

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
AUDIT REPORT  
FOR THE YEAR ENDED  
MAY 31, 2016**

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MAY 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members  
of the Village Board  
Village of Hastings-on-Hudson  
Hastings-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 Hastings-on-Hudson, 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 of material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 of Hastings-on-Hudson, as of May 31, 2016, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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**Change in Accounting Principle**

As described in Note 1 to the financial statements, the Village implemented Governmental Accounting Standards Board Statements No. 68 and 71, which improve the usefulness of pension information and enhance its value for assessing accountability and interperiod equity by requiring recognition of a net pension asset or liability and a more comprehensive measure of pension expense. Our opinion is not modified with respect to that matter.

**Other Matters***Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental schedules on pages 3 through 16 and 63 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hastings-on-Hudson's basic financial statements. The other supplementary information on pages 70 through 72 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other supplementary has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2016 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering Village of Hastings-on-Hudson's internal control over financial reporting.



Montgomery, New York  
October 3, 2016

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MAY 31, 2016**

The following is a discussion and analysis of the Village of Hastings-on-Hudson's financial performance for the year ended May 31, 2016. The Village of Hastings-on-Hudson discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

This section is a summary of the Village's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Village's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

- The assets of the Village of Hastings-on-Hudson exceeded its liabilities at the close of the fiscal years 2016 and 2015 by \$3,709,058 and \$5,429,346 (net position) respectively.
- Revenue, as reflected in the governmental funds statement, increased by \$431,102. This increase is primarily attributable to an increase in Departmental Income of \$246,363.
- The General Fund ended the year with actual revenues exceeding the budget by \$379,090.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,824,320 at 12.66% of the total general fund expenditures.
- During the year the fund balance of the General Fund increased by \$266,199.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MAY 31, 2016**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are *government-wide* financial statements that provide both short-term and long-term information about the Village's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Village, reporting the Village's operations in more detail than the government-wide statements. The fund financial statements concentrate on the Village's most significant funds.
- The *government fund statements* tell how basic services were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the Village acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Village's budget for the year.

Figure A-1 summarizes the major features of the Village's financial statements, including the portion of the Village's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MAY 31, 2016**

**A-1**

**Major Features of the Government-Wide and Fund Financial Statements**

	<b>Government-Wide</b>	<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire Government (except fiduciary funds)	The activities of the Village that are not proprietary or fiduciary, such as general support, police protection, building code enforcement, planning and zoning, and various other services	Instances in which the Village administrators resources on behalf of someone else, such as bid deposits, engineering fees, and street opening deposits.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/ liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long term liabilities included	All assets, deferred outflows of resources(if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MAY 31, 2016**

**GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Village's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Village's net position and how it has changed. Net Position, the difference between the Village's assets and liabilities, are one way to measure the Village's financial health or position.

- Over time, increases or decreases in the Village's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Village's overall health, you need to consider additional non-financial factors such as changes in the Village's property tax base and the condition of facilities and infrastructures.

In the government-wide financial statements, the Village's activities are shown as governmental activities. Most of the Village's basic services are included here, such as home and community services, road maintenance, and administration costs. Property taxes and charges for services finance most of these activities.

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the Village's funds, focusing on its most significant or "major" funds - not the Village as a whole. Funds are accounting devices the Village uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The Village establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues.



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The Village has two kinds of funds:

- **Governmental Funds:** Most of the Village's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciling statements (Statement 4 and Statement 6) have been added to explain the relationship (or differences) between them.
- **Fiduciary Funds-Agency Funds:** The Village acts in an agency capacity for assets that are ultimately transferred to others, such as payroll withholdings. The Village excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

The Village's net position at the fiscal year end is \$3,709,058. This is a \$1,720,288 decrease from last year's net position of \$5,429,346. The following table provides a summary of the Village's net position:

**Figure A-2**

<b>Condensed Statement of Net Position</b>	<b>2016</b>	<b>2015</b>	<b>Total Dollar Change</b>	<b>Total % Change</b>
Current Assets	\$ 5,404,419	\$ 4,185,756	\$ 1,218,663	29.11%
Non-Current Assets	20,234,836	20,383,356	(148,520)	-0.73%
<b>Total Assets</b>	<b>25,639,255</b>	<b>24,569,112</b>	<b>1,070,143</b>	<b>4.36%</b>
<b>Deferred Outflows of Resources</b>	<b>4,174,294</b>	<b>410,696</b>	<b>3,763,598</b>	<b>916.40%</b>
Current Liabilities	2,294,247	1,825,804	468,443	25.66%
Non-Current Liabilities	23,214,431	17,724,658	5,489,773	30.97%
<b>Total Liabilities</b>	<b>25,508,678</b>	<b>19,550,462</b>	<b>5,958,216</b>	<b>30.48%</b>
<b>Deferred Inflows of Resources</b>	<b>595,813</b>	<b>0</b>	<b>595,813</b>	<b>n/a</b>
Investment in Capital Assets, Net of Debt	8,990,336	9,634,556	(644,220)	-6.69%
Restricted	1,247,652	1,262,186	(14,534)	-1.15%
Unrestricted	(6,528,930)	(5,467,396)	(1,061,534)	-19.42%
<b>Total Net Position</b>	<b>\$ 3,709,058</b>	<b>\$ 5,429,346</b>	<b>\$ (1,720,288)</b>	<b>-31.68%</b>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The schedule on the following page and supporting graphs provides a summary of revenues, expenses and changes in net position for the fiscal years ended May 31, 2016 and 2015:

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

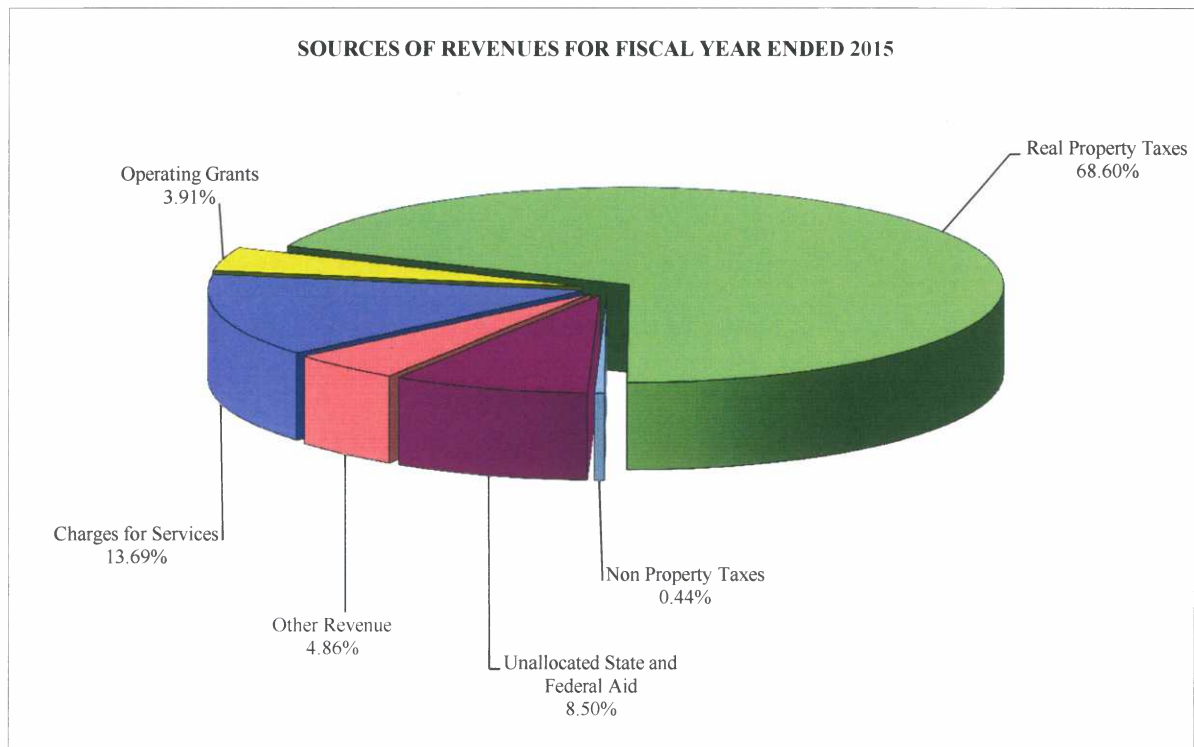
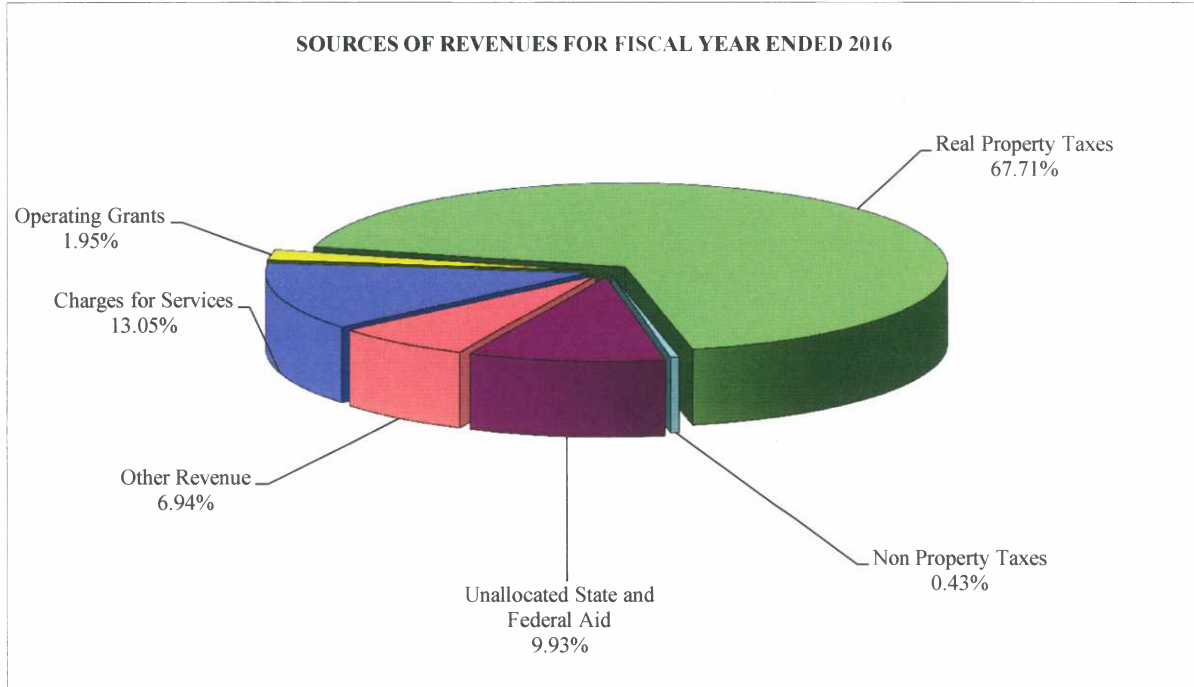
**Figure A-3**

	2016 Amount	%	2015 Amount	%	\$ Change	% Change
<b>REVENUES (Chart Figure A-4)</b>						
PROGRAM REVENUES						
Charges for Services	\$ 2,008,823	13.05%	\$ 2,050,906	13.69%	\$ (42,083)	-2.05%
Operating Grants	299,921	1.95%	585,924	3.91%	(286,003)	-48.81%
GENERAL REVENUES						
Real Property Taxes	10,424,291	67.71%	10,274,284	68.60%	150,007	1.46%
Non Property Taxes	65,635	0.43%	65,426	0.44%	209	0.00%
Unallocated State and Federal Aid	1,528,161	9.93%	1,273,196	8.50%	254,965	20.03%
Other Revenues	1,068,637	6.94%	727,989	4.86%	340,648	46.79%
	<u>15,395,468</u>	<u>100.00%</u>	<u>14,977,725</u>	<u>100.00%</u>	<u>417,743</u>	<u>2.79%</u>
<b>EXPENDITURES (Chart Figure A-5)</b>						
General Government	2,003,535	11.71%	1,878,717	12.01%	124,818	6.64%
Public Safety	4,499,964	26.29%	3,902,450	24.96%	597,514	15.31%
Health	36,121	0.21%	24,430	0.16%	11,691	47.86%
Transportation	1,124,217	6.57%	1,165,349	7.45%	(41,132)	-3.53%
Economic Assistance and Opportunity	73,640	0.43%	46,596	0.30%	27,044	58.04%
Culture and Recreation	1,549,452	9.05%	1,311,571	8.39%	237,881	18.14%
Home and Community Services	2,394,291	13.99%	2,187,530	13.99%	206,761	9.45%
Interest on Debt	391,506	2.29%	224,384	1.43%	167,122	74.48%
Employee Benefits	3,854,544	22.52%	3,666,287	23.45%	188,257	5.13%
Depreciation	1,188,485	6.94%	1,229,992	7.87%	(41,507)	-3.37%
	<u>17,115,756</u>	<u>100.00%</u>	<u>15,637,306</u>	<u>100.00%</u>	<u>1,478,450</u>	<u>9.45%</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ (1,720,288)</u>		<u>\$ (659,581)</u>		<u>\$ (1,060,707)</u>	



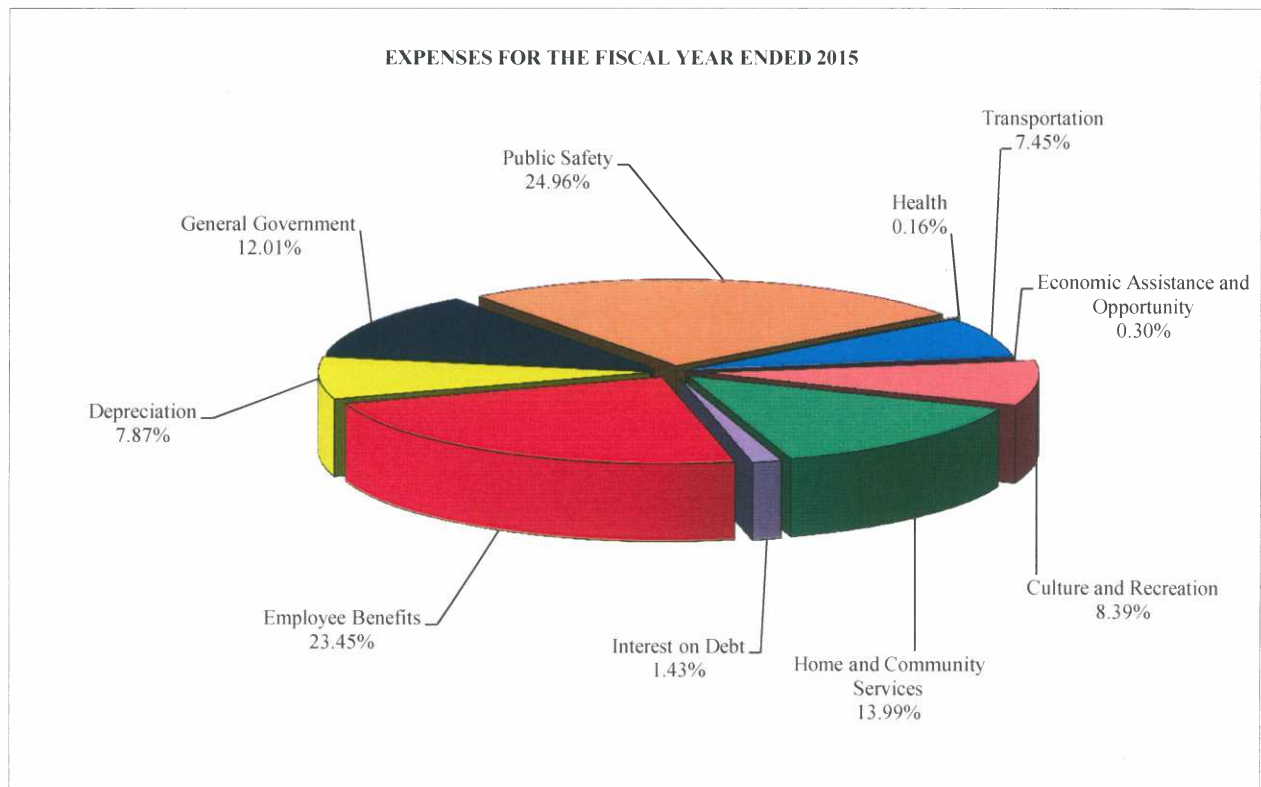
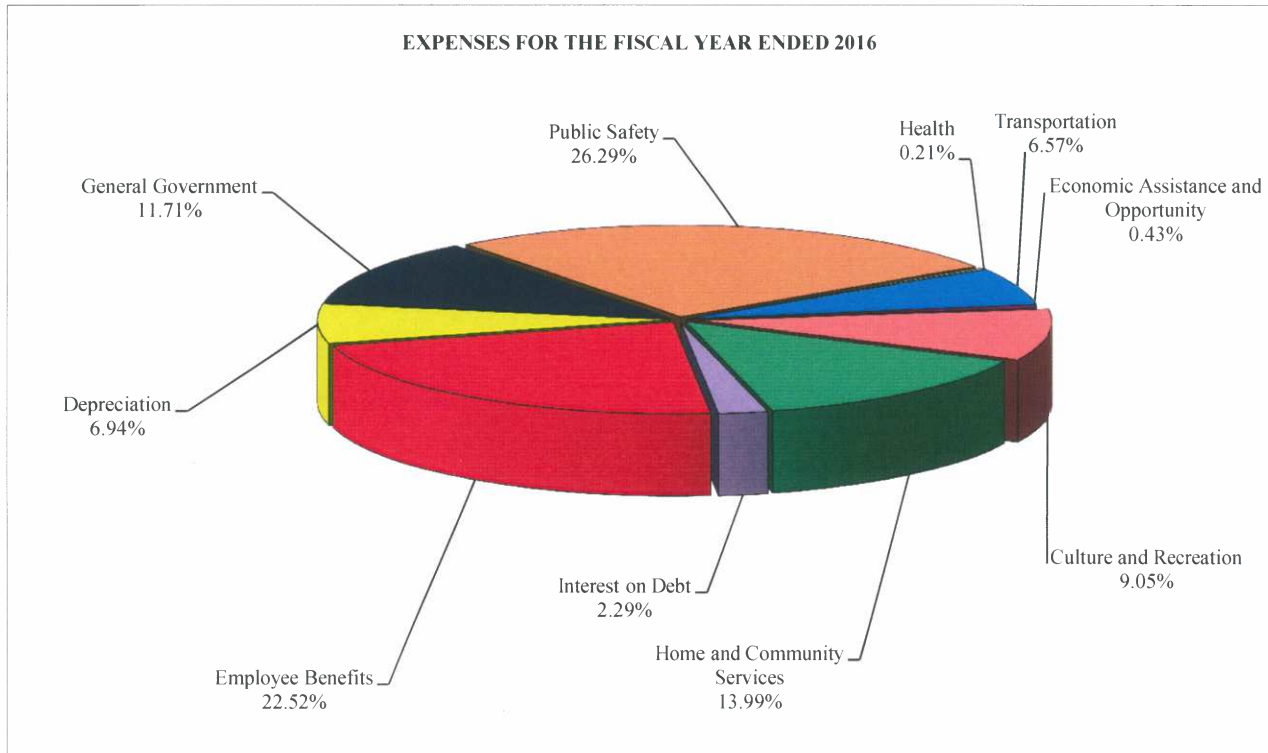
VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-4



VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Figure A-5





**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MAY 31, 2016**

**Figure A-6 (Continued)**

Total costs of services provided by the Village (Figure A-6) for the fiscal years ended May 31, 2016 and 2015 were \$17,115,756 and \$15,637,306, respectively. These costs were offset by charges for services of \$2,008,823, and grants and contributions of \$299,921, resulting in net cost of services of \$14,807,012. This is a \$1,806,536 increase over last year's total net costs of \$13,000,476.

The Village's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the Village consist of the General Fund, Capital Fund, Pool Fund, Library Fund, Special Purpose Fund, and Debt Service Fund. The total fund balances allocated between restricted, assigned, and unassigned fund balance for each of these funds is as follows:

**Figure A-7**

	May 31, 2016		
	Restricted	Assigned	Unassigned
General	\$ 0	\$ 51,160	\$ 1,824,320
Capital Projects	0	0	(91,205)
Pool	265,766	0	0
Library	45,191	0	0
Special Purpose	877,339	0	0
Debt Service	59,356	0	0

	May 31, 2015		
	Restricted	Assigned	Unassigned
General	\$ 0	\$ 136,957	\$ 1,472,324
Capital Projects	281,545	0	0
Pool	232,175	0	0
Library	0	0	(4,236)
Special Purpose	791,296	0	0
Debt Service	189,345	0	0

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Village revised the general fund budgets to reflect additional changes in budgeted revenues and expenditures. Actual revenues exceeded revised budget estimates by \$379,090 and actual expenditures were less than budgeted expenditures by \$24,130. Figure A-8 summarizes the general funds original and revised budgets, actual expenditures and the variances for the year ended May 31, 2016.

**Figure A-8**

<b>Condensed Budgetary Comparison General Fund</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Real property taxes	\$ 10,398,768	\$ 10,398,768	\$ 10,398,768	\$ 0
Real property tax items	30,000	30,000	28,522	(1,478)
State and Federal Aid	1,833,000	1,833,000	1,647,061	(185,939)
Departmental income	1,312,230	1,312,230	1,742,177	429,947
All other	660,350	660,350	796,275	135,925
<b>Total Revenues</b>	<b>\$ 14,299,348</b>	<b>\$ 14,299,348</b>	<b>\$ 14,678,438</b>	<b>\$ 379,090</b>
<b>EXPENDITURES</b>				
General government support	\$ 1,839,875	\$ 1,806,372	\$ 1,805,645	\$ 727
Public safety	3,412,933	3,496,691	3,478,989	17,702
Transportation	1,037,528	916,786	916,786	0
Culture & recreation	1,049,612	1,105,145	1,102,647	2,498
Home & community service	1,146,859	1,225,521	1,224,584	937
Employee benefits	3,642,546	3,707,546	3,707,018	528
<b>Total Expenditures</b>	<b>\$ 12,154,453</b>	<b>\$ 12,288,496</b>	<b>\$ 12,264,366</b>	<b>\$ 24,130</b>
<b>Other financing uses</b>	<b>\$ 2,144,895</b>	<b>\$ 2,147,873</b>	<b>\$ 2,147,873</b>	<b>\$ 0</b>



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**CAPITAL ASSETS**

The Village records expenditures for land, buildings, equipment, machinery and infrastructures (roads) as capital assets in the Statement of Net Position. Annual depreciation expense is recorded in the Statement of Activities to reflect the use of these assets over their useful lives. Land and construction in progress are not subject to depreciation. The Village's depreciation methods, assumptions regarding useful lives and capitalization thresholds are described in Notes 1 and 5 in the Notes to the Financial Statements.

Under the implementation standards of GASB 34, the Village is considered a small government, and as such is required only to recognize infrastructures on a prospective (going forward) basis. The Village has maintained detailed, separate records of infrastructure additions since 2003. The Village has elected to include infrastructure additions since 2003 in the capital assets section of the Statement of Net Position, as management believes their inclusion provides the reader with a more complete accounting of the Village's investment in capital resources.

In 2016, the Village expended \$1,039,965 on capital additions. Figure A-9 reflects the changes in net capital assets.

**Figure A-9**

<b>Changes in Net Capital Assets</b>	<b>Governmental Activities</b>		<b>Total</b>
	<b>2016</b>	<b>2015</b>	<b>Dollar Change</b>
Land	\$ 6,332,206	\$ 6,332,206	\$ 0
Land Improvements	1,405,887	1,391,403	14,484
Building Improvements	8,519,608	8,844,168	(324,560)
Machinery & Equipment	1,778,578	1,667,822	110,756
Infrastructure	2,198,557	2,147,757	50,800
<b>Total</b>	<b>\$ 20,234,836</b>	<b>\$ 20,383,356</b>	<b>\$ (148,520)</b>

Major additions in 2016 included:

Land Improvements	\$ 121,876
Infrastructure	332,835
Machinery & Equipment	<u>585,254</u>
<b>Total</b>	<u><u>\$ 1,039,965</u></u>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MAY 31, 2016**

**DEBT ADMINISTRATION**

Debt, both short-term and long-term, increased by \$495,700 during 2016.

Other Postemployment Benefits increased by \$1,490,000 during 2016.

The Village's liability for compensated absences increased by \$65,089 during 2016.

Under the implementation standards of GASB 68, the Village was required to recognize \$3,979,487 as a Net Pension Liability – Proportionate Share at year end.

Detailed information regarding the Village's short and long-term liabilities are presented in more detail in Notes 6 and 7 in the current year's notes to the financial statements. Figure A-10 reflects the changes in the Village's debt for 2016.

**Figure A-10**

Outstanding Debt	Governmental Activities		Total Dollar Change
	2016	2015	
Bond Anticipation Notes	\$ 1,314,500	\$ 0	\$ 1,314,500
Serial Bonds	9,930,000	10,748,800	(818,800)
Net Pension Liability - Proportionate Share	3,979,487	0	3,979,487
Other Postemployment Benefits	8,260,000	6,770,000	1,490,000
Compensated Absences	679,051	613,962	65,089
<b>Total</b>	<b>\$ 24,163,038</b>	<b>\$ 18,132,762</b>	<b>\$ 6,030,276</b>

**FINANCIAL CONTACT**

The Village's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the Village's finances and to demonstrate the Village's accountability. If you have questions about the report or need additional financial information, contact Francis A. Frobel, Village Manager, Village of Hastings-on-Hudson, 7 Maple Avenue, Hastings-on-Hudson, New York 10706.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
STATEMENT OF NET POSITION  
MAY 31, 2016**

**ASSETS**

Cash and Cash Equivalents	\$ 5,027,157
Accounts Receivable	125,432
State and Federal Aid Receivable	251,830
Capital Assets (Net of Accumulated Depreciation)	20,234,836
<b>TOTAL ASSETS</b>	<u>25,639,255</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pensions	3,808,401
Deferred Charges	365,893
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>4,174,294</u>

**LIABILITIES**

Current Liabilities:	
Accounts Payable	310,275
Accrued Liabilities	12,773
Due to Employees' Retirement System	167,069
Unearned Revenues - Other	442,443
Accrued Interest Payable	47,187
Bond Anticipation Notes Payable	1,314,500
Long-Term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable	875,000
Due and Payable More Than One Year:	
Bonds Payable	9,420,893
Net Pension Liability - Proportionate Share	3,979,487
Other Post Retirement Benefits Payable	8,260,000
Compensated Absences	679,051
<b>TOTAL LIABILITIES</b>	<u>25,508,678</u>

**DEFERRED INFLOWS OF RESOURCES**

Pensions	<u>595,813</u>
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**NET POSITION**

Net Investment in Capital Assets	8,990,336
Restricted	1,247,652
Unrestricted	(6,528,930)
<b>TOTAL NET POSITION</b>	<u><u>\$ 3,709,058</u></u>

See notes to financial statements.



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2016**

	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities:				
General Government	\$ (2,575,455)	\$ 681,130	\$ 0	\$ (1,894,325)
Public Safety	(6,747,300)	624,982	159,460	(5,962,858)
Health	(52,245)	0	0	(52,245)
Transportation	(1,574,727)	23,343	76,788	(1,474,596)
Economic Assistance and Opportunity	(233,577)	0	0	(233,577)
Culture and Recreation	(2,519,849)	560,477	0	(1,959,372)
Home and Community Services	(3,021,097)	118,891	63,673	(2,838,533)
Interest on Debt	(391,506)	0	0	(391,506)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ (17,115,756)</b>	<b>\$ 2,008,823</b>	<b>\$ 299,921</b>	<b>(14,807,012)</b>
<b>GENERAL REVENUES</b>				
Real Property Taxes				10,395,769
Real Property Tax Items				28,522
Non Property Taxes				65,635
Departmental Income				728,573
Use of Money and Property				163,212
Unallocated State and Federal Aid				1,528,161
Sale of Property and Compensation for Loss				25,284
Miscellaneous				151,568
<b>TOTAL GENERAL REVENUES</b>				<b>13,086,724</b>
<b>CHANGE IN NET POSITION</b>				<b>(1,720,288)</b>
<b>NET POSITION - BEGINNING</b>				<b>5,429,346</b>
<b>NET POSITION - ENDING</b>				<b>\$ 3,709,058</b>

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
BALANCE SHEET - GOVERNMENTAL FUNDS  
MAY 31, 2016**

	General	Capital Projects	Pool	Library	Special Purpose	Debt Service	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 1,843,826	\$ 1,592,232	\$ 546,423	\$ 70,634	\$ 974,042	\$ 0	\$ 5,027,157
Accounts Receivable, Net	125,432	0	0	0	0	0	125,432
Due from Other Funds	480,162	0	26,764	38,171	0	59,356	604,453
State and Federal Aid Receivable	251,830	0	0	0	0	0	251,830
<b>TOTAL ASSETS</b>	<b>\$ 2,701,250</b>	<b>\$ 1,592,232</b>	<b>\$ 573,187</b>	<b>\$ 108,805</b>	<b>\$ 974,042</b>	<b>\$ 59,356</b>	<b>\$ 6,008,872</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 310,275	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 310,275
Accrued Liabilities	0	0	0	12,773	0	0	12,773
Due to Other Funds	0	368,937	92,403	46,410	96,703	0	604,453
Due to Employees' Retirement System	162,638	0	0	4,431	0	0	167,069
Unearned Revenues - Taxes	125,432	0	0	0	0	0	125,432
Unearned Revenues - Other	227,425	0	215,018	0	0	0	442,443
Bond Anticipation Notes Payable	0	1,314,500	0	0	0	0	1,314,500
<b>TOTAL LIABILITIES</b>	<b>825,770</b>	<b>1,683,437</b>	<b>307,421</b>	<b>63,614</b>	<b>96,703</b>	<b>0</b>	<b>2,976,945</b>
<b>FUND BALANCES</b>							
Restricted	0	0	265,766	45,191	877,339	59,356	1,247,652
Assigned	51,160	0	0	0	0	0	51,160
Unassigned	1,824,320	(91,205)	0	0	0	0	1,733,115
<b>TOTAL FUND BALANCES</b>	<b>1,875,480</b>	<b>(91,205)</b>	<b>265,766</b>	<b>45,191</b>	<b>877,339</b>	<b>59,356</b>	<b>3,031,927</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,701,250</b>	<b>\$ 1,592,232</b>	<b>\$ 573,187</b>	<b>\$ 108,805</b>	<b>\$ 974,042</b>	<b>\$ 59,356</b>	<b>\$ 6,008,872</b>

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS  
TO THE STATEMENT OF NET POSITION  
MAY 31, 2016**

	Total Governmental Funds	Long-Term Assets Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,027,157	\$ 0	\$ 0	\$ 5,027,157
State & Federal Aid Receivable	251,830	0	0	251,830
Due from Other Funds	604,453	0	(604,453)	0
Other Receivables, Net	125,432	0	0	125,432
Capital Assets, Net	0	20,234,836	0	20,234,836
<b>TOTAL ASSETS</b>	<b>6,008,872</b>	<b>20,234,836</b>	<b>(604,453)</b>	<b>25,639,255</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	0	3,808,401	0	3,808,401
Deferred Charges	0	365,893	0	365,893
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 6,008,872</b>	<b>\$ 24,409,130</b>	<b>\$ (604,453)</b>	<b>\$ 29,813,549</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 310,275	\$ 0	\$ 0	\$ 310,275
Accrued Liabilities	12,773	47,187	0	59,960
Bond Anticipation Notes Payable	1,314,500	0	0	1,314,500
Bond Payable	0	10,295,893	0	10,295,893
Due to Other Funds	604,453	0	(604,453)	0
Due to Employees' Retirement System	167,069	0	0	167,069
Other Post Retirement Benefits Payable	0	8,260,000	0	8,260,000
Compensated Absences Payable	0	679,051	0	679,051
Net Pension Liability - Proportionate Share	0	3,979,487	0	3,979,487
Unearned Revenues- Other	442,443	0	0	442,443
Unearned Revenues- Taxes	125,432	(125,432)	0	0
<b>TOTAL LIABILITIES</b>	<b>2,976,945</b>	<b>23,136,186</b>	<b>(604,453)</b>	<b>25,508,678</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	0	595,813	0	595,813
<b>TOTALS FUND EQUITY/NET POSITION</b>	<b>3,031,927</b>	<b>1,272,944</b>	<b>0</b>	<b>3,709,058</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY/NET POSITION</b>	<b>\$ 6,008,872</b>	<b>\$ 24,409,130</b>	<b>\$ (604,453)</b>	<b>\$ 29,813,549</b>

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED MAY 31, 2016**

	General	Capital Projects	Pool	Library	Special Purpose	Debt Service	Total Governmental Funds
<b>REVENUES</b>							
Real Property Taxes	\$ 10,398,768	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,398,768
Real Property Tax Items	28,522	0	0	0	0	0	28,522
Non Property Tax Items	65,635	0	0	0	0	0	65,635
Departmental Income	1,742,177	0	432,286	12,816	0	0	2,187,279
Use of Money and Property	135,452	0	556	14	26,179	1,011	163,212
Licences and Permits	257,525	0	0	0	0	0	257,525
Fines and Forfeitures	292,592	0	0	0	0	0	292,592
Sale of Property and Compensation for Loss	25,284	0	0	0	0	0	25,284
Miscellaneous	85,422	0	0	0	66,146	0	151,568
State and Federal Aid	1,647,061	179,018	0	2,003	0	0	1,828,082
<b>TOTAL REVENUES</b>	<b>14,678,438</b>	<b>179,018</b>	<b>432,842</b>	<b>14,833</b>	<b>92,325</b>	<b>1,011</b>	<b>15,398,467</b>
<b>EXPENDITURES</b>							
General Government Support	1,805,645	0	0	0	0	0	1,805,645
Public Safety	3,478,989	0	0	0	0	0	3,478,989
Health	28,697	0	0	0	0	0	28,697
Transportation	916,786	0	0	0	0	0	916,786
Culture and Recreation	1,102,647	0	0	0	0	0	1,102,647
Home and Community Service	1,224,584	0	266,957	607,865	6,282	0	2,105,688
Employee Benefits	3,707,018	0	13,277	134,249	0	0	3,854,544
Capital Outlay	0	960,746	0	0	0	0	960,746
Debt Service	0	0	0	0	0	1,212,204	1,212,204
<b>TOTAL EXPENDITURES</b>	<b>12,264,366</b>	<b>960,746</b>	<b>280,234</b>	<b>742,114</b>	<b>6,282</b>	<b>1,212,204</b>	<b>15,465,946</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating Transfers In	0	408,978	0	855,949	0	1,212,204	2,477,131
Operating Transfers Out	(2,147,873)	0	(119,017)	(79,241)	0	(131,000)	(2,477,131)
<b>TOTAL FINANCING SOURCES (USES)</b>	<b>(2,147,873)</b>	<b>408,978</b>	<b>(119,017)</b>	<b>776,708</b>	<b>0</b>	<b>1,081,204</b>	<b>0</b>
<b>CHANGE IN FUND BALANCE</b>	<b>266,199</b>	<b>(372,750)</b>	<b>33,591</b>	<b>49,427</b>	<b>86,043</b>	<b>(129,989)</b>	<b>(67,479)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>1,609,281</b>	<b>281,545</b>	<b>232,175</b>	<b>(4,236)</b>	<b>791,296</b>	<b>189,345</b>	<b>3,099,406</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 1,875,480</b>	<b>\$ (91,205)</b>	<b>\$ 265,766</b>	<b>\$ 45,191</b>	<b>\$ 877,339</b>	<b>\$ 59,356</b>	<b>\$ 3,031,927</b>

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
RECONCILIATION OF GOVERNMENTAL FUNDS, REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2016**

	Total Governmental Funds	Long-Term Revenue and Expenses	Capital Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
<b>REVENUES</b>						
Real Property Taxes	\$ 10,398,768	\$ (2,999)	0	0	0	\$ 10,395,769
Real Property Tax Items	28,522	0	0	0	0	28,522
Non Property Tax Items	65,635	0	0	0	0	65,635
Departmental Income	2,187,279	0	0	0	0	2,187,279
Use of Money and Property	163,212	0	0	0	0	163,212
Licences and Permits	257,525	0	0	0	0	257,525
Fines and Forfeitures	292,592	0	0	0	0	292,592
Sale of Property and Compensation for Loss	25,284	0	0	0	0	25,284
Miscellaneous	151,568	0	0	0	0	151,568
State and Federal Aid	1,828,082	0	0	0	0	1,828,082
<b>TOTAL REVENUES</b>	<b>15,398,467</b>	<b>(2,999)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,395,468</b>
<b>EXPENDITURES</b>						
General Government Support	1,805,645	7,381	134,784	0	627,645	2,575,455
Public Safety	3,478,989	29,006	529,627	0	2,709,678	6,747,300
Health	28,697	208	3,800	0	19,540	52,245
Transportation	916,786	5,815	106,171	0	545,955	1,574,727
Economic Assistance and Opportunity	0	2,064	37,692	0	193,821	233,577
Culture and Recreation	1,102,647	12,525	228,692	0	1,175,984	2,519,849
Home and Community Service	2,105,688	8,090	147,719	0	759,600	3,021,097
Employee Benefits	3,854,544	2,256,899	0	0	(6,111,443)	0
Capital Outlay	960,746	0	(1,039,965)	0	79,219	0
Debt Service	1,212,204	(1,898)	0	(818,800)	0	391,506
<b>TOTAL EXPENDITURES</b>	<b>15,465,946</b>	<b>2,320,090</b>	<b>148,520</b>	<b>(818,800)</b>	<b>0</b>	<b>17,115,756</b>
Excess (Deficiency) of Revenues Over Expenditures	(67,479)	(2,323,089)	(148,520)	818,800	0	(1,720,288)
<b>OTHER SOURCES (USES):</b>						
Operating Transfers In	2,477,131	0	0	0	(2,477,131)	0
Operating Transfers Out	(2,477,131)	0	0	0	2,477,131	0
<b>TOTAL OTHER SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE FOR THE YEAR</b>	<b>\$ (67,479)</b>	<b>\$ (2,323,089)</b>	<b>\$ (148,520)</b>	<b>\$ 818,800</b>	<b>\$ 0</b>	<b>\$ (1,720,288)</b>

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
STATEMENT OF FIDUCIARY NET POSITION  
MAY 31, 2016**

	AGENCY FUNDS	SERVICE AWARD PROGRAM
<b>ASSETS</b>		
Cash	\$ 15,536	\$ 0
Investments at Fair Value	<u>0</u>	<u>1,079,147</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 15,536</u></u>	<u><u>\$ 1,079,147</u></u>
<b>LIABILITIES</b>		
Guarantee & Bid Deposits	<u>\$ 15,536</u>	<u>\$ 0</u>
<b>TOTAL LIABILITIES</b>	<u>15,536</u>	<u>0</u>
<b>NET POSITION</b>		
Held in Trust for Plan Benefits	<u>0</u>	<u>1,079,147</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 15,536</u></u>	<u><u>\$ 1,079,147</u></u>

See notes to financial statements.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED MAY 31, 2016**

	SERVICE AWARD PROGRAM
<b>ADDITIONS</b>	
Earnings on Investment	\$ 39,420
Plan Contributions	<u>197,239</u>
 TOTAL ADDITIONS	 <u>236,659</u>
 <b>DEDUCTIONS</b>	
Plan Benefits	64,950
Administration Fees	<u>2,224</u>
 TOTAL DEDUCTIONS	 <u>67,174</u>
 CHANGE IN PLAN POSITION	 169,485
 NET POSITION OF PLAN - BEGINNING OF YEAR	 <u>909,662</u>
 NET POSITION OF PLAN - END OF YEAR	 <u><u>\$ 1,079,147</u></u>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Village of Hastings-on-Hudson have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**A. Financial Reporting Entity**

The Village of Hastings-on-Hudson, which was incorporated in 1879, is governed by the laws of the State of New York and various local laws and ordinances. The Board of Trustees is the legislative body responsible for overall operations, the Mayor serves as Chief Executive Officer and the Village Manager serves as Chief Fiscal Officer.

The Village provides the following principal services: general administration, police protection, transportation (streets and highways), recreation, planning and zoning, public improvements, library and other home and community services.

All governmental activities and functions performed for the Village of Hastings-on-Hudson are its direct responsibility. No other governmental organization has been included or excluded from the reporting entity.

The financial reporting entity consists of the following, as defined by Governmental Accounting Standards Board (GASB) Statement #14, "The Financial Reporting Entity:"

1. The primary government which is the Village of Hastings-on-Hudson.
2. Organizations for which the primary government is financially accountable, and;
3. Other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's general purpose financial statements to be misleading or incomplete.

The decision to include a potential component unit in the reporting entity is based on the criteria set forth in GASB Statement #14, including legal standing, fiscal dependency, and financial accountability.

Based on the application of the above criteria, no other entities are included in the reporting entity.



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation**

**1. Government-wide Statements**

The Statement of Net Position and the Statement of Activities present financial information about the Village's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Government activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**2. Fund Financial Statements**

The fund statements provide information about the Village's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major Governmental Funds, each displayed in a separate column.

The Village of Hastings-on-Hudson reports the following major Governmental Funds:

- **General Fund:** This is the Village's primary operating fund. It accounts for all financial transactions that are not required by law or other provision to be accounted for in other funds.
- **Library Fund:** The Library fund is used to account for the operations of the Village's Library.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

2. Fund Financial Statements (Continued)

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

Pool Fund – The Pool fund is used to account for the operations of the Village’s swimming pool.

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.

- **Capital Projects Fund:** Established to account for capital improvements financed from current monies transferred from other funds, federal and state grants and proceeds of obligations.
- **Debt Service Fund:** The Debt Service fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

The Village reports the following fiduciary funds:

- **Agency Fund:** The Agency fund accounts for employee payroll tax withholdings and deposits that are payable to other jurisdictions or individuals.
- **Service Award Program:** The Service award Program fund accounts for the Village’s Fire Service Awards Program.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**D. Property Taxes**

Village real property taxes are levied annually no later than June 1st, and become a lien on November 1st. Taxes are collected during the period June 1 to October 31.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Data**

1. Budget Policies - The budget policies are as follows:

- a. No later than March 20, the budget officer submits a tentative budget to the Village Board for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except for capital projects fund and community development fund.
- b. After public hearings are conducted to obtain taxpayer comments, no later than April 15, the Village Board adopts the budget by May 1.
- c. All modifications of the budget must be approved by specific action of the Village Board.

2. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3. Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Budgetary controls for special grant funds are established in accordance with the applicable grant agreements which cover, in most cases, a period other than the Village's fiscal year.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Investments**

The Village of Hastings-on-Hudson's investment policies are governed by State statutes. In addition, the Village of Hastings-on-Hudson has its own written investment policy. Village of Hastings-on-Hudson's monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit.

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities.

Deposits and investments at year-end were entirely covered by Federal Insurance or by collateral held by the Village's custodial bank in the Village's name.

**G. Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

**H. Due To/From Other Funds**

Amounts due to and due from within the same fund type have been eliminated in the Government-wide statements. A detailed description of the individual fund balances is provided subsequently in these notes.

**I. Inventories and Prepaid Items**

Purchases of inventorable items are recorded as expenditures in the Government Funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the government-wide statements.

Prepaid items represent payments made by the Village for which benefits extend beyond year-end.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets**

Capital assets are reported at historical costs. The Village depreciates capital assets using the straight-line method over the estimated useful life of the assets. Capitalization thresholds (the dollar value above which capital asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Land Improvements	\$ 5,000	20 years
Buildings and Improvements	5,000	20-50 years
Machinery & Equipment	5,000	5-30 years
Infrastructure	5,000	15-65 years

**K. Infrastructure**

The Village includes long-lived improvements to roads and other infrastructure as capital assets in the government-wide statements. Infrastructures are reported at historical costs and are depreciated using the straight-line method over their estimated useful lives.

Under the implementation standards of GASB 34, the Village is considered a small government, and as such is required only to recognize infrastructures on a prospective basis. Therefore, since the adoption of GASB 34, the Village has not retroactively reported infrastructures.

**L. Vested Employee Benefits**

The various collective bargain agreements provide for the payment of accumulated vacation and sick time upon separation of service. The liability for such accumulated time is reflected in the government-wide Statement of Net Position as a long-term liability. 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.

The Village's employees participate in the New York State Employees' Retirement System and New York State Police and Fire Retirement Systems.



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Vested Employee Benefits (Continued)**

In addition to providing pension benefits, the Village of Hastings-on-Hudson provides health insurance coverage for retired employees. Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the community. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

**M. Unemployment Insurance**

Village employees are covered by unemployment insurance. The Village is exempt for federal unemployment insurance tax.

**N. Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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. The government has two items that qualify for reporting in this category. The first item is related to pensions reported in the Village-wide Statement of Net Position. This represents the effect of the net change in the Village's proportion of the collective net pension asset or liability and difference during the measurement period between the Village's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also, the Village contributions to the pension systems (PFRS and ERS Systems) subsequent to the measurement date. The second item relates to bond refunding.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has one item that qualifies for reporting in this category. This item is related to pensions reported in the Village – wide Statement of Net Position. This represents the effect of the net change in the Village's proportion of the collective net pension liability (ERS and PFRS System) and difference during the measurement periods between the Village's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Equity Classification**

1. Government-wide Statements

In the government-wide statements there are three classes of net position:

Net Investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted - reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted - reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the Village.

2. Funds Statements

The following is a brief description on the five fund balance classifications that the Village can utilize:

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation.

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees.

Assigned: Includes amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balance includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the General Fund that are intended to be used for a specific purpose. Assigned fund balance in the General Fund includes \$51,160 assigned for specific purposes through the issuance of purchases orders that encumbered the budget for the year ended May 31, 2016. This assignment is made when purchase orders are approved by the Purchasing Agent who is designated each year by the Board of Trustees at its annual reorganizational meeting pursuant to the Village's purchasing policy.



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Equity Classification (Continued)**

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

**P. Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Village's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements

**Q. Interfund Transfers**

The operations of the Village gives rise to certain transactions between funds, including transfers to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated for the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

**R. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long term assets.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**S. New Accounting Standards**

The Village has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At May 31, 2016, the Village implemented the following new standards issued by GASB:

- GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for the year ending May 31, 2016
- GASB Statement 69, *Government Combinations and Disposals of Government Operations*, effective for the year ending May 31, 2016
- GASB Statement 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, effective for the year ending May 31, 2016
- GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, effective for the year ending May 31, 2016

GASB has issued Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which improves financial reporting by state and local governments for pensions. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. The Village has implemented Statement 68 as required.

GASB has issued Statement 69, *Government Combinations and Disposals of Government Operations*, which establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term government combinations, includes a variety of transactions referred to as merger, acquisitions, and transfers of operations. This Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The Village has implemented Statement 69 as required.

GASB has issued Statement 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, which will improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. This Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend non-exchange financial guarantees and by those governments that receive non-exchange financial guarantees. It will also enhance the information disclosed about a government's obligations and risk exposure from extending nonfinancial guarantees. The Village has implemented Statement 70 as required.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**S. New Accounting Standards (Continued)**

GASB has issued Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, which addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions* and the amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The Village has implemented Statement 70 as required.

**NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the government funds.

**A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:**

Total fund balances of the Village's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the Governmental Fund Balance Sheet.

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Fund Statements and Net Position reported on the Statement of Net Position.

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Village as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Original Cost of Capital Assets	\$ 38,198,468
Accumulated Depreciation	<u>(17,963,632)</u>
Capital Assets, Net	<u>\$ 20,234,836</u>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL  
FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)**

**A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental  
Activities: (Continued)**

2. Interest payable is recognized in the entity wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest that was not paid from current financial resources.

Interest Payable at May 31, 2016	\$ <u>47,187</u>
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3. Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Bonds and Notes Payable	\$ 9,930,000
Premium on Obligations	365,893
Other Postemployment Benefits	8,260,000
Compensated Absences	<u>679,051</u>
	\$ <u>19,234,944</u>

4. In the Statement of Net Position, a liability is recognized for the Village's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the Village participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the Village's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at May 31, 2016 were as follows:

Deferred Outflows of Resources – Pension	\$ 3,808,401
Net Pension Liability, Proportionate Share (ERS & PFRS)	(3,979,487)
Deferred Inflows of Resources – Pension	<u>(595,813)</u>
	\$ <u>(766,899)</u>



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL  
FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)**

**B. Explanation of Difference between Governmental Funds Operating Statement and  
the Statement of Activities:**

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories. The amounts shown below represent these differences as follows:

- Long-term revenue differences arise because Governmental Funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because Governmental Funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.
- Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the Governmental Fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.
- Pension plan transaction differences occur as a result of changes in the Village’s proportion of the collective net pension asset/liability and differences between the Village’s contributions and its proportionate share of the total contributions to the pension systems.

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the Governmental Fund Statements and the change in net position reported in the Statement of Activities.

Explanation of Differences between Governmental Funds Operating Statement  
and the Statement of Activities and Changes in Net Position

Total Revenue and other Funding Sources:

Total revenues and other sources governmental funds (Statement 5)	\$ 15,398,467
Unearned Tax Revenue	<u>(2,999)</u>
Total Revenue of Governmental Activities (Statement 2)	<u><u>\$ 15,395,468</u></u>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (Continued)**

**B. Explanation of Difference between Governmental Funds Operating Statement and the Statement of Activities: (Continued)**

Total Expenditures/Expenses:

Total expenditures reported in governmental funds (Statement 5) \$ 15,465,946

In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The liability for compensated absences increased by \$65,089 during the year. Other postemployment benefits earned exceeded the amount paid by \$1,490,000. 1,555,089

When purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$1,039,965 is less than depreciation of \$1,188,485 in the current year. 148,520

(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenue or expenditures in the governmental funds (PFRS of \$346,449 and ERS of \$420,450) 766,899

Interest payable is recognized in the government-wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable for the current year is less than the interest payable for the prior year. (1,898)

Repayment of debt service principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets, and does not affect the Statement of Activities. (818,800)

Total Expenses and Government Activities (Statement 2) \$ 17,115,756



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 3. CASH**

The Village of Hastings-on-Hudson's investment policies are governed by State statutes, as previously described in these notes. Deposits are valued at cost or cost plus interest and are categorized as either:

1. Insured or collateralized with securities held by the entity or by its agent in the entity's name;
2. Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name; or
3. Uncollateralized

	<u>1</u>	<u>2</u>	<u>3</u>
Governmental & Agency Funds	<u>\$ 5,042,693</u>	<u>\$ 0</u>	<u>\$ 0</u>

**NOTE 4. INTERFUND ACTIVITY**

Interfund receivables and payables at May 31, 2016, were as follows:

<u>Fund Type</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 480,162	\$ 0
Capital Project	0	368,937
Pool	26,764	92,403
Library	38,171	46,410
Special Purpose	0	96,703
Debt Service	59,356	0
Trust & Agency	0	0
Total	<u>\$ 604,453</u>	<u>\$ 604,453</u>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 5. CAPITAL ASSETS**

Capital asset balances and activity for the year ended May 31, 2016, were as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals and Reclass- ifications</u>	<u>Ending Balance</u>
Capital Assets that are not Depreciated:				
Land	\$ 6,332,206	\$ 0	\$ 0	\$ 6,332,206
Total Non-Depreciable Historical Cost	<u>6,332,206</u>	<u>0</u>	<u>0</u>	<u>6,332,206</u>
Capital Assets that are being Depreciated:				
Land Improvements	2,534,680	121,876	0	2,656,556
Buildings and Improvements	13,814,164	0	0	13,814,164
Machinery & Equipment	7,465,082	585,254	0	8,050,336
Infrastructure	<u>7,012,371</u>	<u>332,835</u>	<u>0</u>	<u>7,345,206</u>
Total Depreciable Historical Cost	<u>30,826,297</u>	<u>1,039,965</u>	<u>0</u>	<u>31,866,262</u>
Less Accumulated Depreciation:				
Land Improvements	1,143,277	107,392	0	1,250,669
Buildings and Improvements	4,969,996	324,560	0	5,294,556
Machinery & Equipment	5,797,260	474,498	0	6,271,758
Infrastructure	<u>4,864,614</u>	<u>282,035</u>	<u>0</u>	<u>5,146,649</u>
Total Accumulated Depreciation	<u>16,775,147</u>	<u>1,188,485</u>	<u>0</u>	<u>17,963,632</u>
Total Historical Cost, Net	<u>\$ 20,383,356</u>	<u>\$ (148,520)</u>	<u>\$ 0</u>	<u>\$ 20,234,836</u>

Depreciation was charged to governmental functions as follows:

General Government Support	\$ 134,784
Public Safety	529,627
Transportation	106,171
Economic Assistance & Opportunity	37,692
Culture and Recreation	228,692
Health	3,800
Home and Community Services	<u>147,719</u>
Total Depreciation Expense	<u>\$ 1,188,485</u>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 6. LIABILITIES**

**A. Short-Term Debt**

Liabilities for bond anticipation notes (BAN's) are generally accounted for in the Capital Projects Fund. The notes or renewal thereof may not extend more than five years beyond the original date of issue unless a portion is redeemed within five years and within each 12 month period thereafter.

State law requires that BAN's issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BAN's 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. These temporary funds were borrowed to assist with financing the renovation and construction of various projects.

The following is a summary of Village of Hastings-on-Hudson's outstanding bond anticipation notes for the year ended May 31, 2016.

<u>Description</u>	<u>Original Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Amount Outstanding at Year End</u>
Various Projects	03/31/16	1,314,500	0.99%	03/31/17	1,314,500
Total BAN's Payable					<u>\$ 1,314,500</u>

Interest on short-term debt paid during the year:

Interest paid	0
Less: Interest accrued-prior year	0
Add: Interest accrued-current year	<u>2,169</u>
Total Short-Term Interest	<u>\$ 2,169</u>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 6. LIABILITIES (Continued)**

**B. Long-Term Debt**

**Bonds:** The Village of Hastings-on-Hudson borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers.

The following is a list of outstanding bonds at the Village of Hastings-on-Hudson for the year ending May 31, 2016.

<u>Description</u>	<u>Original Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Amount Outstanding at Year End</u>
Various 2006	8/15/2007	2,400,000	4.75%	8/15/2028	1,640,000
2014 Refunding	9/25/2014	5,075,000	2.00%	11/1/2025	5,005,000
2015 Bond	9/25/2014	3,598,800	2.00%	9/25/2024	3,285,000
Total Bonds Payable					<u>\$ 9,930,000</u>

Interest on long-term debt paid during the year was:

	<u>Serial Bonds</u>
Interest paid	\$ 393,404
Less: Interest accrued-prior year	(49,085)
Add: Interest accrued-current year	<u>45,018</u>
Total Long-Term Interest	<u>\$ 389,337</u>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 6. LIABILITIES (Continued)**

**B. Long-Term Debt (Continued)**

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance
<u>Governmental Activities</u>				
Serial Bonds	\$ 10,748,800	\$ 0	\$ 818,800	\$ 9,930,000
Other liabilities:				
Premium on Obligations	410,696	0	44,803	365,893
Other Post Retirement Benefits Payable	6,770,000	1,490,000	0	8,260,000
Compensated Absences	613,962	65,089	0	679,051
Total Long-Term Liabilities	<u>\$ 18,543,458</u>	<u>\$ 1,555,089</u>	<u>\$ 863,603</u>	<u>\$ 19,234,944</u>

At May 31, 2016, the deferred amount on refunding includes unamortized premiums of \$365,893. This amount is being amortized over the life of the debt issuance to which it relates.

Activity for compensated absences is shown at net due the impracticability of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Statement of Net Position.

The following is a summary of the maturity of long-term indebtedness:

Year	Governmental Activities	
	Principal	Interest
2017	875,000	315,332
2018	905,000	283,682
2019	920,000	247,656
2020	950,000	216,844
2021	975,000	168,218
2022-2026	4,975,000	455,651
2027-2028	330,000	20,000
Total	<u>\$ 9,930,000</u>	<u>\$ 1,707,383</u>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 6. LIABILITIES (Continued)**

**C. Postemployment Benefits**

The Village implemented GASB Statement #45, Accounting and Financial Reporting by employers for Postemployment Benefits Other than Pensions, during the year ended May 31, 2009. This required the Village to calculate and record a net other post-employment benefit obligation at year-end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

The Village recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are made. For the year ended May 31, 2016, the Village recognized \$530,000 for its share of insurance premiums for currently enrolled retirees.

The Village obtained an actuarial valuation report as of May 31, 2016 which indicates that the total liability for other post-employment benefits is \$8,260,000.

Plan Description:

**Medical Benefits Program:**

The Plan is a fully insured plan. Current retiree premium rates provided by the Village include:

- |                            |                              |
|----------------------------|------------------------------|
| a) Individual Pre-age 65:  | Generally \$694 per month.   |
| b) Family Pre-age 65:      | Generally \$1,514 per month. |
| c) Individual Post-age 65: | Generally \$406 per month.   |
| d) Family Post-age 65:     | Generally \$937 per month.   |

For GASB #45 purposes, the plan is deemed "community-rated". Therefore, adjustments to the premium rates to reflect the difference between the pre-age 65 active/retiree group (for which the current premium rates were based on) and the pre-age 65 retiree group, were not required, due to the "community-rated" exception under ASOP 6.

**Medicare Part B Premiums:**

Paid by the Village at \$96.40/mo. Or \$99.90/mo., as appropriate.



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 6. LIABILITIES (Continued)**

**C. Postemployment Benefits (Continued)**

**Retiree Eligibility Requirements:**

- a) Non-Uniformed: An employee must retire after age 55 with at least 20 years of service.
- b) Police Officers: An employee must retire with at least 20 years of service (no age requirement)
- c) Spousal benefit upon retiree's death:  
Coverage continued; spouse pays full current premium rate.
- d) Active service death benefit: N/A
- e) Active service disability benefit: N/A

**Village Subsidy:**

The Village will contribute 100% of the NYSHIP/State Empire medical premium amounts for both individual and family (dependent) coverage.

**Funding Policy:**

The employer's funding policy is to contribute the current annual premium (net of employee contributions) for all retired participants (i.e., pay as you go). Current New York State law prohibits municipalities from pre-funding retiree medical benefit obligations in a Trust, although pre-funding moneys can arguably be "set aside" on the municipality's balance sheet.

**Annual OPEB Cost and Net OPEB Obligation:** The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual required contribution	\$ 2,110,000
Interest on net OPEB obligation	310,000
Adjustment to annual required contribution	(400,000)
Annual OPEB cost (expense)	<u>2,020,000</u>
Contributions made	(530,000)
Increase in net OPEB obligation	<u>1,490,000</u>
Net OPEB obligation - beginning of year	6,770,000
Net OPEB obligation - end of year	<u><u>\$ 8,260,000</u></u>

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 6. LIABILITIES** (Continued)

**C. Postemployment Benefits** (Continued)

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

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
5/31/2016	\$2,020,000	26.24%	\$ 8,260,000
5/31/2015	\$1,960,000	26.53%	\$ 6,770,000
5/31/2014	\$1,790,000	29.05%	\$5,330,000

**Funded Status and Funding Progress:**

As of June 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$24,930,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$24,930,000. The covered payroll (annual payroll of active employees covered by the plan) was \$6,180,000, and the ratio of the UAAL to the covered payroll was 403%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions:**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following assumptions were made:

Valuation Date: June 1, 2015

Mortality: RP-2007 Combined Table (sex-distinct).

Discount Rate: 4.5% compounded annually.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 6. LIABILITIES (Continued)**

**C. Postemployment Benefits (Continued)**

Marital - Actives: Wife is assumed to be same age as the husband. 70% of males and 50% of females are assumed to be married.

Participation Rate: 100% of eligible retirees expected to participate.

Withdrawal: Sarasson T-5 Table.

Amortization Period: Level dollar basis/open; over 30 years. The remaining amortization period at May 31, 2016 is 22 years.

**D. Service Award Program**

The Village pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Award Program ("Program") for 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 members of the Village's Board, are authorized to invest the funds in other 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>May 31, 2016</u>
Active - Vested	80
Active – Non-vested	23
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	46

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 Plan was established effective June 1, 1993. The Plan was amended January 1, 2007 to allow participants to earn service credit after entitlement age. The balance of the unfunded actuarial accrued liability is \$421,994, which resulted from the prior years' service cost when the plan was initially adopted. The remaining amortization period is 15 years. The assumed investment rate of return is 5.25% and there are no cost of living adjustments.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 6. LIABILITIES (Continued)**

**D. Service Award Program (Continued)**

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

	Annual Required Contribution	Actual Contribution	Percentage of Annual Program Cost Contributed
6/1/2015	\$ 197,963	\$ 195,015	99%
6/1/2014	\$ 176,139	\$ 184,935	105%
6/1/2013	\$ 165,831	\$ 155,259	94%

The above information is based on the LOSAP actuarial report for May 31, 2016, which is the most recent available report.

**NOTE 7. PENSION PLANS**

**Plan Description**

The Village of Hastings-on-Hudson 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). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 7. PENSION PLANS (Continued)**

**Funding Policy**

The Systems are noncontributory, except for employees who joined the Systems after July 27, 1976 and prior to January 1, 2010, who contribute 3% of their salary for the first ten years of membership. For employees who joined after January 1, 2010, employees in NYSERS contribute 3% of their salary throughout their active membership. For NYSERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSERS fiscal year ending March 31. The Village's contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	ERS	PFRS
2016	\$ 443,136	\$ 554,258
2015	\$ 505,374	\$ 485,072
2014	\$ 545,947	\$ 485,264

Village contributions made to the Systems were equal to 100% of the contributions required for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At May 31, 2016, the Village reported the following asset/(liability) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2015 for ERS and PFRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. Village's proportion of the net pension asset/(liability) was based on a projection of the Village's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and PFRS Systems in reports provided to the Village.

	ERS	PFRS
Actuarial Valuation Date	3/31/2016	3/31/2016
Net Pension Asset/(Liability)	\$ (1,781,405)	\$ (2,198,082)
Town's Portion of the Plan's Total Net Pension Asset/(Liability)	0.0110989%	0.0742398%



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 7. PENSION PLANS (Continued)**

For the year ended May 31, 2016, the Village's recognized pension expense of \$644,435 for ERS and the actuarial value \$802,916 for PFRS. At May 31, 2016 the Village's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 9,002	\$ 19,715	\$ 28,717
Changes of Assumptions	475,047	947,586	1,422,633
Net difference between projected and actual earnings on pension plan investments	1,056,827	1,231,847	2,288,674
Changes in proportion and difference between the Village's contributions and proportionate share of contributions	31,235	37,142	68,377
Village's contributions subsequent to the measurement date	-	-	-
Total	<u>\$ 1,572,111</u>	<u>\$ 2,236,290</u>	<u>\$ 3,808,401</u>



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 7. PENSION PLANS (Continued)**

	Deferred Inflows or Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 211,156	\$ 332,324	\$ 543,480
Changes of Assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and difference between the Village's contributions and proportionate share of contributions	-	52,333	52,333
Village's contributions subsequent to the measurement date	-	-	-
Total	<u>\$ 211,156</u>	<u>\$ 384,657</u>	<u>\$ 595,813</u>

Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended May 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	<u>ERS</u>	<u>PFRS</u>
2017	\$ 345,285	\$ 434,576
2018	345,285	434,576
2019	345,285	434,576
2020	325,101	417,424
2021	-	130,481

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 7. PENSION PLANS (Continued)**

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	PFRS
Inflation Rate	2.5%	2.5%
Projected Salary Increases	3.80%	4.50%
Projected Cost of Living Adjustments	1.3%	1.3%
Investment Rate of Return	7.0% compounded annually, net of investment expenses	7.0% compounded annually, net of investment expenses
Decrement	Actuarial experience study for the period April 1, 2010 to March 31, 2015	Actuarial experience study for the period April 1, 2010 to March 31, 2015
Mortality Improvement	Society of Actuaries Scale MP-2014	Society of Actuaries Scale MP-2014

For ERS and PFRS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

For ERS and PFRS, 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.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 7. PENSION PLANS (Continued)**

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	ERS & PFRS	
	March 31, 2016	
	Target	Long-term
	Allocation	expected real
		rate of return
<u>Asset Class:</u>		
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%
Total	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for ERS and PFRS. 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. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 7. PENSION PLANS (Continued)**

Assumption

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

	1% Decrease 6.00%	Current Assumption 7.00%	1% Increase 8.00%
<u>ERS</u>			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (4,016,939)	\$ (1,781,405)	\$ 107,526
	1% Decrease 6.00%	Current Assumption 7.00%	1% Increase 8.00%
<u>PFRS</u>			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	(4,909,648)	(2,198,082)	74,797

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurements dates were as follows:

	(Dollars in Thousands)	
	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2016	March 31, 2016
Employers' total pension asset/(liability)	\$ (172,303,544)	\$ (30,347,727)
Plan net position	156,253,265	27,386,940
Employer's net pension asset/(liability)	<u>\$ (16,050,279)</u>	<u>\$ (2,960,787)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	90.70%	90.20%

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 7. PENSION PLANS (Continued)**

Payables to the Pension Plan

For ERS and PFRS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of May 31, 2016 represent the projected employer contributions for the period of April 1, 2015 through May 31, 2016 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of May 31, 2016 amounted to \$167,069.

**NOTE 8. CHANGES IN ACCOUNTING PRINCIPLE.**

For the fiscal year ended May 31, 2016, the Village implemented GASB Statement No. 68 Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement date. The implementation of the Statements requires the Village to report as an asset and/or liability its portion of the collective net pensions asset and liability in the New York State Police and Fire's and Employee's Retirement Systems. The implementation of the Statements also requires the Village to report a deferred outflow and/or inflow for the effect of the net change in the Village's proportion of the collective net pension asset and/or liability and difference during the measurement period between the Village's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also, included as a deferred outflow is the Village contributions to the pension systems subsequent to the measurement date. See Note 7 for financial statement impact of implementation of the Statements.

**NOTE 9. RISK MANAGEMENT**

The Village is exposed to various risks of loss including, but not limited to, torts, thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Management believes such coverage is sufficient to preclude any significant uninsured loss. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2016**

**NOTE 10. CONTINGENCIES**

**A. Grant Program**

The Village has received grants which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. Based on past audits, the Village administration believes disallowances, if any, will be immaterial

**B. Litigation**

The Village is party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accrual or provision for loss contingencies that may result from these proceedings. While the outcome cannot be predicted, due to the insurance coverage maintained, the Village believes that any settlement not covered by insurance would not have a material adverse effect on the financial condition of the Village.

**NOTE 11. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 3, 2016, that date these financial statements were available to be issued.





**Nugent & Haeussler, P.C.**  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Mayor and Members  
of the Village Board  
Village of Hastings-on-Hudson  
Hastings-on-Hudson, N.Y.

Peter J. Bullis, CPA, FACFEI, DABFA  
Norman M. Sassi, CPA  
Christopher E. Melley, CPA  
Gary C. Theodore, CPA  
Julia R. Fraino, CPA  
William T. Trainor, CPA  
Mark M. Levy, CPA, CFP  
Thomas R. Busse, Jr., CPA  
Brent T. Napoleon, CPA  
Jennifer L. Capicchioni, CPA

Patrick M. Bullis, CPA  
Richard P. Capicchioni, CPA  
Walter J. Jung, CPA  
Jennifer A. Traverse, CPA  
Justin B. Wood, CPA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary funds of Village of Hastings-on-Hudson, as of and for the year ended May 31, 2016, and the related notes to the financial statements, which collectively comprise the Village of Hastings-on-Hudson's basic financial statements and have issued our report thereon dated October 3, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Hastings-on-Hudson's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Hastings-on-Hudson's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Hastings-on-Hudson's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies, identified as findings 2016-1 and 2016-2.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Hastings-on-Hudson's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### Village of Hastings-on-Hudson's Response to Findings

Village of Hastings-on-Hudson's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Village of Hastings-on-Hudson's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Jugent & Haussler, P.C.*

Montgomery, New York  
October 3, 2016

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED MAY 31, 2016**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Auditor's Report Issued: Unqualified

Internal Control Over Financial Reporting:

Material weakness(es) identified?

\_\_\_\_ Yes      X   No

Significant deficiencies identified that are  
not considered to be material weaknesses

  X   Yes    \_\_\_\_ No

Noncompliance material to financial statements noted?

\_\_\_\_ Yes      X   No

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED MAY 31, 2016**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding 2016-1 Limited Segregation of Duties**

Condition:	The auditor found instances where segregation of duties was limited. Limitations in control activities may be addressed through additional management oversight. Through interviews with management and staff we were able to satisfy ourselves that direct involvement and knowledge of these activities reduced the potential for errors or irregularities.
Criteria:	Segregation of duties relates to how various duties are assigned to different people within the organization. Generally, the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets should be assigned to different people so that no single person is in a position to both commit and conceal errors, irregularities or fraud.
Cause:	Limited resources and personnel available contribute directly to the level of segregation achieved. Another factor is the organizational structure and the assignment of responsibilities within that structure.
Effect:	The financial statements could have been significantly misstated due to errors or irregularities and fraud or misappropriation could occur and not be detected without adequate segregation of duties and responsibilities.
Recommendation:	We recommend that the management review the responsibilities of business staff, as well as the duties actually being performed currently. This review should focus on segregating the functions for authorizing transactions, recording transactions, and maintaining custody of assets. As part of this review, management should consider whether the current staffing level is sufficient to achieve the desired internal control. It may be necessary to hire additional staff.

**Finding 2016-2 Management Oversight and Monitoring**

Condition:	The Auditor found instances where oversight and monitoring by management were not documented. Through interviews with management and related personnel we were able to satisfy ourselves that the necessary oversight and monitoring was performed.
Criteria:	Effective internal control over financial reporting requires management oversight and monitoring to establish reasonable assurance that financial reporting is being reliably and accurately completed. Documentation of this oversight and monitoring is necessary to insure that this criteria is met.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED MAY 31, 2016**

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Cause:	These activities are often informal and performed as a part of the overall management of the entity's operations. Management's close involvement in operations will typically identify inaccuracies in financial data.
Effect:	The financial statements could have been significantly misstated without adequate documentation and performance of oversight functions.
Recommendation:	We recommend that management formally document its review of all elements of the financial data reflected in the financial reporting. This would include but not be limited to ledger account reconciliations, journal entries, trial balances, revenue status and budget status reports.

Management has not completed a response to the above findings as of the date of this report. Government Auditing Standards requires management's responses and planned corrective action to be included in this report.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET  
GENERAL FUND  
FOR THE YEAR ENDED MAY 31, 2016**

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Real Property Taxes	\$ 10,398,768	\$ 10,398,768	\$ 10,398,768	\$ 0
Real Property Tax Items	30,000	30,000	28,522	(1,478)
Non-Property Tax Items	65,000	65,000	65,635	635
Departmental Income	1,312,230	1,312,230	1,742,177	429,947
Use of Money and Property	124,100	124,100	135,452	11,352
Licences and Permits	185,500	185,500	257,525	72,025
Fines and Forfeitures	275,000	275,000	292,592	17,592
Sale of Property and Compensation for Loss	10,750	10,750	25,284	14,534
Miscellaneous	65,000	65,000	85,422	20,422
State and Federal Aid	1,833,000	1,833,000	1,647,061	(185,939)
<b>TOTAL REVENUES</b>	<b>14,299,348</b>	<b>14,299,348</b>	<b>\$ 14,678,438</b>	<b>\$ 379,090</b>
<b>OTHER SOURCES</b>				
Appropriated Fund Balance	0	137,021		
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<b>\$ 14,299,348</b>	<b>\$ 14,436,369</b>		
<b>EXPENDITURES</b>				
General Government Support	\$ 1,839,875	\$ 1,806,372	\$ 1,805,645	\$ 727
Public Safety	3,412,933	3,496,691	3,478,989	17,702
Health	25,100	30,435	28,697	1,738
Transportation	1,037,528	916,786	916,786	0
Culture and Recreation	1,049,612	1,105,145	1,102,647	2,498
Home and Community Services	1,146,859	1,225,521	1,224,584	937
Employee Benefits	3,642,546	3,707,546	3,707,018	528
<b>TOTAL EXPENDITURES</b>	<b>12,154,453</b>	<b>12,288,496</b>	<b>12,264,366</b>	<b>24,130</b>
<b>OTHER USES</b>				
Operating Transfers Out	2,144,895	2,147,873	2,147,873	0
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<b>\$ 14,299,348</b>	<b>\$ 14,436,369</b>	<b>\$ 14,412,239</b>	<b>\$ 24,130</b>

See paragraph on supplemental schedules in auditor's report.



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET  
POOL FUND  
FOR THE YEAR ENDED MAY 31, 2016**

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Departmental Income	\$ 395,047	\$ 395,047	\$ 432,286	\$ 37,239
Use of Money and Property	200	200	556	356
<b>TOTAL REVENUES</b>	<u>\$ 395,247</u>	<u>\$ 395,247</u>	<u>\$ 432,842</u>	<u>\$ 37,595</u>
<b>EXPENDITURES</b>				
Home and Community Service	\$ 264,630	\$ 264,630	\$ 266,957	\$ (2,327)
Employee Benefits	11,600	11,600	13,277	(1,677)
<b>TOTAL EXPENDITURES</b>	<u>276,230</u>	<u>276,230</u>	<u>280,234</u>	<u>(4,004)</u>
<b>OTHER USES</b>				
Operating Transfers Out	<u>119,017</u>	<u>119,017</u>	<u>119,017</u>	<u>0</u>
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>\$ 395,247</u>	<u>\$ 395,247</u>	<u>\$ 399,251</u>	<u>\$ (4,004)</u>

See paragraph on supplemental schedule in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET  
LIBRARY FUND  
FOR THE YEAR ENDED MAY 31, 2016**

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Departmental Income	\$ 18,000	\$ 18,000	\$ 12,816	\$ (5,184)
Use of Money and Property	10	10	14	4
State Aid	1,790	1,790	2,003	213
TOTAL REVENUES	19,800	19,800	14,833	(4,967)
<b>OTHER SOURCES</b>				
Operating Transfers In	855,949	855,949	855,949	0
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 875,749</u>	<u>\$ 875,749</u>	<u>\$ 870,782</u>	<u>\$ (4,967)</u>
<b>EXPENDITURES</b>				
Home and Community Services	\$ 640,908	\$ 640,908	\$ 607,865	\$ 33,043
Employee Benefits	155,600	155,600	134,249	21,351
TOTAL EXPENDITURES	796,508	796,508	742,114	54,394
<b>OTHER USES</b>				
Operating Transfers Out	79,241	79,241	79,241	0
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 875,749</u>	<u>\$ 875,749</u>	<u>\$ 821,355</u>	<u>\$ 54,394</u>

See paragraph on supplemental schedules in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED MAY 31, 2016**

NYSERS Pension Plan  
Last 10 Fiscal Years\*

	<u>3/31/2016</u>
Village's proportion of the net pension asset/(liability)	0.0110989%
Village's proportionate share of the net pension asset/(liability)	(1,781,405)
Village's covered-employee payroll	2,755,498
Village's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-64.65%
Plan fiduciary net position as a percentage of the total pension liability	90.70%

NYSPFRS Pension Plan  
Last 10 Fiscal Years\*

	<u>3/31/2016</u>
Village's proportion of the net pension asset/(liability)	0.074240%
Village's proportionate share of the net pension asset/(liability)	(2,198,082)
Village's covered-employee payroll	2,224,279
Village's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-98.82%
Plan fiduciary net position as a percentage of the total pension liability	90.20%

\* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this was the year of implementation prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS  
FOR THE YEAR ENDED MAY 31, 2016**

NYSERS Pension Plan  
Last 10 Fiscal Years\*

	<u>3/31/2016</u>
Contractually required contribution	\$ 517,307
Contributions in relation to the contractually required contribution	<u>517,307</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered Employee Payroll	2,755,498
Contributions as a percentage of its covered-employee payroll	18.77%

NYSPFRS Pension Plan  
Last 10 Fiscal Years\*

	<u>3/31/2016</u>
Contractually required contribution	\$ 615,113
Contributions in relation to the contractually required contribution	<u>615,113</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered Employee Payroll	2,224,279
Contributions as a percentage of its covered-employee payroll	27.65%

\* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this was the year of implementation prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS  
MAY 31, 2016**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ((b - a)/c)
6/1/2014	\$0	\$ 24,170,000	\$ 24,170,000	0%	\$ 6,040,000	400%
6/1/2011	\$0	\$ 18,520,000	\$ 18,520,000	0%	\$ 5,910,000	313%
6/1/2008	\$0	\$ 14,440,000	\$ 14,440,000	0%	\$ 6,140,000	235%

In accordance with GASB Statement 45, the Village is required to have an actuarial valuation done triennially.  
Rolled over valuations are prepared for the years that full valuations are not completed.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF FUNDING PROGRESS FOR THE SERVICE AWARD PROGRAM  
MAY 31, 2016**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Annual Required Contribution	Percentage Contributed
6/1/2015	\$ 1,079,147	\$ 2,011,339	\$ 932,192	54.00%	\$ 197,963	100%
6/1/2014	909,662	1,746,238	836,576	51.00%	176,139	100%
6/1/2013	743,194	1,549,706	806,512	47.96%	165,831	100%
6/1/2012	674,853	1,203,860	529,007	56.06%	150,640	100%
6/1/2011	649,992	1,195,657	545,665	54.36%	147,168	100%
6/1/2010	636,005	1,269,964	633,959	50.08%	125,744	100%
6/1/2009	541,622	1,162,378	620,756	46.60%	110,798	100%
6/1/2008	459,714	1,367,382	907,668	33.62%	107,935	100%
6/1/2007	376,376	1,288,978	912,602	29.20%	106,319	100%
6/1/2006	283,618	1,213,796	930,178	23.37%	106,764	100%

See paragraph on supplemental schedules in auditor's report.



**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
CAPITAL FUND BALANCE SCHEDULE BY PROJECT  
MAY 31, 2016**

Project	Methods of Financing						Fund Balance (Deficit) May 31, 2016	BAN's Outstanding May 31, 2016
	Authorization	Expenditures and Transfers	Unexpended Balance	Proceeds of Obligations	State and Federal Aid	Interfund Transfers	Miscellaneous	Totals
Municipal Building Plaza	\$ 125,000	\$ 112,204	\$ 12,796	\$ 125,000	\$ 0	\$ 0	\$ 0	\$ 125,000
Sidewalks and Related Areas	153,000	149,706	3,294	153,000	0	0	0	153,000
Purchase of Sanitation Truck	170,000	169,685	315	129,666	0	0	40,000	169,666
Purchase of Fire Truck	575,000	557,316	17,684	488,500	0	0	86,000	574,500
Purchase of Ambulance	150,000	147,993	2,007	87,000	0	0	63,000	150,000
Street Resurfacing 2008-2009	275,000	241,275	33,725	138,718	75,000	0	27,557	241,275
Street Resurfacing 2009-2010	275,000	309,848	(34,848)	146,952	0	75,000	87,896	309,848
Aerial Fire Ladder	1,000,000	948,483	51,517	898,000	0	0	102,000	1,000,000
Washington and Maple Ave Sidewalk	155,000	140,184	14,816	90,000	101,500	0	40,487	231,987
Street Resurfacing 2010-2011	275,000	196,919	78,081	154,156	0	0	42,763	196,919
Justice Court	4,960	5,074	(114)	0	0	5,074	0	5,074
Street Resurfacing 2011-2012	200,000	196,919	3,081	154,156	0	0	42,763	196,919
Hudson River Improvements	5,000	0	5,000	0	0	0	5,000	5,000
Street Resurfacing 2012-2014	475,000	472,528	2,472	353,652	0	70,000	52,221	475,873
DPW Trucks 2012-2013	475,000	470,597	4,403	451,000	0	0	24,000	475,000
DPW Trucks 2013-2014	116,000	115,999	1	116,000	0	0	0	116,000
Police Vehicle	30,000	28,541	1,459	30,000	0	0	0	30,000
Police Vehicles	27,388	0	27,388	0	0	0	27,388	27,388
DPW - Ford F550	100,500	100,382	118	0	0	0	0	0
Parks & Rec Ford F350	80,000	79,820	180	0	0	0	0	0
Garbage Truck 15-16	208,000	207,040	960	0	0	0	0	0
Reynolds Field Playground	125,000	121,877	3,123	0	0	0	0	0
Warburton Bridge Fence	103,000	0	103,000	0	0	0	0	0
Village Hall Columns	65,000	0	65,000	0	0	0	0	0
Fire Department Pumper	633,000	0	633,000	0	0	0	0	0
Street Resurfacing 2015-2016	275,000	275,000	0	0	0	275,000	0	275,000
Senior Van	67,500	50,840	16,660	0	0	0	67,500	67,500
Saw Mill Lofts	4,315	2,965	1,350	0	0	0	4,315	4,315
Generator for Community Center	7,000	6,978	22	0	0	2,978	4,000	6,978
Police Car	54,476	54,476	0	0	0	0	92,323	92,323
Riverview Park	70,000	0	70,000	0	0	70,000	0	70,000
Hillside Ave Sidewalks	61,000	0	61,000	0	0	61,000	0	61,000
Quarry Trail	11,000	0	11,000	0	10,880	0	0	10,880
	<u>\$ 6,351,139</u>	<u>\$ 5,162,650</u>	<u>\$ 1,188,489</u>	<u>\$ 3,515,800</u>	<u>\$ 187,380</u>	<u>\$ 559,052</u>	<u>\$ 809,213</u>	<u>\$ 5,071,445</u>
								<u>\$ (91,205)</u>
								<u>\$ 1,314,500</u>

See paragraph on supplemental schedules in auditor's report.

VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
SCHEDULE OF INDEBTEDNESS  
MAY 31, 2016

Schedule 9

<b>BOND ANTICIPATION NOTES</b>										
Various Projects	Interest Rate	Date of Original Issue	Maturity	Outstanding Beginning of Fiscal Year	Issued During Year	Paid During Year	Outstanding End of Year	Amount of Interest Paid During Year	Amount of Accrued Int @ 5/31/16	Due Within Next Year
	0.99%	3/31/2016	3/31/2017	\$	\$ 1,314,500	\$	\$ 1,314,500	\$	\$	\$ 1,314,500
<b>SERIAL BONDS</b>										
Various 2005	4.00%	11/1/2006	11/1/2015	400,000	0	400,000	0	13,160	0	0
Various 2006	4.75%	8/15/2007	8/15/2028	1,740,000	0	100,000	1,640,000	64,870	22,836	105,000
2014 Refunding	2.00%	9/25/2014	11/1/2025	5,010,000	0	5,000	5,005,000	164,700	8,502	425,000
2015 Bond	2.00%	9/25/2014	9/25/2024	3,598,800	0	313,800	3,285,000	150,674	13,680	345,000
TOTAL SERIAL BONDS				10,748,800	0	818,800	9,930,000	393,404	45,018	875,000
<b>TOTAL INDEBTEDNESS</b>										
				\$ 10,748,800	\$ 1,314,500	\$ 818,800	\$ 11,244,500	\$ 393,404	\$ 47,187	\$ 2,189,500

See paragraph on supplemental schedules in auditor's report.

**VILLAGE OF HASTINGS-ON-HUDSON  
HASTINGS-ON-HUDSON, NEW YORK  
NET INVESTMENT IN CAPITAL ASSETS  
MAY 31, 2016**

Capital Assets, Net		\$ 20,234,836
Deduct:		
Bond Anticipation Notes	\$ 1,314,500	
Short-Term Portion of Bonds Payable	875,000	
Long-Term Portion of Bonds Payable	<u>9,055,000</u>	
		<u>11,244,500</u>
Net Investment in Capital Assets		<u>\$ 8,990,336</u>

See paragraph on supplemental schedules in auditor's report.