

Village of Sleepy Hollow, New York  
Report to Those Charged with Governance  
May 31, 2024

March 7, 2025

Prepared by

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Partner

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**KNOW  
GREATER  
VALUE**



March 7, 2025

The Honorable Mayor and  
Members of the Village Board of Trustees  
Village of Sleepy Hollow, New York  
28 Beekman Avenue  
Sleepy Hollow, New York 10591

We have audited the financial statements of the Village of Sleepy Hollow, New York ("Village") as of and for the year ended May 31, 2024 and have issued our report thereon dated March 7, 2025.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated November 4, 2024. Professional standards also require that we communicate to you the following information related to our audit.

We are pleased to be of service to you and the Village and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of Those Charged with Governance and management of the Village and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**

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## Status of the Audit

### Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been reviewed by management and issued.
- We have issued an unmodified report on the financial statements.

## Required Communications and Other Matters

Required Item	Comments
<p><b>Auditor’s responsibility under professional standards and planned scope and timing of the audit</b></p>	<p>We have communicated such information in our engagement letter to you dated November 4, 2024. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> <li>• Forming and expressing an opinion on the financial statements.</li> <li>• Obtaining <i>reasonable assurance</i> that the financial statements are <i>free of material misstatements</i>, whether caused by error or fraud.</li> <li>• Accumulating and communicating uncorrected misstatements to Those Charged with Governance (“TCWG”).</li> <li>• Maintaining professional skepticism.</li> <li>• Communicating audit related matters that are, in our professional judgment, significant to TCWG.</li> </ul>
<p><b>Supplementary information accompanying the financial statements</b></p>	<p>Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village’s basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.</p>
<p><b>Other supplementary information in documents containing audited financial statements</b></p>	<p>Our responsibility for the other supplementary information accompanying the financial statements is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.</p>

<b>Required Item</b>	<b>Comments</b>
<b>Required supplementary information accompanying the financial statements</b>	<p>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.</p>
<b>Other information in documents containing audited financial statements</b>	<p>Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the auditors' report, and we are not required to perform any procedures to determine that such other information is properly stated.</p>
<b>Responsibilities of management and TCWG</b>	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> <li>• The fair presentation of the financial statements, including the selection of appropriate accounting policies.</li> <li>• Establishing and maintaining effective internal control.</li> <li>• Complying with laws, regulations, grants and contracts.</li> <li>• Providing the auditors with all financial records and related information and a signed representation letter.</li> <li>• Evaluate if there are any conditions or events, considered in the aggregate that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.</li> <li>• Setting the proper tone at the top.</li> <li>• Designing and implementing policies and controls to prevent and detect fraud.</li> </ul> <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p>

Required Item	Comments
<p><b>Qualitative aspects of accounting practices - Accounting Policies</b></p>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except for the adoption of the provisions of Governmental Accounting Standards Board Statement No. 96, "Subscription-Based Information Technology Arrangements". The Village evaluated the impact of the statement and determined the amounts were not material to the financial statements.</p> <p>The accounting policies of the Village conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Village's reports are based on all applicable GASB pronouncements.</p> <p>We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus.</p> <p>All significant transactions have been recognized in the financial statements in the proper period.</p>
<p><b>Qualitative aspects of accounting practices – Significant Unusual Transactions</b></p>	<p>No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.</p>
<p><b>Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment</b></p>	<p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Village's financial statements were:</p> <ul style="list-style-type: none"> <li>• Actuarial assumptions related to the Other Postemployment Benefit Liability ("OPEB")</li> <li>• Actuarial assumptions and proportionate share calculations related to pension liabilities</li> <li>• Asset lives for depreciable capital assets</li> <li>• Estimates of certain receivable balances and allowances for uncollectible amounts</li> <li>• Estimates for certain operating and long-term liabilities</li> </ul>

Required Item	Comments
<p><b>Qualitative aspects of accounting practices - <i>Financial Statement Disclosures</i></b></p>	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <ul style="list-style-type: none"> <li>• Other postemployment benefit liabilities payable</li> <li>• Pension plan information</li> <li>• Outstanding bonded indebtedness</li> <li>• Leases</li> <li>• Fund balances</li> </ul> <p>The financial statement disclosures are neutral, consistent and clear.</p>
<p><b>Going concern</b></p>	<p>The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.</p> <p>We concur with management's assessment that the Village will continue as a going concern for one year from the balance sheet date.</p>
<p><b>Significant risks</b></p>	<p>Significant risks are defined as risks that require special audit consideration without regard to identified controls related to those risks. In most audits, one or more significant risks normally arise. We have identified the following significant risks in connection with our audit:</p> <p><b>Management override of internal controls</b></p> <p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk is, nevertheless, present in all entities. Our audit procedures did not identify any management override of internal controls.</p> <p><b>Improper revenue recognition due to fraud</b></p> <p>Auditing standards require the auditor to ordinarily presume that improper revenue recognition is a fraud risk on all audit engagements unless the auditor can conclude that the risk is not applicable to the entity. Our audit procedures did not identify any improper revenue recognition due to fraud.</p> <p>The audit procedures applied as a result of the aforementioned significant risks were designed to and have reduced the risk of material misstatement to low.</p>

<b>Required Item</b>	<b>Comments</b>
<b>Difficulties encountered in performing the audit</b>	We encountered no significant difficulties in dealing with management in performing and completing our audit.
<b>Corrected and uncorrected misstatements</b>	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit (including passed adjustments and omitted financial statement disclosures), other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.</p> <p>In addition, corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.</p>
<b>Disagreements with management</b>	For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.
<b>Management representations</b>	We have requested certain representations from management that are included in the management representation letter (see Appendix 2).
<b>Management's consultations with other accountants</b>	In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.
<b>Auditor independence</b>	We affirm that PKF O'Connor Davies, LLP is independent with respect to the Village in accordance with relevant professional standards.
<b>Significant issues discussed with management prior to retention</b>	We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the Village's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Sleepy Hollow, New York's ("Village") internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.
- A **material weakness** is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.
- A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We identified certain deficiencies in the Village's internal control that we consider to be material weaknesses. These are described on the following pages.

In addition, we share for your consideration on the following pages other observations about the internal control and operations.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

*PKF O'Connor Davies, LLP*  
Harrison, New York  
March 7, 2025

## Village of Sleepy Hollow, New York

### Material Weaknesses

- **Audit Readiness**

The Village's financial statements for the prior year ended May 31, 2023 were not issued until July 31, 2024 due to turnover in the Treasurer's office. This then led to the delay in the timely start of the May 31, 2024 audit. This resulted in the books and records of the Village for the current year still requiring numerous adjustments and significant additional audit time, particularly in the areas of the reporting for capital assets, leases and water and sewer rents billings and receivables. A listing of the more significant audit adjustments we proposed appears in Appendix 1 of this document.

#### ***Recommendation***

To enhance audit readiness, the quality of financial reporting, and ensure a smoother audit process in the future, we recommend the Village consider taking the following corrective actions:

1. **Enhanced Documentation:** Ensure all supporting documentation for financial transactions is complete, accurate, and readily accessible. This includes reconciling key accounts on a regular basis and maintaining proper records for all journal entries.
2. **Review and Validation Processes:** Implement a robust review process for financial statements and key accounting schedules (i.e., accounts receivable, accounts payable, bank reconciliations, etc.) prior to submission for the annual external audit. Assign clear responsibilities for checking the accuracy and compliance with applicable accounting standards.
3. **Staff Training:** Provide targeted training for the Village's employees responsible for financial reporting, including guidance on specific accounting treatments, regulatory requirements, and new/upcoming standards promulgated by the Governmental Accounting Standards Board.
4. **Ongoing Communication:** Maintain open and proactive communication with the external auditor's team members throughout the year to clarify expectations and address complex transactions, so as to avoid "surprises" come audit fieldwork.

- **Procurement Policy and Procedures**

As part of our audit, we test compliance with the Village's procurement policies and procedures. We noted the following:

- Two claims tested did not have purchase orders. These purchases do not appear to qualify for exemption from the Village's procurement policy regarding purchase orders.
- One purchase related to equipment and parts that exceeded the bidding threshold per the Village's procurement policy (and New York State General Municipal Law Section 103) did not go out to bid.
- One payment made by the Village did not agree to the vendor invoice. The Village paid \$270 more than what was billed, which could be the result of a transposition-type oversight.

**Village of Sleepy Hollow, New York**

**Material Weaknesses (Continued)**

- **Procurement Policy and Procedures** (*Continued*)
  - For one contract in which the aggregate fiscal year expenditures exceeded the bidding threshold requirement, the Village could not provide us with adequate documentation to show proof that the contract was let out to bid.

***Recommendation***

We recommend the Village review its policies and procedures with its finance and other departments personnel responsible for purchasing goods and services for the Village to ensure that all purchases are made in accordance with the Village's procurement policy and General Municipal Law Section 103.

## Village of Sleepy Hollow, New York

### Control Deficiencies

- **Capital Projects Fund**

#### *Project-Length Schedule*

Governments often acquire or construct major capital facilities. Such facilities either can help the government provide service to its citizens or can serve the needs of citizens directly. In either case, a financial reporting vehicle is needed to demonstrate compliance with legal and contractual provisions and to compile certain cost data, which may span several fiscal years. The Capital Projects Fund provides such a mechanism and is used to account for the financial resources used for the acquisition or construction of major capital facilities. Many governments establish an annual capital improvement program and include the program in their annual operating budget, while others adopt project length budgets for their projects and rely on mechanisms such as bond indentures to ensure proper control over expenditures. No matter which method is chosen, governments need to ensure that budgetary compliance is demonstrated in their financial reports. Annual appropriation budgets for capital projects (a project-length schedule) should be included in the audited financial statements along with the Capital Projects Fund balance sheet and statement of revenues, expenditures and changes in fund balance. This project length schedule should include, by project, the budget, expenditures to date, revenues received by type to date and fund balance. The Village currently does not have a Capital Projects Fund project-length schedule as described above to present in the annual audited financial statement.

#### ***Recommendation***

We suggest that the Village prepare the recommended schedule to demonstrate compliance with legal and budgetary constraints and provide greater transparency as to the listing of ongoing capital projects and their available balances.

- **Capital Assets**

Capital assets consist of land, buildings, land improvements, infrastructure, machinery and equipment, right-to-use leased property and construction-in-progress. Our audit of the Village's capital asset accounting indicated the following areas in need of improvement:

#### *Inventory Valuation*

It was noted in our audit of the Village's capital assets that the Village has not had a capital asset inventory valuation performed for several years.

#### ***Recommendation***

We strongly suggest management consider hiring a firm to perform a full inventory of the Village's capital assets to determine they are properly accounted for and valued.

## Village of Sleepy Hollow, New York

### Control Deficiencies (Continued)

- **Capital Assets (Continued)**

#### *Capital Assets Reconciliation*

We noted that the cost basis at May 31, 2024 on the “Asset Master Detail” report did not agree to our calculated cost total, which was based on the opening cost balance at the start of the fiscal year, plus the fiscal year additions and disposals provided to us by management.

#### **Recommendation**

We recommend the Village ensure that all capital asset additions and disposals from the accounting system are entered properly in the capital asset management software at least on a quarterly basis to ensure that all activity for the year related to capital asset activity is recorded.

- **Village Justice Court**

The Village’s Justices and the Board of Trustees are responsible for the financial affairs of the Village’s Justice Court. The responsibility includes the establishment of an effective system of internal control, which encompasses the books and records for the recording of financial transactions and the systems and procedures to ensure that all transactions are executed in accordance with management’s authorizations, applicable laws and State regulations.

#### *Segregation of Duties*

Our audit of the Village’s Justice Court disclosed that there are two employees in the court; the court clerk and the assistant court clerk. Either one of them performs the duty of receiving cash, recording cash, reconciling the bank account to the book balance and preparing bank deposits slips. Furthermore, both employees have access to the safe located in the court.

#### **Recommendation**

The tasks of receiving cash, recording transactions and preparing deposits should be handled by different individuals to improve internal control over the Village Justice Court assets. We suggest that the Village’s Board of Trustees review the financial controls over the Justice Court and determine if there is a cost effective way to distribute duties so as to maximize the effectiveness of the internal controls that are in place.

Village of Sleepy Hollow, New York

Control Deficiencies (Continued)

- **Village Justice Court (Continued)**

*Outstanding Bail*

The outstanding bail ledger does not reconcile with the cash balance as follows:

Balance at May 31, 2024:	
Outstanding Bail per Bail Ledger	\$ 28,186
Cash Balance per Book	<u>37,306</u>
Difference	<u>\$ (9,120)</u>

**Recommendation**

Per discussions with the Court Clerk, this difference has carried for many years. We suggest the Village Justice Court transfer these funds to the Village to be used for any lawful purpose. This will then result in the bail bank account matching the outstanding bail per the detail bail ledger.

*Outstanding Bail in Excess of Six Years.*

The bail ledger includes outstanding bail that has been held in excess of six years of approximately \$24,000.

**Recommendation**

Bail outstanding in excess of six years should be reviewed and the appropriate action taken, including the forfeiture of the bail and sending these funds to the Village to be used for any lawful purpose.

*Bank Reconciliation – Bail Account - Inaccuracies*

We noted that, although the bank reconciliation for the bail account was completed, there were several inaccuracies related to outstanding checks. The bank reconciliation should be prepared by identifying the activity within the bank statement and reconciling that to the activity recorded within the court's accounting software.

**Recommendation**

The bank reconciliation process is an extremely critical part of any system of internal control. We recommend that bank accounts be reconciled and all differences between book and bank balances be investigated on a timely basis by court personnel so that differences can be quickly identified and corrected.

## Village of Sleepy Hollow, New York

### Control Deficiencies (Continued)

- **Water, Sewer and Sanitation Funds**

*Reconciliation of Water/Sewer Rents Receivable*

During our audit, we noted that the detail water/sewer rents receivable detail subsidiary ledger by customer is not routinely reconciled to the Village's general ledger accounting system. This practice serves as a check on the accuracy of the record-keeping process and ensures that both sets of these records are in synch on a more timely and accurate basis.

***Recommendation***

The detail listing of water/sewer rents receivable should be reconciled to the accounting system's general ledger control accounts at the end of each month or at least quarterly. Any differences should be investigated and resolved as soon as possible. We are aware that the current software does not easily accommodate such a report. We recommend that the Village research new software as to better account for these receivables.

- **Payroll Change Report**

During our audit, we noted that the payroll software produces a "payroll change report" that provides detail as to what changed from the previous pay period. However, we noted that there were no formal supervisory approvals noted on these reports generated each pay period that would indicate that the changes listed were approved.

***Recommendation***

We recommend that such report be produced each pay period and supervisory level approval for any of these changes be documented by formal signature on this report. This process would improve internal controls and ensure that the payroll information is accurate and up to date.

- **Accounts Payable**

*Irreconcilable Differences*

The detail schedule of accounts payable at May 31, 2024 had unreconciled differences of \$29,106 in the General Fund, \$1,507 in the Capital Projects Fund, and \$3,082 in the Water Fund as compared to the amounts contained in the general ledger accounting software.

***Recommendation***

We suggest that the Village reconcile the details contained in supporting schedules, such as the accounts payable listing, to the amounts in the general ledger for each fund. This will help the Village ensure that all account balances are proper and supported.

## Village of Sleepy Hollow, New York

### Other Matters

- **Special Purpose Fund**

The Special Purpose Fund is used to account for assets held by the Village in accordance with grantor or contributor stipulations. Our audit indicated that four accounts held in this fund (Memorial Tree, Headless Horseman, Municipal Clock and K-9 Police), have remained financially inactive for several years, with aggregate balances of \$1,762.

#### ***Recommendation***

The Village should make a determination as to the proper disposition of these funds, which appear to be inactive. Should it be determined that these amounts are no longer required to be held for the purposes for which they were received, a board resolution should be approved transferring these funds to the General Fund.

- **Deposits Payable**

The Village has several deposit payable accounts that are held on behalf of individuals or businesses who are required to put funds on deposit with the Village for various matters. During the audit, it was noted that the Village didn't have detailed schedules showing the activity by depositor. We also noted several of these accounts reflected a "debit" balance, meaning the Village paid out more funds than were placed on deposit. These shortfalls will have to be recouped from the depositor to cover what the Village paid out.

#### ***Recommendation***

We suggest that the Village create a detailed schedule to ensure proper tracking and determine the status of these deposits to determine the proper disposition of these funds. The Village also needs to collect additional funds in those cases where they have paid out more than what was placed in deposit.

## On the Horizon

### **GASB Statement No. 101 – *Compensated Absences***

Under this Statement, the liabilities for compensated absences is required to be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The Statement establishes guidance for measuring the liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. Measurement for the liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made.

The Statement does allow recognition of certain types of compensated absences until the leave commences, including parental, military and jury duty leave.

Further, the Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability, as long as it is identified as a net change. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

Governments should review this standard early to anticipate what changes might need to be made to policies, accounting procedures, laws and regulations. The provisions of this Statement are **effective for fiscal years beginning after December 15, 2023 (i.e., the Village's financial statements for the year ended May 31, 2024).**

### **GASB Statement No. 102 – *Certain Risk Disclosures***

The objective of this Statement is to disclose within government financial statements risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are **effective for fiscal years beginning after June 15, 2024 (i.e., the Village's financial statements for the year ended May 31, 2026).**

## **GASB Statement No. 103 – Financial Reporting Model Improvements**

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues as follows:

- Management's Discussion and Analysis ("MD&A") - This Statement requires that the information presented in the MD&A be limited to five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions or Conditions. The Statement requires that the detailed analyses within the MD&A should not only present the amounts or percentages of changes from the prior year, but also include explanations as to the reasons for the changes. The Statement emphasizes that only the most relevant information be presented by eliminating duplicative explanations and removing "boilerplate" discussions.
- Unusual or Infrequent Items - This Statement describes unusual or infrequent items as transactions and other events that are either unusual or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements.
- Presentation of Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position – This Statement requires that proprietary fund statements continue to distinguish between operating and nonoperating revenues and expenses as in the past. However, in addition to the subtotals currently presented, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.
- Major Component Unit Information - This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If readability is reduced, combining statements of major component units should be presented after the fund financial statements.
- Budgetary Comparison Information – This Statement requires governments to present budgetary comparison information as Required Supplementary Information (similar to pension and other postemployment benefits reporting). Governments are also required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in the notes to the Required Supplementary Information.

The requirements of this Statement are **effective for fiscal years beginning after June 15, 2025 (i.e., the Village's financial statements for the year ended May 31, 2027).**

## **GASB Statement No. 104 – *Disclosure of Certain Capital Assets***

GASB Statement No. 104, “*Disclosure of Certain Capital Assets*”, provides guidance on disclosures for capital assets to be presented by major class. The objective of this Statement is to provide government financial statement users with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Leased assets recognized in accordance with GASB Statement No. 87, “*Leases*” and subscription assets recognized in accordance with GASB Statement No. 96, “*Subscription-Based Information Technology Arrangements*” should be separately disclosed. In addition, this Statement requires any other intangible assets other than these types to also be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are **effective for fiscal years beginning after June 15, 2025 (i.e., the Village’s financial statements for the year ended May 31, 2026).**

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## Appendix 1

### Corrected Misstatements

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Village of Sleepy Hollow, New York

Corrected Misstatements

Account	Description	Debit	Credit
<b>General Fund</b>			
<b>Adjusting Journal Entries JE # 1</b>			
To move interest earned on bonded capital money into the general fund.			
A.0393	DUE FROM CAPITAL FUND	114,188.00	
A.2401	INTEREST & EARNINGS		114,188.00
<b>Total</b>		<b>114,188.00</b>	<b>114,188.00</b>
<b>Adjusting Journal Entries JE # 2</b>			
To adjust Due to retirement system per analysis and record prepaid asset for graded payment per			
A.0392	DUE FROM WATER FUND	9,880.00	
A.0396	DUE FROM PARKING	1,198.00	
A.0397	DUE FROM SEWER	2,994.00	
A.0398	DUE FROM SANITATION	4,491.00	
A.0480	PREPAID EXPENSES	29,263.00	
A.9000.800	EMPLOYEE BENEFITS.NYS RETIREMENT SYSTEM	23,030.00	
A.0637	DUE TO EMPLOYEES RET SYSTEM		41,593.00
A.9000.800	EMPLOYEE BENEFITS.NYS RETIREMENT SYSTEM		29,263.00
<b>Total</b>		<b>70,856.00</b>	<b>70,856.00</b>
<b>Adjusting Journal Entries JE # 3</b>			
To record interest on reserves			
A.0909	FUND BALANCE UNRESERVED	16,126.00	
A.0909	FUND BALANCE UNRESERVED	57,771.00	
A.0884	RESERVE FOR DEBT		15,490.00
A.0884	RESERVE FOR DEBT		57,771.00
A.0889	RESERVE FOR SNOW REMOVAL		32.00
A.0890	DESIGNATED FOR TAX CERTS		604.00
<b>Total</b>		<b>73,897.00</b>	<b>73,897.00</b>
<b>Adjusting Journal Entries JE # 4</b>			
To post the current year budgeted interfund transfers.			
A.0392	DUE FROM WATER FUND	120,636.00	
A.5031A	Transfer in - water fund		120,636.00
<b>Total</b>		<b>120,636.00</b>	<b>120,636.00</b>
<b>Adjusting Journal Entries JE # 5</b>			
To correct reserve for prepaid expenses & designated for subsequent years			
A.0909	FUND BALANCE UNRESERVED	22,758.00	
A.0910	SUBSEQUENT YEARS FUND BALANCE	1,021,029.00	
A.0883	RESERVE FOR PREPAID EXPENDITURES		22,758.00
A.0909	FUND BALANCE UNRESERVED		1,021,029.00
<b>Total</b>		<b>1,043,787.00</b>	<b>1,043,787.00</b>

**Village of Sleepy Hollow, New York**

**Corrected Misstatements**

Account	Description	Debit	Credit
<b>General Fund (continued)</b>			
<b>Adjusting Journal Entries JE # 6</b>			
To transfer portion of Bond premium used to redeem the prior year outstanding BANs to the Capital			
A.2710	PREMIUM ON OBLIGATIONS	237,295.00	
A.0633	DUE TO CAPITAL FUND		237,295.00
<b>Total</b>		<b>237,295.00</b>	<b>237,295.00</b>
<b>Adjusting Journal Entries JE # 7</b>			
To recognize Federal Revenue related to current year ARPA Expenditures.			
A.0688	OTHER LIABILITIES (ARPA)	458,011.00	
A.4089	FEDERAL AID, OTHER		458,011.00
<b>Total</b>		<b>458,011.00</b>	<b>458,011.00</b>
<b>Adjusting Journal Entries JE # 8</b>			
To transfer funds to Water Fund related to ARPA Expenditures incurred in current year.			
A.9901.900	TRANSFER TO OTHER FUNDS.INTERFUND TRANSFER	393,721.00	
A.0632	DUE TO WATER FUND		393,721.00
<b>Total</b>		<b>393,721.00</b>	<b>393,721.00</b>
<b>Adjusting Journal Entries JE # 9</b>			
To accrue receivable from ConEdison for police overtime reimbursement for services performed from 1/1/2020 to 12/31/2020.			
A.0380	ACCOUNTS RECEIVABLE	75,989.00	
A.1520	POLICE FEES		75,989.00
<b>Total</b>		<b>75,989.00</b>	<b>75,989.00</b>
<b>Adjusting Journal Entries JE # 10</b>			
To record reclass for lease liability principal and interest			
A9730.6	Lease Principal (auditor created)	253,540.00	
A9730.7	Lease Interest (auditor created)	1,946,871.00	
A.6989.499	SH LOCAL DEV CORP.CONTRACTUAL EXPENSES		2,200,411.00
<b>Total</b>		<b>2,200,411.00</b>	<b>2,200,411.00</b>
<b>Adjusting Journal Entries JE # 11</b>			
To record adjusting journal entry related to lease receivable & revenue in the current year.			
A.0381	Interest Receivable	942.00	
A.0454.LT	Lease Receivable - LT Auditor	288,770.00	
A.0454.ST	Lease Receivable - ST Auditor	88,147.00	
A.2440	ANTENNA LEASE RENTAL	95,397.00	
A.0691.LEASE	Deferred Inflow - Leases Auditor		367,659.00
A.2401.LEASE	Lease Interest Revenue Auditor		12,461.00
A.2421	Lease Revenue Auditor		93,136.00
<b>Total</b>		<b>473,256.00</b>	<b>473,256.00</b>

Village of Sleepy Hollow, New York

Corrected Misstatements

Account	Description	Debit	Credit
<b>Fire Service Award</b>			
<b>Adjusting Journal Entries JE # 12</b>			
To record LOSAP (FIRE) Activity			
AF.200	LOSAP Cash	494,267.00	
AF.5000	LOSAP Employee Benefits Paid	23,660.00	
AF.4000	LOSAP Employer Contribution		143,500.00
AF.4200	LOSAP Interest Income		6,273.00
AF.909	LOSAP Fund Balance		368,154.00
<b>Total</b>		<b>517,927.00</b>	<b>517,927.00</b>

**Ambulance Service Award**

<b>Adjusting Journal Entries JE # 13</b>			
To record LOSAP (AMBULANCE) Activity			
AA.200	LOSAP CASH	191,259.00	
AA.5000	LOSAP Employee Benefits Paid	3,800.00	
AA.4000	LOSAP Employer Contribution		49,200.00
AA.4200	LOSAP Interest Income		2,444.00
AA.909	LOSAP Fund Balance		143,415.00
<b>Total</b>		<b>195,059.00</b>	<b>195,059.00</b>

Village of Sleepy Hollow, New York

Corrected Misstatements

Account	Description	Debit	Credit
<b>Capital Projects Fund</b>			
<b>Adjusting Journal Entries JE # 14</b>			
To reclassify interest earned in capital fund to the General Fund			
H.2401	INTEREST & EARNINGS	114,188.00	
H.0630	DUE TO GENERAL FUND		114,188.00
<b>Total</b>		<b>114,188.00</b>	<b>114,188.00</b>
<b>Adjusting Journal Entries JE # 15</b>			
To record due from General fund for premium. \$237,295 of premium on the bond was used to redeem the BAN outstanding and converted to a Bond during 2023/2024			
H.0391	DUE FROM GENERAL FUND	237,295.00	
H.5702	PREMIUM ON OBLIGATIONS		237,295.00
<b>Total</b>		<b>237,295.00</b>	<b>237,295.00</b>
<b>Adjusting Journal Entries JE # 16</b>			
To correct balance in receivables. The revenue was collected in the current year			
H.4097.13	BEEKMAN AVE IMPROVEMENTS	261,876.00	
H.0410	DUE FROM STATE OR FED		261,876.00
<b>Total</b>		<b>261,876.00</b>	<b>261,876.00</b>
<b>Adjusting Journal Entries JE # 17</b>			
To correct the balance in accounts payable as it is understated by the prior year entry not reversed by the client			
H.7110.200.50	22-23 SYKES PARK SPRAY PARK SURFACE	44,980.00	
H.0600	ACCOUNTS PAYABLE		44,980.00
<b>Total</b>		<b>44,980.00</b>	<b>44,980.00</b>
<b>Adjusting Journal Entries JE # 18</b>			
To reclass PEG expenditures from revenue to expenditure code.			
H.6410.200.01	PEG MONEY.TV EQUIPMENT	67,100.00	
H.2770.01	PEG ACCESS		67,100.00
<b>Total</b>		<b>67,100.00</b>	<b>67,100.00</b>

Village of Sleepy Hollow, New York

Corrected Misstatements

Account	Description	Debit	Credit
<b>Sewer Fund</b>			
<b>Adjusting Journal Entries JE # 19</b>			
To correct the revenue and receivable balance			
G.0350	RENTS RECEIVABLE	22,214.00	
G.0350	RENTS RECEIVABLE	37,133.00	
G.0350	RENTS RECEIVABLE	134,643.00	
G.2122	SEWER CHARGES		193,990.00
<b>Total</b>		<b>193,990.00</b>	<b>193,990.00</b>
<b>Water Fund</b>			
<b>Adjusting Journal Entries JE # 20</b>			
To record transfer in from General for ARPA expenditures incurred in the current year.			
F.0391	DUE FROM GENERAL FUND	393,721.00	
F.5031	INTERFUND TRANSFERS		393,721.00
<b>Total</b>		<b>393,721.00</b>	<b>393,721.00</b>
<b>Adjusting Journal Entries JE # 21</b>			
To post current year budgeted interfund transfers.			
F.9901.900	TRANSFER TO OTHER FUNDS.INTERFUND TRANSFER	120,636.00	
F.0630	DUE TO GENERAL FUND		120,636.00
<b>Total</b>		<b>120,636.00</b>	<b>120,636.00</b>
<b>Adjusting Journal Entries JE # 22</b>			
To correct the revenue and receivable balance			
F.0350	WATER RENTS RECEIVABLE	134,633.00	
F.0350	WATER RENTS RECEIVABLE	222,353.00	
F.0350	WATER RENTS RECEIVABLE	816,004.00	
F.2140	METERED WATER SALES		1,172,990.00
<b>Total</b>		<b>1,172,990.00</b>	<b>1,172,990.00</b>
<b>Sanitation Fund</b>			
<b>Adjusting Journal Entries JE # 23</b>			
To correct revenue and receivable at year end			
C.0350	RENTS RECEIVABLE	13,331.00	
C.0350	RENTS RECEIVABLE	69,088.00	
C.2130	REFUSE & GARBAGE CHARGES		82,419.00
<b>Total</b>		<b>82,419.00</b>	<b>82,419.00</b>
<b>Parking Fund</b>			
<b>Adjusting Journal Entries JE # 24</b>			
To accrue parking fees for May 2024 from the Justice Court.			
E.0380	ACCOUNTS RECEIVABLE	9,937.00	
E.2610	FINES & FOREFEITED BAIL		9,937.00
<b>Total</b>		<b>9,937.00</b>	<b>9,937.00</b>

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## Appendix 2

### Management Representation Letter

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*Village of*  
**Sleepy Hollow**  
*New York*

Martin Rutyna  
**Mayor**  
(914) 366-5106

Denise Scaglione  
**Deputy Mayor**

**TRUSTEES**

Tom Andruss  
Lauren Connell  
James Husselbee  
Jared Rodriguez  
Patrick Sheeran  
(914) 366-5106

Anthony P. Giaccio  
**Administrator**  
(914) 366-5105

Paula A. McCarthy Tompkins  
**Village Clerk-Registrar**  
(914) 366-5106

Kieya Glaze  
**Village Treasurer**  
(914) 366-5144

March 7, 2025

PKF O'Connor Davies, LLP  
500 Mamaroneck Avenue, Suite 301  
Harrison, New York 10528

This representation letter is provided in connection with your audit of the basic financial statements of the Village of Sleepy Hollow, New York, which comprise the respective financial position of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information as of May 31, 2024, and the respective changes in financial position for the year then ended, and the disclosures collectively, the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter, the following representations made to you during your audit:

- 1) We acknowledge that we have fulfilled our responsibilities as set forth in the terms of the engagement letter dated November 4, 2024 for:
  - a) The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity. The combining and individual fund financial statements have been prepared and presented in conformity with the accounting principles used to prepare the basic financial statements.
  - b) 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; and
  - c) The design, implementation, and maintenance of internal control to prevent and detect fraud.
- 2) We understand that the term “fraud” refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity’s assets.
- 3) In regard to the financial statement preparation non-attest services performed by you, we have:
  - a) Assumed all management responsibilities.
  - b) Designated individuals within senior management, who have suitable skill, knowledge, or experience to oversee the services.
  - c) Evaluated the adequacy and results of the services performed.
  - d) Accepted responsibility for the result of the services.
- 4) We are further responsible for reviewing, accepting and processing the standard, adjusting, or correcting journal entries that you proposed during the course of your engagement. We confirm that we designated a suitably qualified individual who understands the nature and impact of the proposed entries to the financial statements, and we accept responsibility for the proposed entries that we authorized and processed.
- 5) We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules in accordance with US GAAP, and we believe the combining and individual fund financial statements and schedules, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the combining and individual fund financial statements and schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

## **Financial Statements**

- 6) The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
  - a) The Village’s accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
  - b) There have been no changes during the period audited in the Village’s accounting policies and practices.
  - c) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

- 7) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 8) The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
  - a) The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - b) Guarantees, whether written or oral, under which the Village is contingently liable, if any.
  - c) The effects of all known actual, possible, pending, or threatening litigation, claims and assessments.
- 9) We have evaluated events subsequent to the date of the financial statements through the date of this letter, and (except as discussed in Note 6 to the financial statements,) no such events have occurred which would require adjustment or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 10) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Village's accounts.

### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records including information obtained from outside of the general and subsidiary ledgers, documentation, and other matters.
  - b) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
  - c) Additional information that you have requested from us for the purpose of the audit.
  - d) Unrestricted access to persons within the Village from whom you determined it necessary to obtain audit evidence.
  - e) Completeness and availability of all minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - f) All significant contracts and agreements.
  - g) All documents and records provided electronically are accurate and complete reproductions of the original documents and records.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Based on our assessment, we did not identify any fraud risks that we believe would result in a material misstatement of the financial statements.
- 13) Except as made known to you, there are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Village's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Village and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Village's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

### **Hosting Services**

17) We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.

18) We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

### **Government—specific**

19) We have a process to track the status of audit findings and recommendations.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

22) The Village has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance or net position.

23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.

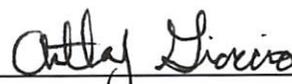
25) There are no violations or possible violations of budget ordinances/resolutions, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

26) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures. We also understand that as part of your audit, you prepared various adjusting journal entries, both on the fund and entity-wide level, and acknowledge that we have reviewed and approved those entries and accepted responsibility for them

- 27) The Village has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Village has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements include all fiduciary activities required by GASB Statement No. 84.
- 32) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- 33) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments and land are properly valued.
- 36) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) We agree with the findings of specialists in evaluating the other postemployment benefit obligation and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.
- 40) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 42) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 43) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

- 44) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 45) Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
- 46) We have appropriately disclosed the Village's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 47) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
- 48) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 49) Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.
- 50) Lease agreements have been appropriately accounted for and disclosed in accordance with the requirements of GASB Statement No. 87, "Leases". The Village made available all relevant information related to its leases.
- 51) The Village has agreements that meet the definition of leases contained in GASB Statement No. 96, "Subscription-Based Information Technology Arrangements". However, the total value of the lease agreements for the year ended May 31, 2024 was deemed immaterial, therefore, the related amounts and disclosures have been excluded from these financials statements.
- 52) Expenditures of federal awards were below the \$750,000 threshold for the year ended May 31, 2024, and we were not required to have an audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance").

Signature: 

Signature: 

Title: Village Treasurer

Title: ADMINISTRATOR

## Appendix 3

### About PKF O'Connor Davies, LLP

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Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,500 professionals and 19 offices in the U.S. Our team of top-notch professionals deliver a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

### REGIONAL CONNECTIONS BACKED BY GLOBAL EXPERTISE

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

### PROACTIVE SERVICE MODEL, ENGAGED PARTNER BASE

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients.

Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

### KNOW GREATER VALUE

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 26th on *Accounting Today's* 2024 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always **Know Greater Value.**

### INDUSTRY RECOGNITION

#26 "Top 100 Firms"

"Top Tax Firm"

"Leaders in 'Audit & Attest' and 'Consulting'"

#5 of the "Top Firms in the Mid-Atlantic"

— *Accounting Today*, 2024

"Best of Accounting Client Satisfaction"

— *ClearlyRated*, 2024

"Top Accountancy Advisory"

— *Family Wealth Report*, 2024

"America's Best Tax and Accounting Firms"

— *Forbes*, 2023

"Accounting/Due Diligence Firm of the Year"

— *The M&A Advisor*, 2024

#10 of the 50 "Best Accounting Employers to Work for in North America"

#1 in Five Categories: Best in Accounting and Overall Internships, Quality of Life, Compensation and Overall Diversity

— *Vault*, 2025

"Best Company to Work for in New York"

— *Rochester Business Journal* and *NYS Society for Human Resources Management*, 2025

"Best Places to Work in NYC"

— *Crain's New York Businesses*, 2024

"Best Places to Work in Westchester"

— *914/INC.*, 2025

"Top Workplaces in Western Connecticut"

— *Hearst Connecticut Media Group*, 2024

"Best Places to Work in New Jersey"

— *NJBIZ*, 2024

# KNOW GREATER VALUE

At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.



## ACCOUNTING & ASSURANCE

- Agreed-Upon Procedures
- Audits, Reviews and Compilations
- Employee Benefit Plan Audits, including ESOPs
- Endowment Fund Accounting
- Peer Review Services
- Public Company Services
- Public Sector Audits and Compliance
- SOC - System and Organizational Control Reporting



## TAX SERVICES

- Business Tax
- Employee Benefit Planning and Tax Compliance
- International Tax (Asia, EU and Latin America Desks)
- Private Client Services
- R&D Tax Credit
- State and Local Tax (SALT)
- Trust and Estate Planning



## BUSINESS CONSULTING

- Bankruptcy
- ESG
- Litigation Support and Forensics (Fraud, Integrity Monitoring and Litigation Support)
- Operational and Cost Effectiveness
- Risk Advisory Services
  - Internal Audit
  - Regulatory Solutions (AML and SOX)
- Services Offered by PKF Clear Thinking – Turnaround Advisory, Performance Improvement and Creditors' Rights
- Strategy and Transformation
- Strategy and Transaction Advisory
  - Turnaround and Restructuring
  - PKF Investment Banking
    - Acquisition Advisory
    - Exit Readiness and Transaction Planning
    - M&A Cybersecurity and Data Privacy Advisory
    - Sell-Side Advisory



## TECHNOLOGY & CYBERSECURITY

- Cybersecurity and Privacy
  - Cybersecurity Maturity Model Certification (CMMC)
  - Dark Web Monitoring
  - Digital Forensic Services
  - General Data Protection Regulation (GDPR)
  - M&A Cybersecurity and Data Privacy Advisory
  - Penetration Testing
  - Virtual Chief Information Security Officer Services (vCISO)
- IT and Cybersecurity Audit
- Technology Advisory



## PRIVATE CLIENT SERVICES

- Family Office
- Private Business Owners
- Trust and Estate Planning



## OUTSOURCED SERVICES

- CFO Solutions
- Outsourced Accounting
  - Portfolio Company Accounting
- Recruitment Services
- Virtual Chief Information Security Officer Services (vCISO)

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