

VILLAGE OF SLEEPY HOLLOW, NEW YORK

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

YEAR ENDED MAY 31, 2011

WITH INDEPENDENT AUDITORS' REPORT



# VILLAGE OF SLEEPY HOLLOW, NEW YORK

## TABLE OF CONTENTS

---

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Water Funds	21
Statement of Assets and Liabilities - Fiduciary Fund	23
Notes to Financial Statements	24
Required Supplementary Information - Schedule of Funding Progress - Other Post Employment Benefits - Last Three Fiscal Years	43
Combining and Individual Fund Financial Statements and Schedules:	
Major Governmental Funds:	
General Fund:	
Balance Sheet	44
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	45
Schedule of Revenues and Other Financing Sources Compared to Budget	46
Schedule of Expenditures and Other Financing Uses Compared to Budget	49
Water Fund:	
Balance Sheet	53
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	54
Capital Projects Fund:	
Balance Sheet	55
Statement of Revenues, Expenditures and Changes in Fund Balance	56
Non-Major Governmental Funds:	
Combining Balance Sheet	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	59
Parking Fund:	
Balance Sheet	61
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	62

VILLAGE OF SLEEPY HOLLOW, NEW YORK

TABLE OF CONTENTS (Concluded)

---

	<u>Page</u>
Sewer Fund:	
Balance Sheet	63
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	64
Sanitation Fund:	
Balance Sheet	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	66
Special Purpose Fund:	
Balance Sheet	67
Statement of Revenues, Expenditures and Changes in Fund Balance	68

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees  
of the Village of Sleepy Hollow, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Sleepy Hollow, New York ("Village") as of and for the year ended May 31, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village as of May 31, 2011, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Water funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

O'CONNOR DAVIES, LLP

500 Mamaroneck Avenue, Suite 301, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | [www.odpkf.com](http://www.odpkf.com)

O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

*O'Connor Davies, LLP*

**O'Connor Davies, LLP**

Harrison, New York

March 26, 2013

**Village of Sleepy Hollow, New York**  
**Management's Discussion and Analysis (MD&A)**  
**May 31, 2011**

---

**Introduction**

The management of the Village of Sleepy Hollow offers this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2011 to readers of the Village's financial statements. It should be read in conjunction with the basic 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 2011 are as follows:

- Net assets may serve over time as a useful indicator of the Village's financial position. On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of the fiscal year 2011 by \$18,387,667. Of this amount, the unrestricted portion is (\$3,423,589) and invested in capital assets are \$20,632,080 net of related debt. The restricted amount of \$1,179,176 is for use for Parking, Sewer, Sanitation, Special Purposes (Parks & Recreation Developer's Fund), future snow removal and debt service.
- 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 \$2,101,548; an \$877,414 (including a prior period adjustment of (\$240,418)) decrease from the prior year's fund balance of \$2,978,962.
  - Of this balance \$950,057 or 45% is unreserved for fiscal year 2011. Unreserved 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 reserved to indicate that it is not available for new spending because it has already been committed for: trusts \$656,697, snow removal expenditures \$105,209, dedicated to pay for debt service \$178,786, prepaid expenditures \$154,558 and for inventories \$56,241.
- The General fund balance declined by \$908,123 to \$1,043,699 from \$1,951,822. At the end of Fiscal Years 2011 and 2010, unreserved fund balance for the General Fund was \$620,886 or 4.7% and \$1,678,417 or 13.8% of total General Fund expenditures and other financing uses. This indicates a decline in the unreserved fund balance for general activities of the Village.

- Budgetary shortfalls of revenue in the amount of \$389,967, expenses of \$277,738 and a prior period adjustment of \$240,418 attributed to this deficit.
- The Village converted to a new Financial System (KVS) in order to integrate three different systems previously used for Tax Billing & Collection, Water Billing & Collection and General Ledger. This allowed for enhanced reporting and streamlined many processes including the automation of manual duties, eliminating a margin for error.
- The Village continued to build infrastructure including projects for streetscapes, parks, water pump station and interconnection, other water improvements and a senior center, in addition to purchasing various DPW, Police and Fire vehicles. A special permit was also issued to General Motors to allow for future development on their site and a significant increase to the Village's tax base.
- The Village was able to budget a 1.99% increase in the tax levy to residential taxpayers for fiscal year 2011.
- The Village retired \$925,000 of serial bonds and redeemed \$230,000 of short term debt. During the current fiscal year, the Village issued bond anticipation notes for Capital Projects of \$875,000. Long-term financing was secured in the subsequent year of \$7,875,000 for various Village improvements and tax certioraris taking advantage of very favorable interest rates.

### **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 assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing



of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (ex., uncollected taxes and earned but unused vacation leave).

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

## **Fund Financial Statements**

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

### **Governmental Funds**

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

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

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

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

### **Fiduciary Funds**

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

### **Notes to the Financial Statements**

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

### **Other Information**

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

### **Government-wide Financial Analysis**

As noted previously, over a period of time net assets may serve as a useful indicator of a government's financial position. At fiscal year end, May 31, 2011, the assets of the Village exceeded the liabilities.

Although the Village's total net assets decreased by \$2,706,544 for the year ended May 31, 2011, this was primarily due to the recognition of the other post employment benefit ("OPEB") obligations as required under the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 45. The GASB is charged with developing the accounting rules that apply to governments. These obligations include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. GASB Statement No. 45 establishes standards for accrual based measurement and recognition of OPEB expenses over periods that approximate employees' years of active service, as well as the required note disclosures. For the year ending May 31, 2011, the Village's OPEB obligations of \$2,630,000 are reflected as a liability on the entity-wide financial statements, and accordingly were the prime factor in the decrease in total net assets.

**Net Assets**  
**May 31,**

	2011	2010
Current Assets	\$ 5,905,131	\$ 7,974,778
Capital Assets, net	<u>37,156,086</u>	<u>38,095,484</u>
Total Assets	<u>43,061,217</u>	<u>46,070,262</u>
Current Liabilities	10,959,031	11,078,723
Non-Current Liabilities	<u>13,714,519</u>	<u>13,897,328</u>
Total Liabilities	<u>24,673,550</u>	<u>24,976,051</u>
Net Assets:		
Invested in Capital Assets, net of related debt	20,632,080	19,369,484
Restricted	1,179,176	1,300,545
Unrestricted	<u>(3,423,589)</u>	<u>424,182</u>
Total Net Assets	<u><u>\$ 18,387,667</u></u>	<u><u>\$ 21,094,211</u></u>

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

	<u>2011</u>	<u>2010</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,417,270	\$ 4,724,248
Operating Grants and Contributions	95,873	394,039
Capital Grants and Contributions	<u>371,688</u>	<u>144,985</u>
Total Program Revenues	<u>5,884,831</u>	<u>5,263,272</u>
General Revenues:		
Real Property Taxes	8,950,127	8,891,824
Other Tax Items	610,392	1,337,962
Non-Property Taxes	1,482,560	499,951
Unrestricted Use of Money and Property	23,813	181,648
Sale of Property and Compensation for Loss	-	167,397
Unrestricted State Aid	148,666	-
Miscellaneous	<u>8,737</u>	<u>25,063</u>
Total General Revenues	<u>11,224,295</u>	<u>11,103,845</u>
Total Revenues	<u>17,109,126</u>	<u>16,367,117</u>
Program Expenses:		
General Government Support	3,363,233	3,502,780
Public Safety	7,174,247	5,530,695
Health	97,068	103,858
Transportation	2,115,079	3,760,139
Economic Opportunity and Development	117,746	102,280
Culture and Recreation	2,197,783	1,737,939
Home and Community Services	3,943,915	3,762,338
Interest	<u>566,181</u>	<u>672,588</u>
Total Expenses	<u>19,575,252</u>	<u>19,172,617</u>
Change in Net Assets	<u>(2,466,126)</u>	<u>(2,805,500)</u>
Net Assets - Beginning, as reported	21,094,211	23,899,711
Prior Period Adjustment	<u>(240,418)</u>	<u>-</u>
Net Assets - Beginning, as restated	<u>20,853,793</u>	<u>23,899,711</u>
Net Assets - Ending	<u><u>\$ 18,387,667</u></u>	<u><u>\$ 21,094,211</u></u>

## Governmental Activities

For the fiscal years ended May 31, 2011 and 2010, revenues from governmental activities totaled \$17,109,126 and \$16,367,117, respectively. Tax revenues \$9,560,519 in 2011 and \$10,729,737 in 2010, comprised of real property taxes and other tax items represent the largest revenue source (55.9% in 2011 and 65.6% in 2010).

The largest components of governmental activities' expenditures are public safety (36.6% in 2011 and 28.8% in 2010), transportation (10.8% in 2011 and 19.6% in 2010), general government support (17.2% in 2011 and 18.3% in 2010) and home and community services (20.1% in 2011 and 19.6% in 2010). Public safety includes police, fire and safety inspections. Transportation includes street administration and maintenance, snow removal and street lighting. General support reflects various administrative services including clerk, engineer, law, treasurer, justices and the Board of Trustees. Home and community services include planning, refuse and garbage and shade tree costs.

## 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.

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

<u>Fund</u>	<u>2011</u>	<u>2010</u>
General	\$ 1,043,699	\$ 1,951,822
Water	32,668	124,561
Parking	44,811	4,906
Sewer	282,679	129,863
Sanitation	40,994	81,464
Special Purpose	656,697	686,346
Capital Projects	(5,599,006)	(4,216,783)
	<u>\$ (3,497,458)</u>	<u>\$ (1,237,821)</u>

Exclusive of the Capital Projects Fund, the combined ending fund balance is \$2,101,548 of which \$950,057 is unreserved.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$620,886, representing 59.5% of the total General Fund balance of \$1,043,099. When the Fiscal Year 2010-

2011 General Fund budget was adopted, it anticipated that revenues would equal expenditures. Actual results of operations resulted in a decrease in the fund balance of \$667,705. Revenues and other financing sources were \$12,616,833 which was \$389,967 less than the final budget. Expenditures and other financing uses were \$13,284,538, which was \$277,738 more than the final budget.

The Capital Projects Fund has a temporary undesignated fund deficit of \$5,599,006 due to the utilization of bond anticipation notes in the amount of \$7,521,000 as temporary financing. Bond anticipation notes are recognized as revenue only when they are redeemed and converted to permanent financing. The majority of the capital projects will be financed by long term debt and grants as of May 31, 2012.

## **Capital Assets and Debt Administration**

### **Capital Assets**

The Village's investment in capital assets for governmental activities at May 31, 2011, net of accumulated depreciation, was \$37,156,086. This investment in capital assets includes land, construction-in-progress, buildings, land improvements, infrastructure (not all inclusive) and machinery and equipment.

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

### **Capital Assets May 31,**

<u>Asset</u>	<u>2011</u>	<u>2010</u>
Land	\$ 2,938,414	\$ 2,938,414
Construction-in-Progress	7,227,691	7,121,226
Buildings	2,599,172	1,979,225
Land Improvements	1,706,874	1,813,983
Infrastructure	19,108,795	20,761,996
Machinery and Equipment	<u>3,575,140</u>	<u>3,480,640</u>
Total (net of depreciation)	<u>\$ 37,156,086</u>	<u>\$ 38,095,484</u>

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

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$10,925,000. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

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

Increases to the cost of providing health insurance and retirement benefits to our employees have risen consistently the last 2 years. These costs have put a strain on available Village resources and contributed to the decline in our fund balance.

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

### **Requests for Information**

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

(This page intentionally left blank)



VILLAGE OF SLEEPY HOLLOW, NEW YORK

STATEMENT OF NET ASSETS

MAY 31, 2011

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 4,064,544
Receivables:	
Taxes, net	363,357
Accounts	256,423
Water rents	601,920
Sewer rents	94,678
Due from other governments	272,009
State and Federal aid	41,401
Inventories	56,241
Prepaid expenditures	154,558
Capital assets:	
Not being depreciated	10,166,105
Being depreciated, net	26,989,981
Total Assets	<u>43,061,217</u>
<b>LIABILITIES</b>	
Accounts payable	684,827
Accrued liabilities	887,191
Unearned revenues	1,225
Bond anticipation notes payable	7,521,000
Accrued interest payable	198,748
Non-current liabilities:	
Due within one year:	1,666,040
Due in more than one year:	13,714,519
Total Liabilities	<u>24,673,550</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	20,632,080
Restricted for:	
Snow removal	105,209
Debt service	178,786
Special Revenue Funds:	
Parking	12,311
Sewer	217,679
Sanitation	8,494
Special purpose	656,697
Unrestricted	(3,423,589)
Total Net Assets	<u>\$ 18,387,667</u>

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

VILLAGE OF SLEEPY HOLLOW, NEW YORK

STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government support	\$ 3,363,233	\$ 284,376	\$ 1,400	\$ 5,600
Public safety	7,174,247	333,035	-	81,167
Health	97,068	134,438	-	-
Transportation	2,115,079	370,770	90,235	188,772
Economic opportunity and development	117,746	-	-	-
Culture and recreation	2,197,783	198,623	4,238	86,238
Home and community services	3,943,915	4,096,028	-	-
Interest	566,181	-	-	9,911
Total Governmental Activities	<u>\$ 19,575,252</u>	<u>\$ 5,417,270</u>	<u>\$ 95,873</u>	<u>\$ 371,688</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

Total General Revenues

Change in Net Assets

Net Assets - Beginning, as reported

Prior Period Adjustment

Net Assets - Beginning

Net Assets - Ending

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

---

Net (Expense)  
Revenue and  
Changes in  
Net Assets

---

\$ (3,071,857)  
(6,760,045)  
37,370  
(1,465,302)

(117,746)  
(1,908,684)

152,113  
(556,270)

(13,690,421)

8,950,127

558,008  
52,384

125,166  
118,312  
1,239,082  
23,813  
148,666  
8,737

11,224,295

(2,466,126)

21,094,211

(240,418)

20,853,793

\$ 18,387,667

## VILLAGE OF SLEEPY HOLLOW, NEW YORK

BALANCE SHEET  
GOVERNMENTAL FUNDS  
MAY 31, 2011

	General	Water	Capital Projects
<b>ASSETS</b>			
Cash and Equivalents	\$ 1,747,411	\$ 58,010	\$ 1,332,361
Taxes Receivable, net of allowance for uncollectible taxes	363,357	-	-
Other Receivables:			
Accounts	144,600	-	-
Water rents	-	601,920	-
Sewer rents	-	-	-
Due from other governments	272,009	-	-
State and Federal aid	-	-	41,401
Due from other funds	825,487	156,823	804,230
	1,242,096	758,743	845,631
Other Assets:			
Inventories	-	56,241	-
Prepaid expenditures	138,818	8,281	-
	138,818	64,522	-
<b>Total Assets</b>	<b>\$ 3,491,682</b>	<b>\$ 881,275</b>	<b>\$ 2,177,992</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities:			
Accounts payable	\$ 663,293	\$ 4,592	\$ 16,942
Accrued liabilities	556,323	194,015	114,186
Due to other funds	920,021	650,000	124,870
Deferred revenues	-	-	-
Deferred tax revenues	308,346	-	-
Bond anticipation notes payable	-	-	7,521,000
<b>Total Liabilities</b>	<b>2,447,983</b>	<b>848,607</b>	<b>7,776,998</b>
Fund Balances (Deficits):			
Reserved for inventories	-	56,241	-
Reserved for prepaid expenditures	138,818	8,281	-
Reserved for snow removal	105,209	-	-
Reserved for debt service	178,786	-	-
Reserved for trusts	-	-	-
Unreserved, reported in:			
General Fund	620,886	-	-
Special Revenue Funds	-	(31,854)	-
Capital Projects Fund	-	-	(5,599,006)
<b>Total Fund Balances (Deficits)</b>	<b>1,043,699</b>	<b>32,668</b>	<b>(5,599,006)</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 3,491,682</b>	<b>\$ 881,275</b>	<b>\$ 2,177,992</b>

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 926,762	\$ 4,064,544
-	363,357
111,823	256,423
-	601,920
94,678	94,678
-	272,009
-	41,401
650,000	2,436,540
856,501	3,702,971
-	56,241
7,459	154,558
7,459	210,799
<u>\$ 1,790,722</u>	<u>\$ 8,341,671</u>
\$ -	\$ 684,827
22,667	887,191
741,649	2,436,540
1,225	1,225
-	308,346
-	7,521,000
765,541	11,839,129
-	56,241
7,459	154,558
-	105,209
-	178,786
656,697	656,697
-	620,886
361,025	329,171
-	(5,599,006)
1,025,181	(3,497,458)
<u>\$ 1,790,722</u>	<u>\$ 8,341,671</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 ASSETS  
YEAR ENDED MAY 31, 2011

---

Fund Balances - Total Governmental Funds \$ (3,497,458)

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

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds. 37,156,086

Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenues in the funds.  
Real property taxes 308,346

Long-term liabilities that are not due and payable in the current  
period are not reported in the funds.

Bonds payable	(10,925,000)
Bond anticipation notes payable - Judgements and claims	(605,000)
Retirement incentives and other pension obligations	(205,557)
Compensated absences	(620,002)
Claims payable	(395,000)
Accrued interest payable	(198,748)
Other post employment benefit obligations	<u>(2,630,000)</u>
	<u>(15,579,307)</u>

Net Assets of Governmental Activities \$ 18,387,667

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

VILLAGE OF SLEEPY HOLLOW, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED MAY 31, 2011

	General	Water	Capital Projects
Revenues:			
Real property taxes	\$ 8,714,517	\$ -	\$ -
Other tax items	610,392	-	-
Non-property taxes	1,482,560	-	-
Departmental income	383,418	3,230,686	-
Intergovernmental charges	15,337	-	-
Use of money and property	94,050	-	-
Licenses and permits	217,827	-	-
Fines and forfeitures	106,260	-	-
State aid	237,350	-	102,838
Federal aid	-	-	258,939
Miscellaneous	10,137	-	-
Total Revenues	11,871,848	3,230,686	361,777
Expenditures:			
Current:			
General government support	2,579,706	89,536	-
Public safety	3,800,430	-	-
Health	97,068	-	-
Transportation	1,175,184	-	-
Economic opportunity and development	110,782	-	-
Culture and recreation	1,431,487	-	-
Home and community services	5,114	2,113,080	-
Employee benefits	2,571,962	540,833	-
Debt service:			
Principal	735,318	162,682	-
Interest	547,487	66,448	-
Capital outlay	-	-	1,974,000
Total Expenditures	13,054,538	2,972,579	1,974,000
Excess (Deficiency) of Revenues Over Expenditures	(1,182,690)	258,107	(1,612,223)
Other Financing Sources (Uses):			
Insurance recoveries	164,985	-	-
Transfers in	580,000	-	230,000
Transfers out	(230,000)	(350,000)	-
Total Other Financing Sources (Uses)	514,985	(350,000)	230,000
Net Change in Fund Balances	(667,705)	(91,893)	(1,382,223)
Fund Balances (Deficits) - Beginning of Year, as reported	1,951,822	124,561	(4,216,783)
Prior Period Adjustment	(240,418)	-	-
Fund Balances (Deficits) - Beginning of Year, as restated	1,711,404	124,561	(4,216,783)
Fund Balances (Deficits) - End of Year	\$ 1,043,699	\$ 32,668	\$ (5,599,006)

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



Non - Major Governmental	Total Governmental Funds
\$ -	\$ 8,714,517
-	610,392
-	1,482,560
1,181,704	4,795,808
-	15,337
5,110	99,160
-	217,827
-	106,260
-	340,188
-	258,939
57,406	67,543
1,244,220	16,708,531
46,308	2,715,550
-	3,800,430
-	97,068
104,978	1,280,162
-	110,782
91,293	1,522,780
447,371	2,565,565
114,532	3,227,327
47,000	945,000
40,136	654,071
-	1,974,000
891,618	18,892,735
352,602	(2,184,204)
-	164,985
-	810,000
(230,000)	(810,000)
(230,000)	164,985
122,602	(2,019,219)
902,579	(1,237,821)
-	(240,418)
902,579	(1,478,239)
\$ 1,025,181	\$ (3,497,458)

(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, 2011

---

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

Net Change in Fund Balances - Total Governmental Funds	\$ (2,019,219)
--	----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Capital outlay expenditures	2,084,706
Depreciation expense	<u>(3,024,104)</u>
	<u>(939,398)</u>

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

Real property taxes	<u>235,610</u>
---------------------	----------------

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

Principal paid on bond anticipation notes	20,000
Principal paid on bonds	925,000
Retirement incentives and other pension obligations	<u>41,943</u>
	<u>986,943</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	(17,203)
Claims payable	109,251
Accrued interest	87,890
Other post employment benefit obligations payable	<u>(910,000)</u>
	<u>(730,062)</u>

Change in Net Assets of Governmental Activities	<u>\$ (2,466,126)</u>
---	-----------------------

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

VILLAGE OF SLEEPY HOLLOW, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
GENERAL AND WATER FUNDS  
YEAR ENDED MAY 31, 2011

	General Fund			Variance with Final Budget (Positive) Negative
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 8,964,036	\$ 8,964,036	\$ 8,714,517	\$ (249,519)
Other tax items	535,000	535,000	610,392	75,392
Non-property taxes	1,395,000	1,395,000	1,482,560	87,560
Departmental income	320,000	320,000	383,418	63,418
Intergovernmental charges	25,000	25,000	15,337	(9,663)
Use of money and property	68,000	68,000	94,050	26,050
Licenses and permits	357,000	357,000	217,827	(139,173)
Fines and forfeitures	110,000	110,000	106,260	(3,740)
Sale of property and compensation for loss	5,000	5,000	-	(5,000)
State aid	253,764	253,764	237,350	(16,414)
Miscellaneous	43,000	43,000	10,137	(32,863)
Total Revenues	12,075,800	12,075,800	11,871,848	(203,952)
Expenditures:				
Current:				
General government support	2,451,100	2,644,828	2,579,706	65,122
Public safety	3,760,316	3,835,998	3,800,430	35,568
Health	87,600	98,568	97,068	1,500
Transportation	945,787	1,185,635	1,175,184	10,451
Economic opportunity and development	122,100	115,084	110,782	4,302
Culture and recreation	1,365,466	1,429,762	1,431,487	(1,725)
Home and community services	39,500	5,114	5,114	-
Employee benefits	2,794,000	2,616,530	2,571,962	44,568
Debt service:				
Principal	850,218	715,318	735,318	(20,000)
Interest	590,713	359,963	547,487	(187,524)
Total Expenditures	13,006,800	13,006,800	13,054,538	(47,738)
Excess (Deficiency) of Revenues Over Expenditures	(931,000)	(931,000)	(1,182,690)	(251,690)
Other Financing Sources (Uses):				
Insurance recoveries	30,000	30,000	164,985	-
Transfers in	901,000	901,000	580,000	(321,000)
Transfers out	-	-	(230,000)	(230,000)
Total Other Financing Sources (Uses)	931,000	931,000	514,985	(551,000)
Net Change in Fund Balances	-	-	(667,705)	(667,705)
Fund Balances - Beginning of Year, as reported	-	-	1,951,822	1,951,822
Prior Period Adjustment	-	-	(240,418)	(240,418)
Fund Balances - Beginning of Year, as restated	-	-	1,711,404	1,711,404
Fund Balances - End of Year	\$ -	\$ -	\$ 1,043,699	\$ 1,043,699

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

Water Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget (Positive) Negative
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
3,605,000	3,605,000	3,230,686	(374,314)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,605,000	3,605,000	3,230,686	(374,314)
123,000	89,536	89,536	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,907,020	2,129,501	2,113,080	16,421
577,000	550,833	540,833	10,000
224,432	162,682	162,682	-
102,548	66,448	66,448	-
2,934,000	2,999,000	2,972,579	26,421
671,000	606,000	258,107	(347,893)
-	-	-	-
-	-	-	-
(671,000)	(606,000)	(350,000)	256,000
(671,000)	(606,000)	(350,000)	256,000
-	-	(91,893)	(91,893)
-	-	124,561	124,561
-	-	-	-
-	-	124,561	124,561
\$ -	\$ -	\$ 32,668	\$ 32,668

VILLAGE OF SLEEPY HOLLOW, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUND  
MAY 31, 2011

---

	<u>Agency</u>
<b>ASSETS</b>	
Cash - Demand deposits	\$ 10,561
Accounts Receivable	<u>77,983</u>
Total Assets	<u><u>\$ 88,544</u></u>
<b>LIABILITIES</b>	
Payroll Taxes	\$ 33,327
Deposits	<u>55,217</u>
Total Liabilities	<u><u>\$ 88,544</u></u>

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

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

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

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

**A. Financial Reporting Entity**

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

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

**B. Government-Wide Financial Statements**

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

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

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

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

**C. Fund Financial Statements**

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

**Fund Categories**

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

General Fund - The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The major special revenue fund of the Village is as follows -

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

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities.



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

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

Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Assets, Liabilities and Net Assets or Fund Balances**

**Deposits and Risk Disclosure**

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

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

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

The Village utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2011.

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

The Village was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

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

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

**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, 2011, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government wide and fund financial statements. Prepaid expenses/expenditures consist of employee health 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 will benefit such periods. Reported amounts in the governmental funds are equally offset by reservations of fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011

---

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

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the Village are depreciated using the straight line method over the following estimated useful lives.

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

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

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

Deferred 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 deferred revenues in the General Fund of \$308,346 for real property taxes and \$1,225 for other items in the Parking Fund. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

**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 Assets. Bond premiums and discounts, as well as issuance costs, 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 amortized over the term of the related debt.

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.

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

**Net Assets** - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through

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

the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for snow removal, debt service and special revenue funds. The balance is classified as unrestricted.

**Fund Balances - Reserves and Designations** - Portions of fund balance are segregated for future use and are, therefore, not available for future appropriation or expenditure. Amounts reserved for snow removal, debt service, inventories, prepaid expenditures and trusts represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designation of unreserved fund balances in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use.

**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, certain Special Revenue and Capital Projects funds. Encumbrances outstanding at year-end, if any, are reported as reservations of 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 and liabilities 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 March 26, 2013.

**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.

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

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

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

**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 2010-11 fiscal year was \$22,639,822 which exceeded the actual levy by \$13,675,786.

**C. Expenditures in Excess of Budget**

The following categories of expenditures exceeded their budgetary provisions by the amounts indicated:

General Fund:	
General Government Support -	
Board of Trustees	\$ 4
Culture and Recreation -	
Parks, Playgrounds and Recreation	4,014

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

## Debt Service:

Principal -	
Bond Anticipation Notes	\$ 20,000
Interest -	
Bond Anticipation Notes	187,525
Transfers Out -	
Capital Projects Fund	230,000

**D. Fund Deficits**

The undesignated deficit in the Capital Projects Fund of \$5,599,006 arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

The Water Fund has an unreserved and undesignated deficit in the amount of \$31,854 at May 31, 2011. The deficit will be addressed in a subsequent year.

**E. Prior Period Adjustment**

A prior period adjustment in the General Fund and entity-wide statements was recorded in the amount of \$240,418 due to an escrow receivable that was deemed to be uncollectible since it can no longer be recouped from the vendor due to a bankruptcy prior to the 2010/11 fiscal year.

**Note 3 - Detailed Notes on All Funds****A. Taxes Receivable**

Taxes receivable at May 31, 2011 consisted of the following:

Taxes Receivable - Current	\$ 64,884
Taxes Receivable - Overdue	<u>656,132</u>
	721,016
Allowance for uncollectible taxes	<u>(357,659)</u>
	<u>\$ 363,357</u>

Taxes receivable are also partially offset by deferred tax revenues of \$308,346, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011

**Note 3 - Detailed Notes on All Funds (Continued)****B. Due From/To Other Funds**

The balances reflected as due from/to other funds at May 31, 2011 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 825,487	\$ 920,021
Water	156,823	650,000
Capital Projects	804,230	124,870
Non-Major Governmental	650,000	741,649
	<u>\$ 2,436,540</u>	<u>\$ 2,436,540</u>

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

**C. Capital Assets**

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

	<u>Balance June 1, 2010</u>	<u>Additions</u>	<u>Balance May 31, 2011</u>
Capital Assets, not being depreciated:			
Land	\$ 2,938,414	\$ -	\$ 2,938,414
Construction-in-progress	7,121,226	106,465	7,227,691
Total Capital Assets, not being depreciated	<u>\$ 10,059,640</u>	<u>\$ 106,465</u>	<u>\$ 10,166,105</u>
Capital Assets, being depreciated:			
Buildings	\$ 4,045,161	\$ 708,794	\$ 4,753,955
Land improvements	2,518,207	13,482	2,531,689
Infrastructure	81,021,596	488,404	81,510,000
Machinery and equipment	9,577,905	767,561	10,345,466
Total Capital Assets, being depreciated	<u>97,162,869</u>	<u>1,978,241</u>	<u>99,141,110</u>



NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

	Balance June 1, 2010	Additions	Balance May 31, 2011
Less Accumulated Depreciation for:			
Buildings	\$ 2,065,936	\$ 88,847	\$ 2,154,783
Land improvements	704,224	120,591	824,815
Infrastructure	60,259,600	2,141,605	62,401,205
Machinery and equipment	6,097,265	673,061	6,770,326
 Total Accumulated Depreciation	 69,127,025	 3,024,104	 72,151,129
 Total Capital Assets, being depreciated, net	 \$ 28,035,844	 \$ (1,045,863)	 \$ 26,989,981
Capital Assets, net	\$ 38,095,484	\$ (939,398)	\$ 37,156,086

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

General Government Support	\$ 393,134
Public Safety	1,421,329
Transportation	332,651
Culture and Recreation	272,169
Home and Community Services	604,821
 Total Depreciation Expense	 \$ 3,024,104

**D. Pension Plans**

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

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to their years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plans' year ended March 31, 2011 are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	15.3%
	3 A14	11.3
	4 A15	11.3
	5 A15	9.1
PFRS	2 375I	12.5
	2 384D	16.8

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

	<u>ERS</u>	<u>PFRS</u>
2011	\$ 426,326	\$ 471,540
2010	249,017	357,682
2009	201,150	353,907

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current ERS contribution for the Village was charged to the funds identified below. The PFRS contribution was charged to the General Fund.

<u>Fund</u>	<u>Amount</u>
General	\$ 345,726
Water	55,000
Parking	6,300
Sanitation	6,300
Sewer	13,000
	<u>\$ 426,326</u>

**E. Short-Term Capital Borrowings**

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

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 1, 2010</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance at May 31, 2011</u>
Various Capital Projects	8/12/2010	8/12/2011	1.00 %	\$ 6,876,000	\$ -	\$ 230,000	\$ 6,646,000
Various Capital Projects	5/12/2011	8/12/2011	1.53	-	875,000	-	875,000
				<u>\$ 6,876,000</u>	<u>\$ 875,000</u>	<u>\$ 230,000</u>	<u>\$ 7,521,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

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 \$187,525 were recorded in the fund financial statements in the General Fund. Interest expense of \$104,900 was recorded in the government-wide financial statements.

**F. Long-Term Liabilities**

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2011:

	Balance June 1, 2010	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2011	Due Within One Year
Bonds Payable	\$ 11,850,000	\$ -	\$ 925,000	\$ 10,925,000	\$ 955,000
Bond Anticipation Note Payable	625,000	-	20,000	605,000	605,000
Retirement Incentives and Other Pension Obligations	247,500	-	41,943	205,557	44,040
Compensated Absences	602,799	77,483	60,280	620,002	62,000
Claims Payable	504,251	-	109,251	395,000	-
Other Post Employment Benefit Obligations Payable	1,720,000	1,520,000	610,000	2,630,000	-
Total Long-Term Liabilities	<u>\$ 15,549,550</u>	<u>\$ 1,597,483</u>	<u>\$ 1,766,474</u>	<u>\$ 15,380,559</u>	<u>\$ 1,666,040</u>

Each governmental fund's liability for bonds, bond anticipation notes, New York State loan, compensated absences, claims and other post employment benefit obligations is liquidated by the respective fund.

**Bonds Payable**

Bonds payable at May 31, 2011 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2011
Various Purposes	2001	\$ 2,890,000	August, 2016	4.00 - 5.00 %	\$ 1,390,000
Various Purposes	2003	3,473,000	March, 2015	2.25 - 5.00	1,325,000
Various Purposes	2004	4,517,512	August, 2024	3.50 - 4.25	3,560,000
Various Purposes	2007	5,326,070	August, 2024	4.00 - 5.00	4,650,000
					<u>\$ 10,925,000</u>

Interest expenditures of \$466,546 were recorded in the fund financial statements in the General, Water and Parking funds. Interest expense of \$461,281 was recorded in the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011

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

The Village issued a bond anticipation note of \$605,000 on August 12, 2010 to finance tax certiorari refunds. The Village, pursuant to FASB guidance, has not recorded these liabilities in the fund financial statements since it has demonstrated ability to consummate refinancing. The ability to consummate refinancing was evidenced by obtaining permanent financing or a renewal of the notes prior to the issuance of the financial statements. The \$605,000 note is due on August 12, 2011, with interest at 1.53%.

**Retirement Incentives and Other Pension Obligations**

The State Legislature enacted Chapter 260 of the Laws of 2004. This chapter authorized local governments to amortize the portion of their respective 2004 contribution which exceeded 7.0% of covered payroll, over a ten year period, commencing in 2005. The amortization payment would include interest at 5% per annum. The Village elected to amortize the maximum allowable ERS and PFRS contributions. The ERS amount required to be amortized for the Village during 2011 was \$16,194, including interest and was charged to expenditures in the General Fund. The PFRS amount required to be amortized during 2011 was \$21,600, including interest. This amount was charged to expenditures in the General Fund. The balance due at May 31, 2011 was \$57,423 for ERS and \$76,592 for PFRS.

The State Legislature enacted Chapter 260 of the Laws of 2004. This chapter authorized local governments to amortize the portion of their respective 2005 contribution which exceeded 9.5% of covered payroll, over a ten year period, commencing in 2006. The amortization payment would include interest at 5% per annum. The Village elected to amortize the maximum allowable ERS and PFRS contributions which aggregated \$26,677 for ERS and \$100,920 for PFRS. The ERS amount required to be amortized for the Village during 2011 was \$3,455 including interest and was charged to expenditures in the General Fund. The PFRS amount required to be amortized during 2011 was \$13,070, including interest. This amount was charged to expenditures in the General Fund. The balance due at May 31, 2011 was \$14,958 for ERS and \$56,584 for PFRS.

**Payments to Maturity**

The annual requirements to amortize all outstanding bonded debt as of May 31, 2011, including interest payments of \$2,971,242 are as follows:

Year Ending May 31,	Bonds Payable		Bond Anticipation notes		Retirement Incentives and Other Pension Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 955,000	\$ 432,356	\$ 605,000	\$ 6,050	\$ 44,040	\$ 10,278	\$ 1,604,040	\$ 448,684
2013	995,000	396,273	-	-	46,242	8,076	1,041,242	404,349
2014	1,040,000	357,626	-	-	48,555	5,764	1,088,555	363,390
2015	1,085,000	315,929	-	-	50,983	3,336	1,135,983	319,265
2016	770,000	271,873	-	-	15,737	787	785,737	272,660
2017-2021	3,210,000	916,727	-	-	-	-	3,210,000	916,727
2022-2025	2,870,000	246,167	-	-	-	-	2,870,000	246,167
	<u>\$ 10,925,000</u>	<u>\$ 2,936,951</u>	<u>\$ 605,000</u>	<u>\$ 6,050</u>	<u>\$ 205,557</u>	<u>\$ 28,241</u>	<u>\$ 11,735,557</u>	<u>\$ 2,971,242</u>

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

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

**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.

**Claims Payable**

The government-wide financial statements reflect general and casualty liabilities which are based upon estimates of the ultimate cost of claims that have been reported, but not settled. The length of time for which such costs must be estimated varies depending upon the case. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount.

**Other Post Employment Benefit Obligations**

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011

---

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

the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

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

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

<u>Year</u>	<u>Assumed Increase</u>
1	10.00%
2	9.00%
3	8.00%
4	7.00%
5	6.00%
6	6.00%
7+	5.00%

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

The number of participants as of May 31, 2011 was as follows:

Active Employees	65
Retired Employees	<u>49</u>
Total	<u><u>114</u></u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

MAY 31, 2011

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

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2010	\$ 19,860,000
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 19,860,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 6,580,000</u>
UAAL as a Percentage of Covered Payroll	<u>301.82%</u>
Annual Required Contribution	\$ 1,510,000
Interest on OPEB Obligation	80,000
Adjustment to Annual Required Contribution	<u>(70,000)</u>
Annual OPEB Cost	1,520,000
Contributions Made	<u>(610,000)</u>
Increase in Net OPEB Obligation	910,000
Net OPEB Obligation - Beginning of Year	<u>1,720,000</u>
Net OPEB Obligation - End of Year	<u>\$ 2,630,000</u>

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

Fiscal Year Ended May 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
2009	\$ 1,340,000	43.28 %	\$ 760,000
2010	1,460,000	34.25	1,720,000
2011	1,520,000	40.13	2,630,000

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

**G. Revenues and Expenditures****Interfund Transfers**

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

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2011**Note 3 - Detailed Notes on All Funds (Continued)**

Transfers Out	Transfers In		
	General	Capital Projects	Total
General	\$ -	\$ 230,000	\$ 230,000
Water	350,000	-	350,000
Non-Major Governmental	230,000	-	230,000
	<u>\$ 580,000</u>	<u>\$ 230,000</u>	<u>\$ 810,000</u>

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

**H. Net Assets**

The components of net assets are detailed below:

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

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

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

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

*Unrestricted* - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

**I. Fund Balances**

Certain elements of reserved fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below.

**Reserved**

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



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

The reserve for prepaid expenditures has been established to account for certain costs paid in advance. This reserve indicates that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

The Reserve for Trusts has been established to set aside funds in accordance with the terms of the grants.

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

**A. Litigation**

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

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

**Contingencies**

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

**Risk Management**

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

**Note 5 - Subsequent Event**

The Village, in November 2011, issued a bond anticipation note for various Village improvements in the amount of \$900,000. The note was due November 30, 2012 with interest at 1.71%.

The Village, in November 2012, issued a bond anticipation note for various Village improvements in the amount of \$1,500,000. The note is due on November 30, 2013 with interest at 1.88%.

The Village, in August 2011, issued serial bonds for various Village improvements and tax certioraris in the amount of \$7,875,000 at varying interest rates depending upon maturity.

VILLAGE OF SLEEPY HOLLOW, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS  
 OTHER POST EMPLOYMENT BENEFITS  
 LAST THREE FISCAL YEARS

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll	
	Value of Assets	Accrued Liability					
June 1, 2008	\$ -	\$ 17,900,000	\$ 17,900,000	- %	\$ 6,100,000	293.44	%
June 1, 2009	-	18,940,000	18,940,000	-	6,490,000	291.83	
June 1, 2010	-	19,860,000	19,860,000	-	6,580,000	301.82	

VILLAGE OF SLEEPY HOLLOW, NEW YORK

GENERAL FUND  
BALANCE SHEET  
MAY 31, 2011

---

ASSETS

Cash:

Demand deposits	\$ 1,745,871
Petty cash	<u>1,540</u>
	<u>1,747,411</u>

Taxes Receivable, net of allowance for uncollectible  
taxes of \$357,659

363,357

Other Receivables:

Accounts	144,600
Due from other governments	272,009
Due from other funds	<u>825,487</u>
	<u>1,242,096</u>

Prepaid Expenditures

138,818

Total Assets

\$ 3,491,682

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 663,293
Accrued liabilities	556,323
Due to other funds	920,021
Deferred tax revenues	<u>308,346</u>

Total Liabilities

2,447,983

Fund Balance:

Reserved for prepaid expenditures	138,818
Reserved for snow removal	105,209
Reserved for debt service	178,786
Unreserved and undesignated	<u>620,886</u>

Total Fund Balance

1,043,699

Total Liabilities and Fund Balance

\$ 3,491,682

(This page intentionally left blank)

VILLAGE OF SLEEPY HOLLOW, NEW YORK

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED MAY 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Real property taxes	\$ 8,964,036	\$ 8,964,036	\$ 8,714,517	\$ (249,519)
Other tax items	535,000	535,000	610,392	75,392
Non-property taxes	1,395,000	1,395,000	1,482,560	87,560
Departmental income	320,000	320,000	383,418	63,418
Intergovernmental charges	25,000	25,000	15,337	(9,663)
Use of money and property	68,000	68,000	94,050	26,050
Licenses and permits	357,000	357,000	217,827	(139,173)
Fines and forfeitures	110,000	110,000	106,260	(3,740)
Sale of property and compensation for loss	5,000	5,000	-	(5,000)
State aid	253,764	253,764	237,350	(16,414)
Miscellaneous	43,000	43,000	10,137	(32,863)
Total Revenues	12,075,800	12,075,800	11,871,848	(203,952)
Expenditures:				
Current:				
General government support	2,451,100	2,644,828	2,579,706	65,122
Public safety	3,760,316	3,835,998	3,800,430	35,568
Health	87,600	98,568	97,068	1,500
Transportation	945,787	1,185,635	1,175,184	10,451
Economic opportunity and development	122,100	115,084	110,782	4,302
Culture and recreation	1,365,466	1,429,762	1,431,487	(1,725)
Home and community services	39,500	5,114	5,114	-
Employee benefits	2,794,000	2,616,530	2,571,962	44,568
Debt service:				
Principal	850,218	715,318	735,318	(20,000)
Interest	590,713	359,963	547,487	(187,524)
Total Expenditures	13,006,800	13,006,800	13,054,538	(47,738)
Deficiency of Revenues Over Expenditures	(931,000)	(931,000)	(1,182,690)	(251,690)
Other Financing Sources (Uses):				
Insurance recoveries	30,000	30,000	164,985	134,985
Transfers in	901,000	901,000	580,000	(321,000)
Transfers out	-	-	(230,000)	(230,000)
Total Other Financing Sources	931,000	931,000	514,985	(416,015)
Net Change in Fund Balance	-	-	(667,705)	(667,705)
Fund Balance - Beginning of Year, as reported	-	-	1,951,822	1,951,822
Prior Period Adjustment	-	-	(240,418)	(240,418)
Fund Balance - Beginning of Year, as restated	-	-	1,711,404	1,711,404
Fund Balance - End of Year	\$ -	\$ -	\$ 1,043,699	\$ 1,043,699

VILLAGE OF SLEEPY HOLLOW, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET  
YEAR ENDED MAY 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 8,964,036	\$ 8,964,036	\$ 8,714,517	\$ (249,519)
OTHER TAX ITEMS				
Payments in lieu of taxes	485,000	485,000	558,008	73,008
Interest and penalties on real property taxes	50,000	50,000	52,384	2,384
NON-PROPERTY TAXES	535,000	535,000	610,392	75,392
Franchise fees	105,000	105,000	125,166	20,166
Utilities gross receipts taxes	130,000	130,000	118,312	(11,688)
Non-property tax distribution from County	1,160,000	1,160,000	1,239,082	79,082
DEPARTMENTAL INCOME	1,395,000	1,395,000	1,482,560	87,560
Clerk - Treasurer fees	49,000	49,000	41,104	(7,896)
Police fees	61,000	61,000	39,983	(21,017)
Ambulance charges	120,000	120,000	134,438	14,438
Parks and recreation charges	72,000	72,000	145,093	73,093
Zoning Board fees	4,000	4,000	3,300	(700)
Planning Board fees	14,000	14,000	15,340	1,340
Public works fees	-	-	4,160	4,160
	320,000	320,000	383,418	63,418

# INTERGOVERNMENTAL CHARGES

Snow removal fees	25,000	25,000	15,337	(9,663)
-------------------	--------	--------	--------	---------

## USE OF MONEY AND PROPERTY

Earnings on investments	5,000	5,000	34,403	29,403
Rental of real property	63,000	63,000	59,647	(3,353)

	68,000	68,000	94,050	26,050
--	--------	--------	--------	--------

## LICENSES AND PERMITS

Business and occupational licenses	10,000	10,000	12,373	2,373
Permit fees	347,000	347,000	205,454	(141,546)

	357,000	357,000	217,827	(139,173)
--	---------	---------	---------	-----------

## FINES AND FORFEITURES

Fines and forfeited bail	110,000	110,000	105,118	(4,882)
Forfeited crime proceeds	-	-	1,142	1,142

	110,000	110,000	106,260	(3,740)
--	---------	---------	---------	---------

## SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	5,000	5,000	-	(5,000)
-------------------	-------	-------	---	---------

## STATE AID

Per capita	64,077	64,077	63,372	(705)
Mortgage tax	100,000	100,000	85,294	(14,706)
Consolidated Highway Improvement Program	87,687	87,687	88,684	997
Other	2,000	2,000	-	(2,000)

	253,764	253,764	237,350	(16,414)
--	---------	---------	---------	----------

(Continued)

(This page intentionally left blank)



VILLAGE OF SLEEPY HOLLOW, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)  
YEAR ENDED MAY 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MISCELLANEOUS				
Gifts and donations	\$ 1,000	\$ 1,000	\$ 1,400	\$ 400
Refund of prior year expenditures	1,000	1,000	-	(1,000)
Other	41,000	41,000	8,737	(32,263)
	43,000	43,000	10,137	(32,863)
TOTAL REVENUES	12,075,800	12,075,800	11,871,848	(203,952)
OTHER FINANCING SOURCES				
Insurance recoveries	30,000	30,000	164,985	134,985
Transfers in:				
Parking Fund	80,000	80,000	80,000	-
Sewer Fund	150,000	150,000	150,000	-
Water Fund	671,000	671,000	350,000	(321,000)
	901,000	901,000	580,000	(321,000)
TOTAL OTHER FINANCING SOURCES	931,000	931,000	744,985	(186,015)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 13,006,800	\$ 13,006,800	\$ 12,616,833	\$ (389,967)

VILLAGE OF SLEEPY HOLLOW, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET  
YEAR ENDED MAY 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT SUPPORT				
Board of Trustees	\$ 28,500	\$ 28,836	\$ 28,840	\$ (4)
Justice	168,900	168,900	165,946	2,954
Mayor	18,900	19,851	19,851	-
Administrator	97,400	105,660	105,660	-
Auditor	25,000	29,000	29,000	-
Treasurer	220,500	326,786	270,976	55,810
Tax collector	6,000	6,000	4,850	1,150
Assessor	36,000	36,000	36,000	-
Village clerk	102,000	105,289	103,049	2,240
Law	307,000	488,815	488,815	-
Engineer	10,000	5,306	5,306	-
Buildings	296,500	367,841	367,841	-
Central garage	590,400	607,042	607,042	-
Unallocated insurance	260,000	222,104	222,104	-
Municipal association dues	5,000	5,000	3,563	1,437
Judgments and claims	20,000	47,597	47,597	-
Taxes and assessments	24,000	32,858	31,738	1,120
Miscellaneous	15,000	19,500	19,500	-
Metropolitan commuter transportation mobility tax	20,000	22,443	22,028	415
Contingent account	200,000	-	-	-
	2,451,100	2,644,828	2,579,706	65,122
PUBLIC SAFETY				
Police	3,244,940	3,262,392	3,251,434	10,958
Jail	1,000	1,000	742	258
Fire Department	185,736	239,518	239,068	450
Control of animals	3,360	3,613	3,613	-
Safety inspection	325,280	329,475	305,573	23,902
	3,760,316	3,835,998	3,800,430	35,568

## HEALTH

Ambulance	58,600	68,027	68,027	-
Public Health Neighborhood Registrar of Vital Statistics	6,000	6,000	4,500	1,500
	23,000	24,541	24,541	-

## TRANSPORTATION

Street administration	25,500	18,700	18,700	-
Street maintenance	687,287	910,828	900,530	10,298
Snow removal	132,000	152,703	152,703	-
Street lighting	100,000	102,404	102,404	-
Off-street parking	1,000	1,000	847	153

## ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging	945,787	1,185,635	1,175,184	10,451
------------------------	---------	-----------	-----------	--------

## CULTURE AND RECREATION

Parks, playgrounds and recreation	597,530	676,811	680,825	(4,014)
Youth programs	53,500	56,904	54,615	2,289
Library	599,436	599,436	599,436	-
Celebrations	48,500	33,484	33,484	-
Adult recreation	66,500	63,127	63,127	-

## HOME AND COMMUNITY SERVICES

Planning	1,365,466	1,429,762	1,431,487	(1,725)
Shade trees	28,500	1,149	1,149	-
	11,000	3,965	3,965	-
	39,500	5,114	5,114	-

(Continued)

VILLAGE OF SLEEPY HOLLOW, NEW YORK

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)  
YEAR ENDED MAY 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EMPLOYEE BENEFITS				
State retirement	\$ 845,000	\$ 825,330	\$ 817,266	\$ 8,064
Local police welfare fund	67,000	65,061	64,353	708
Social security	420,000	398,330	396,550	1,780
Workers' compensation benefits	325,000	340,682	340,682	-
Life insurance	10,000	10,000	9,959	41
Unemployment benefits	10,000	14,993	14,993	-
Hospital and medical benefits	1,117,000	962,134	928,159	33,975
	2,794,000	2,616,530	2,571,962	44,568
DEBT SERVICE				
Principal:				
Serial bonds	715,318	715,318	715,318	-
Bond anticipation notes	134,900	-	20,000	(20,000)
	850,218	715,318	735,318	(20,000)
Interest:				
Serial bonds	359,963	359,963	359,962	1
Bond anticipation notes	230,750	-	187,525	(187,525)
	590,713	359,963	547,487	(187,524)
	1,440,931	1,075,281	1,282,805	(207,524)
TOTAL EXPENDITURES	13,006,800	13,006,800	13,054,538	(47,738)

OTHER FINANCING USES

Transfers out - Capital Projects Fund	-	-	230,000	(230,000)
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 13,006,800	\$ 13,006,800	\$ 13,284,538	\$ (277,738)

VILLAGE OF SLEEPY HOLLOW, NEW YORK

WATER FUND  
BALANCE SHEET  
MAY 31, 2011

ASSETS

Cash:

Demand deposits	\$ 57,960
Petty cash	50

58,010

Receivables:

Water rents	601,920
Due from other funds	156,823

758,743

Other Assets:

Inventories	56,241
Prepaid expenditures	8,281

64,522

Total Assets	<u>\$ 881,275</u>
--------------	-------------------

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 4,592
Accrued liabilities	194,015
Due to other funds	650,000

Total Liabilities	<u>848,607</u>
-------------------	----------------

Fund Balance (Deficit):

Reserved for inventories	56,241
Reserved for prepaid expenditures	8,281
Unreserved and undesignated	(31,854)

Total Fund Balance	<u>32,668</u>
--------------------	---------------

Total Liabilities and Fund Balance	<u>\$ 881,275</u>
------------------------------------	-------------------

VILLAGE OF SLEEPY HOLLOW, NEW YORK

WATER FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED MAY 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues -				
Departmental income	\$ 3,605,000	\$ 3,605,000	\$ 3,230,686	\$ (374,314)
Expenditures:				
Current:				
General government support	123,000	89,536	89,536	-
Home and community services	1,907,020	2,129,501	2,113,080	16,421
Employee benefits	577,000	550,833	540,833	10,000
Debt service:				
Principal	224,432	162,682	162,682	-
Interest	102,548	66,448	66,448	-
Total Expenditures	2,934,000	2,999,000	2,972,579	26,421
Excess of Revenues Over Expenditures	671,000	606,000	258,107	(347,893)
Other Financing Uses -				
Transfers out	(671,000)	(606,000)	(350,000)	256,000
Net Change in Fund Balance	-	-	(91,893)	(91,893)
Fund Balance - Beginning of Year	-	-	124,561	124,561
Fund Balance - End of Year	\$ -	\$ -	\$ 32,668	\$ 32,668

VILLAGE OF SLEEPY HOLLOW, NEW YORK

CAPITAL PROJECTS FUND

BALANCE SHEET

MAY 31, 2011

ASSETS

Cash - Demand deposits	\$ 1,332,361
Receivables:	
State and Federal aid	41,401
Due from other funds	<u>804,230</u>
	<u>845,631</u>
Total Assets	<u>\$ 2,177,992</u>

LIABILITIES AND FUND DEFICIT

Liabilities:	
Accounts payable	\$ 16,942
Accrued liabilities	114,186
Due to other funds	124,870
Bond anticipation notes payable	<u>7,521,000</u>
Total Liabilities	7,776,998
Fund Deficit - Unreserved and undesignated	<u>(5,599,006)</u>
Total Liabilities and Fund Deficit	<u>\$ 2,177,992</u>



VILLAGE OF SLEEPY HOLLOW, NEW YORK

CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
YEAR ENDED MAY 31, 2011

---

Revenues:	
State aid	\$ 102,838
Federal aid	<u>258,939</u>
Total Revenues	361,777
Expenditures - Capital outlay	<u>1,974,000</u>
Deficiency of Revenues Over Expenditures	(1,612,223)
Other Financing Sources -	
Transfers in	<u>230,000</u>
Net Change in Fund Balance	(1,382,223)
Fund Deficit - Beginning of Year	<u>(4,216,783)</u>
Fund Deficit - End of Year	<u><u>\$ (5,599,006)</u></u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
MAY 31, 2011

	Parking Fund	Sewer Fund	Sanitation Fund
<u>ASSETS</u>			
Cash - Demand deposits	\$ 266,139	\$ 137	\$ 3,789
Receivables:			
Accounts	8,840	-	102,983
Sewer rents	-	94,678	-
Due from other funds	-	200,000	450,000
	8,840	294,678	552,983
Prepaid Expenditures	695	-	6,764
Total Assets	\$ 275,674	\$ 294,815	\$ 563,536
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accrued liabilities	\$ -	\$ -	\$ 22,667
Due to other funds	229,638	12,136	499,875
Deferred revenues	1,225	-	-
Total Liabilities	230,863	12,136	522,542
Fund Balances:			
Reserved for prepaid expenditures	695	-	6,764
Reserved for trusts	-	-	-
Unreserved and undesignated	44,116	282,679	34,230
Total Fund Balances	44,811	282,679	40,994
Total Liabilities and Fund Balances	\$ 275,674	\$ 294,815	\$ 563,536

<u>Special Purpose Fund</u>	<u>Total Non-Major Governmental Funds</u>
<u>\$ 656,697</u>	<u>\$ 926,762</u>
-	111,823
-	94,678
-	<u>650,000</u>
-	<u>856,501</u>
-	<u>7,459</u>
<u>\$ 656,697</u>	<u>\$ 1,790,722</u>
\$ -	\$ 22,667
-	741,649
-	<u>1,225</u>
-	<u>765,541</u>
-	7,459
656,697	656,697
-	<u>361,025</u>
<u>656,697</u>	<u>1,025,181</u>
<u>\$ 656,697</u>	<u>\$ 1,790,722</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, 2011

	Parking Fund	Sewer Fund	Sanitation Fund
Revenues:			
Departmental income	\$ 351,273	\$ 439,639	\$ 390,792
Use of money and property	872	-	-
Miscellaneous	-	-	-
Total Revenues	<u>352,145</u>	<u>439,639</u>	<u>390,792</u>
Expenditures:			
Current:			
General government support	17,811	17,811	10,686
Transportation	104,978	-	-
Culture and recreation	-	-	-
Home and community services	-	64,905	382,466
Employee benefits	22,315	54,107	38,110
Debt service:			
Principal	47,000	-	-
Interest	40,136	-	-
Total Expenditures	<u>232,240</u>	<u>136,823</u>	<u>431,262</u>
Excess (Deficiency) of Revenues Over Expenditures	119,905	302,816	(40,470)
Other Financing Uses - Transfers out	<u>(80,000)</u>	<u>(150,000)</u>	<u>-</u>
Net Change in Fund Balances	39,905	152,816	(40,470)
Fund Balances - Beginning of Year	<u>4,906</u>	<u>129,863</u>	<u>81,464</u>
Fund Balances - End of Year	<u>\$ 44,811</u>	<u>\$ 282,679</u>	<u>\$ 40,994</u>

<u>Special Purpose Fund</u>	<u>Total Non-Major Governmental Funds</u>
\$ -	\$ 1,181,704
4,238	5,110
57,406	57,406
<u>61,644</u>	<u>1,244,220</u>
-	46,308
-	104,978
91,293	91,293
-	447,371
-	114,532
-	47,000
-	40,136
<u>91,293</u>	<u>891,618</u>
(29,649)	352,602
-	(230,000)
(29,649)	122,602
686,346	902,579
<u>\$ 656,697</u>	<u>\$ 1,025,181</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK

PARKING FUND  
BALANCE SHEET  
MAY 31, 2011

---

ASSETS

Cash - Demand deposits	\$	266,139
Accounts Receivable		8,840
Prepaid Expenditures		<u>695</u>
Total Assets	\$	<u><u>275,674</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Due to other funds	\$	229,638
Deferred revenues		<u>1,225</u>
Total Liabilities		<u>230,863</u>

Fund Balance:

Reserved for prepaid expenditures		695
Unreserved and undesignated		<u>44,116</u>
Total Fund Balance		<u>44,811</u>
Total Liabilities and Fund Balance	\$	<u><u>275,674</u></u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK

PARKING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED MAY 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Departmental income	\$ 350,000	\$ 350,000	\$ 351,273	\$ 1,273
Use of money and property	-	-	872	872
Total Revenues	350,000	350,000	352,145	2,145
Expenditures:				
Current:				
General government support	14,764	17,811	17,811	-
Transportation	136,800	133,753	104,978	28,775
Employee benefits	31,300	31,300	22,315	8,985
Debt service:				
Principal	47,000	47,000	47,000	-
Interest	40,136	40,136	40,136	-
Total Expenditures	270,000	270,000	232,240	37,760
Excess of Revenues Over Expenditures	80,000	80,000	119,905	39,905
Other Financing Uses - Transfers out	(80,000)	(80,000)	(80,000)	-
Net Change in Fund Balance	-	-	39,905	39,905
Fund Balance - Beginning of Year	-	-	4,906	4,906
Fund Balance - End of Year	\$ -	\$ -	\$ 44,811	\$ 44,811

VILLAGE OF SLEEPY HOLLOW, NEW YORK

SEWER FUND  
BALANCE SHEET  
MAY 31, 2011

---

ASSETS

Cash - Demand deposits	\$ 137
Receivables:	
Sewer rents	94,678
Due from other funds	<u>200,000</u>
	<u>294,678</u>
Total Assets	<u>\$ 294,815</u>

LIABILITIES AND FUND BALANCE

Liabilities - Due to other funds	\$ 12,136
Fund Balance -	
Unreserved and undesignated	<u>282,679</u>
Total Liabilities and Fund Balance	<u>\$ 294,815</u>



VILLAGE OF SLEEPY HOLLOW, NEW YORK

SEWER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED MAY 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues -				
Departmental income	\$ 425,000	\$ 425,000	\$ 439,639	\$ 14,639
Expenditures:				
Current:				
General government support	32,000	32,000	17,811	14,189
Home and community services	149,800	137,715	64,905	72,810
Employee benefits	57,000	69,085	54,107	14,978
Debt service -				
Interest	13,300	13,300	-	13,300
Total Expenditures	252,100	252,100	136,823	115,277
Excess of Revenues Over Expenditures	172,900	172,900	302,816	129,916
Other Financing Uses -				
Transfers out	(172,900)	(172,900)	(150,000)	22,900
Net Change in Fund Balance	-	-	152,816	152,816
Fund Balance - Beginning of Year	-	-	129,863	129,863
Fund Balance - End of Year	\$ -	\$ -	\$ 282,679	\$ 282,679

VILLAGE OF SLEEPY HOLLOW, NEW YORK

SANITATION FUND  
BALANCE SHEET  
MAY 31, 2011

---

ASSETS

Cash - Demand deposits	\$ 3,789
Receivables:	
Accounts	102,983
Due from other funds	450,000
	<u>552,983</u>
Prepaid Expenditures	<u>6,764</u>
Total Assets	<u>\$ 563,536</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accrued liabilities	\$ 22,667
Due to other funds	499,875
	<u>522,542</u>
Total Liabilities	
Fund Balance:	
Reserved for prepaid expenditures	6,764
Unreserved and undesignated	34,230
	<u>40,994</u>
Total Fund Balance	
Total Liabilities and Fund Balance	<u>\$ 563,536</u>

VILLAGE OF SLEEPY HOLLOW, NEW YORK

SANITATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED MAY 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues -				
Departmental income	\$ 438,000	\$ 438,000	\$ 390,792	\$ (47,208)
Expenditures:				
Current:				
General government support	16,000	10,686	10,686	-
Home and community services	365,750	382,466	382,466	-
Employee benefits	40,800	38,110	38,110	-
Debt service - Interest	15,450	6,738	-	6,738
Total Expenditures	438,000	438,000	431,262	6,738
Deficiency of Revenues Over Expenditures	-	-	(40,470)	(40,470)
Fund Balance - Beginning of Year	-	-	81,464	81,464
Fund Balance - End of Year	\$ -	\$ -	\$ 40,994	\$ 40,994

VILLAGE OF SLEEPY HOLLOW, NEW YORK

SPECIAL PURPOSE FUND  
BALANCE SHEET  
MAY 31, 2011

---

ASSETS

Cash - Demand deposits	\$ 656,697
------------------------	------------

FUND BALANCE

Reserved for Trusts	\$ 656,697
---------------------	------------

VILLAGE OF SLEEPY HOLLOW, NEW YORK

SPECIAL PURPOSE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
YEAR ENDED MAY 31, 2011

---

Revenues:

Use of money and property	\$ 4,238
Miscellaneous	<u>57,406</u>

Total Revenues	61,644
----------------	--------

Expenditures - Current - Culture and recreation	<u>91,293</u>
---	---------------

Deficiency of Revenues Over Expenditures	(29,649)
--	----------

Fund Balance - Beginning of Year	<u>686,346</u>
----------------------------------	----------------

Fund Balance - End of Year	<u><u>\$ 656,697</u></u>
----------------------------	--------------------------

