

Village of Sleepy Hollow, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2025

Village of Sleepy Hollow, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Reconciliation of Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Water Funds	23
Fiduciary Fund	
Statement of Changes in Fiduciary Net Position	25
Notes to Financial Statements	26
Required Supplementary Information	
Other Postemployment Benefits	
Schedule of Changes in the Village's Total OPEB Liability and Related Ratios	64
New York State and Local Employees' Retirement System	
Schedule of the Village's Proportionate Share of the Net Pension Liability (Asset)	66
Schedule of Contributions	66
New York State and Local Police and Fire Retirement System	
Schedule of the Village's Proportionate Share of the Net Pension Liability	68
Schedule of Contributions	68
Fire Service Awards Program	
Schedule of Changes in the Village's Total Pension Liability and Related Ratios	70
Ambulance Service Awards Program	
Schedule of Changes in the Village's Total Pension Liability and Related Ratios	71
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Combining Balance Sheet - Sub-Funds	72
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Sub-Funds	74
Comparative Balance Sheet - Sub-Fund	76
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Sub-Fund	77
Schedule of Revenues and Other Financing Sources Compared to Budget - Sub-Fund	79
Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund	81

Village of Sleepy Hollow, New York

Table of Contents (Concluded)

	<u>Page No.</u>
Water Fund	
Comparative Balance Sheet	82
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	83
Capital Projects Fund	
Comparative Balance Sheet	84
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	86
Non-Major Governmental Funds	
Combining Balance Sheet	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Parking Fund	
Comparative Balance Sheet	90
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	92
Sewer Fund	
Comparative Balance Sheet	93
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	95
Sanitation Fund	
Comparative Balance Sheet	96
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	98
Special Purpose Fund	
Comparative Balance Sheet	99
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	101

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Sleepy Hollow, New York ("Village"), as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village, as of May 31, 2025, and the respective changes in financial position and the respective budgetary comparison for the General and Water Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Sleepy Hollow Local Development Corporation ("LDC") which represents 100% of the assets and revenues of the discretely presented component unit, as of May 31, 2025 and the respective changes in financial position for the year then ended. Those statements were audited by another auditor whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the LDC are based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Policy

We draw attention to Note 2C in the notes to financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences*". Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an

essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended May 31, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules for the year ended May 31, 2025 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 for the year ended May 31, 2025 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended May 31, 2025.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended May 31, 2024 (not presented herein), and have issued our report thereon dated March 7, 2025 which contained unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended May 31, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2024 financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended May 31, 2024.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
January 29, 2026

(This page intentionally left blank)

Village of Sleepy Hollow, New York

Management's Discussion and Analysis (MD&A)
May 31, 2025

Introduction

The management of the Village of Sleepy Hollow, New York ("Village") offers this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2025 to readers of the Village's financial statements. It should be read in conjunction with the basic financial statements and the notes to the Village's financial statements which immediately follow this section, to enhance the understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- On the government-wide financial statements, the liabilities and deferred inflows of resources of the Village exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$34,160,319. However, the unrestricted portion of this net position, which is available to meet the ongoing obligations of the Village, is a deficit of \$48,008,191 at May 31, 2025. The total unrestricted portion of net position improved by \$2,707,371 from the deficit unrestricted net position of \$50,715,562 at May 31, 2024.
- The Village is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the Village has recognized substantial liabilities in the government-wide financial statements for these benefits. As of May 31, 2025, the Village had liabilities of \$40,360,461 for other postemployment benefits recorded in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). The Village also reported liabilities of \$2,440,846 and \$6,418,662 for its proportionate share of the net pension liability of the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"), respectively. These amounts were recorded in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*". More detailed information about the Village's OPEB and pension reporting is presented in Note 3G in the notes to financial statements.
- As of the close of the fiscal year, the Village's governmental funds (exclusive of the Capital Projects Fund) reported combined ending fund balances of \$9,477,613; an increase of \$65,529 from the prior year's fund balances of \$9,412,084.
 - Of this balance, \$2,274,698 or 24%, is unassigned for fiscal year 2025. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.
 - The remainder of fund balance is either classified as nonspendable, restricted or assigned to indicate that it is not available for new spending.

- The fund balance of the General Fund increased by \$57,819 to \$6,674,767 from \$6,616,948. At the end of the fiscal years 2025 and 2024, unassigned fund balance for the General Fund was \$2,837,618, or 10.81%, and \$2,007,176, or 7.88%, respectively, of total General Fund expenditures and other financing uses. This indicates an increase in the unassigned fund balance for general activities of the Village.
- During the current fiscal year, the Village retired \$1,772,000 of long-term bonded debt and renewed \$1,895,842 of short-term bond anticipation notes.
- The Village adopted the provisions of GASB Statement No. 101, “*Compensated Absences*”, for the year ended May 31, 2025. This Statement requires that in addition to the value of unused leave time owed to employees upon separation from employment, the Village must now also recognize as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. This change resulted in the cumulative effect for a change in accounting principle reduction of \$(111,410) to the June 1, 2024 opening net position amount.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements can be found on the pages immediately following this section as the first three pages of the basic financial statements.

Fund Financial Statements

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

Governmental Funds

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

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

The Village maintains seven individual governmental funds: the General Fund, Water Fund, Parking Fund, Sewer Fund, Sanitation Fund, Special Purpose Fund and the Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Water and Capital Projects funds, all of which are considered to be major funds. Information for the other four governmental funds, which are considered non-major funds, is combined into a single, aggregated presentation. Individual information on each of these non-major governmental funds is provided in the form of combining and individual fund financial statements and schedules elsewhere in this report.

The Village adopts annual budgets for the General, Water, Parking, Sewer and Sanitation funds. Budgetary comparison statements for the General and Water funds (major funds) have been provided within the basic financial statements to demonstrate compliance with the respective budgets.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Village programs. The Village maintains only one type of fiduciary fund that is known as a Custodial Fund. The Custodial Fund reports resources, not in a trust, that are held by the Village for other parties outside of the Village's reporting entity and, in the case of the Village, primarily to account for payments in lieu of taxes collected for other governments.

The fiduciary fund financial statements can be found in the basic financial statements section of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information schedules for the Village's OPEB, net pension liabilities for ERS and PFRS, the total pension liabilities for the fire and ambulance service awards programs, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$34,160,319 at the close of the fiscal year.

Net Position

	May 31,	
	2025	2024
Current Assets	\$ 20,142,703	\$ 21,694,901
Capital Assets, net	64,997,623	68,587,231
Total Assets	<u>85,140,326</u>	<u>90,282,132</u>
Deferred Outflows of Resources	<u>13,356,167</u>	<u>14,967,126</u>
Current Liabilities	5,520,155	6,954,101
Non-Current Liabilities	109,835,143	111,086,648
Total Liabilities	<u>115,355,298</u>	<u>118,040,749</u>
Deferred Inflows of Resources	<u>17,301,514</u>	<u>20,874,229</u>
Net Position		
Net Investment in Capital Assets	12,389,271	13,670,513
Restricted	1,458,601	3,379,329
Unrestricted	<u>(48,008,191)</u>	<u>(50,715,562)</u>
Total Net Position	<u>\$ (34,160,319)</u>	<u>\$ (33,665,720)</u>

Current assets decreased by \$1,552,198 from the prior year. This was primarily due to a decrease in cash and equivalents as the result of capital outlay, offset by increases in investments and amounts due from state and federal sources. Capital assets decreased by \$3,589,608 from the increase in the capital outlay, net of depreciation expense.

Current liabilities decreased by \$1,433,946 primarily from the payment of open accounts payable and the approved uses of American Rescue Plan Act (“ARPA”) funds previously reflected as unearned revenues.

Long-term liabilities, which consist of bonds, leases, net pension liabilities for ERS and PFRS, total pension liabilities for the fire and ambulance service awards programs and OPEB liability decreased by \$1,251,505 from the previous year. This was primarily due to a decrease in general obligation bonds payable from paying off 2014 and 2016 bonds in the amount of \$1,772,000 and the paydown of \$963,421 of the lease obligation for the East Parcel, partially offset by an increase in OPEB liabilities of \$228,416 and an increase in ERS and PFRS net pension liabilities of \$1,144,300.

A large component of the Village’s net position is its investment in capital assets (land, buildings, land improvements, infrastructure, machinery and equipment, right-to-use leased building and construction-in-progress), net of accumulated depreciation/amortization and less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Village’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions on how they may be used are \$1,458,601 and are primarily restricted for debt service and special purposes. The remaining balance of unrestricted net position, which is a deficit of \$48,008,191, must be financed from future operations. This deficit does not mean that the Village does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including compensated absences (\$1,129,754), net pension liability for ERS and PFRS (\$8,859,508) and OPEB liabilities (\$40,360,461) that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

Change in Net Position

	May 31,	
	2025	2024
REVENUES		
Program Revenues		
Charges for Services	\$ 8,888,604	\$ 7,882,731
Operating Grants and Contributions	524,359	1,118,694
Capital Grants and Contributions	1,587,780	401,708
Total Program Revenues	11,000,743	9,403,133
General Revenues		
Real Property Taxes	17,641,630	15,665,847
Other Tax Items	812,571	772,561
Non-Property Taxes	3,048,247	2,936,702
Unrestricted Use of Money and Property	315,043	188,632
Sale of Property and Compensation for Loss	-	1,815
Unrestricted State Aid	218,968	164,502
Miscellaneous	13,890	92,810
Insurance recoveries	174,027	114,447
Total General Revenues	22,224,376	19,937,316
Total Revenues	33,225,119	29,340,449
PROGRAM EXPENSES		
General Government Support	4,843,325	4,868,172
Public Safety	12,250,441	12,277,872
Health	447,011	448,062
Transportation	2,789,494	2,819,305
Economic Opportunity and Development	650,176	619,271
Culture and Recreation	4,605,413	4,219,117
Home and Community Services	5,775,762	5,502,412
Interest	2,246,686	2,675,180
Total Expenses	33,608,308	33,429,391
Change in Net Position	(383,189)	(4,088,942)
NET POSITION		
Beginning, as reported	(33,665,720)	(29,576,778)
Cumulative Effect of Change in Accounting Principle	(111,410)	-
Beginning, as restated	(33,777,130)	(29,576,778)
Ending	\$ (34,160,319)	\$ (33,665,720)

Governmental Activities

For the fiscal years ended May 31, 2025 and 2024, revenues from governmental activities totaled \$33,225,119 and \$29,340,449, respectively. Tax revenues of \$21,502,448 in 2025 and \$19,375,110 in 2024 (comprised of real property taxes, other tax items and non-property taxes) represented the largest revenue source (64.72% in 2025 and 66.0% in 2024). The \$3,884,670 increase in total governmental activities revenues from the prior year is the result of a combination of the following factors:

- Real property taxes increased by \$1,975,783, due to a combination of an increase in the tax levy and an increase in the taxable assessed value of properties.
- Charges for services increased by \$1,005,873 as a result of an increase in public safety and home and community services.
- Operating grants and contributions decreased by (\$594,335), primarily due to the utilization of Federal Emergency Management assistance aid and the use of funding under the American Rescue Plan Act (“ARPA”) for capital related projects.
- Capital grants and contributions increased by \$1,186,072 due to more capital projects funded by federal and state aid.

For the fiscal years ended May 31, 2025 and 2024, expenses from governmental activities totaled \$33,608,308 and \$33,429,391 respectively. The largest components of the current year’s governmental activities expenses are public safety \$12,250,441 (37%), home and community services \$5,775,762 (17%), general government support \$4,843,325 (14%), culture and recreation \$4,605,413 (14%), transportation \$2,789,494 (8%), and interest \$2,246,686 (7%). Governmental activities expenses increased from the prior year by \$178,917 or 0.54%, primarily as a result of a combination of the following factors:

- Interest expense decreased by \$428,494 due to the decrease in long-term bonded indebtedness, as well as for the reporting of the interest component of lease payments as interest expense in accordance with GASB Statement No. 87, “Leases”.
- Culture and recreation expenses increased by \$386,296 due to increases in parks and recreation program activity.
- Public safety expenses decreased by \$27,431 due to 1st grade police officer on Military leave.

Financial Analysis of the Village’s Funds

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

Governmental Funds

The focus of the Village’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Village Board.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$14,969,110, a decrease of \$464,796 compared to last years ending balance of \$15,433,906. The nonspendable fund balance component is \$567,031, consisting of amounts representing inventories and prepaid expenditures. Fund balance of \$7,824,058 is restricted for snow removal, pension benefits for volunteer fire and ambulance personnel, debt service, future capital projects and special purposes. The assigned fund balance classification aggregates \$4,303,323, consisting primarily of amounts utilized to balance the fiscal 2025-2026 budget (\$1,534,194 in the General Fund), purchases on order (\$106,606 in the General Fund) and amounts available to be used in the future at the Village's discretion in funds other than the General Fund (\$2,093,929 in the Water Fund and \$537,163 in the Sanitation Fund). The remaining fund balance of \$2,274,698 is unassigned and consists of \$2,837,618 in the General Fund, partly offset by unassigned deficits of \$310,198 in the Parking Fund and \$252,722 in the Sewer Fund.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,837,618, representing 42.51% of the total General Fund balance of \$6,674,767. This is a modest increase from the prior year, when the total fund balance was \$6,616,948 Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures and other financing uses and total fund balance to total expenditures and other financing uses. At the end of the current fiscal year, the General Fund showed a 10.81% unassigned fund balance to total expenditures and other financing uses, up from 7.83% in the prior year. Total fund balance decreases to 25.4% of that same amount, down from 25.8% in the prior year.

The fund balance of the General Fund increased by \$57,819 during the fiscal year ended May 31, 2025.

General Fund Budgetary Highlights

There was a difference between the original and final estimated revenues budget for the General Fund, with the original budget at \$24,109,560 and the final budget at \$25,015,844, a difference of \$906,284. This difference is attributable to the recognition of previously deferred American Rescue Plan Act ("ARPA") funds received in a prior year. The actual total revenues and other financing sources realized for the year ended May 31, 2025 exceeded the anticipated amount in the final budget by \$1,260,219, primarily due to use of money and property exceeding budgetary estimates by \$290,043, intergovernmental charges that was unbudgeted by \$268,458, departmental income exceeding final estimates by \$418,980, and non-property tax revenues, including sales tax, exceeding final estimates by \$238,247.

There was a difference between the original and final estimated expenditure and other financing uses budget for the General Fund, with the original budget at \$26,709,560 and the final budget at \$27,615,844, for a difference of \$906,284. This was due to the recognition of the American Rescue Plan Act funds, with some of these resources being utilized for public safety purposes and the remainder being transferred out to the Water Fund. The actual total expenditures and other financing uses were \$1,209,166, or 4.38%, less than the final budget, with savings primarily derived from the police department, and debt service obligations.

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2025, net of accumulated depreciation/amortization, was \$64,997,623. This investment in capital assets includes land, construction-in-progress, buildings, land improvements, infrastructure (not all inclusive), machinery and equipment and right-to-use leased building.

Capital Assets

Asset	May 31,	
	2025	2024
Land	\$ 3,405,875	\$ 3,405,875
Construction-in-Progress	6,936,192	6,657,666
Buildings	4,829,603	5,082,721
Land Improvements	4,307,431	4,654,180
Infrastructure	13,335,352	14,378,892
Machinery and Equipment	6,100,335	6,651,297
Right-to-use leased equipment	26,082,835	27,756,600
Total (net of depreciation/amortization)	\$ 64,997,623	\$ 68,587,231

Additional information on the Village's capital assets can be found in Note 3D in the notes to financial statements.

Long-Term Debt

The Village's long-term debt consists of the following:

Long-Term Debt

Liability	May 31,	
	2025	2024
General obligation bonds payable	\$ 28,239,846	\$ 30,128,826
Leases payable	29,887,169	30,850,590
Total pension liability -		
Service awards programs	1,358,405	1,198,015
Net pension liability - ERS/PFRS	8,859,508	7,715,208
Compensated absences	1,129,754	1,061,964
Other postemployment benefit liability	40,360,461	40,132,045
	\$ 109,835,143	\$ 111,086,648

At the end of the current fiscal year, the Village had total bonded debt principal outstanding of \$27,674,000. The Village had a lease payable total outstanding debt of \$29,887,169. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

Additional information on the Village's long-term debt can be found in Note 3G in the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

We have seen continued increases in the cost of providing health insurance and retirement benefits to our employees over the last 4 years. Employee benefits continue to put a strain on available Village resources. We were fortunate to continue to see an increase in revenues from Edge on Hudson building permits, departmental income, and an increase in sales tax received from Westchester County.

The uncertain economic climate will continue to have an impact on our local economy. Housing prices are slightly improving and high unemployment continues to reduce disposable incomes; but with the new Edge on Hudson construction currently underway, the Village is looking at moderate growth in our future assessments over the next few years. The Village will continue to eliminate or reduce non-essential spending as always, while closely monitoring the costs of the programs that our residents rely on.

Requests for Information

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

Village of Sleepy Hollow, New York

Statement of Net Position
May 31, 2025

	Primary Government	Component Unit
	Governmental Activities	Sleepy Hollow Local Development Corporation
ASSETS		
Cash and equivalents	\$ 10,591,787	\$ 358,718
Restricted cash	-	4,347,788
Investments	5,815,552	-
Receivables		
Taxes, net	11,966	-
Accounts	403,314	-
Water rents	1,080,180	-
Sewer rents	197,667	-
State and Federal aid	522,104	-
Due from other governments	664,332	-
Leases	288,770	30,033,767
Interest	-	115,676
Inventories	107,195	-
Deposits	-	135
Prepaid expenses	459,836	87,528
Capital assets		
Not being depreciated	10,342,067	37,096,097
Being depreciated/amortized, net	54,655,556	17,277
Total Assets	<u>85,140,326</u>	<u>72,056,986</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding bonds	27,166	-
Pension related	5,031,288	-
Length of service awards programs	455,961	-
OPEB related	7,841,752	-
Total Deferred Outflows of Resources	<u>13,356,167</u>	<u>-</u>
LIABILITIES		
Accounts payable	963,055	991,723
Accrued liabilities	433,429	-
Due to retirement systems	407,220	-
Deposit payable	1,184,318	-
Unearned revenues	3,240	-
Bond anticipation notes payable	1,895,842	-
Accrued interest payable	633,051	-
Non-current liabilities		
Due within one year	3,780,650	1,156,111
Due in more than one year	106,054,493	31,341,667
Total Liabilities	<u>115,355,298</u>	<u>33,489,501</u>
DEFERRED INFLOWS OF RESOURCES		
Lease related	274,523	30,033,767
Pension related	744,794	-
Length of service awards programs	907,733	-
OPEB related	15,374,464	-
Total Deferred Inflows of Resources	<u>17,301,514</u>	<u>30,033,767</u>
NET POSITION		
Net investment in capital assets	12,389,271	8,345,834
Restricted		
Snow removal	1,656	-
Debt service	877,274	-
Future capital projects	3	-
Special purposes	579,668	-
Unrestricted	(48,008,191)	187,884
Total Net Position	<u>\$ (34,160,319)</u>	<u>\$ 8,533,718</u>

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

Village of Sleepy Hollow, New York

Statement of Activities
Year Ended May 31, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 4,843,325	\$ 203,921	\$ 10,550	\$ 33,183
Public safety	12,250,441	1,832,172	247,842	-
Health	447,011	297,677	-	-
Transportation	2,789,494	371,457	163,893	-
Economic opportunity and development	650,176	-	-	-
Culture and recreation	4,605,413	534,154	76,945	871,934
Home and community services	5,775,762	5,649,223	25,129	682,663
Interest	2,246,686	-	-	-
Total Governmental Activities	<u>\$ 33,608,308</u>	<u>\$ 8,888,604</u>	<u>\$ 524,359</u>	<u>\$ 1,587,780</u>
Component unit				
Sleepy Hollow Local Development Corporation	<u>\$ 1,327,112</u>	<u>\$ 3,317,304</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

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

Total General Revenues

Change in Net Position

Net Position - Beginning, as reported

Cumulative Effect of Change in Accounting Principle

Net Position - Beginning, as restated

Net Position - Ending

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

Primary Government	Component Unit
Net (Expense) Revenue and Changes in Net Position	Sleepy Hollow Local Development Corporation
\$ (4,595,671)	\$ -
(10,170,427)	-
(149,334)	-
(2,254,144)	-
(650,176)	-
(3,122,380)	-
581,253	-
(2,246,686)	-
(22,607,565)	-
-	1,990,192
17,641,630	-
692,818	-
119,753	-
114,105	-
232,314	-
2,701,828	-
315,043	-
218,968	-
13,890	-
174,027	-
22,224,376	-
(383,189)	1,990,192
(33,665,720)	6,543,526
(111,410)	-
(33,777,130)	6,543,526
\$ (34,160,319)	\$ 8,533,718

Village of Sleepy Hollow, New York

Balance Sheet
 Governmental Funds
 May 31, 2025

	General	Water	Capital Projects
ASSETS			
Cash and equivalents	\$ 8,833,802	\$ 757,798	\$ 124,707
Investments	5,815,552	-	-
Taxes receivable, net	11,966	-	-
Other receivables			
Accounts	156,600	-	-
Water rents	-	1,080,180	-
Sewer rents	-	-	-
State and Federal aid	202,104	-	320,000
Due from other governments	664,332	-	-
Leases	288,770	-	-
Due from other funds	1,093,312	667,223	7,202,770
	<u>2,405,118</u>	<u>1,747,403</u>	<u>7,522,770</u>
Inventories	-	107,195	-
Prepaid expenditures	412,025	30,149	-
Total Assets	<u>\$ 17,478,463</u>	<u>\$ 2,642,545</u>	<u>\$ 7,647,477</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 496,976	\$ 373,597	\$ 60,138
Accrued liabilities	356,996	37,675	-
Due to retirement systems	407,220	-	-
Deposit payable	1,184,318	-	-
Due to other funds	8,068,457	-	200,000
Unearned revenues	3,240	-	-
Bond anticipation notes payable	-	-	1,895,842
Total Liabilities	<u>10,517,207</u>	<u>411,272</u>	<u>2,155,980</u>
Deferred inflows of resources			
Deferred tax revenues	11,966	-	-
Lease related	274,523	-	-
Total Deferred Inflows of Resources	<u>286,489</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,803,696</u>	<u>411,272</u>	<u>2,155,980</u>
Fund balances (deficits)			
Nonspendable	412,025	137,344	-
Restricted	1,752,893	-	5,491,497
Assigned	1,672,231	2,093,929	-
Unassigned	2,837,618	-	-
Total Fund Balances	<u>6,674,767</u>	<u>2,231,273</u>	<u>5,491,497</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,478,463</u>	<u>\$ 2,642,545</u>	<u>\$ 7,647,477</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 875,480	\$ 10,591,787
-	5,815,552
-	11,966
246,714	403,314
-	1,080,180
197,667	197,667
-	522,104
-	664,332
-	288,770
398,494	9,361,799
842,875	12,518,166
-	107,195
17,662	459,836
<u>\$ 1,736,017</u>	<u>\$ 29,504,502</u>
\$ 32,344	\$ 963,055
38,758	433,429
-	407,220
-	1,184,318
1,093,342	9,361,799
-	3,240
-	1,895,842
1,164,444	14,248,903
-	11,966
-	274,523
-	286,489
1,164,444	14,535,392
17,662	567,031
579,668	7,824,058
537,163	4,303,323
(562,920)	2,274,698
571,573	14,969,110
<u>\$ 1,736,017</u>	<u>\$ 29,504,502</u>

(This page intentionally left blank)

Village of Sleepy Hollow, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position Year Ended May 31, 2025

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

Fund Balances - Total Governmental Funds	\$ 14,969,110
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	10,342,067
Capital assets - depreciable/amortizable	163,614,973
Accumulated depreciation/amortization	<u>(108,959,417)</u>
	64,997,623
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension, length of service awards and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	5,031,288
Deferred outflows - length of service awards programs	455,961
Deferred outflows - OPEB related	7,841,752
Deferred inflows - pension related	(744,794)
Deferred inflows - length of service awards programs	(907,733)
Deferred inflows - OPEB related	<u>(15,374,464)</u>
	(3,697,990)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reflected as deferred revenues in the funds.	
Real property taxes	<u>11,966</u>
Long-term and other liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(633,051)
General obligation bonds payable	(27,674,000)
Leases payable	(29,887,169)
Total pension liability - length of service awards program	(1,358,405)
Net pension liability - ERS	(2,440,846)
Net pension liability - PFRS	(6,418,662)
Compensated absences	(1,129,754)
Total OPEB liability	<u>(40,360,461)</u>
	(109,902,348)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charge on refunding bonds	27,166
Premium on general obligation bonds	<u>(565,846)</u>
	(538,680)
Net Position of Governmental Activities	<u>\$ (34,160,319)</u>

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

Village of Sleepy Hollow, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended May 31, 2025

	General	Water	Capital Projects
REVENUES			
Real property taxes	\$ 17,652,732	\$ -	\$ -
Other tax items	812,571	-	-
Non-property taxes	3,048,247	-	-
Departmental income	1,217,893	4,126,881	-
Intergovernmental charges	268,458	-	-
Use of money and property	455,123	-	-
Licenses and permits	1,320,023	-	-
Fines and forfeitures	70,699	-	-
Sale of property and compensation for loss	-	-	-
State aid	555,001	-	749,006
Federal aid	580,619	200,000	-
Miscellaneous	24,440	-	156,111
Total Revenues	26,005,806	4,326,881	905,117
EXPENDITURES			
Current			
General government support	3,088,020	102,250	-
Public safety	6,683,232	-	-
Health	340,406	-	-
Transportation	1,682,457	-	-
Economic opportunity and development	637,803	-	-
Culture and recreation	2,473,110	-	-
Home and community services	46,937	3,272,859	-
Employee benefits	5,969,542	501,308	-
Debt service			
Principal	2,190,150	401,491	-
Interest	2,498,796	217,548	-
Capital outlay	-	-	1,435,442
Total Expenditures	25,610,453	4,495,456	1,435,442
Excess (Deficiency) of Revenues Over Expenditures	395,353	(168,575)	(530,325)
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	174,027	-	-
Transfers in	125,004	493,347	-
Transfers out	(636,565)	(120,636)	-
Total Other Financing Sources (Uses)	(337,534)	372,711	-
Net Change in Fund Balances	57,819	204,136	(530,325)
FUND BALANCES			
Beginning of Year	6,616,948	2,027,137	6,021,822
End of Year	<u>\$ 6,674,767</u>	<u>\$ 2,231,273</u>	<u>\$ 5,491,497</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 17,652,732
-	812,571
-	3,048,247
1,744,570	7,089,344
-	268,458
14,787	469,910
-	1,320,023
-	70,699
953	953
64,080	1,368,087
-	780,619
-	180,551
1,824,390	33,062,194
39,747	3,230,017
-	6,683,232
-	340,406
258,180	1,940,637
-	637,803
105	2,473,215
1,201,267	4,521,063
432,193	6,903,043
143,780	2,735,421
84,394	2,800,738
-	1,435,442
2,159,666	33,701,017
(335,276)	(638,823)
-	174,027
143,218	761,569
(4,368)	(761,569)
138,850	174,027
(196,426)	(464,796)
767,999	15,433,906
\$ 571,573	\$ 14,969,110

(This page intentionally left blank)

Village of Sleepy Hollow, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended May 31, 2025

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (464,796)</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Capital outlay expenditures	1,050,123
Depreciation/amortization expense	<u>(4,639,731)</u>
	<u>(3,589,608)</u>
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>(11,102)</u>
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Principal paid on bonds	1,772,000
Principal paid on leases	<u>963,421</u>
	<u>2,735,421</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	43,620
Changes in pension liabilities and related deferred outflows and inflows of resources	178,224
Changes in length of service awards program liabilities and related deferred outflows and inflows of resources	(46,655)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	217,655
Accrued interest	450,782
Amortization of loss on refunding bonds and issuance premium	<u>103,270</u>
	<u>946,896</u>
Change in Net Position of Governmental Activities	<u>\$ (383,189)</u>

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

Village of Sleepy Hollow, New York

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 General and Water Funds
 Year Ended May 31, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 17,727,034	\$ 17,727,034	\$ 17,652,732	\$ (74,302)
Other tax items	750,000	750,000	812,571	62,571
Non-property taxes	2,810,000	2,810,000	3,048,247	238,247
Departmental income	798,913	798,913	1,217,893	418,980
Intergovernmental charges	-	-	268,458	268,458
Use of money and property	110,688	110,688	455,123	344,435
Licenses and permits	1,327,641	1,327,641	1,320,023	(7,618)
Fines and forfeitures	70,000	70,000	70,699	699
Sale of property and compensation for loss	5,000	5,000	-	(5,000)
State aid	257,780	593,813	555,001	(38,812)
Federal aid	-	570,251	580,619	10,368
Miscellaneous	52,500	52,500	24,440	(28,060)
Total Revenues	23,909,556	24,815,840	26,005,806	1,189,966
EXPENDITURES				
Current				
General government support	3,313,072	3,270,165	3,088,020	182,145
Public safety	6,861,360	7,436,078	6,683,232	752,846
Health	406,425	406,426	340,406	66,020
Transportation	1,553,418	1,730,419	1,682,457	47,962
Economic opportunity and development	650,175	652,056	637,803	14,253
Culture and recreation	2,424,302	2,537,232	2,473,110	64,122
Home and community services	59,260	49,259	46,937	2,322
Employee benefits	6,364,235	5,947,747	5,969,542	(21,795)
Debt service				
Principal	2,234,104	2,234,104	2,190,150	43,954
Interest	2,713,837	2,715,793	2,498,796	216,997
Total Expenditures	26,580,188	26,979,279	25,610,453	1,368,826
Excess (Deficiency) of Revenues Over Expenditures	(2,670,632)	(2,163,439)	395,353	2,558,792
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	75,000	75,000	174,027	99,027
Transfers in	125,004	125,004	125,004	-
Transfers out	(129,372)	(636,565)	(636,565)	-
Total Other Financing Sources (Uses)	70,632	(436,561)	(337,534)	99,027
Net Change in Fund Balances	(2,600,000)	(2,600,000)	57,819	2,657,819
FUND BALANCES				
Beginning of Year	2,600,000	2,600,000	6,616,948	4,016,948
End of Year	\$ -	\$ -	\$ 6,674,767	\$ 6,674,767

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

Water Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
4,094,214	4,094,214	4,126,881	32,667
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	200,000	200,000
-	-	-	-
<u>4,094,214</u>	<u>4,094,214</u>	<u>4,326,881</u>	<u>232,667</u>
513,400	328,096	102,250	225,846
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,876,226	3,392,196	3,272,859	119,337
517,125	527,594	501,308	26,286
380,809	401,491	401,491	-
86,018	217,548	217,548	-
<u>4,373,578</u>	<u>4,866,925</u>	<u>4,495,456</u>	<u>371,469</u>
<u>(279,364)</u>	<u>(772,711)</u>	<u>(168,575)</u>	<u>604,136</u>
-	-	-	-
-	493,347	493,347	-
<u>(120,636)</u>	<u>(120,636)</u>	<u>(120,636)</u>	<u>-</u>
<u>(120,636)</u>	<u>372,711</u>	<u>372,711</u>	<u>-</u>
(400,000)	(400,000)	204,136	604,136
<u>400,000</u>	<u>400,000</u>	<u>2,027,137</u>	<u>1,627,137</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,231,273</u>	<u>\$ 2,231,273</u>

Village of Sleepy Hollow, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended May 31, 2025

	<u>Custodial Fund</u>
ADDITIONS	
Payments in lieu of taxes collected for other governments	\$ 754,452
DEDUCTIONS	
Remittance of payments in lieu of taxes to other governments	<u>754,452</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

Village of Sleepy Hollow, New York

Notes to Financial Statements

May 31, 2025

Note 1 - Summary of Significant Accounting Policies

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

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Village's significant accounting policies are described below:

A. Financial Reporting Entity

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

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

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

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

B. Government-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted, committed or assigned to

Note 1 - Summary of Significant Accounting Policies (Continued)

expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the Village is as follows -

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

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

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

Special Revenue Funds:

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

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

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

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Village in accordance with grantor or contributor stipulations.

Fiduciary Funds (Not included in Government-Wide Financial Statements) – The Fiduciary Funds are used to account for assets held by the Village on behalf of others. The Custodial Fund is used to account for payments in lieu of taxes collected for other governments.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to total pension liability, net pension liability, compensated absences and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

Component Unit

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

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

The Village follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized

Note 1 - Summary of Significant Accounting Policies (Continued)

into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The Village participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC") and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issued separately available audited financial statement with a year end of June 30th.

The Village's position in the pool in the amount of \$5,140,041 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17th Street, Suite 1850, Denver, CO 80202.

CLASS is rated AAAM by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standard for credit quality, conservative investment policies, and safety of principal. CLASS invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by

Note 1 - Summary of Significant Accounting Policies (Continued)

securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2025.

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

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

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

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

Lease Receivable - The Village is a lessor for various noncancellable leases of property. The Village has recognized a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the Village initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease-term, and (3) lease receipts.

- The Village uses its estimated incremental borrowing rate as the discount rate for the leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lessee.

The Village monitors changes in circumstances that would require remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2025,

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Capital Assets - Capital assets are tangible and intangible assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), and are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets (except intangible right-to-use assets, which are discussed in Note 3D) are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Village chose to include all such items regardless of the acquisition date or amount. The Village was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year).

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

Land, development costs, and construction-in-progress are not depreciated. The other tangible and intangible property, plant and equipment and right-to-use assets of the Village are depreciated/amortized using the straight line method over the following estimated useful lives.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2025

Note 1 - Summary of Significant Accounting Policies (Continued)

<u>Class</u>	<u>Life in Years</u>
Buildings	25-50
Land Improvements	20
Infrastructure	20-65
Machinery and Equipment	5-15
Right-to-Use Assets	5

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues of \$3,240 for miscellaneous items received in advance in the General Fund. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The Village reported deferred inflows of resources in the General Fund of \$11,966 for real property taxes and \$274,523 related to leases. These amounts are deferred and recognized as revenue in the period that the amounts become available.

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

The Village also reported deferred outflows of resources and deferred inflows of resources in relation to its pension, length of service awards programs, and other postemployment benefit liabilities in the government-wide financial statements. These amounts are detailed in the discussion of the Village's pension, length of service awards programs, and other postemployment benefit liabilities in Note 3G.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Leases - The Village is a lessee for a noncancellable lease of a building. The Village recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the government-wide financial statements. The Village recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, the Village initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and purchase option price that the Village is reasonably certain to exercise. The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use leased assets are reported with other capital assets and right-to-use lease liabilities are reported with long-term liabilities on the Statement of Net Position.

Compensated Absences - The liability for compensated absences represents the sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the Village's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary related payments are directly and incrementally associated with payments for the leave. The Village utilizes historical data of past usage patterns to estimate the expected usage and payment

Note 1 - Summary of Significant Accounting Policies (Continued)

of compensated absences. The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, "*Compensated Absences*".

Total Pension Liability - Length of Service Award Programs – The total pension liabilities for the Fire Service Awards Program and the Ambulance Service Awards Program are presented in accordance with the provisions of GASB Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*".

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

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the Village provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Net Position - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Village includes restricted for snow removal, debt service, future capital projects and special purposes.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and

Note 1 - Summary of Significant Accounting Policies (Continued)

unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

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

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

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

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

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 29, 2026.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General, Water, Parking, Sewer and Sanitation funds.
- f) Budgets for General, Water, Parking, Sewer and Sanitation funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not legally adopted by the Board for the Special Purpose funds since other means control the use of these resources (e.g. grant awards) and sometimes span a period of more than one fiscal year.
- g) The Village Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in General, Water, Parking, Sewer and Sanitation funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2025 fiscal year was \$29,046,495 which exceeded the actual levy by \$11,319,461.

In addition to this constitutional tax limitation, Chapter 97 of the Laws of 2011, as amended (“Tax Levy Limitation Law”), modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the “Allowable Levy Growth Factor”, which is the lesser of two percent or the “Inflation Factor” provided, however, that in no case shall the levy growth factor be less than one. The Inflation Factor is the percentage change in the twelve month average of the National Consumer Price Indexes determined by the United States Department of Labor calculated six months before the start of the new fiscal year.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 2 - Stewardship, Compliance and Accountability (Continued)

The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board first enacts, by a vote of at least sixty percent of the total voting power of the Village Board, a local law to override such limit for such coming fiscal year.

C. Cumulative Effect of Change in Accounting Principle

The Village implemented the provisions of GASB Statement No. 101, “*Compensated Absences*”, for the year ended May 31, 2025. In addition to the value of unused leave time owed to employees upon separation from employment, the Village now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result, the Village has reported a cumulative effect of change in accounting principle to the June 1, 2024 net position of governmental activities of (\$111,410).

D. Expenditures in Excess of Budget

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

	<u>Amount</u>
General Fund:	
General government support - Judgments and claims	\$ 17,531
Home and community services - Planning	6,096
Employee benefits - State retirement	71,155
Sewer Fund:	
Home and community services	68,282
Debt service - principal	12,204
Debt service - interest	75,709
Sanitation Fund - Home and community services	7,778

E. Fund Deficits

The following funds have unassigned deficits at May 31, 2025:

Parking Fund	\$ 312,928
Sewer Fund	249,992

F. Reclassification of Prior Year Presentation

Certain balance sheet classifications have been updated to conform with the current year’s presentation.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2025

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at May 31, 2025 consisted of the following:

Current	\$	11,966
Overdue		<u>68,844</u>
		80,810
Allowance for uncollectible taxes		<u>(68,844)</u>
	\$	<u>11,966</u>

Taxes receivable are offset by deferred tax revenues of \$11,966, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

B. Interfund Receivables/Payables

The composition of due from/to other funds at May 31, 2025 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,093,312	\$ 8,068,457
Water	667,223	-
Capital Projects	7,202,770	200,000
Non-Major Governmental	<u>398,494</u>	<u>1,093,342</u>
	<u>\$ 9,361,799</u>	<u>\$ 9,361,799</u>

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

C. Lease Receivable

Village

In 2002, the Village entered into lease agreements for a lessee to lease space to operate a cell tower. The lease term runs through September 30, 2029.

The Village recognized lease income of \$93,136 and interest of \$9,892 for the year ended May 31, 2025. As of May 31, 2025, the lease receivable was \$288,770 and the deferred inflows of resources was \$274,523 and was reflected in the government-wide financial statements and in the fund financial statements in the General Fund.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Future minimum lease payments are as follows:

<u>Years Ending May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 93,816	\$ 7,390	\$ 101,206
2027	99,748	4,495	104,243
2028	76,084	1,641	77,725
2029	19,122	119	19,241
	<u>\$ 288,770</u>	<u>\$ 13,645</u>	<u>\$ 302,415</u>

Component Unit

The LDC is a lessor of property and facilities commonly referred to as the East Parcel to the Village, which terminates on December 31, 2041. Lease revenue recognized during the year ended May 31, 2025 was \$1,480,491. Lease interest recognized during the year ended May 31, 2025 was \$800,913.

Lease payments from the Village are amounts sufficient to pay the principal and interest of the LDC's Series 2020 tax-exempt revenue bonds as of each payment date with credit for amounts held in escrow for bond interest. Future minimum lease payments are as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,456,782	\$ 674,262	\$ 2,131,044
2027	1,433,072	663,289	2,096,361
2028	1,409,363	652,315	2,061,678
2029	1,385,653	641,341	2,026,994
2030	1,361,944	630,367	1,992,311
2031-2035	6,454,076	2,987,230	9,441,306
2036-2040	5,861,339	2,712,883	8,574,222
2041-2042	10,671,538	4,939,256	15,610,794
	<u>\$ 30,033,767</u>	<u>\$ 13,900,943</u>	<u>\$ 43,934,710</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

D. Capital Assets

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

	Balance June 1, 2024	Additions	Deletions	Balance May 31, 2025
Capital Assets, not being depreciated/amortized:				
Land	\$ 3,405,875	\$ -	\$ -	\$ 3,405,875
Construction-in-progress	6,657,666	278,526	-	6,936,192
Total Capital Assets, not being depreciated/amortized	<u>\$ 10,063,541</u>	<u>\$ 278,526</u>	<u>\$ -</u>	<u>\$ 10,342,067</u>
Capital Assets, being depreciated/amortized:				
Buildings	\$ 10,034,019	\$ -	\$ -	\$ 10,034,019
Land improvements	9,941,966	183,164	-	10,125,130
Infrastructure	92,679,348	-	-	92,679,348
Machinery and equipment	19,083,913	588,433	-	19,672,346
Right-to-use leased building	31,104,130	-	-	31,104,130
Total Capital Assets, being depreciated/amortized	<u>162,843,376</u>	<u>771,597</u>	<u>-</u>	<u>163,614,973</u>
Less Accumulated Depreciation/Amortization for:				
Buildings	4,951,298	253,118	-	5,204,416
Land improvements	5,287,786	529,913	-	5,817,699
Infrastructure	78,300,456	1,043,540	-	79,343,996
Machinery and equipment	12,432,616	1,139,395	-	13,572,011
Right-to-use leased building	3,347,530	1,673,765	-	5,021,295
Total Accumulated Depreciation/Amortization	<u>104,319,686</u>	<u>4,639,731</u>	<u>-</u>	<u>108,959,417</u>
Total Capital Assets, being depreciated/amortized, net	<u>\$ 58,523,690</u>	<u>\$ (3,868,134)</u>	<u>\$ -</u>	<u>\$ 54,655,556</u>
Capital Assets, net	<u>\$ 68,587,231</u>	<u>\$ (3,589,608)</u>	<u>\$ -</u>	<u>\$ 64,997,623</u>

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

General Government Support	\$ 377,173
Public Safety	1,818,137
Health	60,154
Transportation	407,825
Economic Opportunity and Development	2,678
Culture and Recreation	1,495,073
Home and Community Services	<u>478,691</u>
Total Depreciation/Amortization Expense	<u>\$ 4,639,731</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Capital Assets - Component Unit

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

	Balance June 1, 2024	Additions	Balance May 31, 2025
Capital Assets, not being depreciated:			
Land	\$ 2,924,694	\$ 881,066	\$ 3,805,760
Development costs	24,462,971	7,867,054	32,330,025
Construction-in-progress - buildings and improvements	945,839	14,473	960,312
Total Capital Assets, not being depreciated	<u>\$ 28,333,504</u>	<u>\$ 8,762,593</u>	<u>\$ 37,096,097</u>
Capital Assets, being depreciated - Equipment	\$ 73,881	\$ -	\$ 73,881
Less Accumulated Depreciation	53,914	2,690	56,604
Total Capital Assets, being depreciated, net	<u>\$ 19,967</u>	<u>\$ 2,690</u>	<u>\$ 17,277</u>
Capital Assets, net	<u>\$ 28,353,471</u>	<u>\$ 8,759,903</u>	<u>\$ 37,113,374</u>

E. Accrued Liabilities

Accrued liabilities at May 31, 2025 were as follows:

	Fund			Total
	General	Water	Non-Major Governmental	
Payroll and Employee Benefits	\$ 348,061	\$ 29,534	\$ 38,758	\$ 416,353
Overpayments	8,935	8,141	-	17,076
	<u>\$ 356,996</u>	<u>\$ 37,675</u>	<u>\$ 38,758</u>	<u>\$ 433,429</u>

F. Short-Term Capital Borrowings

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

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance June 1, 2024	New Issues	Redemptions	Balance May 31, 2025
Various	11/16/2023	11/17/2024	4.50 %	\$ 1,895,842	\$ -	\$ 1,895,842	\$ -
Various	11/14/2024	11/14/2025	3.75 %	-	1,895,842	-	1,895,842
				<u>\$ 1,895,842</u>	<u>\$ 1,895,842</u>	<u>\$ 1,895,842</u>	<u>\$ 1,895,842</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$81,835 were recorded in the fund financial statements in the General Fund. Interest expense of \$72,187 was recorded in the government-wide financial statements.

G. Long-Term Indebtedness

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2025:

	Balance as Reported June 1, 2024	Cumulative Effect of Change in Accounting Principle*	Balance as Restated, June 1, 2024	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2025	Due Within One Year
Governmental Activities:							
General Obligation Bonds Payable	\$ 29,446,000	\$ -	\$ 29,446,000	\$ -	\$ 1,772,000	\$ 27,674,000	\$ 1,517,000
Plus - Unamortized premium on bonds	682,826	-	682,826	-	116,980	565,846	-
	<u>30,128,826</u>	<u>-</u>	<u>30,128,826</u>	<u>-</u>	<u>1,888,980</u>	<u>28,239,846</u>	<u>1,517,000</u>
Leases Payable	30,850,590	-	30,850,590	-	963,421	29,887,169	966,253
Other Non-current Liabilities:							
Total Pension Liability - Length of service awards program - Fire	933,221	-	933,221	139,751	26,200	1,046,772	-
Total Pension Liability - Length of service awards program - Ambulance	264,794	-	264,794	51,019	4,180	311,633	-
Net Pension Liability - ERS	2,215,039	-	2,215,039	225,807	-	2,440,846	-
Net Pension Liability - PFRS	5,500,169	-	5,500,169	918,493	-	6,418,662	-
Compensated Absences	1,061,964	111,410	1,173,374	-	43,620 **	1,129,754	110,000
Other Postemployment Benefit Liability	40,132,045	-	40,132,045	1,415,813	1,187,397	40,360,461	1,187,397
Total Other Non-current Liabilities	<u>50,107,232</u>	<u>111,410</u>	<u>50,218,642</u>	<u>2,750,883</u>	<u>1,261,397</u>	<u>51,708,128</u>	<u>1,297,397</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 111,086,648</u>	<u>\$ 111,410</u>	<u>\$ 111,198,058</u>	<u>\$ 2,750,883</u>	<u>\$ 4,113,798</u>	<u>\$ 109,835,143</u>	<u>\$ 3,780,650</u>
Component Unit - Local Development Corporation - Revenue Bonds Payable	<u>\$ 33,653,889</u>	<u>\$ -</u>	<u>\$ 33,653,889</u>	<u>\$ -</u>	<u>\$ 1,156,111</u>	<u>\$ 32,497,778</u>	<u>\$ 1,156,111</u>

*See Note 2C.

**The change in the compensated absences liability is presented as a net change.

Each governmental fund's liability for bonds, leases, total pension liability, net pension liability, compensated absences and other postemployment benefit liability is liquidated by the respective fund.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at May 31, 2025 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at May 31, 2025</u>
Various Purposes	2016	\$ 4,198,400	August, 2036	2.00 - 3.40 %	\$ 2,835,000
EFC Statutory	2018	3,813,000	November, 2047	0.00	2,924,000
Refunding	2019	4,780,000	August, 2030	5.00	2,705,000
Public Improvements	2019	1,520,000	August, 2028	5.00	770,000
Public Improvements	2023	18,625,000	November, 2043	4.00 - 6.00	18,440,000
					<u>\$ 27,674,000</u>

Interest expenditures of \$1,516,596 were recorded in the fund financial statements in the funds indicated below. Interest expense of \$987,787 was recorded in the government-wide financial statements.

<u>Fund</u>	<u>Amount</u>
General	\$ 1,214,654
Water	217,548
Parking	348
Sewer	84,046
	<u>\$ 1,516,596</u>

Leases Payable

Leases payable at May 31, 2025 are comprised of the following individual agreement:

<u>Purpose</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding at May 31, 2025</u>
East Parcel	\$ 31,104,130	January 2041	3.86 %	<u>\$ 29,887,169</u>

Interest expenditures of \$1,202,307 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,186,712 was recorded in the government-wide financial statements.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of May 31, 2025, including interest payments of \$23,485,088 are as follows:

Year Ending May 31,	General Obligation Bonds		Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,517,000	\$ 1,041,305	\$ 966,253	\$ 1,164,791	\$ 2,483,253	\$ 2,206,096
2027	1,582,000	974,230	969,197	1,127,164	2,551,197	2,101,394
2028	1,652,000	900,480	972,256	1,089,421	2,624,256	1,989,901
2029	1,737,000	819,380	975,436	1,051,559	2,712,436	1,870,939
2030	1,602,000	743,080	978,740	1,013,571	2,580,740	1,756,651
2031-2035	6,785,000	2,844,315	4,947,995	4,493,311	11,732,995	7,337,626
2036-2040	6,585,000	1,664,955	5,052,405	3,521,817	11,637,405	5,186,772
2041-2045	5,830,000	449,800	15,024,887	585,909	20,854,887	1,035,709
2046-2048	384,000	-	-	-	384,000	-
	<u>\$ 27,674,000</u>	<u>\$ 9,437,545</u>	<u>\$ 29,887,169</u>	<u>\$ 14,047,543</u>	<u>\$ 57,561,169</u>	<u>\$ 23,485,088</u>

The above general obligation bonds and leases are direct borrowings of the Village for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Village.

Legal Debt Margin

The Village is subject to legal limitations on the amount of debt that it may issue. The Village's legal debt margin is 7% of the five year average full valuation of taxable real property. At May 31, 2025, that amount was \$108,370,124. As of May 31, 2025, the total outstanding debt applicable to the limit was \$21,012,696, which is 19.39% of the total debt limit.

Component Unit Debt – Revenue Bonds Payable

Long-term indebtedness of the LDC at May 31, 2025 consisted of the following:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at May 31, 2025
Revenue Bonds	2020	\$ 35,000,000	January, 2041	3.0 %	<u>\$ 32,497,778</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The annual requirements to amortize the bonded debt of the LDC as of May 31, 2025, including interest payments of \$11,436,933 is as follows:

Year Ended	General Obligation Bonds		
	Principal	Interest	Total
2026	\$ 1,156,111	\$ 974,933	\$ 2,131,044
2027	1,156,111	940,250	2,096,361
2028	1,156,111	905,567	2,061,678
2029	1,156,111	870,883	2,026,994
2030	1,156,111	836,200	1,992,311
2031-2035	5,780,555	3,660,750	9,441,305
2036-2040	5,780,555	2,793,667	8,574,222
2041	15,156,113	454,683	15,610,796
	<u>\$ 32,497,778</u>	<u>\$ 11,436,933</u>	<u>\$ 43,934,711</u>

Compensated Absences

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

Length of Service Awards Program – Fire Service Awards

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, established a Length of Service Awards Program (“LOSAP”) under Section 457e(11) of the Internal Revenue Code for active firefighter members of the Village of Sleepy Hollow Fire Department. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village is the Sponsor of the Program and the Program administrator. The Program is accounted for in the Village’s financial statements within the Fire Service Awards Program Sub-Fund of the General Fund.

This Program is a single employer defined benefit plan. An eligible Program Participant is defined to be an active firefighter who is at least 18 years of age and upon earning 50 or more points in a calendar year after 2020 under the provisions of the Program point system, is eligible to become a participant in the Program. Points are granted for the performance of certain activities in accordance with a system established by the Village on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 62 or the participant’s age after earning 50 program points), shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The monthly benefits are \$20 for each year of service credit, up to a maximum of 30 years. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Board of Trustees, are authorized to invest the funds in authorized investment vehicles. Administrative costs are paid by the Village from the General Fund. Separate financial statements are not issued by the Program.

At the May 31, 2025 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	12
Inactive participants entitled to but not yet receiving benefits payments	1
Active participants	<u>60</u>
Total	<u><u>73</u></u>

New York State General Municipal Law §219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village.

The total pension liability at the May 31, 2025 measurement date was determined using an actuarial valuation as of January 1, 2025.

The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Scale: None assumed

Mortality rates were based on RP-2014 Combined Table projected to 2025.

The discount rate used to measure the total pension liability was 4.19%. This was the yield to maturity of the Fidelity 20-Year GO AA Bond Index.

The Village's change in total pension liability for the year ended May 31, 2025 is as follows:

Total Pension Liability - Beginning of Year	\$ 933,221
Service cost	30,370
Interest	38,298
Changes in assumptions or other inputs	49,718
Differences between expected and actual experience	21,365
Benefit payments	<u>(26,200)</u>
Total Pension Liability - End of Year	<u><u>\$ 1,046,772</u></u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total pension liability of the Village as of the May 31, 2025 measurement date, calculated using the discount rate of 4.19%, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.19%) or 1-percentage point higher (5.19%) than the current rate:

	1% Decrease (3.19%)	Current Discount Rate (4.19%)	1% Increase (5.19%)
Total Pension Liability	<u>\$ 1,242,000</u>	<u>\$ 1,046,772</u>	<u>\$ 889,000</u>

For the year ended May 31, 2025, the Village recognized pension expense of \$50,710 in the government-wide financial statements. At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 146,901	\$ 143,570
Changes of assumptions or other inputs	<u>200,894</u>	<u>460,877</u>
	<u>\$ 347,795</u>	<u>\$ 604,447</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended May 31,</u>	
2026	\$ (14,589)
2027	(14,589)
2028	(14,589)
2029	(14,589)
2030	(14,589)
Thereafter	<u>(183,707)</u>
	<u>\$ (256,652)</u>

Length of Service Awards Program – Ambulance Service Awards

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, established a Length of Service Awards Program (“LOSAP”) under Section 457e(11) of the Internal Revenue Code for active volunteer ambulance members of the Village of Sleepy Hollow Ambulance Corps. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to facilitate the recruitment and retention of active volunteer ambulance members. The Village is the Sponsor of the Program and the Program administrator. The Program is accounted for in the Village's financial statements within the Ambulance Service Awards Program Sub-Fund of the General Fund.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

This Program is a single employer defined benefit plan. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant upon attainment of entitlement age (the later of age 65 or the participant's age after earning five years of service credit) shall be able to receive their service award, payable in the form of a ten-year monthly payment life annuity.

The monthly benefits are \$20 for each year of service credit, up to a maximum of 30 years. The Program also provides disability and death benefits.

At the May 31, 2025 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefits payments	-
Inactive participants entitled to but not yet receiving benefits payments	2
Active participants	<u>29</u>
 Total	 <u><u>31</u></u>

New York State General Municipal Law §219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village.

The total pension liability at the May 31, 2025 measurement date was determined using an actuarial valuation as of January 1, 2025.

The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal

Inflation: 2.25%

Salary Scale: None assumed

Mortality rates were based on RP-2014 Combined Table projected to 2025.

The discount rate used to measure the total pension liability was 4.19%. This was the yield to maturity of the Fidelity 20-Year GO AA Bond Index.

The Village's change in total pension liability for the year ended May 31, 2025 is as follows:

Total Pension Liability - Beginning of Year	\$ 264,794
Service cost	25,224
Interest	10,931
Changes in assumptions or other inputs	18,940
Differences between expected and actual experience	(4,076)
Benefit payments	<u>(4,180)</u>
 Total Pension Liability - End of Year	 <u><u>\$ 311,633</u></u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total pension liability of the Village as of the May 31, 2025 measurement date, calculated using the discount rate of 4.19%, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.19%) or 1-percentage point higher (5.19%) than the current rate:

	1% Decrease (3.19%)	Current Discount Rate (4.19%)	1% Increase (5.19%)
Total Pension Liability	\$ 377,000	\$ 311,633	\$ 259,000

For the year ended May 31, 2025, the Village recognized pension expense of \$26,326 in the government-wide financial statements. At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,703	\$ 136,735
Changes of assumptions or other inputs	79,463	166,551
	<u>\$ 108,166</u>	<u>\$ 303,286</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended May 31,	
2026	\$ (9,145)
2027	(9,145)
2028	(9,145)
2029	(9,145)
2030	(9,145)
Thereafter	<u>(149,395)</u>
	<u>\$ (195,120)</u>

Pension Plans

New York State and Local Retirement System

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees’ Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31. The employer contribution rates for the ERS and PFRS plan year ended March 31, 2025 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	17.8 %
	5 A15	15.3
	6 A15	11.3
PFRS	2 384D	34.8 %
	6 384D	24.3

At May 31, 2025, the Village reported the following for its proportionate share of the net pension liability of ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2025	March 31, 2025
Net pension liability	\$ 2,440,846	\$ 6,418,662
Villages' proportion of the net pension liability	0.0142359 %	0.1056247 %
Change in proportion since the prior measurement date	(0.0008078) %	(0.0103435) %

The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village’s proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended May 31, 2025, the Village recognized pension expense in the government-wide financial statements of \$617,859 for ERS and \$1,413,026 for PFRS. Pension expenditures of \$819,198 for ERS and \$1,389,911 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 499,688	\$ 1,389,911
Water	170,061	-
Sanitation	77,301	-
Parking	20,614	-
Sewer	<u>51,534</u>	<u>-</u>
 Total	 <u>\$ 819,198</u>	 <u>\$ 1,389,911</u>

At May 31, 2025, the Village reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 605,834	\$ 28,578	\$ 2,137,971	\$ -
Changes of assumptions	102,364	-	963,835	-
Net difference between projected and actual earnings on pension plan investments	191,502	-	246,713	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	294,330	95,832	81,519	620,384
Village contributions subsequent to the measurement date	<u>155,702</u>	<u>-</u>	<u>251,518</u>	<u>-</u>
	<u>\$ 1,349,732</u>	<u>\$ 124,410</u>	<u>\$ 3,681,556</u>	<u>\$ 620,384</u>
	<u>Total</u>			
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		
Differences between expected and actual experience	\$ 2,743,805	\$ 28,578		
Changes of assumptions	1,066,199	-		
Net difference between projected and actual earnings on pension plan investments	438,215	-		
Changes in proportion and differences between Village contributions and proportionate share of contributions	375,849	716,216		
Village contributions subsequent to the measurement date	<u>407,220</u>	<u>-</u>		
	<u>\$ 5,031,288</u>	<u>\$ 744,794</u>		

\$155,702 and \$251,518 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended March 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Year Ended March 31,	ERS	PFRS
2026	\$ 509,469	\$ 1,526,368
2027	684,242	881,942
2028	(153,011)	(53,597)
2029	28,920	325,248
2030	-	129,693
	<u>\$ 1,069,620</u>	<u>\$ 2,809,654</u>

The total pension liability for the March 31, 2025 measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	ERS	PFRS
Measurement date	March 31, 2025	March 31, 2025
Actuarial valuation date	April 1, 2024	April 1, 2024
Investment rate of return	5.9% *	5.9% *
Salary scale	4.3%	6.0%
Inflation rate	2.9%	2.9%
Cost of living adjustments	1.5%	1.5%

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target allocation is summarized in the following table:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	25 %	3.54 %
International Equity	14	6.57
Private Equity	15	7.25
Real Estate	12	4.95
Opportunistic/ARS Portfolio	3	5.25
Credit	4	5.40
Real Assets	4	5.55
Fixed Income	22	2.00
Cash	<u>1</u>	0.25
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.9%.

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Village's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	<u>1% Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 7,064,114</u>	<u>\$ 2,440,846</u>	<u>\$ (1,419,587)</u>
Village's proportionate share of the PFRS net pension liability	<u>\$ 13,534,021</u>	<u>\$ 6,418,662</u>	<u>\$ 545,957</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2025 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 247,600,239,000	\$ 48,718,477,000	\$ 296,318,716,000
Fiduciary net position	<u>230,454,512,000</u>	<u>42,641,620,000</u>	<u>273,096,132,000</u>
Employers' net pension liability	<u>\$ 17,145,727,000</u>	<u>\$ 6,076,857,000</u>	<u>\$ 23,222,584,000</u>
Fiduciary net position as a percentage of total pension liability	<u>93.08%</u>	<u>87.53%</u>	<u>92.16%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2025 represent the employer contribution for the period of April 1, 2025 through May 31, 2025 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the two months ended May 31, 2025 were \$155,702 and \$251,518.

Voluntary Defined Contribution Plan

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

Other Postemployment Benefit Liability ("OPEB")

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing postemployment health care benefits is shared between the Village and the retired employee. Substantially all of the Village's employee's may become eligible for those benefits if they reach normal retirement age while working for the Village. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At May 31, 2025, the following employees were covered by the benefit terms:

Active Employees	71
Retired Employees	<u>59</u>
Total	<u>130</u>

The Village's total OPEB liability of \$40,360,461 was measured as of May 31, 2025 and was determined by an actuarial valuation as of May 31, 2025.

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the May 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	4.81%
Healthcare cost trend rates	7.00% for 2025, decreasing by up to .25% per year to an ultimate rate of 4.50% for 2035

The discount rate was based on the S&P Municipal Bond 20-year High Grade Bond index rate.

Mortality rates were based on the PUB-2016 headcount weighted mortality tables using the MP-2021 projection scale.

The Village's change in the total OPEB liability for the year ended May 31, 2025 is as follows:

Total OPEB Liability - Beginning of Year	\$ 40,132,045
Service Cost	1,325,977
Interest	1,798,030
Difference between expected and actual experience	2,227,779
Changes in assumption	(3,935,973)
Benefit payments	<u>(1,187,397)</u>
Total OPEB Liability - End of Year	<u>\$ 40,360,461</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.81%) or 1 percentage point higher (5.81%) than the current discount rate:

	1% Decrease (3.81%)	Current Discount Rate (4.81%)	1% Increase (5.81%)
Total OPEB Liability	<u>\$ 46,677,105</u>	<u>\$ 40,360,461</u>	<u>\$ 35,271,362</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.5%) or 1 percentage point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	<u>\$ 34,984,018</u>	<u>\$ 40,360,461</u>	<u>\$ 47,088,389</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended May 31, 2025, the Village recognized OPEB expense of \$969,742 in the government-wide financial statements. At May 31, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,888,673	\$ 2,344,107
Changes in assumptions	<u>2,953,079</u>	<u>13,030,357</u>
	<u>\$ 7,841,752</u>	<u>\$ 15,374,464</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended May 31,</u>	
2026	\$ (2,154,262)
2027	(1,839,663)
2028	(3,215,242)
2029	(38,851)
2030	(284,694)
Thereafter	<u>-</u>
	<u>\$ (7,532,712)</u>

H. Revenues and Expenditures

Interfund Transfers

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

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Water Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ -	\$ 493,347	\$ 143,218	\$ 636,565
Water Fund	120,636	-	-	120,636
Non-Major Governmental Funds	<u>4,368</u>	<u>-</u>	<u>-</u>	<u>4,368</u>
	<u>\$ 125,004</u>	<u>\$ 493,347</u>	<u>\$ 143,218</u>	<u>\$ 761,569</u>

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

I. Net Position

The components of net position are detailed below:

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

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

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

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

Restricted for Special Purposes - the component of net position that reports the difference between assets and liabilities of certain programs that consist of assets with constraints placed on their use by either external parties and/or statute.

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

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
 May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2025					2024				
	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:										
Inventories	\$ -	\$ 107,195	\$ -	\$ -	\$ 107,195	\$ -	\$ 108,706	\$ -	\$ -	\$ 108,706
Prepaid expenditures	412,025	30,149	-	17,662	459,836	444,067	22,772	-	15,412	482,251
Total Nonspendable	412,025	137,344	-	17,662	567,031	444,067	131,478	-	15,412	590,957
Restricted:										
Snow removal	1,656	-	-	-	1,656	1,624	-	-	-	1,624
Pension benefits:										
Fire service awards program	629,904	-	-	-	629,904	494,267	-	-	-	494,267
Ambulance service awards program	244,056	-	-	-	244,056	191,259	-	-	-	191,259
Debt service	877,274	-	-	-	877,274	847,737	-	-	-	847,737
Future capital projects	3	-	5,491,497	-	5,491,500	3	-	6,021,822	-	6,021,825
Special purposes	-	-	-	579,668	579,668	-	-	-	502,828	502,828
Total Restricted	1,752,893	-	5,491,497	579,668	7,824,058	1,534,890	-	6,021,822	502,828	8,059,540
Assigned:										
Purchases on order -										
Culture and recreation	106,606	-	-	-	106,606	-	-	-	-	-
Tax certiorari	31,431	-	-	-	31,431	30,815	-	-	-	30,815
For subsequent year's expenditures										
Major funds	1,534,194	-	-	-	1,534,194	2,600,000	400,000	-	-	3,000,000
Non-major funds - Sanitation	-	2,093,929	-	-	2,093,929	-	1,495,659	-	-	1,495,659
Total Assigned	1,672,231	2,093,929	-	537,163	4,303,323	2,630,815	1,895,659	-	599,026	5,125,500
Unassigned	2,837,618	-	-	(562,920)	2,274,698	2,007,176	-	-	(349,267)	1,657,909
Total Fund Balances	\$ 6,674,767	\$ 2,231,273	\$ 5,491,497	\$ 571,573	\$ 14,969,110	\$ 6,616,948	\$ 2,027,137	\$ 6,021,822	\$ 767,999	\$ 15,433,906

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)

May 31, 2025

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

Pension Benefits - the component of fund balance that has been set aside to be used for LOSAP pension benefits in accordance with Article 11-A of the General Municipal Law of the State of New York.

Purchase on order represent the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions. The amounts are reflected as assigned fund balance except where the assignment would cause a negative unassigned fund balance.

Subsequent year's expenditures represent that at May 31, 2025, the Board of Trustees has utilized the above amounts to be appropriated for the insuring year's budget.

Assignments of fund balance are not legally required segregations but represent intended use for a specific purpose. At May 31, 2025, the Village Board has assigned amounts to be appropriated for future court awarded property tax refunds.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Parking and Sewer funds represents the deficit fund balances.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

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

B. Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. Accordingly, the Village's compliance with applicable grant requirements will be established at a future date. The amount of

Village of Sleepy Hollow, New York

Notes to Financial Statements (Continued)
May 31, 2025

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

expenditures, which may be disallowed by the granting agencies cannot be determined at this time, although the Village anticipates such amounts, if any, to be immaterial.

C. Risk Management

The Village maintains various liability insurance policies to provide against potential losses. The general liability policy provides coverage up to \$1 million per occurrence and \$2 million annual aggregate. The Village has an umbrella policy with \$10 million of coverage. In addition, there is a law enforcement liability policy providing coverage of \$1 million per occurrence and \$2 million annual aggregate. Settled claims resulting from these risks have not exceeded commercial insurance coverage for any of the past three fiscal years. The Village purchases conventional medical and workers' compensation coverage.

Note 5 - Tax Abatements

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

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

Copies of the agreements may be obtained from the Village. Information relevant to disclosure of these agreements for the fiscal year ended May 31, 2025 is as follows:

Start Date	Agreement	Taxable Assessed Value (1)	Tax Rate per \$1,000 (1)	Tax Value	PILOT Received	Tax Abatement
05/1/2003	Kendal On Hudson	\$ 18,475,000	\$ 42.9943	\$ 794,320	\$ 598,064	\$ 196,256
09/1/2008	100 College Ave	6,275,000	42.9942	269,789	58,469	211,320
12/6/2001	79 College Ave	103,400	42.9942	4,446	2,254	2,192
10/3/2006	124 Valley Street	-	42.9942	-	19,345	(19,345)
09/1/1958	126 Valley Street	-	42.9942	-	14,686	(14,686)
TOTALS				\$ 1,068,555	\$ 692,818	\$ 375,737

(1) Taxable Assessed Value and Tax Rate for the 2024-25 Tax Year

Note 6 - Subsequent Events

The Village, on November 13, 2025, issued a bond anticipation note in the amount of \$6,576,000 bearing interest at 4.00%. The note was issued to renew the bond anticipation note issued on November 14, 2024 and provide funds for additional Village projects. The note matures on November 13, 2026.

Note 7 - Recently Issued GASB Pronouncements

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosures within government financial statements on 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.

(This page intentionally left blank)

Village of Sleepy Hollow, New York

Notes to Financial Statements (Concluded)

May 31, 2025

Note 7 - Recently Issued GASB Pronouncements (Continued)

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.

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued 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. The requirements of this Statement are effective for reporting period beginning after June 15, 2025.

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Governments must separately present lease assets, right-to-use assets from public-private or public-public partnerships, subscription assets and all other intangible assets by major class. For capital assets held for sale—assets a government has decided to sell with completion of the sale probable within one year of the financial statement date—governments must disclose the historical cost, accumulated depreciation (or amortization), and the carrying amount of any pledged debt related to those assets. This Statement affects only presentation and disclosure of capital assets, not recognition or measurement requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Village believes will most impact its financial statements. The Village will evaluate the impact of this and other pronouncements may have on its financial statements and will implement them if applicable and when material.

Village of Sleepy Hollow, New York

Required Supplementary Information -Schedule of Changes in the
 Village's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years (1) (2)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total OPEB Liability:			
Service cost	\$ 1,325,977	\$ 1,298,336	\$ 1,105,437
Interest	1,798,030	1,546,827	1,535,366
Differences between expected and actual experience	2,227,779	2,378,648	(2,467,874)
Changes in assumptions or other outputs	(3,935,973)	(903,564)	(3,913,903)
Benefits payments	<u>(1,187,397)</u>	<u>(1,339,945)</u>	<u>(1,207,327)</u>
Net Change in Total OPEB Liability	228,416	2,980,302	(4,948,301)
Total OPEB Liability – Beginning of Year	<u>40,132,045</u>	<u>37,151,743</u>	<u>42,100,044</u>
Total OPEB Liability – End of Year	<u>\$ 40,360,461</u>	<u>\$ 40,132,045</u>	<u>\$ 37,151,743</u>
Village's covered-employee payroll	<u>\$ 11,019,206</u>	<u>\$ 10,534,989</u>	<u>\$ 9,917,705</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>366.27%</u>	<u>380.94%</u>	<u>374.60%</u>
Discount Rate	<u>4.81%</u>	<u>4.40%</u>	<u>4.24%</u>

(1) Data not available prior to fiscal year 2019 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
\$ 1,623,987	\$ 1,274,870	\$ 1,209,236	\$ 1,284,490
873,706	1,154,520	1,301,675	1,331,809
1,989,819	2,077,760	(3,182,316)	(2,516,764)
(16,779,124)	7,703,899	3,007,851	-
<u>(1,116,829)</u>	<u>(1,201,313)</u>	<u>(1,031,158)</u>	<u>(1,143,879)</u>
(13,408,441)	11,009,736	1,305,288	(1,044,344)
<u>55,508,485</u>	<u>44,498,749</u>	<u>43,193,461</u>	<u>44,237,805 (3)</u>
<u>\$ 42,100,044</u>	<u>\$ 55,508,485</u>	<u>\$ 44,498,749</u>	<u>\$ 43,193,461</u>
<u>\$ 8,976,700</u>	<u>\$ 9,045,222</u>	<u>\$ 8,554,287</u>	<u>\$ 8,342,553</u>
<u>468.99%</u>	<u>613.68%</u>	<u>520.19%</u>	<u>517.75%</u>
<u>3.70%</u>	<u>1.59%</u>	<u>2.63%</u>	<u>3.05%</u>

Village of Sleepy Hollow, New York

Required Supplementary Information
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years

Schedule of the Village's Proportionate Share of the Net Pension Liability (Asset) (1)

	2025 (2)	2024 (3)	2023 (2)	2022 (3)
Village's proportion of the net pension liability (asset)	0.0142359%	0.0150437%	0.0135172%	0.0143665%
Village's proportionate share of the net pension liability (asset)	\$ 2,440,846	\$ 2,215,039	\$ 2,898,643	\$ (1,174,406)
Village's covered payroll	\$ 5,684,844	\$ 5,113,524	\$ 4,983,291	\$ 4,438,785
Village's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	42.94%	43.32%	58.17%	(26.46%)
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	\$ 796,195	\$ 662,542	\$ 520,209	\$ 741,975
Contributions in relation to the contractually required contribution	(796,195)	(662,542)	(520,209)	(741,975)
Contribution excess	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 5,707,834	\$ 5,236,674	\$ 4,897,487	\$ 4,431,433
Contributions as a percentage of covered payroll	13.95%	12.65%	10.62%	16.74%

(1) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(2) Increase in the Village's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(3) Decrease in the Village's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

<u>2021 (3)</u>	<u>2020 (2)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>0.0136970%</u>	<u>0.0145775%</u>	<u>0.0154219%</u>	<u>0.0159764%</u>	<u>0.0161770%</u>	<u>0.0155617%</u>
<u>\$ 13,639</u>	<u>\$ 3,860,196</u>	<u>\$ 1,092,688</u>	<u>\$ 515,628</u>	<u>\$ 1,520,023</u>	<u>\$ 2,497,702</u>
<u>\$ 4,631,229</u>	<u>\$ 4,297,856</u>	<u>\$ 4,304,925</u>	<u>\$ 4,115,668</u>	<u>\$ 3,931,257</u>	<u>\$ 3,472,830</u>
<u>0.29%</u>	<u>89.82%</u>	<u>25.38%</u>	<u>12.53%</u>	<u>38.67%</u>	<u>71.92%</u>
<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>
<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>\$ 613,952</u>	<u>\$ 612,880</u>	<u>\$ 635,402</u>	<u>\$ 587,115</u>	<u>\$ 563,335</u>	<u>\$ 669,152</u>
<u>(613,952)</u>	<u>(612,880)</u>	<u>(635,402)</u>	<u>(587,115)</u>	<u>(563,335)</u>	<u>(669,152)</u>
<u>\$ -</u>					
<u>\$ 4,651,292</u>	<u>\$ 4,252,163</u>	<u>\$ 4,471,053</u>	<u>\$ 4,187,789</u>	<u>\$ 3,942,239</u>	<u>\$ 3,768,404</u>
<u>13.20%</u>	<u>14.41%</u>	<u>14.21%</u>	<u>14.02%</u>	<u>14.29%</u>	<u>17.76%</u>

Village of Sleepy Hollow, New York

Required Supplementary Information -
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years

Schedule of the Village's Proportionate Share of the Net Pension Liability (1)

	2025 (2)	2024 (3)	2023 (2)	2022 (3)
Village's proportion of the net pension liability	0.1056247%	0.1159682%	0.1139004%	0.1091542%
Village's proportionate share of the net pension liability	\$ 6,418,662	\$ 5,500,169	\$ 6,276,450	\$ 620,044
Village's covered payroll	\$ 4,603,841	\$ 4,720,059	\$ 4,620,013	\$ 3,927,273
Village's proportionate share of the net pension liability as a percentage of its covered payroll	139.42%	116.53%	135.85%	15.79%
Plan fiduciary net position as a percentage of the total pension liability	87.53%	89.72%	87.43%	98.66%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2025	2024	2023	2022
Contractually required contribution	\$ 1,374,005	\$ 1,182,080	\$ 986,861	\$ 1,048,355
Contributions in relation to the contractually required contribution	(1,374,005)	(1,182,080)	(986,861)	(1,048,355)
Contribution excess	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 4,597,202	\$ 4,732,495	\$ 4,523,855	\$ 4,039,126
Contributions as a percentage of covered payroll	29.89%	24.98%	21.81%	25.95%

(1) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(2) Increase in the Village's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(3) Decrease in the Village's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

<u>2021 (3)</u>	<u>2020 (2)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>0.1082908%</u>	<u>0.1069290%</u>	<u>0.1035819%</u>	<u>0.1072948%</u>	<u>0.1158132%</u>	<u>0.1060784%</u>
<u>\$ 1,880,228</u>	<u>\$ 5,715,290</u>	<u>\$ 1,737,134</u>	<u>\$ 1,084,489</u>	<u>\$ 2,400,405</u>	<u>\$ 3,140,757</u>
<u>\$ 3,906,192</u>	<u>\$ 3,951,729</u>	<u>\$ 3,690,795</u>	<u>\$ 3,530,383</u>	<u>\$ 3,404,859</u>	<u>\$ 3,141,964</u>
<u>48.13%</u>	<u>144.63%</u>	<u>47.07%</u>	<u>30.72%</u>	<u>70.50%</u>	<u>99.96%</u>
<u>95.79%</u>	<u>84.86%</u>	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.24%</u>
<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>\$ 908,011</u>	<u>\$ 813,463</u>	<u>\$ 887,447</u>	<u>\$ 782,595</u>	<u>\$ 958,873</u>	<u>\$ 804,336</u>
<u>(908,011)</u>	<u>(813,463)</u>	<u>(887,447)</u>	<u>(782,595)</u>	<u>(958,873)</u>	<u>(804,336)</u>
<u>\$ -</u>					
<u>\$ 3,931,724</u>	<u>\$ 3,905,864</u>	<u>\$ 3,884,835</u>	<u>\$ 3,551,511</u>	<u>\$ 3,315,544</u>	<u>\$ 3,821,773</u>
<u>23.09%</u>	<u>20.83%</u>	<u>22.84%</u>	<u>22.04%</u>	<u>28.92%</u>	<u>21.05%</u>

Village of Sleepy Hollow, New York

Required Supplementary Information - Schedule of Changes
in the Village's Total Pension Liability and Related Ratios - Fire Service Awards Program
Last Ten Fiscal Years (1) (2)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability:					
Service cost	\$ 30,370	\$ 30,897	\$ 17,194	\$ 59,164	\$ 46,934
Interest	38,298	34,815	22,754	26,123	28,489
Changes in assumptions or other inputs	49,718	(24,332)	150,615	(510,601)	18,949
Differences between expected and actual experience	21,365	11,520	47,231	(167,477)	89,322
Benefit payments	<u>(26,200)</u>	<u>(23,660)</u>	<u>(21,020)</u>	<u>(34,952)</u>	<u>(20,491)</u>
Net Change in Total Pension Liability	113,551	29,240	216,774	(627,743)	163,203
Total Pension Liability – Beginning of Year	<u>933,221</u>	<u>903,981</u>	<u>687,207</u>	<u>1,314,950</u>	<u>1,151,747</u>
Total Pension Liability – End of Year	<u>\$ 1,046,772</u>	<u>\$ 933,221</u>	<u>\$ 903,981</u>	<u>\$ 687,207</u>	<u>\$ 1,314,950</u>
Village's covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Discount rate	<u>4.19%</u>	<u>4.16%</u>	<u>3.90%</u>	<u>3.36%</u>	<u>2.00%</u>

(1) Data not available prior to the Village's fiscal year 2021 implementation of Governmental Accounting Standards Board Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

N/A - Information not available

Village of Sleepy Hollow, New York

Required Supplementary Information - Schedule of Changes
in the Village's Total Pension Liability and Related Ratios - Ambulance Service Awards Program
Last Ten Fiscal Years (1) (2)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Pension Liability:					
Service cost	\$ 25,224	\$ 18,245	\$ 8,210	\$ 36,381	\$ 41,409
Interest	10,931	11,022	6,673	8,977	9,264
Changes in assumptions or other inputs	18,940	(5,888)	61,383	(182,655)	4,662
Differences between expected and actual experience	(4,076)	(39,209)	11,328	(108,133)	21,285
Benefit payments	<u>(4,180)</u>	<u>(3,800)</u>	<u>(3,400)</u>	<u>(4,204)</u>	<u>(600)</u>
Net Change in Total Pension Liability	46,839	(19,630)	84,194	(249,634)	76,020
Total Pension Liability – Beginning of Year	<u>264,794</u>	<u>284,424</u>	<u>200,230</u>	<u>449,864</u>	<u>373,844</u>
Total Pension Liability – End of Year	<u>\$ 311,633</u>	<u>\$ 264,794</u>	<u>\$ 284,424</u>	<u>\$ 200,230</u>	<u>\$ 449,864</u>
Village's covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Discount rate	<u>4.19%</u>	<u>4.16%</u>	<u>3.90%</u>	<u>3.36%</u>	<u>2.00%</u>

(1) Data not available prior to the Village's fiscal year 2021 implementation of Governmental Accounting Standards Board Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

N/A - Information not available

See independent auditors' report.

Village of Sleepy Hollow, New York

General Fund
 Combining Balance Sheet - Sub-Funds
 May 31, 2025
 (With Comparative Totals for 2024)

	General	Fire Service Awards Program	Ambulance Service Awards Program
ASSETS			
Cash and equivalents	\$ 8,635,353	\$ 146,654	\$ 51,795
Investments	5,140,041	483,250	192,261
Taxes receivable, net	11,966	-	-
Other receivables			
Accounts	156,600	-	-
State and Federal aid	202,104	-	-
Due from other governments	664,332	-	-
Leases	288,770	-	-
Due from other funds	1,093,312	-	-
	<u>2,405,118</u>	<u>-</u>	<u>-</u>
Prepaid expenditures	412,025	-	-
Total Assets	<u>\$ 16,604,503</u>	<u>\$ 629,904</u>	<u>\$ 244,056</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 496,976	\$ -	\$ -
Accrued liabilities	356,996	-	-
Due to retirement systems	407,220	-	-
Deposit payable	1,184,318	-	-
Due to other funds	8,068,457	-	-
Unearned revenues	3,240	-	-
Total Liabilities	<u>10,517,207</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Deferred tax revenues	11,966	-	-
Lease related	274,523	-	-
Total Deferred Inflows of Resources	<u>286,489</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,803,696</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	412,025	-	-
Restricted	878,933	629,904	244,056
Assigned	1,672,231	-	-
Unassigned	2,837,618	-	-
Total Fund Balances	<u>5,800,807</u>	<u>629,904</u>	<u>244,056</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,604,503</u>	<u>\$ 629,904</u>	<u>\$ 244,056</u>

See independent auditors' report.

Totals	
2025	2024
\$ 8,833,802	\$ 14,327,334
5,815,552	-
11,966	23,068
156,600	192,057
202,104	-
664,332	453,177
288,770	376,917
1,093,312	1,507,316
2,405,118	2,529,467
412,025	444,067
\$ 17,478,463	\$ 17,323,936
\$ 496,976	\$ 684,048
356,996	377,486
407,220	360,378
1,184,318	938,038
8,068,457	7,374,431
3,240	581,880
10,517,207	10,316,261
11,966	23,068
274,523	367,659
286,489	390,727
10,803,696	10,706,988
412,025	444,067
1,752,893	1,534,890
1,672,231	2,630,815
2,837,618	2,007,176
6,674,767	6,616,948
\$ 17,478,463	\$ 17,323,936

Village of Sleepy Hollow, New York

General Fund
 Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Sub-Funds
 Year Ended May 31, 2025
 (With Comparative Totals for 2024)

	General	Fire Service Awards Program	Ambulance Service Awards Program	Eliminations
REVENUES				
Real property taxes	\$ 17,652,732	\$ -	\$ -	\$ -
Other tax items	812,571	-	-	-
Non-property taxes	3,048,247	-	-	-
Departmental income	1,217,893	143,500	49,200	(192,700)
Intergovernmental charges	268,458	-	-	-
Use of money and property	426,349	20,637	8,137	-
Licenses and permits	1,320,023	-	-	-
Fines and forfeitures	70,699	-	-	-
Sale of property and compensation for loss	-	-	-	-
State aid	555,001	-	-	-
Federal aid	580,619	-	-	-
Miscellaneous	24,440	-	-	-
Total Revenues	25,977,032	164,137	57,337	(192,700)
EXPENDITURES				
Current				
General government support	3,088,020	-	-	-
Public safety	6,798,232	28,500	-	(143,500)
Health	385,066	-	4,540	(49,200)
Transportation	1,682,457	-	-	-
Economic opportunity and development	637,803	-	-	-
Culture and recreation	2,473,110	-	-	-
Home and community services	46,937	-	-	-
Employee benefits	5,969,542	-	-	-
Debt service				
Principal	2,190,150	-	-	-
Interest	2,498,796	-	-	-
Total Expenditures	25,770,113	28,500	4,540	(192,700)
Excess (Deficiency) of Revenues Over Expenditures	206,919	135,637	52,797	-
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	174,027	-	-	-
Issuance premium	-	-	-	-
Transfers in	125,004	-	-	-
Transfers out	(636,565)	-	-	-
Total Other Financing Sources (Uses)	(337,534)	-	-	-
Net Change in Fund Balances	(130,615)	135,637	52,797	-
FUND BALANCES				
Beginning of Year	5,931,422	494,267	191,259	-
End of Year	<u>\$ 5,800,807</u>	<u>\$ 629,904</u>	<u>\$ 244,056</u>	<u>\$ -</u>

See independent auditors' report.

Totals	
2025	2024
\$ 17,652,732	\$ 15,650,667
812,571	772,561
3,048,247	2,936,702
1,217,893	1,272,816
268,458	-
455,123	298,546
1,320,023	903,787
70,699	26,907
-	1,815
555,001	487,448
580,619	716,339
24,440	160,487
<u>26,005,806</u>	<u>23,228,075</u>
3,088,020	3,363,049
6,683,232	6,462,396
340,406	349,116
1,682,457	1,454,777
637,803	601,111
2,473,110	2,285,312
46,937	54,407
5,969,542	5,459,023
2,190,150	1,286,619
2,498,796	3,054,363
<u>25,610,453</u>	<u>24,370,173</u>
<u>395,353</u>	<u>(1,142,098)</u>
174,027	114,447
-	57,771
125,004	120,636
(636,565)	(1,094,950)
<u>(337,534)</u>	<u>(802,096)</u>
57,819	(1,944,194)
<u>6,616,948</u>	<u>8,561,142</u>
<u>\$ 6,674,767</u>	<u>\$ 6,616,948</u>

(This page intentionally left blank)

Village of Sleepy Hollow, New York

General Fund
 Comparative Balance Sheet - Sub-Fund
 May 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 8,635,353	\$ 13,641,808
Investments	5,140,041	-
Taxes receivable, net of allowance for uncollected taxes of \$68,844 for 2025 and 2024	11,966	23,068
Other receivables		
Accounts	156,600	192,057
State and Federal aid	202,104	-
Due from other governments	664,332	453,177
Leases	288,770	376,917
Due from other funds	1,093,312	1,507,316
	<u>2,405,118</u>	<u>2,529,467</u>
Prepaid expenditures	412,025	444,067
Total Assets	<u>\$ 16,604,503</u>	<u>\$ 16,638,410</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 496,976	\$ 684,048
Accrued liabilities	356,996	377,486
Due to retirement systems	407,220	360,378
Deposits payable	1,184,318	938,038
Due to other funds	8,068,457	7,374,431
Unearned revenues	3,240	581,880
Total Liabilities	<u>10,517,207</u>	<u>10,316,261</u>
Deferred inflows of resources		
Deferred tax revenues	11,966	23,068
Lease related	274,523	367,659
Total Deferred Inflows of Resources	<u>286,489</u>	<u>390,727</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,803,696</u>	<u>10,706,988</u>
Fund balance		
Nonspendable	412,025	444,067
Restricted	878,933	849,364
Assigned	1,672,231	2,630,815
Unassigned	2,837,618	2,007,176
Total Fund Balance	<u>5,800,807</u>	<u>5,931,422</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 16,604,503</u>	<u>\$ 16,638,410</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

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

	2025			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 17,727,034	\$ 17,727,034	\$ 17,652,732	\$ (74,302)
Other tax items	750,000	750,000	812,571	62,571
Non-property taxes	2,810,000	2,810,000	3,048,247	238,247
Departmental income	798,913	798,913	1,217,893	418,980
Intergovernmental charges	-	-	268,458	268,458
Use of money and property	110,688	110,688	426,349	315,661
Licenses and permits	1,327,641	1,327,641	1,320,023	(7,618)
Fines and forfeitures	70,000	70,000	70,699	699
Sale of property and compensation for loss	5,000	5,000	-	(5,000)
State aid	257,780	593,813	555,001	(38,812)
Federal aid	-	570,251	580,619	10,368
Miscellaneous	52,500	52,500	24,440	(28,060)
Total Revenues	23,909,556	24,815,840	25,977,032	1,161,192
EXPENDITURES				
Current				
General government support	3,313,072	3,270,165	3,088,020	182,145
Public safety	6,861,360	7,436,078	6,798,232	637,846
Health	406,425	406,426	385,066	21,360
Transportation	1,553,418	1,730,419	1,682,457	47,962
Economic opportunity and development	650,175	652,056	637,803	14,253
Culture and recreation	2,424,302	2,537,232	2,473,110	64,122
Home and community services	59,260	49,259	46,937	2,322
Employee benefits	6,364,235	5,947,747	5,969,542	(21,795)
Debt service				
Principal	2,234,104	2,234,104	2,190,150	43,954
Interest	2,713,837	2,715,793	2,498,796	216,997
Total Expenditures	26,580,188	26,979,279	25,770,113	1,209,166
Excess (Deficiency) of Revenues Over Expenditures	(2,670,632)	(2,163,439)	206,919	2,370,358
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	75,000	75,000	174,027	99,027
Issuance premium	-	-	-	-
Transfers in	125,004	125,004	125,004	-
Transfers out	(129,372)	(636,565)	(636,565)	-
Total Other Financing Sources (Uses)	70,632	(436,561)	(337,534)	99,027
Net Change in Fund Balance	(2,600,000)	(2,600,000)	(130,615)	2,469,385
FUND BALANCE				
Beginning of Year	2,600,000	2,600,000	5,931,422	3,331,422
End of Year	\$ -	\$ -	\$ 5,800,807	\$ 5,800,807

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 15,720,548	\$ 15,720,548	\$ 15,650,667	\$ (69,881)
750,000	750,000	772,561	22,561
2,960,000	2,960,000	2,936,702	(23,298)
798,913	798,913	1,272,816	473,903
-	-	-	-
110,688	110,688	289,829	179,141
1,126,000	1,126,000	903,787	(222,213)
70,000	70,000	26,907	(43,093)
5,000	5,000	1,815	(3,185)
548,096	548,096	549,553	1,457
-	458,011	716,339	258,328
52,500	52,500	98,382	45,882
<u>22,141,745</u>	<u>22,599,756</u>	<u>23,219,358</u>	<u>619,602</u>
3,356,131	3,356,131	3,363,049	(6,918)
6,447,752	6,512,836	6,582,236	(69,400)
395,235	395,234	394,516	718
1,761,719	1,761,719	1,454,777	306,942
597,148	597,148	601,111	(3,963)
2,322,347	2,321,554	2,285,312	36,242
59,260	59,260	54,407	4,853
5,941,132	5,941,132	5,459,023	482,109
1,286,620	1,286,620	1,286,619	1
3,054,363	3,054,363	3,054,363	-
<u>25,221,707</u>	<u>25,285,997</u>	<u>24,535,413</u>	<u>750,584</u>
<u>(3,079,962)</u>	<u>(2,686,241)</u>	<u>(1,316,055)</u>	<u>1,370,186</u>
75,000	75,000	114,447	39,447
-	-	57,771	57,771
125,004	125,004	120,636	(4,368)
<u>(754,372)</u>	<u>(1,148,093)</u>	<u>(1,094,950)</u>	<u>53,143</u>
<u>(554,368)</u>	<u>(948,089)</u>	<u>(802,096)</u>	<u>145,993</u>
<u>(3,634,330)</u>	<u>(3,634,330)</u>	<u>(2,118,151)</u>	<u>1,516,179</u>
<u>3,634,330</u>	<u>3,634,330</u>	<u>8,049,573</u>	<u>4,415,243</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,931,422</u>	<u>\$ 5,931,422</u>

Village of Sleepy Hollow, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget - Sub-Fund

Year Ended May 31, 2025

(With Comparative Actuals for 2024)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
REAL PROPERTY TAXES	\$ 17,727,034	\$ 17,727,034	\$ 17,652,732	\$ (74,302)	\$ 15,650,667
OTHER TAX ITEMS					
Payments in lieu of taxes	650,000	650,000	692,818	42,818	671,386
Interest and penalties on real property taxes	100,000	100,000	119,753	19,753	101,175
	750,000	750,000	812,571	62,571	772,561
NON-PROPERTY TAXES					
Franchise fees	175,000	175,000	114,105	(60,895)	115,703
Utilities gross receipts taxes	135,000	135,000	232,314	97,314	141,747
Non-property tax distribution from County	2,500,000	2,500,000	2,701,828	201,828	2,679,252
	2,810,000	2,810,000	3,048,247	238,247	2,936,702
DEPARTMENTAL INCOME					
Clerk - Treasurer fees	70,381	70,381	85,090	14,709	71,943
Police fees	150,000	150,000	269,677	119,677	165,832
Ambulance charges	200,000	200,000	289,540	89,540	251,478
Parks and recreation charges	345,772	345,772	534,154	188,382	748,565
Zoning Board fees	4,000	4,000	8,150	4,150	7,200
Planning Board fees	23,760	23,760	30,965	7,205	25,935
Public works fees	5,000	5,000	317	(4,683)	1,863
	798,913	798,913	1,217,893	418,980	1,272,816
INTERGOVERNMENTAL CHARGES					
Public safety services	-	-	268,458	268,458	-
USE OF MONEY AND PROPERTY					
Earnings on investments	25,000	25,000	315,043	290,043	188,382
Rental of real property	85,688	85,688	111,306	25,618	101,447
	110,688	110,688	426,349	315,661	289,829
LICENSES AND PERMITS					
Business and occupational licenses	35,000	35,000	44,393	9,393	45,795
Permit fees	1,292,641	1,292,641	1,275,630	(17,011)	857,992
	1,327,641	1,327,641	1,320,023	(7,618)	903,787
FINES AND FORFEITURES					
Fines and forfeited bail	70,000	70,000	70,699	699	26,907
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	5,000	5,000	-	(5,000)	1,815
STATE AID					
Aid and incentives for municipalities	62,105	62,105	62,105	-	62,105
Mortgage tax	175,000	175,000	119,779	(55,221)	82,395
Consolidated Highway Improvement Program	-	161,617	161,617	-	385,051
Law enforcement technology grant	-	174,416	174,416	-	-
Other	20,675	20,675	37,084	16,409	20,002
	257,780	593,813	555,001	(38,812)	549,553

(Continued)

Village of Sleepy Hollow, New York

General Fund

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

Year Ended May 31, 2025

(With Comparative Actuals for 2024)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
FEDERAL AID					
American Rescue Plan act	\$ -	\$ 570,251	\$ 570,251	\$ -	\$ 458,011
Emergency management assistance	-	-	10,368	10,368	258,328
	<u>-</u>	<u>570,251</u>	<u>580,619</u>	<u>10,368</u>	<u>716,339</u>
MISCELLANEOUS					
Gifts and donations	10,000	10,000	10,550	550	5,572
Refund of prior year expenditures	10,000	10,000	-	(10,000)	34,384
Other	32,500	32,500	13,890	(18,610)	58,426
	<u>52,500</u>	<u>52,500</u>	<u>24,440</u>	<u>(28,060)</u>	<u>98,382</u>
TOTAL REVENUES	<u>23,909,556</u>	<u>24,815,840</u>	<u>25,977,032</u>	<u>1,161,192</u>	<u>23,219,358</u>
OTHER FINANCING SOURCES					
Insurance recoveries	75,000	75,000	174,027	99,027	114,447
Issuance premium	-	-	-	-	57,771
Transfers in					
Parking Fund	4,368	4,368	4,368	-	-
Water Fund	120,636	120,636	120,636	-	120,636
	<u>200,004</u>	<u>200,004</u>	<u>299,031</u>	<u>99,027</u>	<u>292,854</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 24,109,560</u>	<u>\$ 25,015,844</u>	<u>\$ 26,276,063</u>	<u>\$ 1,260,219</u>	<u>\$ 23,512,212</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund
 Year Ended May 31, 2025
 (With Comparative Actuals for 2024)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 62,500	\$ 65,092	\$ 65,092	\$ -	\$ 65,732
Justice	286,786	290,785	268,101	22,684	271,073
Mayor	30,400	34,229	33,536	693	28,850
Administrator	254,636	262,104	259,031	3,073	235,779
Auditor	48,500	75,350	75,350	-	73,200
Treasurer	340,023	346,023	314,262	31,761	310,271
Tax collector	6,500	6,500	2,608	3,892	3,763
Assessor	43,200	43,200	43,186	14	40,000
Village clerk	213,428	217,242	205,285	11,957	211,211
Law	266,000	323,677	315,482	8,195	362,061
Engineer	50,000	140,980	140,980	-	320,809
Buildings	332,500	366,399	361,970	4,429	293,902
Central garage	603,513	608,052	534,141	73,911	671,007
Unallocated insurance	317,581	350,219	350,219	-	306,631
Municipal association dues	5,500	5,500	5,304	196	5,304
Judgments and claims	25,000	39,649	57,180	(17,531)	20,627
Taxes and assessments	67,000	19,712	19,571	141	107,949
Metropolitan commuter transportation mobility tax	37,000	37,000	36,722	278	34,880
Contingent account	323,005	38,452	-	38,452	-
	<u>3,313,072</u>	<u>3,270,165</u>	<u>3,088,020</u>	<u>182,145</u>	<u>3,363,049</u>
PUBLIC SAFETY					
Police	5,582,476	6,074,505	5,468,500	606,005	5,417,123
Jail	4,500	4,500	1,112	3,388	-
Fire Department	534,550	607,239	605,860	1,379	494,805
Control of animals	3,360	3,360	2,555	805	2,445
Safety inspection	736,474	746,474	720,205	26,269	667,863
	<u>6,861,360</u>	<u>7,436,078</u>	<u>6,798,232</u>	<u>637,846</u>	<u>6,582,236</u>
HEALTH					
Ambulance	365,544	365,545	345,147	20,398	356,222
Public health	1,000	1,000	1,000	-	417
Registrar of Vital Statistics	39,881	39,881	38,919	962	37,877
	<u>406,425</u>	<u>406,426</u>	<u>385,066</u>	<u>21,360</u>	<u>394,516</u>
TRANSPORTATION					
Street administration	43,075	43,075	43,075	-	42,347
Street maintenance	1,140,843	1,266,612	1,230,908	35,704	1,104,249
Snow removal	115,000	149,825	138,791	11,034	78,986
Street lighting	252,000	268,407	268,138	269	227,798
Off-street parking	2,500	2,500	1,545	955	1,397
	<u>1,553,418</u>	<u>1,730,419</u>	<u>1,682,457</u>	<u>47,962</u>	<u>1,454,777</u>
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Sleepy Hollow LDC reimbursement	435,683	437,694	437,694	-	379,853
Programs for the aging	214,492	214,362	200,109	14,253	221,258
	<u>650,175</u>	<u>652,056</u>	<u>637,803</u>	<u>14,253</u>	<u>601,111</u>

(Continued)

Village of Sleepy Hollow, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget - Sub-Fund (Continued)

Year Ended May 31, 2025

(With Comparative Actuals for 2024)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2024 Actual
CULTURE AND RECREATION					
Parks, playgrounds and recreation	\$ 1,154,381	\$ 1,251,338	\$ 1,208,942	\$ 42,396	\$ 1,027,018
Youth programs	220,071	249,487	245,823	3,664	233,349
Library	813,000	813,046	813,046	-	810,928
Celebrations	109,100	70,595	64,221	6,374	101,310
Adult recreation	127,750	152,766	141,078	11,688	112,707
	<u>2,424,302</u>	<u>2,537,232</u>	<u>2,473,110</u>	<u>64,122</u>	<u>2,285,312</u>
HOME AND COMMUNITY SERVICES					
Emergency tenant protection act	9,760	9,760	6,580	3,180	9,640
Planning	13,500	3,499	9,595	(6,096)	9,579
Shade trees	36,000	36,000	30,762	5,238	35,188
	<u>59,260</u>	<u>49,259</u>	<u>46,937</u>	<u>2,322</u>	<u>54,407</u>
EMPLOYEE BENEFITS					
State retirement	1,902,331	1,818,444	1,889,599	(71,155)	1,625,738
Local police welfare fund	94,500	89,642	87,642	2,000	86,763
Social security	670,000	653,001	640,175	12,826	617,764
Workers' compensation benefits	370,000	340,901	323,366	17,535	340,504
Life insurance	9,500	9,558	7,200	2,358	6,896
Unemployment benefits	5,000	5,000	-	5,000	-
Hospital and medical benefits	3,312,904	3,031,201	3,021,560	9,641	2,781,358
	<u>6,364,235</u>	<u>5,947,747</u>	<u>5,969,542</u>	<u>(21,795)</u>	<u>5,459,023</u>
DEBT SERVICE					
Principal					
Serial bonds	1,270,683	1,270,683	1,226,729	43,954	1,033,079
Leases	963,421	963,421	963,421	-	253,540
	<u>2,234,104</u>	<u>2,234,104</u>	<u>2,190,150</u>	<u>43,954</u>	<u>1,286,619</u>
Interest					
Serial bonds	1,431,651	1,431,651	1,214,654	216,997	227,133
Bond anticipation notes	79,879	81,835	81,835	-	880,359
Leases	1,202,307	1,202,307	1,202,307	-	1,946,871
	<u>2,713,837</u>	<u>2,715,793</u>	<u>2,498,796</u>	<u>216,997</u>	<u>3,054,363</u>
	<u>4,947,941</u>	<u>4,949,897</u>	<u>4,688,946</u>	<u>260,951</u>	<u>4,340,982</u>
TOTAL EXPENDITURES	<u>26,580,188</u>	<u>26,979,279</u>	<u>25,770,113</u>	<u>1,209,166</u>	<u>24,535,413</u>
OTHER FINANCING USES					
Transfers out					
Water Fund	-	493,347	493,347	-	393,721
Capital Projects Fund	-	-	-	-	701,229
Parking Fund	-	2,000	2,000	-	-
Sewer Fund	-	6,000	6,000	-	-
Sanitation Fund	129,372	135,218	135,218	-	-
	<u>129,372</u>	<u>636,565</u>	<u>636,565</u>	<u>-</u>	<u>1,094,950</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 26,709,560</u>	<u>\$ 27,615,844</u>	<u>\$ 26,406,678</u>	<u>\$ 1,209,166</u>	<u>\$ 25,630,363</u>

See independent auditors' report.

(This page intentionally left blank)

Village of Sleepy Hollow, New York

Water Fund
Comparative Balance Sheet
May 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 757,798	\$ 2,016,348
Receivables		
Water rents	1,080,180	1,180,947
Due from other funds	667,223	10,962
	<u>1,747,403</u>	<u>1,191,909</u>
Inventories	<u>107,195</u>	<u>108,706</u>
Prepaid expenditures	<u>30,149</u>	<u>22,772</u>
Total Assets	<u>\$ 2,642,545</u>	<u>\$ 3,339,735</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 373,597	\$ 691,088
Accrued liabilities	37,675	36,475
Due to other funds	-	585,035
Total Liabilities	<u>411,272</u>	<u>1,312,598</u>
Fund balance		
Nonspendable	137,344	131,478
Assigned	2,093,929	1,895,659
Total Fund Balance	<u>2,231,273</u>	<u>2,027,137</u>
Total Liabilities and Fund Balance	<u>\$ 2,642,545</u>	<u>\$ 3,339,735</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

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

	2025			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 4,094,214	\$ 4,094,214	\$ 4,126,881	\$ 32,667
Federal aid	-	-	200,000	200,000
Total Revenues	4,094,214	4,094,214	4,326,881	232,667
EXPENDITURES				
Current				
General government support	513,400	328,096	102,250	225,846
Home and community services	2,876,226	3,392,196	3,272,859	119,337
Employee benefits	517,125	527,594	501,308	26,286
Debt service				
Principal	380,809	401,491	401,491	-
Interest	86,018	217,548	217,548	-
Total Expenditures	4,373,578	4,866,925	4,495,456	371,469
Excess (Deficiency) of Revenues Over Expenditures	(279,364)	(772,711)	(168,575)	604,136
OTHER FINANCING SOURCES (USES)				
Transfers in	-	493,347	493,347	-
Transfers out	(120,636)	(120,636)	(120,636)	-
Total Other Financing Sources (Uses)	(120,636)	372,711	372,711	-
Net Change in Fund Balance	(400,000)	(400,000)	204,136	604,136
FUND BALANCE				
Beginning of Year	400,000	400,000	2,027,137	1,627,137
End of Year	\$ -	\$ -	\$ 2,231,273	\$ 2,231,273

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 4,100,000	\$ 4,100,000	\$ 3,890,887	\$ (209,113)
-	-	-	-
4,100,000	4,100,000	3,890,887	(209,113)
105,000	105,000	108,000	(3,000)
2,938,086	3,331,807	2,944,571	387,236
470,000	470,000	485,068	(15,068)
372,201	372,201	372,201	-
94,077	94,077	94,077	-
3,979,364	4,373,085	4,003,917	369,168
120,636	(273,085)	(113,030)	160,055
-	393,721	393,721	-
(120,636)	(120,636)	(120,636)	-
(120,636)	273,085	273,085	-
-	-	160,055	160,055
-	-	1,867,082	1,867,082
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,027,137</u>	<u>\$ 2,027,137</u>

Village of Sleepy Hollow, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 124,707	\$ 958,908
Receivables		
State and Federal aid	320,000	-
Due from other funds	<u>7,202,770</u>	<u>7,181,128</u>
	<u>7,522,770</u>	<u>7,181,128</u>
Total Assets	<u>\$ 7,647,477</u>	<u>\$ 8,140,036</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 60,138	\$ 222,372
Due to other funds	200,000	-
Bond anticipation notes payable	<u>1,895,842</u>	<u>1,895,842</u>
Total Liabilities	2,155,980	2,118,214
Fund balance		
Restricted	<u>5,491,497</u>	<u>6,021,822</u>
Total Liabilities and Fund Balance	<u>\$ 7,647,477</u>	<u>\$ 8,140,036</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

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

	<u>2025</u>	<u>2024</u>
REVENUES		
State aid	\$ 749,006	\$ 73,103
Miscellaneous	<u>156,111</u>	<u>33,539</u>
Total Revenues	905,117	106,642
EXPENDITURES		
Capital outlay	<u>1,435,442</u>	<u>6,790,675</u>
Deficiency of Revenues Over Expenditures	<u>(530,325)</u>	<u>(6,684,033)</u>
OTHER FINANCING SOURCES		
Bonds issued	-	18,625,000
Issuance premium	-	237,295
Transfers in	<u>-</u>	<u>701,229</u>
Total Other Financing Sources	<u>-</u>	<u>19,563,524</u>
Net Change in Fund Balance	(530,325)	12,879,491
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>6,021,822</u>	<u>(6,857,669)</u>
End of Year	<u>\$ 5,491,497</u>	<u>\$ 6,021,822</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 May 31, 2025
 (With Comparative Totals for 2024)

	Parking Fund	Sewer Fund	Sanitation Fund	Special Purpose Fund
ASSETS				
Cash and equivalents	\$ 351,661	\$ -	\$ 6,061	\$ 517,758
Receivables				
Accounts	20,355	-	226,359	-
Sewer rents	-	197,667	-	-
Due from other funds	-	-	336,584	61,910
	<u>20,355</u>	<u>197,667</u>	<u>562,943</u>	<u>61,910</u>
Prepaid expenditures	<u>2,730</u>	<u>6,522</u>	<u>8,410</u>	<u>-</u>
Total Assets	<u>\$ 374,746</u>	<u>\$ 204,189</u>	<u>\$ 577,414</u>	<u>\$ 579,668</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 2,689	\$ 13,300	\$ 16,355	\$ -
Accrued liabilities	6,921	16,351	15,486	-
Due to other funds	675,334	418,008	-	-
Total Liabilities	<u>684,944</u>	<u>447,659</u>	<u>31,841</u>	<u>-</u>
Fund balances (deficits)				
Nonspendable	2,730	6,522	8,410	-
Restricted	-	-	-	579,668
Assigned	-	-	537,163	-
Unassigned	<u>(312,928)</u>	<u>(249,992)</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>(310,198)</u>	<u>(243,470)</u>	<u>545,573</u>	<u>579,668</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 374,746</u>	<u>\$ 204,189</u>	<u>\$ 577,414</u>	<u>\$ 579,668</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2025	2024
\$ 875,480	\$ 1,077,228
246,714	290,410
197,667	207,550
398,494	134,579
<u>842,875</u>	<u>632,539</u>
<u>17,662</u>	<u>15,412</u>
<u>\$ 1,736,017</u>	<u>\$ 1,725,179</u>
\$ 32,344	\$ 49,810
38,758	32,851
1,093,342	874,519
<u>1,164,444</u>	<u>957,180</u>
17,662	15,412
579,668	502,828
537,163	599,026
(562,920)	(349,267)
<u>571,573</u>	<u>767,999</u>
<u>\$ 1,736,017</u>	<u>\$ 1,725,179</u>

Village of Sleepy Hollow, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended May 31, 2025
(With Comparative Totals for 2024)

	Parking Fund	Sewer Fund	Sanitation Fund	Special Purpose Fund
REVENUES				
Departmental income	\$ 371,140	\$ 684,794	\$ 688,636	\$ -
Use of money and property	276	-	1,646	12,865
Sale of property and compensation for loss	-	-	953	-
State aid	-	-	-	64,080
	<u>371,416</u>	<u>684,794</u>	<u>691,235</u>	<u>76,945</u>
Total Revenues				
EXPENDITURES				
Current				
General government support	18,500	5,000	16,247	-
Transportation	258,180	-	-	-
Culture and recreation	-	-	-	105
Home and community services	-	536,025	665,242	-
Employee benefits	68,475	157,414	206,304	-
Debt service				
Principal	34,782	108,998	-	-
Interest	348	84,046	-	-
	<u>380,285</u>	<u>891,483</u>	<u>887,793</u>	<u>105</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,869)</u>	<u>(206,689)</u>	<u>(196,558)</u>	<u>76,840</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000	6,000	135,218	-
Transfers out	<u>(4,368)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,368)</u>	<u>6,000</u>	<u>135,218</u>	<u>-</u>
Net Change in Fund Balances	(11,237)	(200,689)	(61,340)	76,840
FUND BALANCES (DEFICITS)				
Beginning of Year	<u>(298,961)</u>	<u>(42,781)</u>	<u>606,913</u>	<u>502,828</u>
End of Year	<u>\$ (310,198)</u>	<u>\$ (243,470)</u>	<u>\$ 545,573</u>	<u>\$ 579,668</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2025	2024
\$ 1,744,570	\$ 1,675,429
14,787	14,723
953	-
64,080	-
<u>1,824,390</u>	<u>1,690,152</u>
39,747	54,500
258,180	198,383
105	3,416
1,201,267	1,051,428
432,193	431,872
143,780	126,720
84,394	12,082
<u>2,159,666</u>	<u>1,878,401</u>
<u>(335,276)</u>	<u>(188,249)</u>
143,218	-
<u>(4,368)</u>	<u>-</u>
<u>138,850</u>	<u>-</u>
(196,426)	(188,249)
<u>767,999</u>	<u>956,248</u>
<u>\$ 571,573</u>	<u>\$ 767,999</u>

(This page intentionally left blank)

Village of Sleepy Hollow, New York

Parking Fund
Comparative Balance Sheet
May 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 351,661	\$ 333,921
Accounts receivable	20,355	9,937
Prepaid expenditures	<u>2,730</u>	<u>2,014</u>
Total Assets	<u>\$ 374,746</u>	<u>\$ 345,872</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 2,689	\$ 2,826
Accrued liabilities	6,921	4,785
Due to other funds	<u>675,334</u>	<u>637,222</u>
Total Liabilities	<u>684,944</u>	<u>644,833</u>
Fund balance (deficit)		
Nonspendable	2,730	2,014
Unassigned	<u>(312,928)</u>	<u>(300,975)</u>
Total Fund Deficit	<u>(310,198)</u>	<u>(298,961)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 374,746</u>	<u>\$ 345,872</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

Parking Fund

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

	2025			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Departmental income	\$ 391,918	\$ 391,918	\$ 371,140	\$ (20,778)
Use of money and property	-	-	276	276
Total Revenues	<u>391,918</u>	<u>391,918</u>	<u>371,416</u>	<u>(20,502)</u>
EXPENDITURES				
Current				
General government support	19,425	19,425	18,500	925
Transportation	271,350	265,070	258,180	6,890
Employee benefits	61,645	69,925	68,475	1,450
Debt service				
Principal	34,782	34,782	34,782	-
Interest	348	348	348	-
Total Expenditures	<u>387,550</u>	<u>389,550</u>	<u>380,285</u>	<u>9,265</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,368</u>	<u>2,368</u>	<u>(8,869)</u>	<u>(11,237)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,000	2,000	-
Transfers out	<u>(4,368)</u>	<u>(4,368)</u>	<u>(4,368)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(4,368)</u>	<u>(2,368)</u>	<u>(2,368)</u>	<u>-</u>
Net Change in Fund Balance	-	-	(11,237)	(11,237)
FUND DEFICIT				
Beginning of Year	-	-	(298,961)	(298,961)
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (310,198)</u>	<u>\$ (310,198)</u>

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 310,000	\$ 310,000	\$ 261,745	\$ (48,255)
-	-	250	250
<u>310,000</u>	<u>310,000</u>	<u>261,995</u>	<u>(48,005)</u>
18,500	18,500	18,500	-
197,196	197,196	198,383	(1,187)
55,500	55,500	56,699	(1,199)
33,417	33,417	33,417	-
1,019	1,019	1,019	-
<u>305,632</u>	<u>305,632</u>	<u>308,018</u>	<u>(2,386)</u>
<u>4,368</u>	<u>4,368</u>	<u>(46,023)</u>	<u>(50,391)</u>
-	-	-	-
<u>(4,368)</u>	<u>(4,368)</u>	<u>-</u>	<u>4,368</u>
<u>(4,368)</u>	<u>(4,368)</u>	<u>-</u>	<u>4,368</u>
-	-	(46,023)	(46,023)
<u>-</u>	<u>-</u>	<u>(252,938)</u>	<u>(252,938)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (298,961)</u>	<u>\$ (298,961)</u>

(This page intentionally left blank)

Village of Sleepy Hollow, New York

Sewer Fund
Comparative Balance Sheet
May 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Sewer rents receivable	\$ 197,667	\$ 207,550
Prepaid expenditures	<u>6,522</u>	<u>5,511</u>
Total Assets	<u>\$ 204,189</u>	<u>\$ 213,061</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 13,300	\$ 6,550
Accrued liabilities	16,351	14,005
Due to other funds	<u>418,008</u>	<u>235,287</u>
Total Liabilities	<u>447,659</u>	<u>255,842</u>
Fund balance (deficit)		
Nonspendable	6,522	5,511
Unassigned	<u>(249,992)</u>	<u>(48,292)</u>
Total Fund Balance (Deficit)	<u>(243,470)</u>	<u>(42,781)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 204,189</u>	<u>\$ 213,061</u>

See independent auditors' report.

Village of Sleepy Hollow, New York

Sewer Fund

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

	2025			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 743,712	\$ 743,712	\$ 684,794	\$ (58,918)
EXPENDITURES				
Current				
General government support	21,000	11,909	5,000	6,909
Home and community services	463,020	467,743	536,025	(68,282)
Employee benefits	154,561	164,929	157,414	7,515
Debt service				
Principal	96,794	96,794	108,998	(12,204)
Interest	8,337	8,337	84,046	(75,709)
Total Expenditures	743,712	749,712	891,483	(141,771)
Deficiency of Revenues Over Expenditures	-	(6,000)	(206,689)	(200,689)
OTHER FINANCING SOURCES				
Transfers in	-	6,000	6,000	-
Net Change in Fund Balance	-	-	(200,689)	(200,689)
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	(42,781)	(42,781)
End of Year	\$ -	\$ -	\$ (243,470)	\$ (243,470)

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 680,000	\$ 680,000	\$ 641,440	\$ (38,560)
20,000	20,000	20,000	-
420,634	420,634	464,735	(44,101)
135,000	135,000	144,506	(9,506)
93,303	93,303	93,303	-
11,063	11,063	11,063	-
<u>680,000</u>	<u>680,000</u>	<u>733,607</u>	<u>(53,607)</u>
-	-	(92,167)	(92,167)
-	-	-	-
-	-	(92,167)	(92,167)
-	-	49,386	49,386
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,781)</u>	<u>\$ (42,781)</u>

(This page intentionally left blank)

Village of Sleepy Hollow, New York

Sanitation Fund
Comparative Balance Sheet
May 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 6,061	\$ 238,469
Receivables		
Accounts	226,359	280,473
Due from other funds	<u>336,584</u>	<u>134,579</u>
	<u>562,943</u>	<u>415,052</u>
Prepaid expenditures	<u>8,410</u>	<u>7,887</u>
Total Assets	<u><u>\$ 577,414</u></u>	<u><u>\$ 661,408</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 16,355	\$ 40,434
Accrued liabilities	<u>15,486</u>	<u>14,061</u>
Total Liabilities	<u>31,841</u>	<u>54,495</u>
Fund balance		
Nonspendable	8,410	7,887
Assigned	<u>537,163</u>	<u>599,026</u>
Total Fund Balance	<u>545,573</u>	<u>606,913</u>
Total Liabilities and Fund Balance	<u><u>\$ 577,414</u></u>	<u><u>\$ 661,408</u></u>

See independent auditors' report.

Village of Sleepy Hollow, New York

Sanitation Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended May 31,

	2025			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 668,000	\$ 668,000	\$ 688,636	\$ 20,636
Use of money and property	10,000	10,000	1,646	(8,354)
Sale of property and compensation for loss	2,000	2,000	953	(1,047)
Total Revenues	680,000	680,000	691,235	11,235
EXPENDITURES				
Current				
General government support	16,800	16,800	16,247	553
Home and community services	605,811	657,464	665,242	(7,778)
Employee benefits	255,439	209,632	206,304	3,328
Total Expenditures	878,050	883,896	887,793	(3,897)
Deficiency of Revenues Over Expenditures	(198,050)	(203,896)	(196,558)	7,338
OTHER FINANCING SOURCES				
Transfers in	198,050	203,896	135,218	(68,678)
Net Change in Fund Balance	-	-	(61,340)	(61,340)
FUND BALANCE				
Beginning of Year	-	-	606,913	606,913
End of Year	\$ -	\$ -	\$ 545,573	\$ 545,573

See independent auditors' report.

2024			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 668,000	\$ 668,000	\$ 772,244	\$ 104,244
10,000	10,000	2,741	(7,259)
2,000	2,000	-	(2,000)
<u>680,000</u>	<u>680,000</u>	<u>774,985</u>	<u>94,985</u>
16,000	16,000	16,000	-
573,842	573,842	586,693	(12,851)
<u>222,000</u>	<u>222,000</u>	<u>230,667</u>	<u>(8,667)</u>
<u>811,842</u>	<u>811,842</u>	<u>833,360</u>	<u>(21,518)</u>
(131,842)	(131,842)	(58,375)	73,467
<u>129,372</u>	<u>129,372</u>	<u>-</u>	<u>(129,372)</u>
(2,470)	(2,470)	(58,375)	(55,905)
<u>2,470</u>	<u>2,470</u>	<u>665,288</u>	<u>662,818</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 606,913</u>	<u>\$ 606,913</u>

Village of Sleepy Hollow, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 517,758	\$ 504,838
Due from other funds	<u>61,910</u>	<u>-</u>
Total Assets	<u><u>\$ 579,668</u></u>	<u><u>\$ 504,838</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ -	\$ 2,010
Fund balance		
Restricted	<u>579,668</u>	<u>502,828</u>
Total Liabilities and Fund Balance	<u><u>\$ 579,668</u></u>	<u><u>\$ 504,838</u></u>

See independent auditors' report.

Village of Sleepy Hollow, New York

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

	<u>2025</u>	<u>2024</u>
REVENUES		
Use of money and property	\$ 12,865	\$ 11,732
State aid	<u>64,080</u>	<u>-</u>
Total Revenues	76,945	11,732
EXPENDITURES		
Culture and recreation	<u>105</u>	<u>3,416</u>
Excess of Revenues Over Expenditures	76,840	8,316
FUND BALANCE		
Beginning of Year	<u>502,828</u>	<u>494,512</u>
End of Year	<u><u>\$ 579,668</u></u>	<u><u>\$ 502,828</u></u>

See independent auditors' report.