the funds indicated below. Interest expense of \$426,818 was recorded in the government-wide financial statements.

<u>Fund</u>	<u>Amount</u>
General	\$ 286,419
Water	141,334
Parking	4,993
Sewer	21,455
	<u>\$ 454,201</u>

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of May 31, 2018, including interest payments of \$3,173,032 are as follows:

<u>Year Ending May 31,</u>	<u>Bonds Payable</u>		<u>Retirement Incentives and Other Pension Obligations</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,175,000	\$ 396,455	\$ 69,481	\$ 19,230	\$ 1,244,481	\$ 415,685
2020	1,200,000	369,968	72,514	16,197	1,272,514	386,165
2021	1,225,000	342,655	75,697	13,014	1,300,697	355,669
2022	1,260,000	314,155	79,034	9,677	1,339,034	323,832
2023	1,300,000	284,155	150,600	8,671	1,450,600	292,826
2024-2028	4,740,000	968,347	-	-	4,740,000	968,347
2029-2033	2,775,000	359,153	-	-	2,775,000	359,153
2034-2037	1,055,000	71,355	-	-	1,055,000	71,355
	<u>\$ 14,730,000</u>	<u>\$ 3,106,243</u>	<u>\$ 447,326</u>	<u>\$ 66,789</u>	<u>\$ 15,177,326</u>	<u>\$ 3,173,032</u>

Note 3 - Detailed Notes on All Funds (Continued)

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.

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their ERS and PFRS contributions beginning in 2014. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The Village elected to amortize the maximum allowable ERS and PFRS contributions in the amount of \$715,756, requiring annual installments of \$88,711. Balances due at May 31, 2018 totaled \$447,326.

Compensated Absences

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

Pension Plans

New York State and Local Retirement System

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

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2018 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	16.0 %
	4 A15	16.0
	5 A15	13.1
	6 A15	9.3
PFRS	2 384D	24.6 %
	3 84D	14.8

At May 31, 2018, the Village reported a liability of \$515,628 for its proportionate share of the net pension liability of ERS and a liability of \$1,084,489 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2018, the Village's proportion was 0.0159764% for ERS and 0.1072948% for PFRS. For ERS this was a decrease of 0.0002006% and for PFRS this was a decrease of 0.0085184% from the proportion measured as of March 31, 2017.

For the year ended May 31, 2018, the Village recognized pension expense in the government-wide financial statements, inclusive of retirement incentives and other pension obligations of \$576,259 for ERS and \$988,389 for PFRS. Pension expenditures of \$622,969 for ERS and \$846,034 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 361,469	\$ 846,034
Water	136,500	-
Sanitation	50,000	-
Parking	25,000	-
Sewer	<u>50,000</u>	<u>-</u>
Total	<u>\$ 622,969</u>	<u>\$ 846,034</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

At May 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 183,908	\$ 151,975	\$ 446,365	\$ 288,174
Changes of assumptions	341,904	-	821,697	-
Net difference between projected and actual earnings on pension plan investments	748,910	1,478,272	877,767	1,767,775
Changes in proportion and differences between Village contributions and proportionate share of contributions	15,022	119,721	33,814	249,692
Village contributions subsequent to the measurement date	105,900	-	147,908	-
	<u>\$ 1,395,644</u>	<u>\$ 1,749,968</u>	<u>\$ 2,327,551</u>	<u>\$ 2,305,641</u>

The \$105,900 and \$147,908 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2019	\$ 63,271	\$ 174,350
2020	57,165	149,561
2021	(396,169)	(265,698)
2022	(184,491)	(189,858)
2023	-	5,647

The total pension liability for the March 31, 2018 measurement date was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liabilities to March 31, 2018. Significant actuarial assumptions used in the April 1, 2017 valuation were as follows:

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

Annuitant mortality rates are based on the April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

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

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

	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 3,901,384</u>	<u>\$ 515,628</u>	<u>\$ (2,348,585)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 5,312,121</u>	<u>\$ 1,084,489</u>	<u>\$ (2,461,503)</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2018 measurement date were as follows:

	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Total pension liability	\$ 183,400,590,000	\$ 32,914,423,000	\$ 216,315,013,000
Fiduciary net position	<u>180,173,145,000</u>	<u>31,903,666,000</u>	<u>212,076,811,000</u>
Employers' net pension liability	<u>\$ 3,227,445,000</u>	<u>\$ 1,010,757,000</u>	<u>\$ 4,238,202,000</u>
Fiduciary net position as a percentage of total pension liability	<u>98.24%</u>	<u>96.93%</u>	<u>98.04%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2018 represent the employer contribution for the period of April 1, 2018 through May 31, 2018 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the two months ended May 31, 2018 were \$105,900 and \$147,908, respectively.

Voluntary Defined Contribution Plan

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

Other Post Employment Benefit Obligations

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

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

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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	8.00 %
2	8.50
3	8.00
4	7.50
5	7.00
6	6.50
7	6.00
8	5.50
9	5.00
10+	5.00

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

The number of participants as of May 31, 2018 was as follows:

Active Employees	66
Retired Employees	<u>54</u>
Total	<u><u>120</u></u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2016	\$ 31,630,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 31,630,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 8,090,000</u>
UAAL as a Percentage of Covered Payroll	<u>390.98%</u>
Annual Required Contribution	\$ 2,950,000
Interest on OPEB Obligation	490,000
Adjustment to Annual Required Contribution	<u>(640,000)</u>
Annual OPEB Cost	2,800,000
Contributions Made	<u>(990,000)</u>
Increase in Net OPEB Obligation	1,810,000
Net OPEB Obligation - Beginning of Year	<u>10,900,000</u>
Net OPEB Obligation - End of Year	<u>\$ 12,710,000</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
2016	\$ 2,160,000	37.50 %	\$ 8,140,000
2017	2,280,000	38.16	9,490,000
2018	2,800,000	35.36	12,710,000

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, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In			Total
	General	Capital Projects	Non-Major Governmental	
General	\$ -	\$ 359,107	\$ 106,473	\$ 465,580
Water	781,509	25,349	-	806,858
Non-Major Governmental	92,707	-	-	92,707
	<u>\$ 874,216</u>	<u>\$ 384,456</u>	<u>\$ 106,473</u>	<u>\$ 1,365,145</u>

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

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

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

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

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2018					2017				
	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable										
Inventories	\$ -	\$ 56,241	\$ -	\$ -	\$ 56,241	\$ -	\$ 56,241	\$ -	\$ -	\$ 56,241
Prepaid expenditures	255,913	23,226	-	20,224	299,363	228,117	18,656	-	18,239	265,012
Total Nonspendable	255,913	79,467	-	20,224	355,604	228,117	74,897	-	18,239	321,253
Restricted										
Snow removal	106,345	-	-	-	106,345	106,239	-	-	-	106,239
Debt service	272,071	-	-	-	272,071	271,799	-	-	-	271,799
Future capital projects	165,572	-	-	-	165,572	1,734,189	-	-	-	1,734,189
Special purposes	-	-	-	679,541	679,541	-	-	-	658,985	658,985
Total Restricted	543,988	-	-	679,541	1,223,529	2,112,227	-	-	658,985	2,771,212
Assigned										
Purchases on order	6,523	-	-	-	6,523	-	-	-	-	-
Major funds	-	2,691,625	-	-	2,691,625	-	2,584,155	-	-	2,584,155
Sewer	-	-	-	623,206	623,206	-	-	-	647,416	647,416
Sanitation	-	-	-	278,990	278,990	-	-	-	206,511	206,511
Tax certiorari	30,211	-	-	-	30,211	30,211	-	-	-	30,211
Total Assigned	36,734	2,691,625	-	902,196	3,630,555	30,211	2,584,155	-	853,927	3,468,293
Unassigned	5,245,376	-	(4,670,208)	(1,782)	573,386	3,180,068	-	(2,165,198)	(1,763)	1,013,107
Total Fund Balances (Deficits)	\$ 6,082,011	\$ 2,771,092	\$ (4,670,208)	\$ 1,600,179	\$ 5,783,074	\$ 5,550,623	\$ 2,659,052	\$ (2,165,198)	\$ 1,529,388	\$ 7,573,865

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.

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, 2018, the Village Board has assigned amounts to be appropriated for future court awarded property tax refunds.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund and the Non-Major Governmental Funds 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.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Concluded)
 May 31, 2018

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Risk Management

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

Subsequent Events

The Village, on July 26, 2018, issued a Statutory Installment Bond in the amount of \$3,813,000 with an interest rate of 0.0% as permanent financing through the New York State Environmental Facilities Corporation for the Water Tank project completed in fiscal year 2017-18. The Bond calls for annual payments of \$127,000 increasing to \$128,000. The Bond matures November 20, 2047.

The Village, on November 21, 2018, issued a Bond anticipation note in the amount of \$7,425,857 bearing interest at 3.25%. The note matures on November 21, 2019 and was issued to refinance \$5,691,979 of currently outstanding notes and provide \$2,373,106 of new money after payment of \$639,228.

Note 5 - Tax Abatements

The Village has real property tax abatement agreements with housing development and redevelopment companies organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York ("PHFL") for the purpose of creating or preserving affordable housing in the Village.

Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes ("PILOT") and continue until the property no longer provides the required affordable housing or no longer complies with the requirements of the PHFL.

Copies of the agreements may be obtained from the Village. Information relevant to disclosure of these agreements for the fiscal year ended May 31, 2018 is as follows:

Start Date	Agreement	Taxable Assessed Value (1)	Tax Rate per \$1,000 (1)	Tax Value	PILOT Received	Tax Abatement
05/1/2003	Kendal On Hudson	\$ 18,475,000	\$ 34.3808	\$ 635,185	\$ 510,531	\$ 124,654
09/1/2008	100 College Ave	6,275,000	34.3808	215,740	64,223	151,517
12/6/2001	79 College	103,400	34.3808	3,555	1,693	1,862
10/3/2006	124 Valley Street	-	34.3808	-	16,514	(16,514)
09/1/1958	126 Valley Street	-	34.3808	-	16,307	(16,307)
TOTALS				\$ 854,480	\$ 609,268	\$ 245,212

(1) Taxable Assessed Value and Tax Rate for the 2017-18 Tax Year

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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

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, 2015	\$ -	\$ 25,960,000	\$ 25,960,000	- %	\$ 7,810,000	332.39 %
June 1, 2016	-	27,170,000	27,170,000	-	7,520,000	361.30
June 1, 2017	-	31,630,000	31,630,000	-	8,090,000	390.98

See independent auditors' report.

Village of Sleepy Hollow, New York

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

	<u>2018</u>	<u>2017</u>	<u>2016 (2)</u>
Village's proportion of the net pension liability	<u>0.0159764%</u>	<u>0.0161770%</u>	<u>0.0155617%</u>
Village's proportionate share of the net pension liability	<u>\$ 515,628</u>	<u>\$ 1,520,023</u>	<u>\$ 2,497,702</u>
Village's covered payroll	<u>\$ 4,115,668</u>	<u>\$ 3,931,257</u>	<u>\$ 3,472,830</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>12.53%</u>	<u>38.67%</u>	<u>71.92%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>

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

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

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement.

Village of Sleepy Hollow, New York

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 587,115	\$ 563,335	\$ 669,152
Contributions in relation to the contractually required contribution	<u>(587,115)</u>	<u>(563,335)</u>	<u>(669,152)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 4,187,789</u>	<u>\$ 3,942,239</u>	<u>\$ 3,768,404</u>
Contributions as a percentage of covered payroll	<u>14.02%</u>	<u>14.29%</u>	<u>17.76%</u>

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

Village of Sleepy Hollow, New York

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

	<u>2018</u>	<u>2017</u>	<u>2016 (2)</u>
Village's proportion of the net pension liability	<u>0.1072948%</u>	<u>0.1158132%</u>	<u>0.1060784%</u>
Village's proportionate share of the net pension liability	<u>\$ 1,084,489</u>	<u>\$ 2,400,405</u>	<u>\$ 3,140,757</u>
Village's covered payroll	<u>\$ 3,530,383</u>	<u>\$ 3,404,859</u>	<u>\$ 3,141,964</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>30.72%</u>	<u>70.50%</u>	<u>99.96%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.93%</u>	<u>93.50%</u>	<u>90.24%</u>

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

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

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement.

Village of Sleepy Hollow, New York

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 782,595	\$ 958,873	\$ 804,336
Contributions in relation to the contractually required contribution	<u>(782,595)</u>	<u>(958,873)</u>	<u>(804,336)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 3,551,511</u>	<u>\$ 3,315,544</u>	<u>\$ 3,821,773</u>
Contributions as a percentage of covered payroll	<u>22.04%</u>	<u>28.92%</u>	<u>21.05%</u>

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

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Village of Sleepy Hollow, New York

General Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 8,885,359	\$ 7,266,789
Taxes receivable, net of allowance for uncollected taxes of \$198,921 for 2018 and \$171,121 for 2017	11,429	153,388
Other receivables		
Accounts	157,891	70,222
Due from State and Federal governments	27,518	13,759
Due from other governments	325,273	308,513
Due from other funds	2,220,546	3,959,417
	<u>2,731,228</u>	<u>4,351,911</u>
Prepaid expenditures	255,913	228,117
Total Assets	<u>\$ 11,883,929</u>	<u>\$ 12,000,205</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 441,106	\$ 329,253
Accrued liabilities	384,147	688,395
Due to other funds	4,800,837	5,134,584
Due to component unit	153,466	116,908
Unearned revenues	3,578	12,345
Bond anticipation notes payable	7,355	14,709
Total Liabilities	5,790,489	6,296,194
Deferred inflows of resources		
Deferred tax revenues	11,429	153,388
Total Liabilities and Deferred Inflows of Resources	<u>5,801,918</u>	<u>6,449,582</u>
Fund balance		
Nonspendable	255,913	228,117
Restricted	543,988	2,112,227
Assigned	36,734	30,211
Unassigned	5,245,376	3,180,068
Total Fund Balance	<u>6,082,011</u>	<u>5,550,623</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 11,883,929</u>	<u>\$ 12,000,205</u>

See independent auditors' report.

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,

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 12,206,407	\$ 12,206,407	\$ 12,320,003	\$ 113,596
Other tax items	550,000	550,000	820,950	270,950
Non-property taxes	1,655,000	1,655,000	1,886,404	231,404
Departmental income	509,960	509,960	549,221	39,261
Use of money and property	80,000	80,000	110,700	30,700
Licenses and permits	627,000	627,000	443,349	(183,651)
Fines and forfeitures	75,000	75,000	91,229	16,229
Sale of property and compensation for loss	5,000	5,000	1,687	(3,313)
State aid	291,584	291,584	335,126	43,542
Miscellaneous	13,000	13,000	46,661	33,661
Total Revenues	16,012,951	16,012,951	16,605,330	592,379
EXPENDITURES				
Current				
General government support	2,493,116	2,416,111	2,336,854	79,257
Public safety	4,821,975	4,755,720	4,621,673	134,047
Health	263,200	260,841	219,242	41,599
Transportation	1,348,027	1,477,123	1,432,486	44,637
Economic opportunity and development	106,400	89,400	875,683	(786,283)
Culture and recreation	1,741,225	1,888,308	1,863,991	24,317
Home and community services	43,510	41,064	36,300	4,764
Employee benefits	4,487,500	4,376,386	4,126,432	249,954
Debt service				
Principal	1,245,000	875,000	799,508	75,492
Interest	360,741	360,741	325,273	35,468
Refunding bond issuance costs	-	-	-	-
Total Expenditures	16,910,694	16,540,694	16,637,442	(96,748)
Excess (Deficiency) of Revenues Over Expenditures	(897,743)	(527,743)	(32,112)	495,631
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	70,000	70,000	154,864	84,864
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	934,216	934,216	874,216	(60,000)
Transfers out	(106,473)	(476,473)	(465,580)	10,893
Total Other Financing Sources	897,743	527,743	563,500	35,757
Net Change in Fund Balance	-	-	531,388	531,388
FUND BALANCE				
Beginning of Year	-	-	5,550,623	5,550,623
End of Year	\$ -	\$ -	\$ 6,082,011	\$ 6,082,011

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 12,038,678	\$ 12,038,678	\$ 12,058,423	\$ 19,745
550,000	550,000	703,980	153,980
1,655,000	1,655,000	1,704,351	49,351
569,610	569,610	519,606	(50,004)
71,000	71,000	101,954	30,954
626,500	626,500	626,586	86
75,000	75,000	72,991	(2,009)
5,000	5,000	-	(5,000)
253,806	253,806	302,293	48,487
13,000	13,000	122,742	109,742
<u>15,857,594</u>	<u>15,857,594</u>	<u>16,212,926</u>	<u>355,332</u>
2,654,564	2,388,302	2,334,230	54,072
4,562,782	4,360,202	4,205,852	154,350
250,200	256,419	228,565	27,854
1,223,496	1,296,319	1,279,929	16,390
103,700	637,034	627,322	9,712
1,740,473	1,707,392	1,674,135	33,257
47,010	18,005	17,505	500
4,431,648	4,250,193	4,218,247	31,946
1,257,766	1,382,822	1,077,522	305,300
429,748	404,699	354,324	50,375
-	87,837	87,837	-
<u>16,701,387</u>	<u>16,789,224</u>	<u>16,105,468</u>	<u>683,756</u>
<u>(843,793)</u>	<u>(931,630)</u>	<u>107,458</u>	<u>1,039,088</u>
70,000	70,000	118,560	48,560
-	2,775,000	2,775,000	-
-	89,607	89,607	-
-	(2,776,770)	(2,776,770)	-
984,420	984,420	984,420	-
<u>(210,627)</u>	<u>(210,627)</u>	<u>(482,140)</u>	<u>(271,513)</u>
<u>843,793</u>	<u>931,630</u>	<u>708,677</u>	<u>(222,953)</u>
-	-	816,135	816,135
-	-	4,734,488	4,734,488
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,550,623</u>	<u>\$ 5,550,623</u>

Village of Sleepy Hollow, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

6

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
REAL PROPERTY TAXES	\$ 12,206,407	\$ 12,206,407	\$ 12,320,003	\$ 113,596	\$ 12,058,423
OTHER TAX ITEMS					
Payments in lieu of taxes	450,000	450,000	609,268	159,268	570,389
Interest and penalties on real property taxes	100,000	100,000	211,682	111,682	133,591
	<u>550,000</u>	<u>550,000</u>	<u>820,950</u>	<u>270,950</u>	<u>703,980</u>
NON-PROPERTY TAXES					
Franchise fees	125,000	125,000	204,943	79,943	133,211
Utilities gross receipts taxes	105,000	105,000	136,078	31,078	116,220
Non-property tax distribution from County	1,425,000	1,425,000	1,545,383	120,383	1,454,920
	<u>1,655,000</u>	<u>1,655,000</u>	<u>1,886,404</u>	<u>231,404</u>	<u>1,704,351</u>
DEPARTMENTAL INCOME					
Clerk - Treasurer fees	56,300	56,300	61,245	4,945	70,752
Police fees	64,300	64,300	86,783	22,483	46,217
Ambulance charges	150,000	150,000	124,202	(25,798)	134,587
Parks and recreation charges	212,150	212,150	250,768	38,618	246,125
Zoning Board fees	3,000	3,000	6,650	3,650	8,250
Planning Board fees	19,210	19,210	19,540	330	12,820
Public works fees	5,000	5,000	33	(4,967)	855
	<u>509,960</u>	<u>509,960</u>	<u>549,221</u>	<u>39,261</u>	<u>519,606</u>

USE OF MONEY AND PROPERTY

Earnings on investments	5,000	5,000	30,702	25,702	24,286
Rental of real property	75,000	75,000	79,998	4,998	77,668
	<u>80,000</u>	<u>80,000</u>	<u>110,700</u>	<u>30,700</u>	<u>101,954</u>

LICENSES AND PERMITS

Business and occupational licenses	35,000	35,000	35,240	240	30,000
Permit fees	592,000	592,000	408,109	(183,891)	596,586
	<u>627,000</u>	<u>627,000</u>	<u>443,349</u>	<u>(183,651)</u>	<u>626,586</u>

FINES AND FORFEITURES

Fines and forfeited bail	75,000	75,000	91,229	16,229	72,991
	<u>75,000</u>	<u>75,000</u>	<u>91,229</u>	<u>16,229</u>	<u>72,991</u>

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	5,000	5,000	1,687	(3,313)	-
	<u>5,000</u>	<u>5,000</u>	<u>1,687</u>	<u>(3,313)</u>	<u>-</u>

STATE AID

Per capita	64,000	64,000	62,105	(1,895)	62,105
Mortgage tax	85,000	85,000	93,597	8,597	88,215
Consolidated Highway Improvement Program	126,461	126,461	142,694	16,233	126,462
Other	16,123	16,123	36,730	20,607	25,511
	<u>291,584</u>	<u>291,584</u>	<u>335,126</u>	<u>43,542</u>	<u>302,293</u>

MISCELLANEOUS

Gifts and donations	1,500	1,500	30	(1,470)	-
Refund of prior year expenditures	10,000	10,000	44,714	34,714	(10,840)
Other	1,500	1,500	1,917	417	133,582
	<u>13,000</u>	<u>13,000</u>	<u>46,661</u>	<u>33,661</u>	<u>122,742</u>

TOTAL REVENUES

	<u>16,012,951</u>	<u>16,012,951</u>	<u>16,605,330</u>	<u>592,379</u>	<u>16,212,926</u>
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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, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
OTHER FINANCING SOURCES					
Insurance recoveries	\$ 70,000	\$ 70,000	\$ 154,864	\$ 84,864	\$ 118,560
Refunding bonds issued	-	-	-	-	2,775,000
Issuance premium	-	-	-	-	89,607
Transfers in					
Parking Fund	144,987	144,987	84,987	(60,000)	174,510
Sewer Fund	7,720	7,720	7,720	-	-
Water Fund	781,509	781,509	781,509	-	809,910
TOTAL OTHER FINANCING SOURCES	<u>1,004,216</u>	<u>1,004,216</u>	<u>1,029,080</u>	<u>24,864</u>	<u>3,967,587</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 17,017,167</u>	<u>\$ 17,017,167</u>	<u>\$ 17,634,410</u>	<u>\$ 617,243</u>	<u>\$ 20,180,513</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 36,500	\$ 36,736	\$ 36,736	\$ -	\$ 37,825
Justice	181,367	209,407	208,628	779	166,166
Mayor	25,500	25,499	22,615	2,884	18,032
Administrator	129,595	134,851	134,851	-	152,093
Auditor	42,950	43,450	43,450	-	36,900
Treasurer	260,097	242,876	228,289	14,587	244,150
Tax collector	6,500	1,000	1,000	-	1,000
Assessor	42,000	45,000	45,000	-	42,000
Village clerk	157,561	156,998	153,415	3,583	147,978
Law	252,000	257,632	257,632	-	249,662
Engineer	110,000	76,000	35,795	40,205	14,855
Buildings	253,245	266,079	266,079	-	240,539
Central garage	500,086	591,054	580,073	10,981	583,197
Unallocated insurance	201,215	203,745	203,745	-	218,678
Municipal association dues	5,500	5,500	5,136	364	5,136
Judgments and claims	20,000	20,000	18,765	1,235	4,939
Taxes and assessments	67,000	72,695	68,056	4,639	145,992
Metropolitan commuter transportation mobility tax	27,000	27,589	27,589	-	25,088
Contingent account	175,000	-	-	-	-
	<u>2,493,116</u>	<u>2,416,111</u>	<u>2,336,854</u>	<u>79,257</u>	<u>2,334,230</u>
PUBLIC SAFETY					
Police	3,999,095	3,967,352	3,853,908	113,444	3,518,372
Jail	3,500	3,500	-	3,500	-
Fire Department	285,400	277,960	275,651	2,309	229,481
Control of animals	3,360	3,415	3,415	-	3,360
Safety inspection	530,620	503,493	488,699	14,794	454,639
	<u>4,821,975</u>	<u>4,755,720</u>	<u>4,621,673</u>	<u>134,047</u>	<u>4,205,852</u>

HEALTH

Ambulance	223,200	220,842	180,230	40,612	189,432
Public health	6,000	6,000	6,000	-	5,500
Registrar of Vital Statistics	34,000	33,999	33,012	987	33,633

	<u>263,200</u>	<u>260,841</u>	<u>219,242</u>	<u>41,599</u>	<u>228,565</u>
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TRANSPORTATION

Street administration	147,586	116,507	84,372	32,135	29,643
Street maintenance	840,941	1,003,482	999,526	3,956	909,004
Snow removal	147,000	159,634	159,634	-	145,096
Street lighting	210,000	195,000	188,413	6,587	195,701
Off-street parking	2,500	2,500	541	1,959	485

	<u>1,348,027</u>	<u>1,477,123</u>	<u>1,432,486</u>	<u>44,637</u>	<u>1,279,929</u>
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ECONOMIC OPPORTUNITY AND DEVELOPMENT

Sleepy Hollow Local Development Corporation	-	-	808,135	(808,135)	552,535
Programs for the aging	106,400	89,400	67,548	21,852	74,787

	<u>106,400</u>	<u>89,400</u>	<u>875,683</u>	<u>(786,283)</u>	<u>627,322</u>
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CULTURE AND RECREATION

Parks, playgrounds and recreation	714,441	851,290	845,260	6,030	752,394
Youth programs	121,200	138,385	134,280	4,105	104,155
Library	721,784	707,174	707,174	-	687,412
Celebrations	47,800	48,837	35,256	13,581	29,465
Adult recreation	136,000	142,622	142,021	601	100,709

	<u>1,741,225</u>	<u>1,888,308</u>	<u>1,863,991</u>	<u>24,317</u>	<u>1,674,135</u>
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HOME AND COMMUNITY SERVICES

Emergency tenant protection act	5,010	5,010	2,390	2,620	4,510
Planning	18,500	30,659	30,659	-	9,725
Shade trees	20,000	5,395	3,251	2,144	3,270

	<u>43,510</u>	<u>41,064</u>	<u>36,300</u>	<u>4,764</u>	<u>17,505</u>
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EMPLOYEE BENEFITS

State retirement	1,535,000	1,395,214	1,207,503	187,711	1,345,451
Local police welfare fund	73,000	73,000	65,184	7,816	66,889
Social security	500,000	470,000	461,703	8,297	409,519
Workers' compensation benefits	580,000	523,893	477,912	45,981	541,622
Life insurance	3,500	5,990	5,990	-	5,767
Unemployment benefits	15,000	-	-	-	-
Hospital and medical benefits	1,781,000	1,908,289	1,908,140	149	1,848,999

	<u>4,487,500</u>	<u>4,376,386</u>	<u>4,126,432</u>	<u>249,954</u>	<u>4,218,247</u>
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(Continued)

Village of Sleepy Hollow, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended May 31, 2018
 (With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
DEBT SERVICE					
Principal					
Serial bonds	\$ 875,000	\$ 875,000	\$ 799,508	\$ 75,492	\$ 936,346
Bond anticipation notes	370,000	-	-	-	141,176
	<u>1,245,000</u>	<u>875,000</u>	<u>799,508</u>	<u>75,492</u>	<u>1,077,522</u>
Interest					
Serial bonds	306,466	306,466	286,419	20,047	271,593
Bond anticipation notes	54,275	54,275	38,854	15,421	82,731
	<u>360,741</u>	<u>360,741</u>	<u>325,273</u>	<u>35,468</u>	<u>354,324</u>
Refunding bond issuance costs	-	-	-	-	87,837
	<u>1,605,741</u>	<u>1,235,741</u>	<u>1,124,781</u>	<u>110,960</u>	<u>1,519,683</u>
TOTAL EXPENDITURES	<u>16,910,694</u>	<u>16,540,694</u>	<u>16,637,442</u>	<u>(96,748)</u>	<u>16,105,468</u>
OTHER FINANCING USES					
Payment to refunding bond escrow agent	-	-	-	-	2,776,770
Transfers out					
Capital Projects Fund	-	370,000	359,107	10,893	271,513
Sanitation Fund	106,473	106,473	106,473	-	210,627
	<u>106,473</u>	<u>476,473</u>	<u>465,580</u>	<u>10,893</u>	<u>3,258,910</u>
TOTAL OTHER FINANCING USES	<u>106,473</u>	<u>476,473</u>	<u>465,580</u>	<u>10,893</u>	<u>3,258,910</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 17,017,167</u>	<u>\$ 17,017,167</u>	<u>\$ 17,103,022</u>	<u>\$ (85,855)</u>	<u>\$ 19,364,378</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

Water Fund
 Comparative Balance Sheet
 May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 4,284,277	\$ 4,187,293
Water rents receivable	716,783	754,978
	<u>5,001,060</u>	<u>4,942,271</u>
Other assets		
Inventories	56,241	56,241
Prepaid expenditures	23,226	18,656
	<u>79,467</u>	<u>74,897</u>
Total Assets	<u>\$ 5,080,527</u>	<u>\$ 5,017,168</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 390,861	\$ 140,467
Accrued liabilities	25,181	31,673
Due to other funds	1,893,393	2,185,976
	<u>2,309,435</u>	<u>2,358,116</u>
Total Liabilities	<u>2,309,435</u>	<u>2,358,116</u>
Fund balance		
Nonspendable	79,467	74,897
Assigned	2,691,625	2,584,155
	<u>2,771,092</u>	<u>2,659,052</u>
Total Fund Balance	<u>2,771,092</u>	<u>2,659,052</u>
Total Liabilities and Fund Balance	<u>\$ 5,080,527</u>	<u>\$ 5,017,168</u>

See independent auditors' report.

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,

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 3,818,000	\$ 3,818,000	\$ 3,806,490	\$ (11,510)
EXPENDITURES				
Current				
General government support	96,000	96,000	96,000	-
Home and community services	2,116,793	2,077,785	1,984,209	93,576
Employee benefits	473,000	486,659	458,074	28,585
Debt service				
Principal	207,975	207,975	207,975	-
Interest	142,723	142,723	141,334	1,389
Total Expenditures	3,036,491	3,011,142	2,887,592	123,550
Excess of Revenues Over Expenditures	781,509	806,858	918,898	112,040
OTHER FINANCING USES				
Transfers out	(781,509)	(806,858)	(806,858)	-
Net Change in Fund Balance	-	-	112,040	112,040
FUND BALANCE				
Beginning of Year	-	-	2,659,052	2,659,052
End of Year	\$ -	\$ -	\$ 2,771,092	\$ 2,771,092

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,718,000	\$ 3,718,000	\$ 4,072,273	\$ 354,273
96,000	96,000	96,000	-
2,239,306	2,217,030	1,939,738	277,292
373,500	383,794	382,031	1,763
149,554	156,790	152,556	4,234
49,730	54,476	50,945	3,531
2,908,090	2,908,090	2,621,270	286,820
809,910	809,910	1,451,003	641,093
(809,910)	(809,910)	(809,910)	-
-	-	641,093	641,093
-	-	2,017,959	2,017,959
\$ -	\$ -	\$ 2,659,052	\$ 2,659,052

Village of Sleepy Hollow, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 371,599	\$ 369,017
Due from State and Federal governments	255,964	248,179
Due from other funds	<u>4,748,696</u>	<u>4,409,790</u>
Total Assets	<u>\$ 5,376,259</u>	<u>\$ 5,026,986</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 287,430	\$ 99,353
Due to other funds	-	3,643
Unearned revenues	255,964	248,179
Bond anticipation notes payable	<u>9,503,073</u>	<u>6,841,009</u>
Total Liabilities	10,046,467	7,192,184
Fund deficit		
Unassigned	<u>(4,670,208)</u>	<u>(2,165,198)</u>
Total Liabilities and Fund Deficit	<u>\$ 5,376,259</u>	<u>\$ 5,026,986</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

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

	<u>2018</u>	<u>2017</u>
REVENUES		
State aid	\$ -	\$ 438,644
Federal aid	132,245	1,837,603
Miscellaneous	<u>14,715</u>	<u>168,874</u>
Total Revenues	146,960	2,445,121
EXPENDITURES		
Capital outlay	<u>3,036,426</u>	<u>7,695,158</u>
Deficiency of Revenues Over Expenditures	<u>(2,889,466)</u>	<u>(5,250,037)</u>
OTHER FINANCING SOURCES		
Bonds issued	-	3,893,100
Transfers in	<u>384,456</u>	<u>271,513</u>
Total Other Financing Sources	<u>384,456</u>	<u>4,164,613</u>
Net Change in Fund Balance	(2,505,010)	(1,085,424)
FUND DEFICIT		
Beginning of Year	<u>(2,165,198)</u>	<u>(1,079,774)</u>
End of Year	<u>\$ (4,670,208)</u>	<u>\$ (2,165,198)</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 May 31, 2018
 (With Comparative Totals for 2017)

	Parking Fund	Sewer Fund	Sanitation Fund
ASSETS			
Cash and equivalents	\$ 169,517	\$ 647,950	\$ 71,134
Receivables			
Accounts	16,893	-	201,629
Sewer rents	-	118,000	-
Due from other funds	-	-	49,554
	<u>16,893</u>	<u>118,000</u>	<u>251,183</u>
Prepaid expenditures	<u>2,266</u>	<u>7,803</u>	<u>10,155</u>
Total Assets	<u>\$ 188,676</u>	<u>\$ 773,753</u>	<u>\$ 332,472</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 2,674	\$ 1,283	\$ 25,779
Accrued liabilities	7,295	19,811	17,548
Due to other funds	175,613	121,650	-
Unearned revenues	<u>2,610</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>188,192</u>	<u>142,744</u>	<u>43,327</u>
Fund balances (deficits)			
Nonspendable	2,266	7,803	10,155
Restricted	-	-	-
Assigned	-	623,206	278,990
Unassigned	<u>(1,782)</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>484</u>	<u>631,009</u>	<u>289,145</u>
Total Liabilities and Fund Balances	<u>\$ 188,676</u>	<u>\$ 773,753</u>	<u>\$ 332,472</u>

See independent auditors' report.

Special Purpose Fund	Total Non-Major Governmental Funds	
	2018	2017
\$ 706,844	\$ 1,595,445	\$ 2,613,593
-	218,522	227,574
-	118,000	123,806
-	49,554	372,370
-	386,076	723,750
-	20,224	18,239
<u>\$ 706,844</u>	<u>\$ 2,001,745</u>	<u>\$ 3,355,582</u>
\$ -	\$ 29,736	\$ 362,296
-	44,654	41,164
27,303	324,566	1,417,374
-	2,610	5,360
<u>27,303</u>	<u>401,566</u>	<u>1,826,194</u>
-	20,224	18,239
679,541	679,541	658,985
-	902,196	853,927
-	(1,782)	(1,763)
<u>679,541</u>	<u>1,600,179</u>	<u>1,529,388</u>
<u>\$ 706,844</u>	<u>\$ 2,001,745</u>	<u>\$ 3,355,582</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, 2018
(With Comparative Totals for 2017)

	Parking Fund	Sewer Fund	Sanitation Fund
REVENUES			
Departmental income	\$ 343,452	\$ 615,628	\$ 685,298
Miscellaneous	-	-	-
Use of money and property	1,965	-	-
Total Revenues	345,417	615,628	685,298
EXPENDITURES			
Current			
General government support	20,000	25,000	16,000
Transportation	148,108	-	-
Culture and recreation	-	-	-
Home and community services	-	336,213	511,194
Employee benefits	60,739	163,792	191,463
Debt service			
Principal	26,122	84,795	-
Interest	4,993	21,455	-
Total Expenditures	259,962	631,255	718,657
Excess (Deficiency) of Revenues Over Expenditures	85,455	(15,627)	(33,359)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	106,473
Transfers out	(84,987)	(7,720)	-
Total Other Financing Sources (Uses)	(84,987)	(7,720)	106,473
Net Change in Fund Balances	468	(23,347)	73,114
FUND BALANCES			
Beginning of Year	16	654,356	216,031
End of Year	<u>\$ 484</u>	<u>\$ 631,009</u>	<u>\$ 289,145</u>

See independent auditors' report.

Special Purpose Fund	Total Non-Major Governmental Funds	
	2018	2017
\$ -	\$ 1,644,378	\$ 1,603,490
19,184	19,184	-
1,372	3,337	2,889
<u>20,556</u>	<u>1,666,899</u>	<u>1,606,379</u>
-	61,000	61,000
-	148,108	145,014
-	-	500
-	847,407	763,609
-	415,994	369,347
-	110,917	106,098
-	26,448	31,251
<u>-</u>	<u>1,609,874</u>	<u>1,476,819</u>
<u>20,556</u>	<u>57,025</u>	<u>129,560</u>
-	106,473	210,627
-	(92,707)	(174,510)
<u>-</u>	<u>13,766</u>	<u>36,117</u>
20,556	70,791	165,677
<u>658,985</u>	<u>1,529,388</u>	<u>1,363,711</u>
<u>\$ 679,541</u>	<u>\$ 1,600,179</u>	<u>\$ 1,529,388</u>

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Village of Sleepy Hollow, New York

Parking Fund
Comparative Balance Sheet
May 31,

	2018	2017
ASSETS		
Cash and equivalents	\$ 169,517	\$ 1,182,020
Accounts receivable	16,893	17,170
	186,410	1,199,190
Prepaid expenditures	2,266	1,779
Total Assets	<u>\$ 188,676</u>	<u>\$ 1,200,969</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,674	\$ 3,130
Accrued liabilities	7,295	7,225
Due to other funds	175,613	1,185,238
Unearned revenues	2,610	5,360
Total Liabilities	<u>188,192</u>	<u>1,200,953</u>
Fund balance (deficits)		
Nonspendable	2,266	1,779
Unassigned	(1,782)	(1,763)
Total Fund Balance	<u>484</u>	<u>16</u>
Total Liabilities and Fund Balance	<u>\$ 188,676</u>	<u>\$ 1,200,969</u>

See independent auditors' report.

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,

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 455,000	\$ 455,000	\$ 343,452	\$ (111,548)
Use of money and property	-	-	1,965	1,965
Total Revenues	<u>455,000</u>	<u>455,000</u>	<u>345,417</u>	<u>(109,583)</u>
EXPENDITURES				
Current				
General government support	20,000	20,000	20,000	-
Transportation	177,578	177,578	148,108	29,470
Employee benefits	75,000	75,000	60,739	14,261
Debt service				
Principal	26,122	26,122	26,122	-
Interest	11,313	11,313	4,993	6,320
Total Expenditures	<u>310,013</u>	<u>310,013</u>	<u>259,962</u>	<u>50,051</u>
Excess of Revenues Over Expenditures	144,987	144,987	85,455	(59,532)
OTHER FINANCING USES				
Transfers out	<u>(144,987)</u>	<u>(144,987)</u>	<u>(84,987)</u>	<u>60,000</u>
Net Change in Fund Balance	-	-	468	468
FUND BALANCE				
Beginning of Year	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484</u>	<u>\$ 484</u>

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 455,000	\$ 455,000	\$ 370,856	\$ (84,144)
-	-	1,519	1,519
455,000	455,000	372,375	(82,625)
20,000	20,000	20,000	-
165,715	165,715	145,014	20,701
58,000	58,000	54,952	3,048
22,057	23,259	23,259	-
14,718	13,516	7,526	5,990
280,490	280,490	250,751	29,739
174,510	174,510	121,624	(52,886)
(174,510)	(174,510)	(174,510)	-
-	-	(52,886)	(52,886)
-	-	52,902	52,902
\$ -	\$ -	\$ 16	\$ 16

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Village of Sleepy Hollow, New York

Sewer Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 647,950	\$ 770,548
Sewer rents receivable	<u>118,000</u>	<u>123,806</u>
	765,950	894,354
Prepaid expenditures	<u>7,803</u>	<u>6,940</u>
Total Assets	<u>\$ 773,753</u>	<u>\$ 901,294</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,283	\$ 252
Accrued liabilities	19,811	16,590
Due to other funds	<u>121,650</u>	<u>230,096</u>
Total Liabilities	<u>142,744</u>	<u>246,938</u>
Fund balance		
Nonspendable	7,803	6,940
Assigned	<u>623,206</u>	<u>647,416</u>
Total Fund Balance	<u>631,009</u>	<u>654,356</u>
Total Liabilities and Fund Balance	<u>\$ 773,753</u>	<u>\$ 901,294</u>

See independent auditors' report.

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,

2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	\$ 638,750	\$ 638,750	\$ 615,628	\$ (23,122)
EXPENDITURES				
Current				
General government support	25,000	25,000	25,000	-
Home and community services	340,154	336,213	336,213	-
Employee benefits	159,000	163,567	163,792	(225)
Debt service				
Principal	84,052	84,795	84,795	-
Interest	22,824	21,455	21,455	-
Total Expenditures	631,030	631,030	631,255	(225)
Excess (Deficiency) of Revenues Over Expenditures	7,720	7,720	(15,627)	(23,347)
OTHER FINANCING USES				
Transfers out	(7,720)	(7,720)	(7,720)	-
Net Change in Fund Balance	-	-	(23,347)	(23,347)
FUND BALANCE				
Beginning of Year	-	-	654,356	654,356
End of Year	\$ -	\$ -	\$ 631,009	\$ 631,009

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 619,645	\$ 619,645	\$ 644,627	\$ 24,982
25,000	25,000	25,000	-
331,632	340,278	329,499	10,779
153,000	144,354	134,100	10,254
82,560	82,839	82,839	-
27,453	27,174	23,725	3,449
619,645	619,645	595,163	24,482
-	-	49,464	49,464
-	-	-	-
-	-	49,464	49,464
-	-	604,892	604,892
\$ -	\$ -	\$ 654,356	\$ 654,356

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Village of Sleepy Hollow, New York

Sanitation Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 71,134	\$ -
Receivables		
Accounts	201,629	210,404
Due from other funds	49,554	372,370
	<u>251,183</u>	<u>582,774</u>
	322,317	582,774
Prepaid expenditures	<u>10,155</u>	<u>9,520</u>
Total Assets	<u>\$ 332,472</u>	<u>\$ 592,294</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 25,779	\$ 358,914
Accrued liabilities	17,548	17,349
Total Liabilities	<u>43,327</u>	<u>376,263</u>
Fund balance		
Nonspendable	10,155	9,520
Assigned	278,990	206,511
Total Fund Balance	<u>289,145</u>	<u>216,031</u>
Total Liabilities and Fund Balance	<u>\$ 332,472</u>	<u>\$ 592,294</u>

See independent auditors' report.

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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 647,500	\$ 647,500	\$ 685,298	\$ 37,798
EXPENDITURES				
Current				
General government support	16,000	16,000	16,000	-
Home and community services	537,973	537,973	511,194	26,779
Employee benefits	200,000	200,000	191,463	8,537
Total Expenditures	753,973	753,973	718,657	35,316
Deficiency of Revenues Over Expenditures	(106,473)	(106,473)	(33,359)	73,114
OTHER FINANCING SOURCES				
Transfers in	106,473	106,473	106,473	-
Net Change in Fund Balance	-	-	73,114	73,114
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	216,031	216,031
End of Year	\$ -	\$ -	\$ 289,145	\$ 289,145

2017

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>\$ 522,500</u>	<u>\$ 522,500</u>	<u>\$ 588,007</u>	<u>\$ 65,507</u>
16,000	16,000	16,000	-
534,127	534,127	434,110	100,017
<u>183,000</u>	<u>183,000</u>	<u>180,295</u>	<u>2,705</u>
<u>733,127</u>	<u>733,127</u>	<u>630,405</u>	<u>102,722</u>
(210,627)	(210,627)	(42,398)	168,229
<u>210,627</u>	<u>210,627</u>	<u>210,627</u>	<u>-</u>
-	-	168,229	168,229
-	-	<u>47,802</u>	<u>47,802</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,031</u>	<u>\$ 216,031</u>

Village of Sleepy Hollow, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	<u>\$ 706,844</u>	<u>\$ 661,025</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ 27,303	\$ 2,040
Fund balance		
Restricted	<u>679,541</u>	<u>658,985</u>
Total Liabilities and Fund Balance	<u>\$ 706,844</u>	<u>\$ 661,025</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

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

	<u>2018</u>	<u>2017</u>
REVENUES		
Miscellaneous	\$ 19,184	\$ -
Use of money and property	<u>1,372</u>	<u>1,370</u>
Total Revenues	<u>20,556</u>	<u>1,370</u>
EXPENDITURES		
Current		
Culture and recreation	<u>-</u>	<u>500</u>
Excess of Revenues Over Expenditures	20,556	870
FUND BALANCE		
Beginning of Year	<u>658,985</u>	<u>658,115</u>
End of Year	<u><u>\$ 679,541</u></u>	<u><u>\$ 658,985</u></u>

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