

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Sleepy Hollow Local Development Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Sleepy Hollow Local Development Corporation (the LDC), a component unit of the Village of Sleepy Hollow, New York, as of and for the years ended May 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the LDC'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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 auditor's 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 LDC'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 LDC'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the LDC as of May 31, 2021 and 2020, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 6 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2021, on our consideration of the LDC'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 solely 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 LDC'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 LDC's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
December 3, 2021

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)

Management's Discussion and Analysis

May 31, 2021

The following management's discussion and analysis (MD&A) provides a comprehensive overview of the financial position of Sleepy Hollow Local Development Corporation (the LDC) at May 31, 2021 and 2020, and the results of its operations for the years then ended. The financial statements and related footnote disclosures, along with this MD&A, have been prepared in accordance with generally accepted accounting principles as defined by the Governmental Accounting Standards Board (GASB) for state and local governments. This MD&A should be read in conjunction with the audited basic financial statements and accompanying notes to financial statements, which directly follow the MD&A.

COMPLIANCE AND ACCOUNTABILITY

The LDC management is under the direction of the five appointed members of the Board. Pursuant to Article II, Section 1 and Section 2 of the LDC's bylaws, the LDC's Board members are appointed by the Board of Trustees of the Village of Sleepy Hollow, New York (Village). The term of office of each Board member of the LDC shall be at the pleasure of the Board of Trustees, and each Board member shall continue to hold office until his/her successor is appointed and has qualified.

The LDC has adopted by-laws, policies and procedures consistent with the 2005 Public Authority Accountability Act (PAAA).

The LDC has established its own governance structure separate from that of the Village. The LDC has a Chief Executive Officer who has the general supervision over the administration of the business and affairs of the LDC. The LDC also appoints a Chief Financial Officer, a non-voting member, who has the care and custody of all funds of the LDC and keeps regular books of accounts for all its receipts and expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The LDC was created by the Village on September 18, 2014 as a local development corporation. The LDC follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities of the LDC. These statements are presented in a manner similar to a private business.

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)
Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE LDC'S NET POSITION

The following is a summary of the LDC's Statements of Net Position at May 31, 2021 and 2020 and the percentage change between May 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Current and other assets	\$ 24,677,996	1,965,428	1,156%
Capital assets, net	<u>16,530,108</u>	<u>13,565,095</u>	22%
Total assets	<u>41,208,104</u>	<u>15,530,523</u>	165%
Liabilities	<u>35,482,222</u>	<u>10,543,018</u>	237%
Net investment in capital assets	4,134,052	4,280,394	-3%
Restricted expendable	1,158,208	619,375	87%
Unrestricted	<u>433,622</u>	<u>87,736</u>	394%
Total net position	\$ <u>5,725,882</u>	<u>4,987,505</u>	15%

On the LDC's Statement of Net Position at May 31, 2021, total assets of \$41,208,104, exceeded total liabilities of \$35,482,222 by \$5,725,882 (total net position). Total assets are comprised of capital assets (e.g., land and equipment) totaling \$16,530,108, cash totaling \$24,637,718 and other assets of \$40,278. Liabilities are comprised of accounts payable and accrued expenses of \$482,222 and \$35,000,000 of bonds payable for the East Parcel development project. Of total net position, \$433,622 is available for ongoing operational expenses.

OPERATING ACTIVITIES

The LDC's Statements of Activities are used to report changes in the net position, including depreciation expense. Revenue reported here is based on a standard of recognition whereby revenue is recorded when earned. Revenue is detailed by major source and expenses by natural classification and indicate the change in net position.

The LDC's total revenue for the year ended May 31, 2021 was \$2,017,925, which was an increase of \$1,581,277, or 362%, over the year ended May 31, 2020. This was mainly due to \$1,580,000 received from the Village as an equity contribution required per the Consolidated Funding Application with Empire State Development.

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)

Management's Discussion and Analysis, Continued

The LDC's total expenses for the year ended May 31, 2021 were \$1,279,548, which was an increase of \$531,075, or 71%, over the year ended May 31, 2020, which was largely due to increases in bond issuance costs of \$222,454 and interest expense of \$379,392.

The following summarizes the LDC's change in net position for the fiscal years ended May 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Revenue:			
License fees	\$ 436,283	432,437	1%
Rental income	1,200	4,000	-70%
Transfer from Village	1,580,000	-	100%
Other revenue	<u>442</u>	<u>211</u>	109%
Total revenue	<u>2,017,925</u>	<u>436,648</u>	362%
Expenses:			
Professional fees	94,499	124,105	-24%
Legal fees	46,678	47,237	-1%
Insurance	10,850	10,850	0%
Payroll expense	55,518	75,766	-27%
Utilities	4,194	4,465	-6%
Advertising and promotion	1,870	17,625	-89%
Real property taxes	3,124	3,162	-1%
General and administrative	2,698	6,992	-61%
Depreciation	9,396	9,396	0%
Interest expense	828,267	448,875	85%
Bond issuance costs	<u>222,454</u>	<u>-</u>	100%
Total expenses	<u>1,279,548</u>	<u>748,473</u>	71%
Change in net position	\$ <u>738,377</u>	<u>(311,825)</u>	

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)

Management's Discussion and Analysis, Continued

CAPITAL ASSETS

The following summarizes the LDC's capital assets at May 31, 2021 and 2020 and the percentage change between fiscal years:

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Land	\$ 2,924,694	2,924,694	0%
Developmental costs	12,715,011	9,757,115	30%
Buildings and improvements	859,013	842,500	2%
Equipment	<u>73,881</u>	<u>73,881</u>	0%
Total capital assets	16,572,599	13,598,190	22%
Less accumulated depreciation	<u>(42,491)</u>	<u>(33,095)</u>	28%
Net capital assets	\$ <u>16,530,108</u>	<u>13,565,095</u>	22%

The net capital assets of \$16,530,108 presented in the basic financial statements have been depreciated using the straight-line method, effective from the date of acquisition. The net increase of \$2,965,013 from the prior year is comprised of the addition of new capital assets of \$2,974,409 offset by an increase in accumulated depreciation of \$9,396. A more detailed analysis of the LDC's capital assets is presented in note 3.

LONG-TERM DEBT

Long-term debt is comprised of tax-exempt revenue bonds of \$35,000,000 related to East Parcel Redevelopment Project - Phase Two. A more detailed analysis of the LDC's debt is presented in note 4.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the LDC's finances for all those with an interest in the LDC's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Chief Financial Officer, Sleepy Hollow Local Development Corporation, 28 Beekman Avenue, Sleepy Hollow, New York 10591.

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)

Statements of Net Position

May 31, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and equivalents	\$ 394,611	41,363
Restricted cash:		
Cash held in escrow for project costs	22,705,732	1,243,261
Cash held in escrow for bond interest	<u>1,537,375</u>	<u>619,375</u>
Total cash	24,637,718	1,903,999
Due from Village	-	12,821
Prepaid expenses	40,143	48,473
Deposit	<u>135</u>	<u>135</u>
Total current assets	24,677,996	1,965,428
Capital assets, net of depreciation	<u>16,530,108</u>	<u>13,565,095</u>
Total assets	<u>41,208,104</u>	<u>15,530,523</u>
 <u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued expenses	482,222	593,018
Bonds payable within one year	<u>90,000</u>	<u>50,000</u>
Total current liabilities	572,222	643,018
Noncurrent liabilities - bonds payable after one year	<u>34,910,000</u>	<u>9,900,000</u>
Total liabilities	<u>35,482,222</u>	<u>10,543,018</u>
 <u>Net Position</u>		
Net investment in capital assets	4,134,052	4,280,394
Restricted expendable	1,158,208	619,375
Unrestricted	<u>433,622</u>	<u>87,736</u>
Total net position	<u>\$ 5,725,882</u>	<u>4,987,505</u>

See accompanying notes to financial statements.

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)

Statements of Activities

Years ended May 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue:		
License fees	\$ 436,283	432,437
Rental income	1,200	4,000
Transfer from Village	1,580,000	-
Other revenue	<u>442</u>	<u>211</u>
Total revenue	<u>2,017,925</u>	<u>436,648</u>
Expenses:		
Professional fees	94,499	124,105
Legal fees	46,678	47,237
Insurance	10,850	10,850
Payroll expense	55,518	75,766
Utilities	4,194	4,465
Advertising and promotion	1,870	17,625
Real property taxes	3,124	3,162
General and administrative	2,698	6,992
Depreciation	9,396	9,396
Interest expense	828,267	448,875
Bond issuance costs	<u>222,454</u>	<u>-</u>
Total expenses	<u>1,279,548</u>	<u>748,473</u>
Change in net position	738,377	(311,825)
Net position at beginning of year	<u>4,987,505</u>	<u>5,299,330</u>
Net position at end of year	<u>\$ 5,725,882</u>	<u>4,987,505</u>

See accompanying notes to financial statements.

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)

Statements of Cash Flows

Years ended May 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash receipts from operating activities	\$ 2,030,746	456,338
Cash paid for operating activities	<u>(224,890)</u>	<u>(276,340)</u>
Net cash provided by operating activities	<u>1,805,856</u>	<u>179,998</u>
Cash flows used in investing activities - additions to capital assets	<u>(3,450,583)</u>	<u>(4,675,977)</u>
Cash flows from financing activities:		
Proceed from issuance of debt	35,000,000	-
Principal payments on debt	(9,950,000)	(50,000)
Interest payments on debt	(449,100)	(448,875)
Debt issuance costs	<u>(222,454)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>24,378,446</u>	<u>(498,875)</u>
Net change in cash	22,733,719	(4,994,854)
Cash at beginning of year	<u>1,903,999</u>	<u>6,898,853</u>
Cash at end of year	<u><u>\$24,637,718</u></u>	<u><u>1,903,999</u></u>
Reconciliation of changes in net position to net cash provided by operating activities:		
Change in net position	\$ 738,377	(311,825)
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation	9,396	9,396
Interest expense	828,267	448,875
Bond issuance costs	222,454	-
Changes in:		
Accounts receivable	-	800
Due from Village	12,821	18,890
Prepaid expenses	8,330	15,516
Accounts payable and accrued expenses	<u>(13,789)</u>	<u>(1,654)</u>
Net cash provided by operating activities	<u>\$ 1,805,856</u>	<u>179,998</u>
Supplemental schedule of non-cash investing activities - capital assets financed by accounts payable	<u>\$ 101,788</u>	<u>577,962</u>

See accompanying notes to financial statements.

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)

Notes to Financial Statements

May 31, 2021 and 2020

(1) Organization and Purpose

The Sleepy Hollow Local Development Corporation (the LDC), a component unit of the Village of Sleepy Hollow, New York (the Village), 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 sole member (the Village) and therefore, the Village is considered able to impose its will on the LDC.

The income of the LDC is excludable from taxation under Section 115(1) of the Internal Revenue Code.

(2) Summary of Significant Accounting Policies

The LDC has been identified as a component unit of the Village. In accordance with the criteria enumerated in GASB Statement No. 61, the LDC's financial statements have been discretely presented in the Village's financial statements.

(a) Basis of Accounting

The accounting policies of the LDC conform to generally accepted accounting principles as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The LDC reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

(b) Cash and Equivalents

Cash and equivalents consist of funds deposited in demand deposit accounts. Collateral is required for these deposits at 100% of all deposits not covered by Federal Deposit Insurance Corporation (FDIC) deposit insurance. At May 31, 2021 and 2020, deposits over FDIC coverage were fully collateralized. Cash in escrow accounts are fully collateralized by agreement with the Trustee.

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Receivables and Bad Debt

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

(d) Prepaid Expenses

Prepaid expenses consist of insurance costs which have been satisfied prior to year end but will benefit subsequent periods.

(e) Deposit

The LDC has a deposit for utilities related to 193 Beekman Avenue.

(f) Capital Assets

Capital assets are stated at cost at the date of acquisition or at fair value at the date of contribution, if donated. Depreciation is computed using the straight line method over the estimated useful life of the asset. The estimated useful life of equipment is 5 to 15 years. Land and development costs are not being depreciated.

(g) Net Position

The LDC's resources are classified into the following net position categories:

Net investment in capital assets - Capital assets, net of accumulated depreciation, restricted cash held in escrow for project costs, and outstanding principal balances of debt, if any, attributable to the acquisition, construction, or improvement of those assets.

Restricted - non-expendable - Net position subject to externally imposed stipulations requiring the LDC to maintain them in perpetuity. At May 31, 2021 and 2020, the LDC had no restricted non-expendable net position.

Restricted - expendable - Net position whose use is subject to externally imposed stipulations that can be fulfilled by the actions of the LDC or the passage of time. Restricted cash held in escrow for bond interest, less accrued unpaid interest, is included in this category.

Unrestricted - All other net position, including net position designated by actions, if any, of the LDC's Board of Directors.

(h) Revenue Recognition

Revenues are recognized in the period earned. Revenues collected prior to year-end, if any, relating to the subsequent year, are recorded as unearned revenue.

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(i) Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(j) Subsequent Events

The LDC has evaluated events through the date of this report, which is the date the financial statements were available for issuance, and have determined that there are no subsequent events that require disclosure under generally accepted accounting principles.

(3) Capital Assets

At May 31, 2021 and 2020, capital assets consisted of the following:

	2021			
	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,924,694	-	-	2,924,694
Development costs	9,757,115	2,957,896	-	12,715,011
Building and improvements	842,500	16,513	-	859,013
Total capital assets, not being depreciated	13,524,309	2,974,409	-	16,498,718
Capital assets being depreciated - equipment	73,881	-	-	73,881
Less accumulated depreciation	(33,095)	(9,396)	-	(42,491)
Total capital assets being depreciated, net	40,786	(9,396)	-	31,390
Capital assets, net	\$ 13,565,095	2,965,013	-	16,530,108

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York),

Notes to Financial Statements, Continued

(3) Capital Assets, Continued

	2020			
	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,924,694	-	-	2,924,694
Development costs	4,650,586	5,106,529	-	9,757,115
Building and improvements	<u>842,500</u>	<u>-</u>	<u>-</u>	<u>842,500</u>
Total capital assets, not being depreciated	<u>8,417,780</u>	<u>5,106,529</u>	<u>-</u>	<u>13,524,309</u>
Capital assets being depreciated - equipment	73,881	-	-	73,881
Less accumulated depreciation	<u>(23,699)</u>	<u>(9,396)</u>	<u>-</u>	<u>(33,095)</u>
Total capital assets being depreciated, net	<u>50,182</u>	<u>(9,396)</u>	<u>-</u>	<u>40,786</u>
Capital assets, net	<u>\$ 8,467,962</u>	<u>5,097,133</u>	<u>-</u>	<u>13,565,095</u>

(4) Bonds Payable

Bonds payable as of May 31, 2021 and 2020 are as follows

	2021	2020
Tax-exempt revenue bonds (Village of Sleepy Hollow East Parcel Redevelopment Project - Phase I), Series 2018 dated June 28, 2018 in the amount of \$10,000,000 with an interest rate of 4.5% and maturity date of June 29, 2033.	\$ -	9,950,000
Tax-exempt revenue bonds (Village of Sleepy Hollow East Parcel Redevelopment Project Phase II), Series 2020 dated December 30, 2020 in the amount of \$35,000,000 with an interest rate of 3.0% and maturity date of January 15, 2041.	35,000,000	-
Less amounts due within one year	<u>(90,000)</u>	<u>(50,000)</u>
Bonds payable after one year	<u>\$ 34,910,000</u>	<u>9,900,000</u>

The tax-exempt revenue bonds, Series 2018 were refunded through the use of \$123,665 of cash and bond proceeds of \$9,776,335.

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
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Notes to Financial Statements, Continued

(4) Bonds Payable, Continued

The following is a summary of the maturity of bonds payable as of May 31, 2021:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 90,000	1,093,750	1,183,750
2023	100,000	1,047,300	1,147,300
2024	1,156,111	1,044,300	2,200,411
2025	1,156,111	1,009,617	2,165,728
2026	1,156,111	974,933	2,131,044
2027-2031	5,780,556	4,354,417	10,134,973
2032-2036	5,780,556	3,487,333	9,267,889
2037-2041	<u>19,780,555</u>	<u>2,620,250</u>	<u>22,400,805</u>
	<u>\$ 35,000,000</u>	<u>15,631,900</u>	<u>50,631,900</u>

The bonds are secured by a mortgage and security agreement granting the bond holder a first lien mortgage and security interest on the project, and also by the assignment of leases and rents which assigned to the bond holder a first priority lien in the leases relating to the rents from the project.

In the event of default, the bondholder may take, to the extent permitted by law, any one or more of the following remedial steps: (i) terminate its obligation to disburse the monies in the project fund and/or to advance monies under the building loan agreement and the escrow agreement, (ii) declare the prepayment price on the bonds to be forthwith due and payable, (iii) apply any monies held in the project fund, capitalized interest account, or any other account or fund hereunder (except for the rebate fund) to the prepayment price, (iv) exercise any one or more of the remedies provided in the mortgage or any other security document, (v) exercise any other remedy available at law or in equity, including, without limitation, the right to seek an action in the nature of mandamus or specific enforcement/performance.

(5) Risk Management

The LDC obtained pollution legal liability insurance on December 22, 2014 with coverage up to \$10 million with a \$250,000 deductible through December 22, 2024.

The LDC is exposed to various risk of loss related to litigation. Management of the LDC and its attorney's believe that the final settlement of these matters will not have an adverse effect on the financial condition of the LDC.

SLEEPY HOLLOW LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the Village of Sleepy Hollow, New York)

Notes to Financial Statements, Continued

(6) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the LDC and its future results and financial position is not presently determinable.