

Village of Croton-on-Hudson, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2016

Village of Croton-on-Hudson, New York

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Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Village of Croton-on-Hudson, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Croton-on-Hudson, New York ("Village") as of and for the year ended May 31, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2016, 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 accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2F and Note 3F in the notes to the financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board Statement Nos. 68 "Accounting and Financial Reporting for Pensions" and 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
December 21, 2016

Village of Croton-on-Hudson, New York

Management's Discussion and Analysis May 31, 2016

Introduction

As management of the Village of Croton-on-Hudson, New York ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2016. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

Financial Highlights for Fiscal Year 2016

- For the year ended May 31, 2016, the Village implemented the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting for Pensions". This pronouncement established new accounting and financial reporting requirements associated with the Village's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). Under the new standards, cost-sharing employers are required to report in the government-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At May 31, 2016, the Village reported in its Statement of Net Position a liability of \$5,589,118 for its proportionate share of the ERS and PFRS net pension liabilities. More detailed information about the Village's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to the financial statements.
- On the government-wide financial statements, the assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,784,347.
- The General Fund completed fiscal year 2016 with a fund balance totaling \$7,974,915, an increase of \$905,824. Of this amount, the unassigned fund balance totaled \$5,832,266. In addition, the nonspendable classification included \$1,900 for prepaid expenditures and \$279,206 for advances to other funds. The assigned classification included \$118,035 for encumbrances, \$500,000 for subsequent year's expenditures and \$350,000 for future retirement expenditures. \$893,508 was restricted for employee benefits which represents accumulated vacation and sick leave in accordance with various collective bargaining agreements.
- The Capital Projects Fund expenditures totaled \$6,888,120 and the fund balance at May 31, 2016 was \$10,287,956.

- The Village issued \$696,431 of new bond anticipation notes and retired \$691,287 of bond anticipation notes outstanding during the current fiscal year. At May 31, 2016, the Village had \$696,431 of bond anticipation notes outstanding to finance capital projects.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$20,015,003. Of this amount, the unassigned fund balance was \$5,565,234 or 27.8%.
- During the 2016 fiscal year, the Village issued \$10,613,200 of serial bonds including \$2,035,000 of refunding bond and retired \$4,385,531 of previously outstanding indebtedness. The Village's total outstanding general obligation bonds payable at May 31, 2016 totaled \$36,393,200, exclusive of issuance premiums of \$667,532.

Overview of the Financial Statements

The Village's financial statements are comprised of this Management Discussion and Analysis ("MD&A") and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides an analysis and overview of the Village's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents.

Government-wide Financial Statements

The government-wide financial statements are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: the statement of net position and the statement of activities. Fiduciary activities, whose resources are not available to the Village's programs, are excluded from these statements.

The statement of net position presents the Village's total assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator as to whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing the change in the Village's net position during the current fiscal year. All revenues and expenses 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 result in cash flows in future fiscal periods such as uncollected taxes and earned but unused vacation and sick leave. The focus of this statement is on the net cost of providing various services to the citizens of the Village.

The government-wide financial statements distinguish 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 an accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Governmental resources are allocated to and accounted for in an individual fund based upon the purpose 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 and legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds - Most of the basic services provided by the Village are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the Village's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

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. From this comparison, readers may better understand the long-term impact of the Village'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 of Croton-on-Hudson has six (6) individual governmental funds: General, Water, Debt Service, Capital Projects, Special Purpose and Sewer funds. Of these, the General, Water, Debt Service and Capital Projects funds are reported as major funds, and are presented in separate columns on the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major funds can be found on the *combining statements* elsewhere in this report.

The Village adopts an annual budget for its General, Water, Sewer and Debt Service funds. A budgetary comparison statement has been provided in the basic financial statements for the General and Water Funds to demonstrate compliance with the respective budgets.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are *not* reflected in the government-wide financial statements because the assets of these funds are *not* available to support the activities of the Village. The Village maintains two types of fiduciary funds, the Pension Trust Fund and the Agency Fund. The Pension Trust Fund accounts for the Service Awards Program for volunteer firefighters. Resources are held in the Agency Fund by the Village purely in a custodial capacity. The activity in this fund is limited to the receipt and remittance of resources to the appropriate individual, organization or government.

The financial statements for the Fiduciary Funds can be found in the basic financial statements section of this report.

Notes to Financial Statement

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

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the Village's other post employment benefit obligations, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Village's financial position. In the case of the Village of Croton-on-Hudson, New York the assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$13,784,347 for fiscal year 2016.

The following table reflects the condensed Statement of Net Position:

Statement of Net Position

	May 31,	
	2016	2015
Current Assets	\$ 23,444,526	\$ 19,832,307
Capital Assets, net	43,166,293	39,163,747
Total Assets	66,610,819	58,996,054
Deferred Outflows of Resources*	5,662,100	130,439
Current Liabilities	3,669,174	4,006,854
Long-Term Liabilities	54,001,556	40,729,602
Total Liabilities	57,670,730	44,736,456
Deferred Inflows of Resources*	817,842	-
Net Position		
Net investment in capital assets	14,544,012	15,207,260
Restricted	1,969,012	929,373
Unrestricted	(2,728,677)	(1,746,596)
Total Net Position	\$ 13,784,347	\$ 14,390,037

****Detailed information pertaining to the Village's Deferred Outflows/Inflows of Resources is presented in Notes 1 and 3 of the financial statements. The amounts are as follows:***

<u>Retirement System</u>	2016 Deferred Amounts on Pensions	
	<u>Outflows</u>	<u>Inflows</u>
Employee (ERS)	\$ 2,924,430	\$ 455,913
Police and Fire (PFRS)	<u>2,566,185</u>	<u>361,929</u>
	<u>\$ 5,490,615</u>	<u>\$ 817,842</u>

One component of the Village's net position is net investment in capital assets of \$14,544,012 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

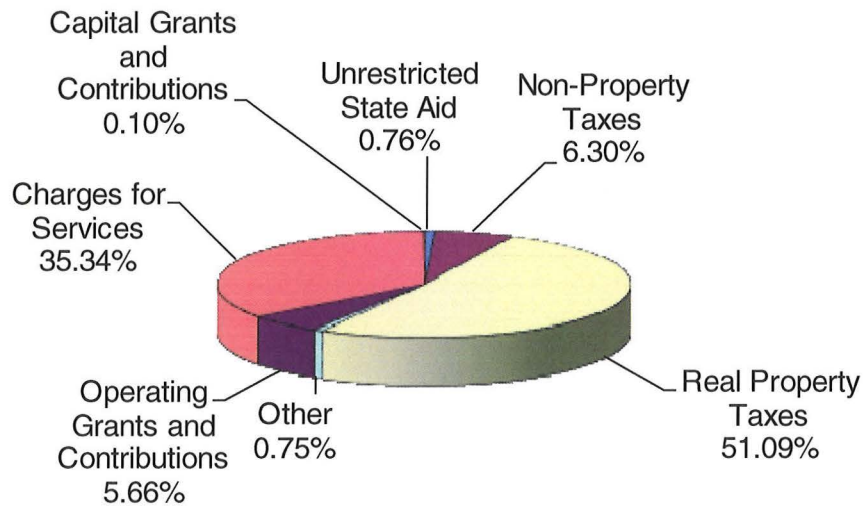
The restricted net position of \$1,969,012 represents resources that are subject to external restrictions on their use. The restrictions are:

	May 31,	
	<u>2016</u>	<u>2015</u>
Capital Projects	\$ 444,498	\$ 590,289
Future Capital Projects	78,244	78,049
Debt Service	366,536	175,773
Special Purpose	<u>1,079,734</u>	<u>85,262</u>
Restricted Net Assets	<u>\$ 1,969,012</u>	<u>\$ 929,373</u>

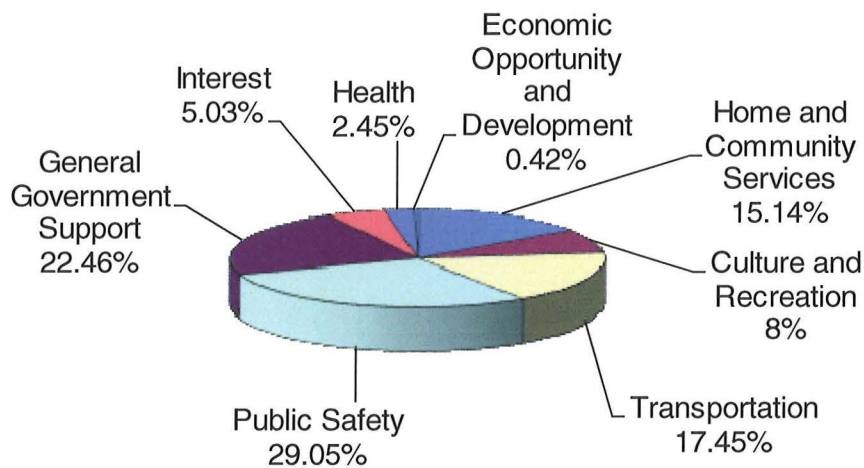
Changes in Net Position

	Year Ended May 31,	
	2016	2015
REVENUES		
Program Revenues		
Charges for Services	\$ 7,774,151	\$ 7,498,658
Operating Grants and Contributions	1,244,540	161,288
Capital Grants and Contributions	21,114	474,696
Total Program Revenues	9,039,805	8,134,642
General Revenues		
Real Property Taxes	11,237,997	11,027,207
Other Tax Items	44,031	46,562
Non-Property Taxes	1,386,226	1,337,082
Unrestricted Use of Money and Property	19,972	9,609
Sale of Property and Compensation for Loss	64,323	69,675
Unrestricted State Aid	167,995	157,670
Miscellaneous	3,672	15,960
Insurance recoveries	32,320	68,051
Total General Revenues	12,956,536	12,731,816
Total Revenues	21,996,341	20,866,458
PROGRAM EXPENSES		
General Government Support	5,006,327	5,294,921
Public Safety	6,472,869	5,907,496
Health	546,974	539,087
Transportation	3,888,592	3,285,068
Economic Opportunity and Development	92,593	86,967
Culture and Recreation	1,783,011	1,707,535
Home and Community Services	3,374,105	2,666,795
Interest	1,121,223	997,905
Total Expenses	22,285,694	20,485,774
Change in Net Position	(289,353)	380,684
NET POSITION		
Beginning, as previously reported	14,390,037	14,009,353
Cumulative Effect of Change in Accounting Principle*	(316,337)	-
Beginning, as restated	14,073,700	14,009,353
Ending	\$ 13,784,347	\$ 14,390,037

Sources of Revenue for Fiscal Year 2016 Governmental Activities



Sources of Expenses for Fiscal Year 2016 Governmental Activities



Governmental Activities: Governmental activities decreased the Village's net position by \$289,353.

For the fiscal year ended May 31, 2016, revenues from governmental activities totaled \$21,996,341. Tax revenues of \$12,668,254, consisting of real property taxes, other tax items and non-property taxes, represented the largest revenue source at 58%.

Financial Analysis of the Government's Funds

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

Fund Balance Reporting

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the fiscal period ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

Governmental Funds - The table below outlines the various balances that comprise the total fund balance of the Village as of May 31, 2016 according to their GASB Statement No. 54 classifications along with what the former classifications would have been. More detailed information about the Village's fund balance is presented in note 3.1 in the notes to financial statements.

<u>GASB No. 54 Classification</u>	<u>Includes Former Classifications</u>	<u>Fund Balance</u>
Nonspendable Fund Balance	Prepaid Expenditures Advances	\$ 1,900 <u>279,206</u> 281,106
Restricted Fund Balance	Reserved for Employee Benefits Reserved for Future Capital Projects Reserved for Debt Service Reserved for Capital Projects Reserved for Parklands Reserved for Trusts	908,723 78,244 291,536 10,287,956 1,079,606 <u>128</u> 12,646,193
Assigned Fund Balance	Reserved for Encumbrances: General Government Support Public Safety Health Transportation Economic Opportunity and Development Culture and Recreation Home and Community Services Employee Benefits Designated for Subsequent Year's Expenditures: Unassigned Fund Balance Designated for Future Retirement Expenditures Water	7,079 28,647 7,801 11,511 6,605 31,912 41,435 1,969 575,000 380,300 <u>430,211</u> 1,522,470
Unassigned Fund Balance	Unreserved and Undesignated: General Fund Sewer	5,832,266 <u>(267,032)</u> 5,565,234
Total Fund Balances (as of May 31, 2016)		<u>\$ 20,015,003</u>

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

As of the end of the current fiscal year, the Village's governmental funds reported combined fund balances of \$20,015,003 an increase of \$4,039,242 from the prior year.

General Fund Budgetary Highlights

When the fiscal 2015-2016 budget was adopted, it anticipated the use of \$500,000 of fund balance. However, actual results of operations resulted in an increase of \$905,824 to fund balance. Overall, General Fund expenditures and other financing uses were \$17,814,622, which was \$1,123,297 less than the final budget. Revenues and other financing sources totaled \$18,720,446, which was \$361,655 greater than the final budget.

Capital Asset and Debt Administration

Capital Assets: The Village's investment in capital assets for its governmental activities as of May 31, 2016, amounted to \$43,166,293 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction-in-progress.

Capital Assets (Net of Depreciation)

	May 31,	
	2016	2015
Land	\$ 4,773,011	\$ 4,773,011
Buildings and improvements	6,518,136	5,041,797
Machinery and equipment	3,120,313	2,685,679
Infrastructure	10,013,110	9,130,080
Construction-in-Progress	18,741,723	17,533,180
Total	<u>\$ 43,166,293</u>	<u>\$ 39,163,747</u>

Additional information on the Village's capital assets can be found in Note 3 of this report.

Long-term Debt: At the end of the current fiscal year, the Village had total debt outstanding of \$37,981,742 comprised of general obligation bonded debt of \$36,393,200 and installment purchase debt of \$1,588,542. The Village issued \$10,613,200 of serial bonds and retired \$4,385,531 of previously outstanding indebtedness. All of this debt is backed by the full faith and credit of the Village.

Additional information on the Village's long-term debt can be found in Note 3 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Janine King, Village Manager, Village of Croton-on-Hudson, One Van Wyck Street, Croton-on-Hudson, New York 10520.

Village of Croton-on-Hudson, New York

Statement of Net Position

May 31, 2016

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 21,559,251
Receivables	
Taxes, net	52,769
Accounts	337,420
Water rents	1,040,560
Sewer rents	94,756
State and Federal aid	97,375
Due from other governments	260,495
Prepaid expenses	1,900
Capital assets	
Not being depreciated	23,514,734
Being depreciated, net	19,651,559
Total Assets	66,610,819
DEFERRED OUTFLOWS OF RESOURCES	5,662,100
LIABILITIES	
Accounts payable	1,257,896
Accrued liabilities	397,838
Retainages payable	233,929
Bond anticipation notes payable	696,431
Due to other governments	10,282
Unearned revenues	815,365
Accrued interest payable	257,433
Non-current liabilities	
Due within one year	2,922,182
Due in more than one year	51,079,374
Total Liabilities	57,670,730
DEFERRED INFLOWS OF RESOURCES	817,842
NET POSITION	
Net investment in capital assets	14,544,012
Restricted	
Capital projects	444,498
Future capital projects	78,244
Debt service	366,536
Special purpose	1,079,734
Unrestricted	(2,728,677)
Total Net Position	\$ 13,784,347

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

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Village of Croton-on-Hudson, New York

Statement of Activities
Year Ended May 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 5,006,327	\$ 369,952	\$ 91,915	\$ -	\$ (4,544,460)
Public safety	6,472,869	415,705	-	-	(6,057,164)
Health	546,974	296,477	100,591	-	(149,906)
Transportation	3,888,592	3,375,485	43,922	10,033	(459,152)
Economic opportunity and development	92,593	-	-	-	(92,593)
Culture and recreation	1,783,011	269,181	1,003,540	(109)	(510,399)
Home and community services	3,374,105	3,047,351	4,572	-	(322,182)
Interest	1,121,223	-	-	11,190	(1,110,033)
 Total Governmental Activities	 \$ 22,285,694	 \$ 7,774,151	 \$ 1,244,540	 \$ 21,114	 (13,245,889)
 General revenues					
Real property taxes					11,237,997
Other tax items					
Interest and penalties on real property taxes					44,031
Non-property taxes					
Non-property tax distribution from County					1,174,703
Franchise fees					105,790
Utilities gross receipts taxes					105,733
Unrestricted use of money and property					19,972
Sale of property and compensation for loss					64,323
Unrestricted State aid					167,995
Miscellaneous					3,672
Insurance recoveries					32,320
 Total General Revenues					12,956,536
 Change in Net Position					(289,353)
 NET POSITION					14,390,037
Beginning, as reported					
 Cumulative Effect of Change in Accounting Principle					(316,337)
 Beginning, as restated					14,073,700
 Ending					\$ 13,784,347

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

Village of Croton-on-Hudson, New York

Balance Sheet
Governmental Funds
May 31, 2016

	General	Water	Debt Service
ASSETS			
Cash and equivalents	\$ 7,357,465	\$ 293,851	\$ 412,232
Taxes receivable, net of allowance for uncollectible amounts	52,769	-	-
Other receivables			
Accounts	332,509	-	-
Water rents	-	1,040,560	-
Sewer rents	-	-	-
State and Federal aid	53,761	-	-
Due from other governments	260,495	-	-
Due from other funds	1,380,814	175,760	245,089
Advances to other funds	279,206	-	-
Prepaid expenditures	1,900	-	-
Total Assets	\$ 9,718,919	\$ 1,510,171	\$ 657,321
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 681,921	\$ 51,784	\$ -
Accrued liabilities	377,485	20,353	-
Retainages payable	-	-	-
Bond anticipation notes payable	-	-	-
Due to other funds	114,279	865,140	290,785
Due to other governments	10,282	-	-
Unearned revenues	542,255	-	-
Advances from other funds	-	-	-
Total Liabilities	1,726,222	937,277	290,785
Deferred inflows of resources			
Deferred tax revenues	17,782	-	-
Total Liabilities and Deferred Inflows of Resources	1,744,004	937,277	290,785
Fund balances (deficits)			
Nonspendable	281,106	-	-
Restricted	893,508	93,459	291,536
Assigned	968,035	479,435	75,000
Unassigned	5,832,266	-	-
Total Fund Balances	7,974,915	572,894	366,536
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,718,919	\$ 1,510,171	\$ 657,321

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 12,429,184	\$ 1,066,519	\$ 21,559,251
-	-	52,769
4,911	-	337,420
-	-	1,040,560
-	94,756	94,756
43,614	-	97,375
-	-	260,495
96	77,877	1,879,636
-	-	279,206
-	-	1,900
<u>\$ 12,477,805</u>	<u>\$ 1,239,152</u>	<u>\$ 25,603,368</u>
\$ 517,823	\$ 6,368	\$ 1,257,896
-	-	397,838
233,929	-	233,929
696,431	-	696,431
456,382	153,050	1,879,636
-	-	10,282
273,110	-	815,365
12,174	267,032	279,206
2,189,849	426,450	5,570,583
-	-	17,782
<u>2,189,849</u>	<u>426,450</u>	<u>5,588,365</u>
-	-	281,106
10,287,956	1,079,734	12,646,193
-	-	1,522,470
-	(267,032)	5,565,234
<u>10,287,956</u>	<u>812,702</u>	<u>20,015,003</u>
<u>\$ 12,477,805</u>	<u>\$ 1,239,152</u>	<u>\$ 25,603,368</u>

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Village of Croton-on-Hudson, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position May 31, 2016

Fund Balances - Total Governmental Funds	\$ 20,015,003
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Amounts Reported for Governmental Activities in the Statement of Net
Position are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	43,166,293
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Real property taxes	17,782
--	--------

Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities. Deferred amounts on net pension assets (liabilities) Deferred amounts on refunding bonds	4,672,773 171,485
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	4,844,258
--	-----------

Long-term and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Accrued interest payable Bonds payable Installment purchase debt payable Compensated absences Net pension liability Other post employment benefit obligations payable	(257,433) (37,060,732) (1,588,542) (1,986,749) (5,589,118) (7,776,415)
---	---

	(54,258,989)
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Net Position of Governmental Activities	\$ 13,784,347
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The notes to the financial statements are an integral part of this statement.

Village of Croton-on-Hudson, New York
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended May 31, 2016

	General	Water	Debt Service
REVENUES			
Real property taxes	\$ 11,258,344	\$ -	\$ -
Other tax items	44,031	-	-
Non-property taxes	1,386,226	-	-
Departmental income	4,208,884	2,729,294	-
Use of money and property	143,555	572	11,190
Licenses and permits	227,806	-	-
Fines and forfeitures	256,853	-	-
Sale of property and compensation for loss	64,323	4,000	-
Interfund revenues	522,000	-	-
State aid	301,321	-	-
Federal aid	103,540	-	-
Miscellaneous	3,764	-	-
Total Revenues	18,520,647	2,733,866	11,190
EXPENDITURES			
Current			
General government support	3,223,022	234,907	-
Public safety	3,607,494	-	-
Health	446,248	-	-
Transportation	1,434,248	-	-
Economic opportunity and development	69,810	-	-
Culture and recreation	1,117,137	-	-
Home and community services	1,082,656	1,292,235	-
Employee benefits	4,063,210	282,538	-
Debt service			
Principal	-	-	2,311,330
Interest	8,641	-	1,066,471
Refunding bond issuance costs	-	-	84,852
Capital outlay	-	-	-
Total Expenditures	15,052,466	1,809,680	3,462,653
Excess (Deficiency) of Revenues Over Expenditures	3,468,181	924,186	(3,451,463)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Insurance recoveries	32,320	-	-
Refunding bonds issued	-	-	2,035,000
Payment to refunded bond escrow agent	-	-	(2,283,920)
Issuance premium	-	-	553,028
Transfers in	167,479	36,667	3,413,118
Transfers out	(2,762,156)	(763,391)	(75,000)
Total Other Financing Sources (Uses)	(2,562,357)	(726,724)	3,642,226
Net Change in Fund Balances	905,824	197,462	190,763
FUND BALANCES (DEFICITS)			
Beginning of Year	7,069,091	375,432	175,773
End of Year	<u>\$ 7,974,915</u>	<u>\$ 572,894</u>	<u>\$ 366,536</u>

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 11,258,344
-	-	44,031
-	-	1,386,226
-	229,069	7,167,247
-	1,192	156,509
-	-	227,806
-	-	256,853
-	-	68,323
-	-	522,000
-	-	301,321
10,033	-	113,573
(109)	1,000,480	1,004,135
9,924	1,230,741	22,506,368
-	23,997	3,481,926
-	-	3,607,494
-	-	446,248
-	-	1,434,248
-	-	69,810
-	7,200	1,124,337
-	131,464	2,506,355
-	6,174	4,351,922
-	-	2,311,330
-	-	1,075,112
-	-	84,852
6,888,120	-	6,888,120
6,888,120	168,835	27,381,754
(6,878,196)	1,061,906	(4,875,386)
8,578,200	-	8,578,200
-	-	32,320
-	-	2,035,000
-	-	(2,283,920)
-	-	553,028
219,104	-	3,836,368
(127,795)	(108,026)	(3,836,368)
8,669,509	(108,026)	8,914,628
1,791,313	953,880	4,039,242
8,496,643	(141,178)	15,975,761
\$ 10,287,956	\$ 812,702	\$ 20,015,003

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Village of Croton-on-Hudson, 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, 2016

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

Net Change in Fund Balances - Total Governmental Funds	\$ 4,039,242
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than total capital outlay since capital outlay includes amounts that are under the capitalization threshold.

Capital outlay expenditures	5,387,878
Depreciation expense	(1,385,332)
	<u>4,002,546</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	(20,347)
---------------------	----------

Issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bonds issued	(8,578,200)
Refunding bonds issued	(2,035,000)
Payment to refunded bond escrow agent	2,283,920
Issuance premium	(553,028)
Principal paid on serial bonds	2,160,531
Principal paid on installment purchase debt	150,799
Amortization of loss on refunding and issuance premium	22,885
	<u>(6,548,093)</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.

Accrued interest	(68,996)
Compensated absences	(48,836)
Pension assets (obligations)	(600,008)
Other post employment benefit obligations	(1,044,861)
	<u>(1,762,701)</u>

Change in Net Position of Governmental Activities	\$ (289,353)
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The notes to the financial statements are an integral part of this statement.

Village of Croton-on-Hudson, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Water Funds
Year Ended May 31, 2016

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 11,250,447	\$ 11,250,447	\$ 11,258,344	\$ 7,897
Other tax items	50,001	50,001	44,031	(5,970)
Non-property taxes	1,355,000	1,355,000	1,386,226	31,226
Departmental income	4,119,095	4,154,239	4,208,884	54,645
Use of money and property	166,500	168,942	143,555	(25,387)
Licenses and permits	140,200	144,591	227,806	83,215
Fines and forfeitures	230,000	230,000	256,853	26,853
Sale of property and compensation for loss	18,500	19,569	64,323	44,754
Interfund revenues	522,000	522,000	522,000	-
State aid	180,900	260,388	301,321	40,933
Federal aid	-	100,591	103,540	2,949
Miscellaneous	-	-	3,764	3,764
Total Revenues	18,032,643	18,255,768	18,520,647	264,879
EXPENDITURES				
Current				
General government support	3,506,382	3,476,954	3,223,022	253,932
Public safety	3,574,029	3,665,233	3,607,494	57,739
Health	416,974	515,441	446,248	69,193
Transportation	2,320,238	1,565,976	1,434,248	131,728
Economic opportunity and development	71,140	78,036	69,810	8,226
Culture and recreation	1,147,958	1,204,760	1,117,137	87,623
Home and community services	471,371	1,159,746	1,082,656	77,090
Employee benefits	4,449,064	4,500,120	4,063,210	436,910
Debt service				
Interest	6,200	8,642	8,641	1
Total Expenditures	15,963,356	16,174,908	15,052,466	1,122,442
Excess of Revenues Over Expenditures	2,069,287	2,080,860	3,468,181	1,387,321
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	5,000	28,023	32,320	4,297
Transfers in	75,000	75,000	167,479	92,479
Transfers out	(2,725,490)	(2,763,011)	(2,762,156)	855
Total Other Financing Uses	(2,645,490)	(2,659,988)	(2,562,357)	97,631
Net Change in Fund Balances	(576,203)	(579,128)	905,824	1,484,952
FUND BALANCES				
Beginning of Year	576,203	579,128	7,069,091	6,489,963
End of Year	\$ -	\$ -	\$ 7,974,915	\$ 7,974,915

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

Water			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
2,560,034	2,560,034	2,729,294	169,260
300	300	572	272
-	-	-	-
-	-	-	-
-	4,000	4,000	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>2,560,334</u>	<u>2,564,334</u>	<u>2,733,866</u>	<u>169,532</u>
283,946	235,584	234,907	677
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,241,913	1,321,509	1,292,235	29,274
278,299	287,732	282,538	5,194
-	-	-	-
<u>1,804,158</u>	<u>1,844,825</u>	<u>1,809,680</u>	<u>35,145</u>
<u>756,176</u>	<u>719,509</u>	<u>924,186</u>	<u>204,677</u>
-	-	-	-
-	36,667	36,667	-
(763,391)	(763,391)	(763,391)	-
<u>(763,391)</u>	<u>(726,724)</u>	<u>(726,724)</u>	<u>-</u>
(7,215)	(7,215)	197,462	204,677
<u>7,215</u>	<u>7,215</u>	<u>375,432</u>	<u>368,217</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572,894</u>	<u>\$ 572,894</u>

Village of Croton-on-Hudson, New YorkStatement of Net Position
Fiduciary Funds
May 31, 2016

	<u>Agency</u>	<u>Pension Trust</u>
ASSETS		
Cash and equivalents	<u>\$ 89,602</u>	<u>\$ 26,259</u>
Investments, at fair value		
U.S. Equities	-	138,048
International Equities	-	136,597
Fixed Income	-	410,737
Mixed Assets	<u>-</u>	<u>173,564</u>
	<u>-</u>	<u>858,946</u>
Accounts receivable	<u>397,319</u>	<u>3,646</u>
Total Assets	<u>486,921</u>	<u>888,851</u>
LIABILITIES		
Accounts payable	295,939	-
Employee payroll deductions	7,785	-
Deposits	<u>183,197</u>	<u>-</u>
Total Liabilities	<u>486,921</u>	<u>-</u>
NET POSITION		
Held in trust for pension benefits (A schedule of funding progress for the plan is presented in the required supplementary information)	<u>\$ -</u>	<u>\$ 888,851</u>

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

Village of Croton-on-Hudson, New York

Statement of Changes in Fiduciary Net Position
Pension Trust Fund - Fire Service Awards Program
Year Ended May 31, 2016

ADDITIONS

Earnings on investments	\$ 23,496
Net change in fair value of investments	<u>(69,223)</u>
Total Additions	(45,727)

DEDUCTIONS

Pension benefits	<u>43,953</u>
Change in Net Position	(89,680)

NET POSITION

Beginning of Year	<u>978,531</u>
End of Year	<u><u>\$ 888,851</u></u>

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

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Village of Croton-on-Hudson, New York

Notes to Financial Statements
May 31, 2016

Note 1 - Summary of Significant Accounting Policies

The Village of Croton-on-Hudson, New York ("Village") was established in 1898 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Village Manager serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The 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 Position and the Statement of Activities) report information on all non-fiduciary activities of the Village as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are 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. Other items not identified as program revenues are reported as general revenues. The Village does not allocate indirect expenses to functions in the Statement of Activities.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. 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 explain 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 restricted, committed or assigned to expenditures for certain defined purposes. The major special revenue fund of the Village is the Water Fund. The Water Fund is used to record the water utility operations of the Village, which renders services on a user charge basis to the general public.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

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

The Village also reports the following non-major governmental funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds:

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

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

- b. Fiduciary Funds (Not Included in Government-Wide Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. These include Pension Trust and Agency Funds. The Pension Trust Fund is provided to account for the Village's Fire Service Awards Program. The Agency Fund accounts for employee payroll tax withholdings and deposits that are payable to other jurisdictions or individuals.

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

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

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

Governmental fund financial statements are reported using the flow of 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 generally used for revenue recognition for most 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 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 compensated absences, net pension liability 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Deposits, Investments 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 deposits and 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.

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, 2016.

Investments of the Pension Trust Fund - Fire Service Award Program investments are held on deposit with an insurance company. The funds are invested along with the Company's other assets in a variety of instruments. These investments are not subject to risk categorization.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in June. The Village is responsible for the billing and collection of its own taxes. The Village also has the responsibility for in-rem foreclosure proceedings.

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 expenses/expenditures are incurred. Allowances are recorded where 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, 2016,

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Advances To/From Other Funds - Advances to/from other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by a nonspendable fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Village. Purchases of inventoriable items at various locations are recorded as expenses/expenditures at the time of purchase and year-end balances at these locations are not material.

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 district-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$2,500 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.

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

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

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 and Improvements	20-50
Machinery and Equipment	5-20
Infrastructure	15-50

Note 1 - Summary of Significant Accounting Policies (Continued)

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 sheets.

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

Unearned revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues of \$542,255 for parking permit fees received in advance in the General Fund and \$273,110 for State and Federal aid received in advance in the Capital Projects Fund. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The Village reported deferred outflows of resources of \$171,485 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunded debt.

The Village also reported deferred inflows of resources of \$17,782 for uncollected taxes in the General Fund. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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 or Debt Service funds expenditures.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 21, 2016.

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 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, Debt Service and Sewer funds.
- f) Budgets for General, Water, Debt Service and Sewer 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 adopted 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 modification 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, Debt Service and Sewer funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2015-2016 was \$23,367,837 which exceeded the actual levy (inclusive of exclusions) by \$12,123,581.

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

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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

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

C. Expenditures in Excess of Budget

The following capital projects exceeded their budgetary authorization by the amounts indicated:

Croton Landing Field Improvements	\$	2,158
High Street Drainage		5,384
Washington Engine Fire House Apron/Wall and Kitchen Repairs		624
Fire FCC Narrowband Radio Compliance Plan		1,269
Police FCC Narrowband Radio Compliance Plan		1,077
2 Stryker Lift Systems		118
Patrol Vehicle Computers		297
Police Vehicles		600

D. Fund Deficits

The Sewer Fund has an unassigned deficit of \$267,032 at May 31, 2016. The Village plans to address this deficit in the subsequent year.

F. Capital Projects Fund Deficits

The deficits in various individual projects arise in-part 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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
 May 31, 2016

Note 2 - Stewardship, Compliance and Accountability (Continued)

redeemed. This deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

G. Cumulative Effect of Change in Accounting Principle

For the year ended May 31, 2016, the Village implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$316,337.

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

Taxes receivable at May 31, 2016 consisted of the following:

Current year	\$	76,153
Prior years		<u>116,401</u>
		192,554
Less - Allowance for uncollectible amounts		<u>(139,785)</u>
	\$	<u>52,769</u>

B. Due From/To Other Funds, Advances From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2016 were as follows:

Fund	Due From	Due To	Advances From/To
General	\$ 1,380,814	\$ 114,279	\$ 279,206
Water	175,760	865,140	-
Debt Service	245,089	290,785	-
Capital Projects	96	456,382	(12,174)
Non-Major Governmental	<u>77,877</u>	<u>153,050</u>	<u>(267,032)</u>
	<u>\$ 1,879,636</u>	<u>\$ 1,879,636</u>	<u>\$ -</u>

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

C. Capital Assets

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

	Balance June 1, 2015	Additions	Deletions	Balance May 31, 2016
Capital Assets, not being depreciated				
Land	\$ 4,773,011	\$ -	\$ -	\$ 4,773,011
Construction-in-progress	17,533,180	3,933,152	2,724,609	18,741,723
Total Capital Assets, not being depreciated	<u>\$ 22,306,191</u>	<u>\$ 3,933,152</u>	<u>\$ 2,724,609</u>	<u>\$ 23,514,734</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 9,879,599	\$ 1,813,854	\$ -	\$ 11,693,453
Machinery and equipment	7,832,023	1,074,890	10,900	8,896,013
Infrastructure	33,068,625	1,290,591	-	34,359,216
Total Capital Assets, being depreciated	<u>50,780,247</u>	<u>4,179,335</u>	<u>10,900</u>	<u>54,948,682</u>
Less Accumulated Depreciation for				
Buildings and improvements	4,837,802	337,515	-	5,175,317
Machinery and equipment	5,146,344	640,256	10,900	5,775,700
Infrastructure	23,938,545	407,561	-	24,346,106
Total Accumulated Depreciation	<u>33,922,691</u>	<u>1,385,332</u>	<u>10,900</u>	<u>35,297,123</u>
Total Capital Assets, being depreciated, net	<u>\$ 16,857,556</u>	<u>\$ 2,794,003</u>	<u>\$ -</u>	<u>\$ 19,651,559</u>
Capital Assets, net	<u>\$ 39,163,747</u>	<u>\$ 6,727,155</u>	<u>\$ 2,724,609</u>	<u>\$ 43,166,293</u>

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

General Government Support	\$ 80,492
Public Safety	216,282
Health	33,546
Transportation	849,506
Economic Opportunity and Development	1,323
Culture and Recreation	71,675
Home and Community Services	132,508
	<u>\$ 1,385,332</u>

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

D. Accrued Liabilities

Accrued liabilities at May 31, 2016 were as follows:

	General Fund	Water Fund	Total
Payroll and employee benefits	<u>\$ 377,485</u>	<u>\$ 20,353</u>	<u>\$ 397,838</u>

E. Short-Term Capital Borrowings - Bond Anticipation Notes

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

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance June 1, 2015	New Issues	Redemptions	Balance May 31, 2016
Various	1/8/2015	-	- %	\$ 691,287	\$ -	\$ 691,287	\$ -
Various	1/7/2016	12/16/2016	1.25	-	696,431	-	696,431
Total				<u>\$ 691,287</u>	<u>\$ 696,431</u>	<u>\$ 691,287</u>	<u>\$ 696,431</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 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 \$8,641 were recorded in the fund financial statements in the General Fund. Interest expense of \$8,667 was recorded in the government-wide financial statements for governmental activities.

F. Long-Term Liabilities

The changes in the Village's long-term indebtedness during the year ended May 31, 2016 are summarized as follows:

	Balance June 1, 2015 As Reported	Cumulative Effect of Change in Accounting Principle	Balance June 1, 2015 As Restated	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2016	Due Within One Year
Bonds Payable	\$ 30,165,531	\$ -	\$ 30,165,531	\$ 10,613,200	\$ 4,385,531	\$ 36,393,200	\$ 2,563,200
Plus							
Unamortized premium on bonds	155,263	-	155,263	553,028	40,759	667,532	-
	30,320,794	-	30,320,794	11,166,228	4,426,290	37,060,732	2,563,200
Other Non-Current Liabilities:							
Installment Purchase							
Debt Payable	1,739,341	-	1,739,341	-	150,799	1,588,542	159,982
Net Pension Liability	-	(316,337)	(316,337)	5,905,455	-	5,589,118	-
Compensated Absences	1,937,913	-	1,937,913	242,836	194,000	1,986,749	199,000
Other Post Employment Benefit							
Obligations Payable	6,731,554	-	6,731,554	1,836,775	791,914	7,776,415	-
Total Long-Term Liabilities	<u>\$ 40,729,602</u>	<u>\$ (316,337)</u>	<u>\$ 40,413,265</u>	<u>\$ 19,151,294</u>	<u>\$ 5,563,003</u>	<u>\$ 54,001,556</u>	<u>\$ 2,922,182</u>

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Each governmental fund's liability for net pension liability, compensated absences and other post employment benefit obligations is liquidated by the General, Water and Sewer funds. The Village's indebtedness for bonds and installment purchase debt is liquidated by the Debt Service Fund which is funded by the General, Water and Sewer Funds.

Bonds Payable

Bonds payable at May 31, 2016 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2016
Various Purposes	2007	2,267,100	July, 2016	4.490	\$ 110,000
Various Purposes	2007	1,415,800	February, 2017	4.00-4.250	65,000
Various Purposes	2008	1,058,548	April, 2022	3.75-4.200	525,000
Various Purposes	2009	4,972,500	May, 2028	3.00-4.375	3,535,000
Refunding Bond	2011	3,080,000	May, 2019	2.00-3.000	990,000
Various Purposes	2011	3,801,500	March, 2030	2.25-4.000	2,980,000
Various Purposes	2012	1,686,060	April, 2028	2.00-4.000	1,315,000
Refunding Bond	2013	3,270,000	November, 2024	1.00-3.00	2,075,000
Various Purposes	2013	4,717,500	May, 2033	1.00-3.00	4,115,000
Various Purposes	2014	6,089,500	April, 2044	3.00-4.00	5,825,000
Various Purposes	2015	4,360,531	January, 2040	9.00-2.500	4,245,000
Refunding Bond	2016	2,035,000	July, 2026	2.00-5.000	2,035,000
Various Purposes	2016	8,578,200	April, 2036	2.00-3.000	8,578,200
					<u>\$ 36,393,200</u>

Interest expenditures of \$964,339 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$1,013,817 was recorded in the government-wide financial statements for governmental activities.

Installment Purchase Debt

The Village had entered into a contract to purchase land at a cost of \$4,000,000. An initial payment of \$500,000 was made at the closing and the balance of \$3,500,000 is payable in semi-annual installments of \$126,465, including interest at a rate of 6.0% per annum through 2024. The balance due at May 31, 2016 was \$1,588,542.

Interest expenditures of \$102,132 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$98,739 was recorded in the government-wide financial statements for governmental activities.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded and installment purchase debt outstanding as of May 31, 2016, including interest payments of \$12,697,381 are as follows:

Year Ending May 31,	Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	2,563,200	1,123,314	159,982	92,948	2,723,182	1,216,262
2018	2,135,000	1,082,841	169,725	83,205	2,304,725	1,166,046
2019	2,055,000	1,017,466	180,062	72,869	2,235,062	1,090,335
2020	1,830,000	957,279	191,027	61,903	2,021,027	1,019,182
2021	1,890,000	896,841	202,661	50,270	2,092,661	947,111
2022-2026	9,755,000	3,561,615	685,085	73,705	10,440,085	3,635,320
2027-2031	7,600,000	2,062,306	-	-	7,600,000	2,062,306
2032-2036	5,315,000	1,065,794	-	-	5,315,000	1,065,794
2037-2041	2,295,000	417,625	-	-	2,295,000	417,625
2042-2044	955,000	77,400	-	-	955,000	77,400
	<u>\$ 36,393,200</u>	<u>\$ 12,262,481</u>	<u>\$ 1,588,542</u>	<u>\$ 434,900</u>	<u>\$ 37,981,742</u>	<u>\$ 12,697,381</u>

The above general obligation bonds and installment purchase debt 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 located within the Village.

Advance Refunding

During the current fiscal year, the Village issued \$2,035,000 in serial bonds with interest rates ranging from 2.0% to 5.0%, depending on maturity. The proceeds were used to refund \$1,370,000 of the 2007 various purpose serial bonds bearing interest at 4.49% and \$855,000 of the 2007 various purpose serial bonds bearing interest at 4.00% to 4.25. The net proceeds of \$2,283,920 (net of a \$333,772 re-offering premium and after payment of \$84,852 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007 serial bonds. As a result, the 2007 serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$58,920 and the premium received was \$333,772. These amounts are being netted against the new debt and amortized over the remaining life of the refunded debt.

The Village advance refunded the 2007 serial bonds to reduce its total debt service payments over 11 years by \$262,639 and to obtain a net present value economic gain of \$233,146.

As of May 31, 2016, the defeased bonds outstanding were \$855,000.

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System

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

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2016 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14/41J	18.8%
	4 A15/41J	18.8
	5 A15/41J	15.5
	6 A15/41J	10.5
PFRS	1 384D/3029D	29.9%
	2 384D	24.7
	5 384D	20.1
	6 384D	14.3

At May 31, 2016, the Village reported a liability of \$3,224,099 for its proportionate shares of the net pension liabilities of ERS and a liability of \$2,365,019 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

employer relative to the total of all participating members. At March 31, 2016, the Village's proportion was 0.0200875% for ERS and 0.0798780% for PFRS, which was an increase of 0.0005285% for ERS and an increase of 0.0038721% for PFRS from its proportion measured as of March 31, 2015.

For the year ended May 31, 2016, the Village recognized pension expense in the government-wide financial statements of \$1,129,602 for ERS and \$886,310 for PFRS. Pension expenditures of \$799,960 for ERS and \$615,943 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	ERS	PFRS
General Fund	\$ 727,867	\$ 615,943
Water Fund	68,705	-
Sewer Fund	3,388	-
	<u>\$ 799,960</u>	<u>\$ 615,943</u>

At May 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,292	\$ 382,163	\$ 21,212	\$ 357,562
Changes of assumptions	859,770	-	1,019,552	-
Net difference between projected and actual earnings on pension plan investments	1,912,713	-	1,325,402	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	-	-	69,785	-
Village contributions subsequent to the measurement date	135,655	73,750	130,234	4,367
	<u>\$ 2,924,430</u>	<u>\$ 455,913</u>	<u>\$ 2,566,185</u>	<u>\$ 361,929</u>

The amounts reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2017	\$ 588,182	\$ 489,996
2018	588,182	489,996
2019	588,185	489,996
2020	568,313	471,542
2021	-	132,492

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liabilities to March 31, 2016. The total pension liabilities for the March 31, 2015 measurement date were determined by using an actuarial valuation as of April 1, 2015. Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

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

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

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

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

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 7,270,110</u>	<u>\$ 3,224,099</u>	<u>\$ (194,607)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 5,282,518</u>	<u>\$ 2,365,019</u>	<u>\$ (80,478)</u>

The components of the collective net pension liability as of the March 31, 2016 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 172,303,544	\$ 30,347,727	\$ 202,651,271
Fiduciary net position	<u>156,253,265</u>	<u>27,386,940</u>	<u>183,640,205</u>
Employers' net pension liability	<u>\$ 16,050,279</u>	<u>\$ 2,960,787</u>	<u>\$ 19,011,066</u>
Fiduciary net position as a percentage of total pension liability	<u>90.7%</u>	<u>90.2%</u>	<u>90.6%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2016 represent the employer contribution for the period of April 1, 2016 through May 31, 2016 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS and PFRS within the General Fund as of May 31, 2016 were \$123,016 and \$130,234 respectively. In addition, accrued retirement contributions to ERS as of May 31, 2016 within the Water Fund and Sewer Fund were \$11,701 and \$907 respectively.

Voluntary Defined Contribution Plan

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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Pension Trust - Fire Service Awards Program

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Awards Program ("Program") for volunteer firefighters. This Program is a single employer defined benefit plan. Active volunteer firefighters, upon attainment of age 18 and completion of one year of service, are eligible to become participants in the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant upon attainment of entitlement age and one year of plan participation shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity. The monthly benefits are \$20 for each year of service credit, up to a maximum of 20 years. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Village's Board, are authorized to invest the funds in authorized investment vehicles. Separate financial statements are not issued by the program.

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>January 01, 2016</u>
Active - non-vested	72
Retirees and beneficiaries currently receiving benefits	29
Terminated employees entitled to benefits but not yet receiving them	4

The Village is required to contribute the amounts necessary to finance the plan as actuarially determined using the entry age normal frozen initial liability cost method. The assumed investment rate of return is 5.0% and there are no cost of living adjustments.

The Village's annual Program cost, the percentage of the annual Program cost contributed to the plan and the net pension obligation for the current and two preceding fiscal years were as follows:

	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage of Annual Program Cost Contributed</u>
2016	\$ 110,709	\$ -	- %
2015	92,144	92,144	100
2014	91,936	91,936	100

Since the net pension obligation is not separately amortized, the annual required contribution is equal to the annual pension costs. Per actuary, the 2016 required contribution made in calendar year 2016.

Note 3 - Detailed Notes on All Funds (Continued)

Compensated Absences

Under the terms of existing collective bargaining agreements, employees are entitled to accumulate sick and vacation leave based upon the terms of their respective collective bargaining agreements. Payments upon separation of service varies with each agreement. The Village's liability for accumulated sick and vacation leave has been recorded in the government-wide financial statements.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing 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 those 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 in the fund financial statements.

The Village's annual other post employment 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 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 district-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the Village's general assets. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is as follows:

Year Ended May 31	Medical Rates	
	Pre-65	Post-65
2017	6.00 %	5.00 %
2018+	5.00	5.00

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The amortization basis is the level of percentage of payroll method with a closed amortization approach with 22 years remaining in the amortization period. The actuarial assumptions include a 4.0% investment rate of return and a 2.5% projected annual increase in payroll. The Village currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the entry age method.

The number of participants as of May 31, 2016 was as follows:

Active Employees	60
Retired Employees	<u>54</u>
	<u>114</u>

Amortization Component	
Actuarial Accrued Liability as of June 1, 2015	\$ 27,493,153
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 27,493,153</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 7,572,993</u>
UAAL as a Percentage of Covered Payroll	<u>363.04%</u>
Annual Required Contribution	\$ 1,906,067
Interest on Net OPEB Obligation	269,262
Adjustment to ARC	<u>(338,554)</u>
Annual OPEB Cost	1,836,775
Contributions Made	<u>(791,914)</u>
Increase in Net OPEB Obligation	1,044,861
Net OPEB Obligation - Beginning of Year	<u>6,731,554</u>
Net OPEB Obligation - End of Year	<u>\$ 7,776,415</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 and preceding year is as follows:

<u>Fiscal Year Ended May 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 1,836,775	43.11 %	\$ 7,776,415
2015	1,764,319	40.45	6,731,554
2014	1,700,714	41.53	5,680,850

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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 accrued liability for the benefits over time.

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:

Transfers Out	Transfers In				Total
	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	
General Fund	\$ -	\$ 36,667	\$ 2,506,385	\$ 219,104	\$ 2,762,156
Water Fund	-	-	763,391	-	763,391
Debt Service Fund	75,000	-	-	-	75,000
Capital Projects Fund	92,479	-	35,316	-	127,795
Non-Major Governmental Funds	-	-	108,026	-	108,026
	<u>\$ 167,479</u>	<u>\$ 36,667</u>	<u>\$ 3,413,118</u>	<u>\$ 219,104</u>	<u>\$ 3,836,368</u>

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due, 2) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures 3) move amounts in the Debt Service Fund to the General Fund as principal and interest payments become due and 4) move closed capital projects funded by the General and Debt Service Funds 5) move amounts earmarked in the operating fund to fulfill commitments for Water Fund personnel expenditures.

H. Net Position

The components of net position are detailed below:

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

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Future Capital Projects - the component of net position that has been established pursuant to General Municipal Law, which is restricted for future improvements to the water distribution system.

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2016						2015					
	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable												
Prepaid expenditures	\$ 1,900	\$ -	\$ -	\$ -	\$ -	\$ 1,900	\$ 22,770	\$ -	\$ -	\$ -	\$ -	\$ 22,770
Advances	279,206	-	-	-	-	279,206	297,559	-	-	-	-	297,559
Total Nonspendable	281,106	-	-	-	-	281,106	320,329	-	-	-	-	320,329
Restricted												
Employee benefits	893,508	15,215	-	-	-	908,723	892,170	15,215	-	-	-	907,385
Future capital projects	-	78,244	-	-	-	78,244	-	78,049	-	-	-	78,049
Debt service	-	-	291,536	-	-	291,536	-	-	100,773	-	-	100,773
Capital projects	-	-	-	10,287,956	-	10,287,956	-	-	-	8,496,643	-	8,496,643
Parklands	-	-	-	-	1,079,606	1,079,606	-	-	-	-	85,134	85,134
Trusts	-	-	-	-	128	128	-	-	-	-	128	128
Total Restricted	893,508	93,459	291,536	10,287,956	1,079,734	12,646,193	892,170	93,264	100,773	8,496,643	85,262	9,668,112
Assigned												
Purchases on order												
General government support	7,079	-	-	-	-	7,079	22,645	-	-	-	-	22,645
Public safety	28,647	-	-	-	-	28,647	8,569	-	-	-	-	8,569
Health	7,801	-	-	-	-	7,801	6,430	-	-	-	-	6,430
Transportation	11,511	-	-	-	-	11,511	10,779	-	-	-	-	10,779
Economic opportunity and development	6,605	-	-	-	-	6,605	-	-	-	-	-	-
Culture and recreation	31,912	-	-	-	-	31,912	10,494	-	-	-	-	10,494
Home and community services	22,511	18,924	-	-	-	41,435	17,286	7,215	-	-	-	24,501
Employee benefits	1,969	-	-	-	-	1,969	-	-	-	-	-	-
	118,035	18,924	-	-	-	136,959	76,203	7,215	-	-	-	83,418
Subsequent year's expenditures	500,000	-	75,000	-	-	575,000	500,000	-	75,000	-	-	575,000
Future retirement expenditures	350,000	30,300	-	-	-	380,300	350,000	30,300	-	-	-	380,300
Water	-	430,211	-	-	-	430,211	-	244,653	-	-	-	244,653
Total Assigned	968,035	479,435	75,000	-	-	1,522,470	926,203	282,168	75,000	-	-	1,283,371
Unassigned												
Purchases on order												
Home and community services	-	-	-	-	1,065	1,065	-	-	-	-	9,820	9,820
Other	5,832,266	-	-	-	(268,097)	5,564,169	4,930,389	-	-	-	(236,260)	4,694,129
Total Unassigned	5,832,266	-	-	-	(267,032)	5,565,234	4,930,389	-	-	-	(226,440)	4,703,949
Total Fund Balances	\$ 7,974,915	\$ 572,894	\$ 366,536	\$ 10,287,956	\$ 812,702	\$ 20,015,003	\$ 7,069,091	\$ 375,432	\$ 175,773	\$ 8,496,643	\$ (141,178)	\$ 15,975,761

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)
May 31, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

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

The Advances has been established to indicate the long-term nature of funds advanced to the Sewer Fund. The funds do not represent "available" spendable resources even though they are a component of current assets.

The Restriction for Employee Benefits represents funds set aside for the payment of accumulated vacation and sick leave in accordance with various collective bargaining agreements and pursuant to General Municipal Law.

The Restriction for Parklands represents funds received by the Village in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

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

Purchases on order are assigned and represent the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at May 31, 2016, the Board of Trustees has assigned the above amounts to be appropriated for the ensuing year's budget.

The future retirement expenditures represents funds set aside for the payment of future retirement expenditures.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the non-major governmental funds represent the deficit in the Sewer Fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Village, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Village, if adversely settled.

There are currently pending 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 the possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year in which the payment is made.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

B. Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. 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.

C. Risk Management

The Village purchases various conventional insurance coverages to reduce its exposure to loss. The Village maintains general liability and public official's liability insurance coverage with policy limits of \$1 million per occurrence. In addition, the Village maintains an umbrella policy with a coverage limit of \$5 million. The law enforcement liability policy provides coverage up to \$1 million. In addition, the Village purchases workers' compensation insurance with coverage at statutory limits. Conventional health insurance is also provided to employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Village of Croton-on-Hudson, New York**Required Supplementary Information - Schedule of Funding Progress
Pension Trust Fund - Fire Service Awards Program
Last Six Fiscal Years**

Actuarial Valuation Date January 1,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio
2010	\$ 545,549	\$ 543,678	\$ (1,871)	100.34 %
2011	616,963	620,918	3,955	99.36
2012	759,647	701,715	(57,932)	108.26
2013	835,627	797,498	(38,129)	104.78
2014	886,387	890,101	3,714	99.58
2015	888,850	1,135,397	246,547	78.29

Village of Croton-on-Hudson, New York**Required Supplementary Information - Schedule of Contributions
Pension Trust Fund - Fire Service Awards Program
Last Six Fiscal Years**

<u>Year Ended May 31,</u>	<u>Annual Required Contribution</u>	<u>Actual Contributions</u>	<u>Percentage Contributed</u>
2011	\$ 92,595	\$ 92,595	100.00 %
2012	96,529	96,529	100.00
2013	93,287	93,287	100.00
2014	91,936	91,936	100.00
2015	92,144	92,144	100.00
2016	110,709	-	0.00

Village of Croton-on-Hudson, New York

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

	2016
Village's proportion of the net pension liability (asset)	0.0200875%
Village's proportionate share of the net pension liability (asset)	\$ 3,224,099
Village's covered-employee payroll	\$ 4,878,324
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.09%
Plan fiduciary net position as a percentage of the total pension liability	97.90%

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

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

Village of Croton-on-Hudson, New York

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

	<u>2016</u>
Contractually required contribution	\$ 851,684
Contributions in relation to the contractually required contribution	<u>(851,684)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	<u>\$ 4,810,512</u>
Contributions as a percentage of covered-employee payroll	<u>17.70%</u>

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

Village of Croton-on-Hudson, New York

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

	2016
Village's proportion of the net pension liability (asset)	<u>0.0798780%</u>
Village's proportionate share of the net pension liability (asset)	<u>\$ 2,365,019</u>
Village's covered-employee payroll	<u>\$ 2,860,350</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>82.68%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.00%</u>

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

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

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

	<u>2016</u>
Contractually required contribution	\$ 627,862
Contributions in relation to the contractually required contribution	<u>(627,862)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Village's covered-employee payroll	<u>\$ 2,827,318</u>
Contributions as a percentage of covered-employee payroll	<u>22.21%</u>

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

Village of Croton-on-Hudson, New York

Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
June 1, 2015	\$ -	\$ 27,493,153	\$ 27,493,153	- %	\$ 7,572,993	363.04 %
June 1, 2014	-	26,629,824	26,629,824	-	7,845,423	339.43
June 1, 2013	-	25,148,487	25,148,487	-	7,627,113	329.72

Village of Croton-on-Hudson, New York

General Fund
Comparative Balance Sheet
May 31,

	2016	2015
ASSETS		
Cash and equivalents	\$ 7,357,465	\$ 6,802,068
Taxes receivable, net of allowance for uncollectible amounts of \$139,785 in 2016 and \$143,579 in 2015	52,769	52,717
Other receivables		
Accounts	332,509	157,873
State and Federal aid	53,761	83,100
Due from other governments	260,495	409,345
Due from other funds	1,380,814	741,231
Advances to other funds	279,206	297,559
	2,306,785	1,689,108
Prepaid expenditures	1,900	22,770
Total Assets	\$ 9,718,919	\$ 8,566,663
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 681,921	\$ 534,562
Accrued liabilities	377,485	357,480
Due to other funds	114,279	153,254
Due to other governments	10,282	144
Unearned revenues	542,255	414,003
Total Liabilities	1,726,222	1,459,443
Deferred inflows of resources		
Deferred tax revenues	17,782	38,129
Total Liabilities and Deferred Inflows of Resources	1,744,004	1,497,572
Fund balance		
Nonspendable	281,106	320,329
Restricted	893,508	892,170
Assigned	968,035	926,203
Unassigned	5,832,266	4,930,389
Total Fund Balance	7,974,915	7,069,091
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 9,718,919	\$ 8,566,663

Village of Croton-on-Hudson, New York

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

	2016			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 11,250,447	\$ 11,250,447	\$ 11,258,344	\$ 7,897
Other tax items	50,001	50,001	44,031	(5,970)
Non-property taxes	1,355,000	1,355,000	1,386,226	31,226
Departmental income	4,119,095	4,154,239	4,208,884	54,645
Use of money and property	166,500	168,942	143,555	(25,387)
Licenses and permits	140,200	144,591	227,806	83,215
Fines and forfeitures	230,000	230,000	256,853	26,853
Sale of property and compensation for loss	18,500	19,569	64,323	44,754
Interfund revenues	522,000	522,000	522,000	-
State aid	180,900	260,388	301,321	40,933
Federal aid	-	100,591	103,540	2,949
Miscellaneous	-	-	3,764	3,764
Total Revenues	18,032,643	18,255,768	18,520,647	264,879
EXPENDITURES				
Current				
General government support	3,506,382	3,476,954	3,223,022	253,932
Public safety	3,574,029	3,665,233	3,607,494	57,739
Health	416,974	515,441	446,248	69,193
Transportation	2,320,238	1,565,976	1,434,248	131,728
Economic opportunity and development	71,140	78,036	69,810	8,226
Culture and recreation	1,147,958	1,204,760	1,117,137	87,623
Home and community services	471,371	1,159,746	1,082,656	77,090
Employee benefits	4,449,064	4,500,120	4,063,210	436,910
Debt service				
Interest	6,200	8,642	8,641	1
Total Expenditures	15,963,356	16,174,908	15,052,466	1,122,442
Excess of Revenues Over Expenditures	2,069,287	2,080,860	3,468,181	1,387,321
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	5,000	28,023	32,320	4,297
Transfers in	75,000	75,000	167,479	92,479
Transfers out	(2,725,490)	(2,763,011)	(2,762,156)	855
Total Other Financing Uses	(2,645,490)	(2,659,988)	(2,562,357)	97,631
Net Change in Fund Balance	(576,203)	(579,128)	905,824	1,484,952
FUND BALANCE				
Beginning of Year	576,203	579,128	7,069,091	6,489,963
End of Year	\$ -	\$ -	\$ 7,974,915	\$ 7,974,915

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 11,070,604	\$ 11,070,604	\$ 11,061,952	\$ (8,652)
50,001	50,001	46,562	(3,439)
1,316,000	1,316,000	1,337,082	21,082
3,980,001	4,002,270	4,178,764	176,494
164,000	164,000	183,933	19,933
107,800	107,800	189,212	81,412
230,100	232,600	257,856	25,256
17,500	17,500	69,675	52,175
522,000	522,000	522,000	-
171,797	171,797	210,049	38,252
-	105,145	107,360	2,215
-	-	16,045	16,045
17,629,803	17,759,717	18,180,490	420,773
3,424,249	3,436,250	3,406,536	29,714
3,564,168	3,682,555	3,673,611	8,944
436,510	485,757	467,531	18,226
2,279,261	1,832,463	1,815,577	16,886
66,690	65,686	64,822	864
1,143,179	1,152,536	1,127,250	25,286
487,773	969,378	949,405	19,973
4,321,667	4,321,850	4,316,607	5,243
8,177	8,178	8,177	1
15,731,674	15,954,653	15,829,516	125,137
1,898,129	1,805,064	2,350,974	545,910
10,000	34,747	68,051	33,304
75,000	75,000	87,425	12,425
(2,591,599)	(2,591,598)	(2,573,983)	17,615
(2,506,599)	(2,481,851)	(2,418,507)	63,344
(608,470)	(676,787)	(67,533)	609,254
608,470	676,787	7,136,624	6,459,837
\$ -	\$ -	\$ 7,069,091	\$ 7,069,091

Village of Croton-on-Hudson, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
REAL PROPERTY TAXES	<u>\$ 11,250,447</u>	<u>\$ 11,250,447</u>	<u>\$ 11,258,344</u>	<u>\$ 7,897</u>	<u>\$ 11,061,952</u>
OTHER TAX ITEMS					
Interest and penalties on real property taxes	<u>50,001</u>	<u>50,001</u>	<u>44,031</u>	<u>(5,970)</u>	<u>46,562</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	1,155,000	1,155,000	1,174,703	19,703	1,157,030
Franchise fees	70,000	70,000	105,790	35,790	77,867
Utilities gross receipts taxes	<u>130,000</u>	<u>130,000</u>	<u>105,733</u>	<u>(24,267)</u>	<u>102,185</u>
	<u>1,355,000</u>	<u>1,355,000</u>	<u>1,386,226</u>	<u>31,226</u>	<u>1,337,082</u>
DEPARTMENTAL INCOME					
Garbage removal	79,400	79,400	74,875	(4,525)	83,635
Parks and recreation charges	250,000	250,000	269,151	19,151	243,746
Ambulance service	256,043	256,043	290,173	34,130	270,540
Planning Board fees	6,000	6,000	7,650	1,650	3,275
Zoning fees	4,500	4,500	6,463	1,963	7,725
Fire protection services for other governments	276,086	276,086	117,512	(158,574)	273,947
Parking permits	3,225,000	3,225,000	3,371,515	146,515	3,217,382
Parking meters	-	-	491	491	-
Other	<u>22,066</u>	<u>57,210</u>	<u>71,054</u>	<u>13,844</u>	<u>78,514</u>
	<u>4,119,095</u>	<u>4,154,239</u>	<u>4,208,884</u>	<u>54,645</u>	<u>4,178,764</u>

USE OF MONEY AND PROPERTY

Earnings on investments	9,000	11,442	21,310	9,868	11,048
Rental of real property	157,500	157,500	122,245	(35,255)	172,885
	<u>166,500</u>	<u>168,942</u>	<u>143,555</u>	<u>(25,387)</u>	<u>183,933</u>

LICENSES AND PERMITS

Business and occupational licenses	6,500	6,500	9,965	3,465	8,660
Building permits	70,000	70,000	99,319	29,319	97,734
Dog license apportionment	3,000	3,000	4,833	1,833	4,843
Permit fees	60,700	65,091	113,689	48,598	77,975
	<u>140,200</u>	<u>144,591</u>	<u>227,806</u>	<u>83,215</u>	<u>189,212</u>

FINES AND FORFEITURES

Fines and forfeited bail	230,000	230,000	256,853	26,853	257,856
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**SALE OF PROPERTY AND COMPENSATION
FOR LOSS**

Sale of equipment	2,000	2,000	33,448	31,448	3,100
Minor sales	10,000	10,000	20,316	10,316	20,025
Other	6,500	7,569	10,559	2,990	46,550
	<u>18,500</u>	<u>19,569</u>	<u>64,323</u>	<u>44,754</u>	<u>69,675</u>

INTERFUND REVENUES

	<u>522,000</u>	<u>522,000</u>	<u>522,000</u>	<u>-</u>	<u>522,000</u>
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STATE AID

Per capita	53,900	45,347	45,347	-	53,926
Mortgage tax	90,000	90,000	122,648	32,648	103,744
Youth programs	-	-	1,776	1,776	1,872
Snow and ice reimbursement	37,000	37,000	40,973	3,973	50,507
Other	-	88,041	90,577	2,536	-
	<u>180,900</u>	<u>260,388</u>	<u>301,321</u>	<u>40,933</u>	<u>210,049</u>

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Village of Croton-on-Hudson, New York

General Fund

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

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
FEDERAL AID					
Public health	\$ -	\$ 100,591	\$ 100,591	\$ -	\$ 103,645
Emergency management assistance	-	-	2,949	2,949	-
Selective enforcement	-	-	-	-	3,715
	-	100,591	103,540	2,949	107,360
MISCELLANEOUS					
Refund of prior year's expenditures	-	-	3,672	3,672	15,960
Gifts and donations	-	-	92	92	85
	-	-	3,764	3,764	16,045
TOTAL REVENUES	18,032,643	18,255,768	18,520,647	264,879	18,180,490
OTHER FINANCING SOURCES					
Insurance recoveries	5,000	28,023	32,320	4,297	68,051
Transfers in					
Capital Projects Fund	-	-	92,479	92,479	12,425
Debt Service Fund	75,000	75,000	75,000	-	75,000
TOTAL OTHER FINANCING SOURCES	80,000	103,023	199,799	96,776	155,476
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 18,112,643	\$ 18,358,791	\$ 18,720,446	\$ 361,655	\$ 18,335,966

Village of Croton-on-Hudson, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 28,414	\$ 28,414	\$ 25,572	\$ 2,842	\$ 25,673
Justice	276,879	276,879	275,624	1,255	267,472
Mayor	7,910	7,910	6,015	1,895	10,530
Clerk - Treasurer	415,573	436,750	433,342	3,408	398,547
Assessment	10,646	10,646	10,279	367	10,091
Manager	190,822	190,822	146,257	44,565	258,053
Data processing	217,818	217,818	212,895	4,923	209,204
Law	200,997	200,997	184,321	16,676	307,016
Engineer	514,352	514,647	514,289	358	490,142
Operation of plant and buildings	135,037	190,333	164,312	26,021	148,461
Auditor	44,160	50,160	48,055	2,105	45,351
Central garage	482,145	436,029	408,001	28,028	485,970
Central communications	365,146	458,587	377,891	80,696	304,858
Unallocated insurance	266,900	285,428	283,302	2,126	248,908
Municipal association dues	21,000	21,736	16,451	5,285	17,480
Judgments and claims	2,000	2,000	-	2,000	1,000
Purchase of land	5,000	5,000	3,220	1,780	-
Refunds of real property taxes	30,000	30,000	5,449	24,551	29,159
Taxes and assessments on property	13,000	13,000	10,289	2,711	10,035
Tax advertising	400	400	317	83	267
Records management	119,017	73,149	70,892	2,257	111,134
Metropolitan transportation authority commuter mobility tax	26,166	26,249	26,249	-	27,185
Contingent account	133,000	-	-	-	-
	<u>3,506,382</u>	<u>3,476,954</u>	<u>3,223,022</u>	<u>253,932</u>	<u>3,406,536</u>

PUBLIC SAFETY

Police	3,152,122	3,229,161	3,200,656	28,505	3,255,560
Jail	500	500	250	250	940
Fire Department	396,767	400,234	375,662	24,572	399,753
Control of animals	11,525	11,910	8,817	3,093	8,966
Traffic control	13,115	23,428	22,109	1,319	8,392
	<u>3,574,029</u>	<u>3,665,233</u>	<u>3,607,494</u>	<u>57,739</u>	<u>3,673,611</u>

HEALTH

Registrar of Vital Statistics	6,050	7,240	6,290	950	5,874
Public health	6,184	103,461	97,427	6,034	100,407
Ambulance	404,740	404,740	342,531	62,209	361,250
	<u>416,974</u>	<u>515,441</u>	<u>446,248</u>	<u>69,193</u>	<u>467,531</u>

TRANSPORTATION

Street maintenance and administration	1,784,505	970,207	912,632	57,575	981,147
Snow removal	207,500	235,690	178,826	56,864	466,440
Street lighting	16,925	32,720	32,204	516	22,398
Off-street parking	259,078	260,252	256,904	3,348	268,770
Brush and weeds	52,230	67,107	53,682	13,425	76,822
	<u>2,320,238</u>	<u>1,565,976</u>	<u>1,434,248</u>	<u>131,728</u>	<u>1,815,577</u>

**ECONOMIC OPPORTUNITY AND
DEVELOPMENT**

Publicity	<u>71,140</u>	<u>78,036</u>	<u>69,810</u>	<u>8,226</u>	<u>64,822</u>
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CULTURE AND RECREATION

Parks, playgrounds and recreation	1,040,821	1,082,111	1,008,125	73,986	1,030,911
Historian	13,722	13,722	7,813	5,909	3,379
Celebrations	24,000	39,512	34,122	5,390	31,453
Senior citizens programs	69,415	69,415	67,077	2,338	61,507
	<u>1,147,958</u>	<u>1,204,760</u>	<u>1,117,137</u>	<u>87,623</u>	<u>1,127,250</u>

(Continued)

Village of Croton-on-Hudson, New York

General Fund

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

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
HOME AND COMMUNITY SERVICES					
Zoning	\$ 3,460	\$ 3,460	\$ 2,596	\$ 864	\$ 2,466
Planning	17,350	17,350	8,885	8,465	7,736
Recycling program	129,991	440,591	436,188	4,403	404,791
Sanitary and storm sewers	38,856	109,388	91,053	18,335	95,329
Refuse and garbage	143,594	324,199	316,131	8,068	287,295
Street cleaning	8,060	64,849	63,769	1,080	52,116
Shade trees	76,400	145,457	122,566	22,891	56,124
Community beautification	45,767	45,767	33,510	12,257	33,395
Other	7,893	8,685	7,958	727	10,153
	<u>471,371</u>	<u>1,159,746</u>	<u>1,082,656</u>	<u>77,090</u>	<u>949,405</u>
EMPLOYEE BENEFITS					
State retirement	859,652	859,652	727,867	131,785	862,253
State retirement - Police and Fire	699,813	699,813	615,943	83,870	777,174
Service awards program	114,000	114,679	1,196	113,483	92,144
Social security	454,403	457,088	433,500	23,588	440,551
Workers' compensation benefits	269,000	315,170	315,170	-	260,312
Life insurance	6,865	7,759	7,740	19	6,593
Health insurance	1,709,389	1,705,679	1,685,384	20,295	1,603,478
Dental insurance	102,636	102,636	101,627	1,009	95,679
Medicare reimbursement	223,306	227,644	171,464	56,180	174,785
Unemployment benefits	10,000	10,000	3,319	6,681	3,638
	<u>4,449,064</u>	<u>4,500,120</u>	<u>4,063,210</u>	<u>436,910</u>	<u>4,316,607</u>

DEBT SERVICE

Interest

Bond anticipation notes	<u>6,200</u>	<u>8,642</u>	<u>8,641</u>	<u>1</u>	<u>8,177</u>
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TOTAL EXPENDITURES

	<u>15,963,356</u>	<u>16,174,908</u>	<u>15,052,466</u>	<u>1,122,442</u>	<u>15,829,516</u>
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OTHER FINANCING USES

Transfers out

Capital Projects Fund	219,105	219,959	219,104	855	152,474
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Water Fund	-	36,667	36,667	-	-
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Debt Service Fund	<u>2,506,385</u>	<u>2,506,385</u>	<u>2,506,385</u>	<u>-</u>	<u>2,421,509</u>
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TOTAL OTHER FINANCING USES

	<u>2,725,490</u>	<u>2,763,011</u>	<u>2,762,156</u>	<u>855</u>	<u>2,573,983</u>
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**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

	<u><u>\$ 18,688,846</u></u>	<u><u>\$ 18,937,919</u></u>	<u><u>\$ 17,814,622</u></u>	<u><u>\$ 1,123,297</u></u>	<u><u>\$ 18,403,499</u></u>
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Village of Croton-on-Hudson, New YorkWater Fund
Comparative Balance Sheet
May 31,

	2016	2015
ASSETS		
Cash and equivalents	\$ 293,851	\$ 43,868
Receivables		
Water rents	1,040,560	1,015,341
Due from other funds	175,760	43,760
	1,216,320	1,059,101
Total Assets	\$ 1,510,171	\$ 1,102,969
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 51,784	\$ 43,907
Accrued liabilities	20,353	19,654
Due to other funds	865,140	663,976
Total Liabilities	937,277	727,537
Fund balance		
Restricted	93,459	93,264
Assigned	479,435	282,168
Total Fund Balance	572,894	375,432
Total Liabilities and Fund Balance	\$ 1,510,171	\$ 1,102,969

Village of Croton-on-Hudson, New York**Water Fund**
**Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended May 31,**

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 2,560,034	\$ 2,560,034	\$ 2,729,294	\$ 169,260
Use of money and property	300	300	572	272
Sale of property and compensation for loss	-	4,000	4,000	-
Total Revenues	2,560,334	2,564,334	2,733,866	169,532
EXPENDITURES				
Current				
General government support	283,946	235,584	234,907	677
Home and community services	1,241,913	1,321,509	1,292,235	29,274
Employee benefits	278,299	287,732	282,538	5,194
Total Expenditures	1,804,158	1,844,825	1,809,680	35,145
Excess of Revenues Over Expenditures	756,176	719,509	924,186	204,677
OTHER FINANCING SOURCES (USES)				
Transfers in	-	36,667	36,667	-
Transfers out	(763,391)	(763,391)	(763,391)	-
Total Other Financing Uses	(763,391)	(726,724)	(726,724)	-
Net Change in Fund Balance	(7,215)	(7,215)	197,462	204,677
FUND BALANCE				
Beginning of Year	7,215	7,215	375,432	368,217
End of Year	\$ -	\$ -	\$ 572,894	\$ 572,894

2015

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,344,296 300	\$ 2,344,296 300	\$ 2,534,495 -	\$ 190,199 (300)
-	-	-	-
2,344,596	2,344,596	2,534,495	189,899
297,553	271,334	271,330	4
1,230,088	1,242,622	1,235,105	7,517
241,202	254,887	254,697	190
1,768,843	1,768,843	1,761,132	7,711
575,753	575,753	773,363	197,610
-	-	-	-
(588,021)	(588,021)	(588,021)	-
(588,021)	(588,021)	(588,021)	-
(12,268)	(12,268)	185,342	197,610
12,268	12,268	190,090	177,822
\$ -	\$ -	\$ 375,432	\$ 375,432

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Village of Croton-on-Hudson, New York

Water Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
DEPARTMENTAL INCOME					
Metered water sales	\$ 2,541,034	\$ 2,541,034	\$ 2,709,370	\$ 168,336	\$ 2,515,937
Interest and penalties on water rents	19,000	19,000	19,924	924	18,558
	<u>2,560,034</u>	<u>2,560,034</u>	<u>2,729,294</u>	<u>169,260</u>	<u>2,534,495</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	300	300	572	272	-
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Insurance recoveries	-	4,000	4,000	-	-
TOTAL REVENUES	<u>2,560,334</u>	<u>2,564,334</u>	<u>2,733,866</u>	<u>169,532</u>	<u>2,534,495</u>
OTHER FINANCING SOURCES					
Transfers in					
General Fund	-	36,667	36,667	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 2,560,334</u>	<u>\$ 2,601,001</u>	<u>\$ 2,770,533</u>	<u>\$ 169,532</u>	<u>\$ 2,534,495</u>

Village of Croton-on-Hudson, New York

Water Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Central communications	\$ 175,400	\$ 156,958	\$ 156,681	\$ 277	\$ 190,368
Auditor	7,330	7,401	7,401	-	5,569
Unallocated insurance	69,716	64,565	64,564	1	67,969
Municipal association dues	1,200	1,200	801	399	386
Taxes and assessments on property	5,300	5,460	5,460	-	5,340
Contingent account	25,000	-	-	-	-
	<u>283,946</u>	<u>235,584</u>	<u>234,907</u>	<u>677</u>	<u>269,632</u>
HOME AND COMMUNITY SERVICES					
Water administration	584,448	589,762	588,487	1,275	589,912
Pumping, supply and power	164,399	181,208	170,002	11,206	149,314
Transmission and distribution	493,066	550,539	533,746	16,793	497,577
	<u>1,241,913</u>	<u>1,321,509</u>	<u>1,292,235</u>	<u>29,274</u>	<u>1,236,803</u>
EMPLOYEE BENEFITS					
State retirement	81,770	73,782	68,705	5,077	83,087
Social security	30,024	32,473	32,473	-	28,952
Workers' compensation benefits	46,500	54,482	54,481	1	43,446
Life insurance	358	456	456	-	360
Health and dental insurance	108,849	118,478	118,362	116	91,612
Medicare reimbursement	10,798	8,061	8,061	-	7,240
	<u>278,299</u>	<u>287,732</u>	<u>282,538</u>	<u>5,194</u>	<u>254,697</u>
TOTAL EXPENDITURES	1,804,158	1,844,825	1,809,680	35,145	1,761,132

OTHER FINANCING USES

Transfers out

Debt Service Fund

<u>763,391</u>	<u>763,391</u>	<u>763,391</u>	<u>-</u>	<u>588,021</u>
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**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

<u><u>\$ 2,567,549</u></u>	<u><u>\$ 2,608,216</u></u>	<u><u>\$ 2,573,071</u></u>	<u><u>\$ 35,145</u></u>	<u><u>\$ 2,349,153</u></u>
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Village of Croton-on-Hudson, New York

Debt Service Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 412,232	\$ 129,449
Due from other funds	<u>245,089</u>	<u>314,513</u>
Total Assets	<u><u>\$ 657,321</u></u>	<u><u>\$ 443,962</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	<u>\$ 290,785</u>	<u>\$ 268,189</u>
Fund balance		
Restricted	291,536	100,773
Assigned	<u>75,000</u>	<u>75,000</u>
Total Fund Balance	<u>366,536</u>	<u>175,773</u>
Total Liabilities and Fund Balance	<u><u>\$ 657,321</u></u>	<u><u>\$ 443,962</u></u>

Village of Croton-on-Hudson, New York

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

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 11,190	\$ 11,190
EXPENDITURES				
Debt service				
Principal				
Serial bonds	2,160,531	2,160,531	2,160,531	-
Installment purchase debt	150,799	150,799	150,799	-
	2,311,330	2,311,330	2,311,330	-
Interest				
Serial bonds	964,339	964,339	964,339	-
Installment purchase debt	102,133	102,133	102,132	1
	1,066,472	1,066,472	1,066,471	1
Refunding bond issuance costs	-	84,852	84,852	-
Total Expenditures	3,377,802	3,462,654	3,462,653	1
Deficiency of Revenues Over Expenditures	(3,377,802)	(3,462,654)	(3,451,463)	11,191
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	2,035,000	2,035,000	-
Payment to refunded bond escrow agent	-	(2,283,920)	(2,283,920)	-
Issuance premium	-	333,772	553,028	219,256
Transfers in	3,377,802	3,377,802	3,413,118	35,316
Transfers out	(75,000)	(75,000)	(75,000)	-
Total Other Financing Sources	3,302,802	3,387,654	3,642,226	254,572
Net Change in Fund Balance	(75,000)	(75,000)	190,763	265,763
FUND BALANCE				
Beginning of Year	75,000	75,000	175,773	100,773
End of Year	\$ -	\$ -	\$ 366,536	\$ 366,536

2015			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 15,927	\$ 15,927
1,994,500	1,994,500	1,994,500	-
142,142	142,142	142,142	-
2,136,642	2,136,642	2,136,642	-
861,911	861,911	861,958	(47)
110,789	110,789	110,789	-
972,700	972,700	972,747	(47)
-	-	-	-
3,109,342	3,109,342	3,109,389	(47)
(3,109,342)	(3,109,342)	(3,093,462)	15,880
-	-	-	-
-	-	-	-
-	-	-	-
3,109,342	3,109,342	3,128,261	18,919
(75,000)	(75,000)	(75,000)	-
3,034,342	3,034,342	3,053,261	18,919
(75,000)	(75,000)	(40,201)	34,799
75,000	75,000	215,974	140,974
\$ -	\$ -	\$ 175,773	\$ 175,773

Village of Croton-on-Hudson, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	<u>\$ 12,429,184</u>	<u>\$ 10,764,389</u>
Receivables		
Accounts	4,911	16,039
State and Federal aid	43,614	174,122
Due from other funds	<u>96</u>	<u>41,920</u>
	<u>48,621</u>	<u>232,081</u>
Total Assets	<u><u>\$ 12,477,805</u></u>	<u><u>\$ 10,996,470</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 517,823	\$ 1,253,107
Retainages payable	233,929	205,435
Bond anticipation notes payable	696,431	691,287
Due to other funds	456,382	-
Unearned revenues	273,110	283,143
Advances from other funds	<u>12,174</u>	<u>66,855</u>
Total Liabilities	2,189,849	2,499,827
Fund balance		
Restricted	<u>10,287,956</u>	<u>8,496,643</u>
Total Liabilities and Fund Balance	<u><u>\$ 12,477,805</u></u>	<u><u>\$ 10,996,470</u></u>

Village of Croton-on-Hudson, New York

Capital Projects Fund

Comparative Statement of Revenues, Expenditures and Changes

in Fund Balance

Years Ended May 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
State aid	\$ -	\$ 424,975
Federal aid	10,033	19,961
Miscellaneous	<u>(109)</u>	<u>13,833</u>
Total Revenues	9,924	458,769
EXPENDITURES		
Capital outlay	<u>6,888,120</u>	<u>6,366,001</u>
Deficiency of Revenues Over Expenditures	<u>(6,878,196)</u>	<u>(5,907,232)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	8,578,200	4,360,531
Transfers in	219,104	152,474
Transfers out	<u>(127,795)</u>	<u>(31,344)</u>
Total Other Financing Sources	<u>8,669,509</u>	<u>4,481,661</u>
Net Change in Fund Balance	1,791,313	(1,425,571)
FUND BALANCE		
Beginning of Year	<u>8,496,643</u>	<u>9,922,214</u>
End of Year	<u>\$ 10,287,956</u>	<u>\$ 8,496,643</u>

Village of Croton-on-Hudson, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through May 31, 2016

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
Croton Landing Field Improvements	04107/07148	\$ 1,667,988	\$ 1,670,146	\$ (2,158)
Recreation Room Improvements	04109	40,998	33,578	7,420
High Street Drainage	05122	481,497	486,881	(5,384)
Sanitary Sewer Rehabilitation	05121	101,990	1,813	100,177
High Street CDBG - Phase II	07140	513,096	389,355	123,741
Elliot Way	07142	1,599,999	165,984	1,434,015
Croton Landing Boat Launch Facility	07149	15,300	373	14,927
Police Needs Assessment	08155	151,000	149,875	1,125
Grand Street Fire Apron	08164	499,800	310,801	188,999
Benedict Boulevard Sidewalk and Curbs	08160	380,704	319,349	61,355
South Riverside	09175	500,000	94,450	405,550
Install and Test Well	09176	818,700	802,878	15,822
Water Office Sewer Holding Tank	09177	35,700	8,723	26,977
High Street Water Main Replacement	09179	357,000	331,643	25,357
Nordica Sewer Pump Station	09180	739,500	220,084	519,416
Sanitary Sewer Rehabilitation	09181	25,500	9,104	16,396
Farrington Road Improvements	09183	713,000	91,559	621,441
Harmon Firehouse HVAC System Overhaul	09190	20,000	12,419	7,581
Police Headquarters Renovation	09193	1,667,700	1,513,225	154,475
Municipal Building Window Replacement	09194	174,700	166,797	7,903
Duck Pond Park Improvements	09196	45,900	44,997	903
Georgia Lane Stormwater Management	09197	178,500	27,492	151,008
Brook Lane Stormwater Management	09198	25,500	303	25,197
Grant Street Stormwater Management	09199	25,500	9,277	16,223
General Road Repairs	10200	237,156	228,114	9,042
Stormwater Management-Old Post Road	10205	50,000	4,397	45,603
Cascade System	10208	161,200	161,200	-
Engineering Study-Yacht Club	10209	75,000	72,639	2,361
Traffic/Engineering Study	10211	50,000	22,900	27,100
Sanitary Sewer Rehabilitation	10213	353,000	3,081	349,919
TEP Grant - Bicycle Ped Improvement	10214	1,536,000	408,297	1,127,703
Half Moon Bay Bridge Rehabilitation	11216	51,000	20,256	30,744
Sprinkler System - Harmon Fire House	11223	61,200	4,339	56,861
Tanker 10 Replacement	11224	596,240	590,114	6,126
Water Source and Well Field Improvement	11228	1,146,300	1,025,820	120,480
Road Sidewalks and Curbs	12230	214,200	111,328	102,872
Half Moon Bay Drive Stockade Fence	12231	61,200	58,194	3,006
Sprinkler System at the Washington Fire House	12237	26,520	4,508	22,012
Repair and Graphics to 55 B2	12240	9,588	189	9,399
Security Camera Croton Landing	12242	8,670	7,218	1,452
Dobbs Park Playground	12243	16,830	15,471	1,359
Planning Studies	12244	30,600	24,895	5,705
Water Distribution Model	12245	102,000	97,189	4,811
Half Moon Bay Pump	12246	102,000	19,734	82,266
General Road Repairs	13248	201,690	100,611	101,079
Brook Street	13250	25,500	125	25,375
Sanitation Truck	13251	267,600	176,721	90,879
Change Body on Tanker 10	13252	51,000	24,627	26,373

Total Revenues	Fund Balance (Deficit) at May 31, 2016	Bond Anticipation Notes Out- standing at May 31, 2016
\$ 1,667,988	\$ (2,158)	\$ -
40,998	7,420	-
481,388	(5,493)	-
101,990	100,177	-
389,355	-	-
1,599,999	1,434,015	-
15,300	14,927	-
151,000	1,125	-
499,800	188,999	-
380,704	61,355	-
94,450	-	-
818,700	15,822	-
35,700	26,977	-
357,000	25,357	-
739,500	519,416	-
25,500	16,396	-
713,000	621,441	-
20,000	7,581	-
1,667,700	154,475	-
174,700	7,903	-
45,900	903	-
178,500	151,008	-
25,500	25,197	-
25,500	16,223	-
237,156	9,042	-
50,000	45,603	-
125,092	(36,108)	36,108
75,000	2,361	-
50,000	27,100	-
353,000	349,919	-
508,213	99,916	-
51,000	30,744	-
61,200	56,861	-
596,240	6,126	-
1,146,300	120,480	-
214,200	102,872	-
61,200	3,006	-
26,520	22,012	-
9,588	9,399	-
8,670	1,452	-
16,830	1,359	-
30,600	5,705	-
102,000	4,811	-
102,000	82,266	-
102,000	1,389	-
25,500	25,375	-
183,600	6,879	-
51,000	26,373	-

(Continued)

Village of Croton-on-Hudson, New York

Capital Projects Fund
 Project-Length Schedule (Continued)
 Inception of Project Through May 31, 2016

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
Refurbish Equipment	13253	\$ 20,400	\$ 16,290	\$ 4,110
Energy Efficiency Upgrades	13254	20,400	1,031	19,369
Washington Engine Fire House Apron/ Wall and Kitchen Repairs	13255	22,086	22,710	(624)
Marine 12 Pump Replacement	13256	5,100	281	4,819
Fire FCC Narrowband Radio Compliance Plan	13257	25,500	26,769	(1,269)
Police FCC Narrowband Radio Compliance Plan	13259	51,000	52,077	(1,077)
Replacement of 4 Scott Air Packs	13260	15,300	13,385	1,915
Farrington Road/Hunter Place Water Main Replacement - Water	13261	867,000	5,107	861,893
Water Main Replacement and Extension Farrington Road/Hunter Place	13262	9,180,000	6,593,732	2,586,268
Water Main Replacement - Sewer	13263	357,000	2,552	354,448
911 Remembrance Memorial	13264	83,833	72,705	11,128
General Road Repairs	14266	230,635	129,250	101,385
6-Wheel Dump Truck	14269	104,040	68,108	35,932
Chief's Car Replacement	14272	51,000	47,292	3,708
Tactical Support Unit	14273	71,400	67,855	3,545
Personal Protection Equipment Compliance	14274	10,200	10,198	2
2 Stryker Lift Systems	14275	47,216	47,334	(118)
Formation of Additional Parking Spaces	14276	15,300	274	15,026
Tasers (3)	14277	10,200	9,553	647
Patrol Vehicle Computers	14278	15,300	15,597	(297)
Police Vehicles	14279	67,320	67,044	276
Yacht Club Repair	14280	2,800,000	2,742,897	57,103
Upgrade Silver Lake/Black Rock	14281	81,600	41,677	39,923
Senasqua Boat Basin Repair	14282	51,000	18,097	32,903
Electronic Messaging Board	14283	18,360	14,352	4,008
General Road Repairs	15284	267,146	175,258	91,888
Sidewalks and Curbs	15285	102,000	82,470	19,530
LED Lights	15286	102,000	21,447	80,553
Half Moon Bay Bridge	15287	510,000	5,088	504,912
Sanitation Truck	15289	187,680	1,626	186,054
Service Truck	15290	76,500	67,897	8,603
Replacement Dump Body Truck	15291	10,200	9,442	758
Tire Machine and Balancer	15292	14,280	10,692	3,588
Washington Engine Central A/C	15293	25,500	529	24,971
Washington Engine Fire Generator	15294	45,645	512	45,133
Washington Engine Upgrades	15295	6,936	2,960	3,976
Grand Street Upgrades	15296	46,614	26,435	20,179
Harmon Fire Windows	15297	51,000	4,561	46,439
Harmon Fire Upgrades	15298	22,236	20,533	1,703
Uniform Equipment Upgrades	15299	140,862	140,314	548
Computers and Software Upgrade	15300	25,500	18,273	7,227
Modular Building	15301	61,200	600	60,600
LED Lights	15302	51,000	374	50,626
Police Vehicles	15303	61,200	61,800	(600)
Fingerprint Upgrade	15304	18,360	18,250	110
Shed	15305	20,400	200	20,200
Recreation Vehicle	15307	25,500	21,110	4,390
Water Department Roof	15308	20,400	14,734	5,666
Playground Equipment	15309	79,866	78,992	874

Totals	Fund Balance (Deficit) at May 31, 2016	Bond Anticipation Notes Out- standing at May 31, 2016
\$ 12,240	\$ (4,050)	\$ 8,160
12,240	11,209	8,160
13,926	(8,784)	8,160
3,060	2,779	2,040
15,300	(11,469)	10,200
28,933	(23,144)	22,068
15,300	1,915	-
867,000	861,893	-
9,180,000	2,586,268	-
357,000	354,448	-
83,833	11,128	-
230,635	101,385	-
104,040	35,932	-
51,000	3,708	-
71,400	3,545	-
2,550	(7,648)	7,650
13,556	(33,778)	33,660
15,300	15,026	-
2,550	(7,003)	7,650
3,825	(11,772)	11,475
16,830	(50,214)	50,490
2,800,000	57,103	-
81,600	39,923	-
51,000	32,903	-
4,590	(9,762)	13,770
267,146	91,888	-
102,000	19,530	-
102,000	80,553	-
510,000	504,912	-
187,680	186,054	-
76,500	8,603	-
2,040	(7,402)	8,160
2,856	(7,836)	11,424
5,100	4,571	20,400
45,645	45,133	-
1,387	(1,573)	5,549
9,323	(17,112)	37,291
51,000	46,439	-
4,447	(16,086)	17,789
14,943	(125,371)	125,919
5,100	(13,173)	20,400
61,200	60,600	-
51,000	50,626	-
12,240	(49,560)	48,960
3,672	(14,578)	14,688
20,400	20,200	-
5,100	(16,010)	20,400
20,400	5,666	-
79,866	874	-

(Continued)

Village of Croton-on-Hudson, New York

Capital Projects Fund

Project-Length Schedule (Continued)

Inception of Project Through May 31, 2016

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
General Road Repairs	16311	\$ 102,000	\$ 38,494	\$ 63,506
Sidewalks and Curbs	16312	102,000	494	101,506
Stormwater Infrastructure	16313	102,000	14,576	87,424
Replace Damaged Pole - Municipal Building	16314	4,080	2,373	1,707
4x4 Pickup (2)	16315	38,760	36,939	1,821
Low Boy Dump Truck	16316	107,100	64,202	42,898
Catch Basin Cleaner	16317	270,300	265,787	4,513
Rescue 18 Replacement	16318	663,000	415	662,585
Thermal Imaging Camera	16319	8,160	8,085	75
Municipal Building Gas Burner	16320	81,600	585	81,015
Integrated Multi-Channel DVS	16321	12,240	11,787	453
Police Vehicle 4WD	16322	38,760	38,510	250
Sunset Park/Placeground Equipment and Surface	16323	188,700	1,322	187,378
Senasqua Park/Playground	16324	81,600	-	81,600
Commercial Lawn Tractor	16325	13,260	13,250	10
Bridge/Culvert Replacement	16326	561,000	9,162	551,838
Elliot Way Main Extension	16327	102,000	492	101,508
Valve Replacement	16328	102,000	100,492	1,508
Well Refurbishment	16331	306,000	-	306,000
Manager's Vehicle	16333	30,600	26,276	4,324
Totals		<u>\$ 35,322,441</u>	<u>\$ 21,546,578</u>	<u>\$ 13,775,863</u>

Totals	Fund Balance (Deficit) at May 31, 2016	Bond Anticipation Notes Out- standing at May 31, 2016
\$ 102,000	\$ 63,506	\$ -
102,000	101,506	-
102,000	87,424	-
-	(2,373)	4,080
-	(36,939)	38,760
107,100	42,898	-
270,300	4,513	-
-	(415)	-
-	(8,085)	8,160
81,600	81,015	-
-	(11,787)	12,240
-	(38,510)	38,760
188,700	187,378	-
-	-	-
-	(13,250)	13,260
561,000	551,838	-
102,000	101,508	-
102,000	1,508	-
-	-	-
-	(26,276)	30,600
<u>\$ 31,834,534</u>	<u>\$ 10,287,956</u>	<u>\$ 696,431</u>

Village of Croton-on-Hudson, New York

Non-Major Governmental Funds
Combining Balance Sheet
May 31, 2016
(With Comparative Totals for 2015)

			Total Non-Major Governmental Funds	
	Special Purpose	Sewer	2016	2015
ASSETS				
Cash and equivalents	\$ 1,010,164	\$ 56,355	\$ 1,066,519	\$ 92,671
Receivables				
Sewer rents	-	94,756	94,756	68,555
Due from other funds	69,570	8,307	77,877	-
	69,570	103,063	172,633	68,555
Total Assets	\$ 1,079,734	\$ 159,418	\$ 1,239,152	\$ 161,226
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ -	\$ 6,368	\$ 6,368	\$ 15,598
Accrued liabilities	-	-	-	97
Due to other funds	-	153,050	153,050	60,269
Advances from other funds	-	267,032	267,032	226,440
Total Liabilities	-	426,450	426,450	302,404
Fund balances (deficits)				
Restricted	1,079,734	-	1,079,734	85,262
Unassigned	-	(267,032)	(267,032)	(226,440)
Total Fund Balances (Deficits)	1,079,734	(267,032)	812,702	(141,178)
Total Liabilities and Fund Balances (Deficits)	\$ 1,079,734	\$ 159,418	\$ 1,239,152	\$ 161,226

Village of Croton-on-Hudson, New York

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Year Ended May 31, 2016
(With Comparative Totals for 2015)

	Special Purpose	Sewer	Total Non-Major Governmental Funds	
			2016	2015
REVENUES				
Departmental income	\$ -	\$ 229,069	\$ 229,069	\$ 165,446
Use of money and property	1,192	-	1,192	25
Miscellaneous income	1,000,480	-	1,000,480	-
Total Revenues	1,001,672	229,069	1,230,741	165,471
EXPENDITURES				
Current				
General government support	-	23,997	23,997	28,934
Culture and recreation	7,200	-	7,200	-
Home and community services	-	131,464	131,464	116,696
Employee benefits	-	6,174	6,174	7,250
Total Expenditures	7,200	161,635	168,835	152,880
Excess of Revenues Over Expenditures	994,472	67,434	1,061,906	12,591
OTHER FINANCING USES				
Transfers out	-	(108,026)	(108,026)	(99,812)
Net Change in Fund Balances	994,472	(40,592)	953,880	(87,221)
FUND BALANCES (DEFICITS)				
Beginning of Year	85,262	(226,440)	(141,178)	(53,957)
End of Year	\$ 1,079,734	\$ (267,032)	\$ 812,702	\$ (141,178)

Village of Croton-on-Hudson, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 1,010,164	\$ 85,262
Due from other funds	<u>69,570</u>	<u>-</u>
 Total Assets	 <u><u>\$ 1,079,734</u></u>	 <u><u>\$ 85,262</u></u>
 FUND BALANCE		
Restricted	<u><u>\$ 1,079,734</u></u>	<u><u>\$ 85,262</u></u>

Village of Croton-on-Hudson, New York

Special Purpose Fund

Comparative Statement of Revenues, Expenditures and Changes

in Fund Balance

Years Ended May 31,

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 1,192	\$ 25
Miscellaneous	<u>1,000,480</u>	<u>-</u>
Total Revenues	1,001,672	25
EXPENDITURES		
Current		
Culture and recreation	<u>7,200</u>	<u>-</u>
Excess of Revenues Over Expenditures	994,472	25
FUND BALANCE		
Beginning of Year	<u>85,262</u>	<u>85,237</u>
End of Year	<u><u>\$ 1,079,734</u></u>	<u><u>\$ 85,262</u></u>

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Village of Croton-on-Hudson, New York

Sewer Fund
Comparative Balance Sheet
May 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	<u>\$ 56,355</u>	<u>\$ 7,409</u>
Receivables		
Sewer rents	94,756	68,555
Due from other funds	<u>8,307</u>	<u>-</u>
	<u>103,063</u>	<u>68,555</u>
Total Assets	<u><u>\$ 159,418</u></u>	<u><u>\$ 75,964</u></u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 6,368	\$ 15,598
Accrued liabilities	-	97
Due to other funds	153,050	60,269
Advances from other funds	<u>267,032</u>	<u>226,440</u>
Total Liabilities	426,450	302,404
Fund deficit		
Unassigned	<u>(267,032)</u>	<u>(226,440)</u>
Total Liabilities and Fund Deficit	<u><u>\$ 159,418</u></u>	<u><u>\$ 75,964</u></u>

Village of Croton-on-Hudson, New York

Sewer Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended May 31,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 262,291	\$ 262,291	\$ 229,069	\$ (33,222)
EXPENDITURES				
Current				
General government support	29,280	24,913	23,997	916
Home and community services	128,887	132,887	131,464	1,423
Employee benefits	5,918	6,285	6,174	111
Total Expenditures	164,085	164,085	161,635	2,450
Excess of Revenues Over Expenditures	98,206	98,206	67,434	(30,772)
OTHER FINANCING USES				
Transfers out	(108,026)	(108,026)	(108,026)	-
Net Change in Fund Balance	(9,820)	(9,820)	(40,592)	(30,772)
FUND BALANCE (DEFICIT)				
Beginning of Year	9,820	9,820	(226,440)	(236,260)
End of Year	\$ -	\$ -	\$ (267,032)	\$ (267,032)

2015			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 248,174	\$ 248,174	\$ 165,446	\$ (82,728)
29,377	29,023	28,934	89
119,377	118,697	116,696	2,001
6,218	7,252	7,250	2
154,972	154,972	152,880	2,092
93,202	93,202	12,566	(80,636)
(99,812)	(99,812)	(99,812)	-
(6,610)	(6,610)	(87,246)	(80,636)
6,610	6,610	(139,194)	(145,804)
\$ -	\$ -	\$ (226,440)	\$ (226,440)

Village of Croton-on-Hudson, New York

Sewer Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2016

(With Comparative Actuals for 2015)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2015 Actual
GENERAL GOVERNMENT SUPPORT					
Auditor	\$ 2,460	\$ 2,460	\$ 1,544	\$ 916	\$ 2,680
Central communications	14,752	15,066	15,066	-	19,145
Unallocated insurance	3,000	3,030	3,030	-	2,953
Taxes and assessments on property	4,000	4,261	4,261	-	4,156
Contingent account	5,000	-	-	-	-
	29,212	24,817	23,901	916	28,934
HOME AND COMMUNITY SERVICES					
Sanitary sewers	128,955	132,983	131,560	1,423	116,696
EMPLOYEE BENEFITS					
State retirement	3,760	3,498	3,388	110	4,668
Social security	1,530	2,051	2,050	1	1,952
Workers' compensation benefits	628	736	736	-	630
	5,918	6,285	6,174	111	7,250
TOTAL EXPENDITURES	164,085	164,085	161,635	2,450	152,880
OTHER FINANCING USES					
Transfers out					
Debt Service Fund	108,026	108,026	108,026	-	99,812
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 272,111</u>	<u>\$ 272,111</u>	<u>\$ 269,661</u>	<u>\$ 2,450</u>	<u>\$ 252,692</u>