

Village of Pelham, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2014

Village of Pelham, New York

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Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Village of Pelham, 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 Pelham, New York ("Village") as of and for the year ended May 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2014, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Water funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

August 29, 2014

Village of Pelham, New York

Management's Discussion and Analysis (MD&A) as of May 31, 2014

Introduction

The management of the Village of Pelham offers this overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2014 to readers of the Village's financial statements. This document should be read and considered in conjunction with the basic financial statements, which immediately follow this section, in order to enhance the understanding of the Village's financial performance.

Financial Highlights and Comparative Information

- ❖ On the government-wide financial statements, the assets of the Village exceeded the liabilities at the close of 2012-2013, assets exceeded liabilities by \$2,208,865. At the conclusion of fiscal year 2013-2014, assets exceeded liabilities by \$327,848.
- ❖ As of the close of 2012-2013, the Village's governmental funds reported combined ending fund balances of \$1,454,411, of which \$891,325 was unassigned. The majority of these funds is included in the General Fund and is available for spending at the Village's discretion.
- ❖ As of the close of 2013-2014, the Village's governmental funds reported combined ending fund balances of \$1,561,834, of which \$1,125,249 was unassigned. The majority of these funds is included in the General Fund and is available for spending at the Village's discretion.
- ❖ At the end of FY 2013-2014, the unassigned fund balance for the General Fund increased by 19.3% from \$1,448,858 to \$1,728,625, which equates to 12.87% of total General Fund expenditures budgeted for 2013-2014.
- ❖ During the current fiscal year, the Village issued new short term debt of \$647,440. Of this amount \$484,440 was issued to refinance bond anticipation notes outstanding as of May 31, 2013, while paying down \$322,280 in principal, \$126,500 from State Aid and \$195,780 from General Fund appropriations and \$163,000 in new money to finance various Village projects and purchase of equipment.
- ❖ During the process of issuing bonds in 2005-06, the Village received their first bond rating from Standards and Poor of AA+. In March of 2011 the rating was changed to AA+/negative outlook. An updated review by Standards and Poor issued November 28, 2012 upgraded the rating back to AA+ with a stable outlook.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (ex. uncollected taxes and accrued but unused vacation and compensatory leave, Post-employment benefits).

The governmental activities of the Village include general government support, public safety, transportation, economic assistance, home and community services, recreation and culture and water.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

The Village maintains three major governmental funds: the General Fund, Water Fund and the Capital Projects Fund. Major funds have their information presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. There is one fund classified as non-major – Thomas Fenlon Tree Fund.

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

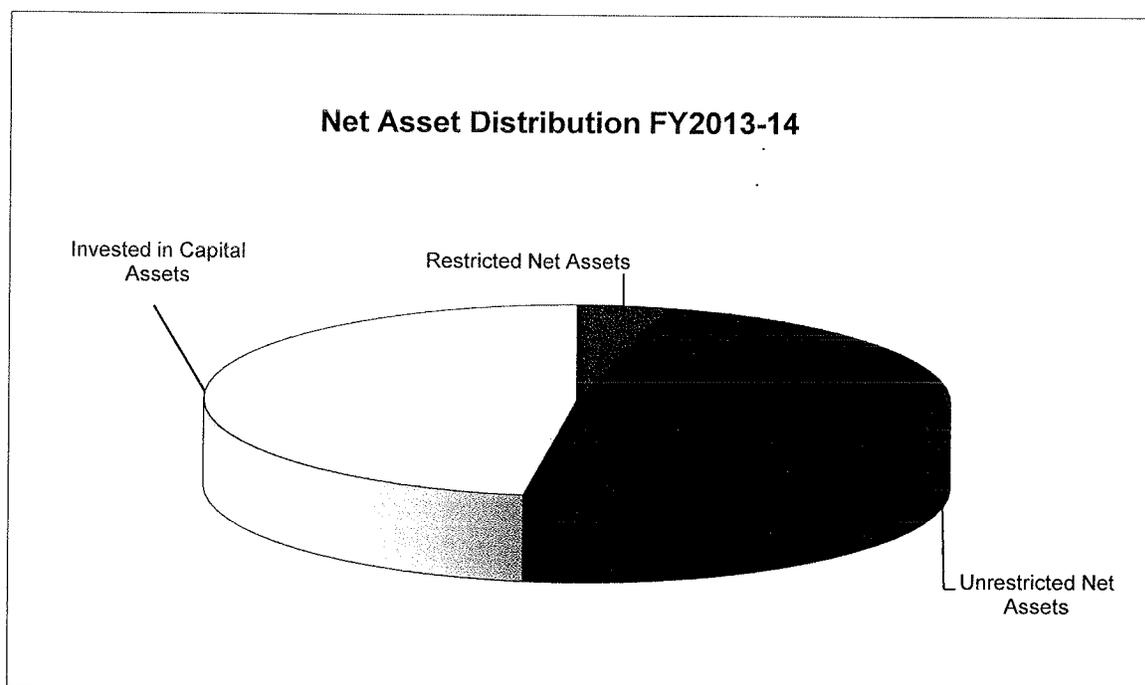
Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the Village's other post employment benefit obligations, the combining statements for the non-major governmental funds and schedules of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

Government-wide Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. In the case of the Village of Pelham, assets exceeded liabilities by \$327,848 for fiscal year ended 2014. A portion of the Village's net assets is its investment in capital assets (land, buildings and improvements, infrastructure, machinery and equipment, and construction-in-progress), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The following table reflects the condensed Statement of Net Position:

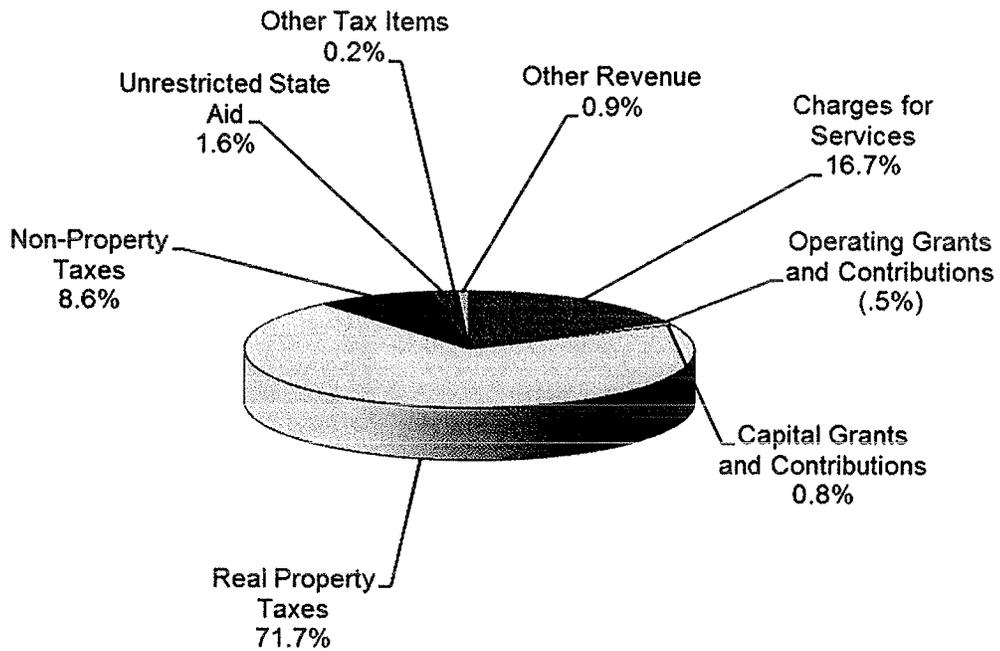
	May 31,	
	2014	2013
Current Assets	\$ 3,417,819	\$ 3,557,170
Capital Assets, net	7,930,448	8,587,338
Total Assets	11,348,267	12,144,508
Current Liabilities	1,883,621	2,135,636
Long-term Liabilities	9,136,848	7,800,007
Total Liabilities	11,020,469	9,935,643
Net Position		
Investment in Capital Assets, net of related debt	4,662,072	5,183,366
Restricted	386,509	372,576
Unrestricted	(4,720,733)	(3,347,077)
Total Net Position	\$ 327,848	\$ 2,208,865



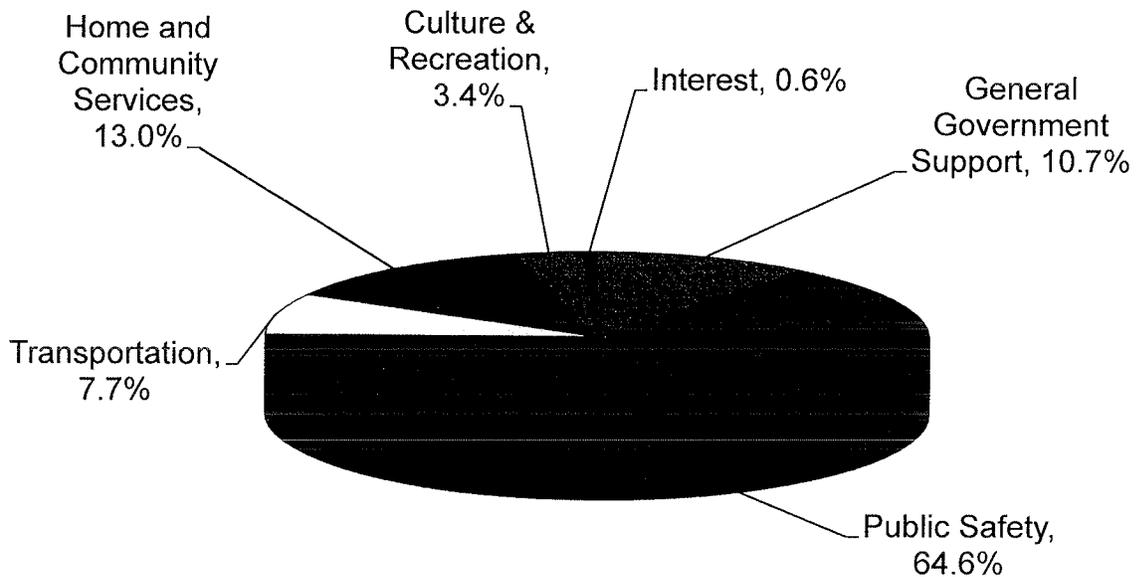
Change in Net Position

	2014	2013
REVENUES		
Program Revenues		
Charges for Services	\$ 2,391,883	\$ 2,156,489
Operating Grants and Contributions	(76,393)	592,328
Capital Grants and Contributions	115,718	77,033
Total Program Revenues	2,431,208	2,825,850
General Revenues		
Real Property Taxes	10,289,353	10,040,686
Other Tax Items	24,440	23,882
Non-Property Taxes	1,237,587	1,185,801
Unrestricted Use of Money and Property	13,079	15,993
Sale of property and compensation for loss	104,958	102,451
Unrestricted State Aid	233,329	212,541
Miscellaneous income	9,299	2,758
Total General Revenues	11,912,045	11,584,112
Total Revenues	14,343,253	14,409,962
PROGRAM EXPENSES		
General Government Support	1,731,692	1,639,154
Public Safety	10,481,411	10,331,107
Transportation	1,249,675	1,336,895
Economic Opportunity and Development	-	171,731
Home and Community Services	2,111,787	1,919,933
Culture and Recreation	546,353	482,298
Interest	103,352	127,873
Total Expenses	16,224,270	16,008,991
Change in Net Position	(1,881,017)	(1,599,029)
NET POSITION		
Beginning	2,208,865	3,807,894
Ending	\$ 327,848	\$ 2,208,865

Sources of Revenues for Fiscal Year 2014 Governmental Activities



Expenses for Fiscal Year 2014



Governmental Activities

Government-wide activities decreased the Village's net position by \$1,881,017. For the fiscal year ended May 31, 2014, revenues from governmental activities totaled \$14,343,253. Real estate property tax revenues for Fiscal Year 2013-2014 were \$10,289,353. Total tax revenues (\$11,551,380), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (80.5%). Total Program Revenues were \$2,431,208.

For the fiscal year ended May 31, 2014, expenses from governmental activities totaled \$16,224,270. The largest components of governmental activities' expenses are public safety \$10,481,411 (64.6%), home and community services \$2,111,787 (13%), general government support \$1,731,692 (10.7%) and Transportation \$1,249,675 (7.7%). Public Safety includes the following: Police, Fire & Safety Inspection and Animal Control. Home and Community Services include the following: Zoning, Planning, Storm and Sanitary Sewers, Refuse Collection & Recycling, and Shade Trees. General Government Support includes the following: Board of Trustees, Village Administrator, Village Treasurer, Village Offices, Clerk, Law, Management Information Systems, Central Communications, Central Garage, Central Supplies, Central Printing and Mail, Unallocated Insurance, Consulting Fees, Bonding Expenses, Taxes on Village Property, Judgments and Claims and Contingency. Transportation includes the following: Highway Maintenance, Snow Removal, Street and Traffic Lights.

Financial Analysis of the Village's Funds

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

Fund Balance Reporting

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

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

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

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

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

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

According to GASB, these changes were made to bring greater clarity and consistency to fund balance reporting.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year the Village's governmental funds reported combined ending fund balances of \$1,561,834 which included a negative \$603,376 Capital Projects balance. \$1,495,968 of the total ending fund balance constitutes assigned and unassigned fund balance. A portion of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted to trusts (\$36,889).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, fund balance of the General Fund was \$1,778,701, of which \$21,099 was assigned for encumbrances. None of the fund balance was appropriated for 2014-15 budget. When the FY 2013-2014 General Fund budget was adopted, it anticipated using \$187,455 of the fund balance of \$1,639,368.

Actual results of operations resulted in an increase in the Fund Balance by \$139,333. Revenues were \$13,213,328 which was \$102,741 or .78% more than the final budget. Expenditures were \$13,101,824 which was \$214,139 or 1.6%, less than the final budget.

The major areas where revenues exceeded budget were: Licenses and Permits of \$100,895 and Non-property Taxes of \$92,587 due mainly to increase in Sales Tax distributions and Utilities Gross Receipt Tax.

The major area where spending was less than budgeted was General Government in the amount of \$100,220 and Public Safety of \$90,465, of which the Police Department accounted for over \$71,000 in budgetary savings.

The Capital Projects Fund has an undesignated deficit of \$603,376, which is normal due to the fact that this includes short-term bond notes. These short-term notes will be paid off over a period of five years from their dates of issue. A majority of capital projects are financed by short and long term debt and State aid as of May 31, 2014.

General Fund Budgetary Highlights

The difference between the appropriations in the original adopted budget and the appropriations in the final amended budget for the General Fund was an increase of \$95,394. This increase was to provide funding for various programs, functional categories, and Employee Benefits.

Capital Assets and Debt Administration

Capital Assets

The value of the Village's investment in capital assets for governmental activities at May 31, 2014, net of accumulated depreciation, was \$7,930,448. This investment in capital assets includes land, buildings and improvements, infrastructure, licensed vehicles, and machinery and equipment.

Major capital asset activity during the current fiscal year is depicted in the following chart:

	May 31,	
	2014	2013
Capital Assets, not being depreciated		
Land	\$ 528,387	\$ 528,387
Capital Assets being depreciated		
Buildings and Improvements	5,838,953	5,810,053
Machinery and Equipment	726,391	674,276
Licensed Vehicles	2,594,158	2,595,864
Infrastructure	8,223,945	8,223,945
Total Capital Assets being depreciated	17,383,447	17,304,138
Less Accumulated Depreciation for		
Buildings and Improvements	1,830,168	1,686,390
Machinery and Equipment	528,182	496,868
Licensed Vehicles	2,034,632	1,884,883
Infrastructure	5,588,404	5,177,046
Total Accumulated Depreciation	9,981,386	9,245,187
Total Capital Assets, net of accumulated depreciation	7,402,061	8,058,951
Capital Assets, net	\$ 7,930,448	\$ 8,587,338

Long-Term Debt/Short-Term Debt

At the end of the fiscal 2014 year, the Village had total bonded debt outstanding of \$2,665,000, of which \$2,470,000 is long term debt. On September 27, 2013, the Village of Pelham issued a total of \$647,440 in short term bond anticipation notes debt, \$484,440 to renew the \$806,720 of short term bond anticipation note debt outstanding at May 31, 2013, with a principal pay down of \$322,280, \$126,500 of which was from a NYS Multi-Modal Grant for the Public Works Improvement Project, and new short term notes in the amount of \$163,000, to provide funding for various equipment for Fire, DPW and various other projects.

Total short-term and long-term debt outstanding at May 31, 2014 was \$3,312,440. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law §104, the Village must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. At May 31, 2014, the Village's five-year average full valuation was \$1,366,244,416 thereby establishing a constitutional debt limit for the year ending May 31, 2014 of \$95,637,111.

Other Post Employment Benefits

The Government Accounting Standard Board Statement No. 45 required municipalities to account for Post-Employment Benefits other than pensions such as health insurance coverage. The fiscal year ending May 31, 2009 was the implementation date for the Village of Pelham. An actuarial firm was hired by the Village to compute the present value of the liability, which measures the value of OPEB benefits earned by employees during their tenure and likely to be paid during their retirement. This amount is substantial, although, at the present time there is no requirement to fund this obligation. Under the present laws of the State of New York, there is no legal mechanism set up that would enable the funding of this obligation.

The Village's annual OPEB cost for 2013-14 was \$2,300,000. Contributions made on the pay as you go basis were \$820,000, leaving an increase in Net OPEB Obligation of \$1,480,000 for fiscal year 2014 and \$6,050,000 total Net OPEB obligation as of May 31, 2014. This amount is reflected in the government-wide financial statements. It should be noted that even with this amount included in our Statement of Net Assets, the Village of Pelham remains with a positive Total Net Assets balance of \$327,848.

Economic Factors and Next Year's Budgets and Rates

Even though the Federal Reserve Board has kept interest rates low, the economy remains fragile and weak. There has been slight movement in home sales and refinancing. As a result, the Mortgage Tax again had a slight increase, but remains less than in previous years. Also, due to low interest rates, the Village's interest earnings are anticipated to be significantly low again for 2014-2015. There continues to be some improvement in consumer spending as evidenced in the continued increase in Sales Tax Revenues distributed by Westchester County.

Increases for Police and Fire personnel services due to union contract settlements and contractual raise in grades, and increases in Employee Benefits were all factors that were taken into consideration in development and preparation of the FY 2014-2015 budget. In 2014 the Police Union was awarded a settlement for two of the three years they have been out of contract. They were awarded salary increases of 1.25% for 6/1/10, 1.25% for 12/1/10, 1.25% for 6/1/11, 1.25% for 12/1/11. Fiscal years 2012-13 and 2013-14 still remain without contract. The Fire Union is also without a contract for FYE 2011-12, 2012-13 and 2013-14.

The Village did not appropriate fund balance for expenditures for FY 2014-2015 budget.

Chapter 97 of the Laws of 2011 established a tax levy limit on all local governments in New York State, effective January 1, 2012. This law requires that local governments maintain any property tax levy increase to no more than 2 per cent or the rate of inflation, whichever is less.

The 2013/14 tax levy for Village of Pelham was materially within the allowable 2% limit. The Tax Limit for the 2014/15 Village of Pelham budget was 1.60% and again the tax levy was materially within the limit.

Requests for Information

This financial report is designed to provide a general overview of the Village of Pelham's finances. Questions and comments concerning any of the information provided in this report should be addressed to Robert Yamuder, Village Administrator/Treasurer, or Shirley Brown, Finance Director, Village of Pelham, 195 Sparks Avenue, Pelham, New York, 10803.

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Village of Pelham, New York

Statement of Net Position

May 31, 2014

ASSETS

Cash and equivalents	\$	2,844,601
Investments		60,430
Receivables		
Accounts		340,919
Due from other governments		142,942
Prepaid expenses		28,977
Capital assets		
Not being depreciated		528,387
Being depreciated, net		7,402,061
		<hr/>
Total Assets		11,348,317

LIABILITIES

Accounts payable		193,449
Accrued liabilities		617,864
Due to retirement systems		392,046
Retainages payable		5,236
Bond anticipation notes payable		647,440
Accrued interest payable		27,586
Non-current liabilities		
Due within one year		237,000
Due in more than one year		8,899,848
		<hr/>
Total Liabilities		11,020,469

NET POSITION

Net investment in capital assets		4,662,072
Restricted for		
Water		349,620
Special purpose		36,889
Unrestricted		(4,720,733)
		<hr/>
Total Net Position	\$	327,848

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

Village of Pelham, New York

Statement of Activities
Year Ended May 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 1,731,692	\$ 339,031	\$ -	\$ -
Public safety	10,481,411	356,297	48,318	7,050
Transportation	1,249,675	774,673	-	108,532
Culture and recreation	546,353	-	1,405	-
Home and community services	2,111,787	921,882	(126,116)	-
Interest	103,352	-	-	136
Total Governmental Activities	\$ 16,224,270	\$ 2,391,883	\$ (76,393)	\$ 115,718

General revenues

- Real property taxes
- Other tax items
 - Interest and penalties on real property taxes
- Non-property taxes
 - Non-property tax distribution from County
 - Public utility taxes
 - Cable TV franchise fees
- Unrestricted use of money and property
- Sale of property and compensation for loss
- Unrestricted State aid
- Miscellaneous
- Insurance recoveries

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

<u>Net (Expense)</u>	
<u>Revenue and</u>	
<u>Changes in</u>	
<u>Net Assets</u>	
\$	(1,392,661)
	(10,069,746)
	(366,470)
	(544,948)
	(1,316,021)
	<u>(103,216)</u>
	 <u>(13,793,062)</u>
	 10,289,353
	24,440
	976,816
	133,335
	127,436
	13,079
	9,265
	233,329
	9,299
	<u>95,693</u>
	 <u>11,912,045</u>
	 (1,881,017)
	 <u>2,208,865</u>
<u>\$</u>	<u>327,848</u>

Village of Pelham, New York

Balance Sheet
 Governmental Funds
 May 31, 2014

	General	Water	Capital Projects
ASSETS			
Cash and equivalents	\$ 2,557,685	\$ 157,046	\$ 92,981
Investments	60,430	-	-
Receivables			
Accounts	147,431	193,488	-
Due from other governments	142,441	-	501
Due from other funds	7,137	-	48
	<u>297,009</u>	<u>193,488</u>	<u>549</u>
Prepaid expenditures	28,977	-	-
Total Assets	<u>\$ 2,944,101</u>	<u>\$ 350,534</u>	<u>\$ 93,530</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 155,442	\$ 914	\$ 37,093
Accrued liabilities	617,864	-	-
Due to retirement systems	392,046	-	-
Retainages payable	-	-	5,236
Due to other funds	48	-	7,137
Bond anticipation notes payable	-	-	647,440
Total Liabilities	<u>1,165,400</u>	<u>914</u>	<u>696,906</u>
Fund balances (deficits)			
Nonspendable	28,977	-	-
Restricted	-	-	-
Assigned	21,099	349,620	-
Unassigned	1,728,625	-	(603,376)
Total Fund Balances (Deficits)	<u>1,778,701</u>	<u>349,620</u>	<u>(603,376)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 2,944,101</u>	<u>\$ 350,534</u>	<u>\$ 93,530</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 36,889	\$ 2,844,601
-	60,430
-	340,919
-	142,942
-	7,185
-	491,046
-	28,977
<u>\$ 36,889</u>	<u>\$ 3,425,054</u>
\$ -	\$ 193,449
-	617,864
-	392,046
-	5,236
-	7,185
-	647,440
-	1,863,220
-	28,977
36,889	36,889
-	370,719
-	1,125,249
<u>36,889</u>	<u>1,561,834</u>
<u>\$ 36,889</u>	<u>\$ 3,425,054</u>

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Village of Pelham, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government - Wide Statement of Net Position
May 31, 2014

Fund Balances - Total Governmental Funds	\$ 1,561,834
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>7,930,448</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(27,586)
Bonds payable	(2,665,000)
Compensated absences	(421,848)
Other post employment benefit obligations payable	<u>(6,050,000)</u>
	<u>(9,164,434)</u>
Net Position of Governmental Activities	<u>\$ 327,848</u>

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

Village of Pelham, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended May 31, 2014

	General	Water	Capital Projects
REVENUES			
Real property taxes	\$ 10,289,353	\$ -	\$ -
Other tax items	24,440	-	-
Non-property taxes	1,237,587	-	-
Departmental income	745,001	916,632	-
Intergovernmental charges	5,627	-	-
Use of money and property	130,240	613	-
Licenses and permits	273,895	-	-
Fines and forfeitures	333,703	-	-
Sale of property and compensation for loss	9,265	-	-
State aid	226,704	-	108,532
Federal aid	(116,054)	-	7,050
Miscellaneous	53,567	-	-
Total Revenues	13,213,328	917,245	115,582
EXPENDITURES			
Current			
General government support	1,105,734	-	-
Public safety	5,640,660	-	-
Transportation	495,906	-	-
Culture and recreation	275,083	-	-
Home and community services	1,161,511	823,394	-
Employee benefits	4,124,287	-	-
Debt service			
Principal	190,000	-	-
Interest	108,643	-	-
Capital outlay	-	-	309,289
Total Expenditures	13,101,824	823,394	309,289
Excess (Deficiency) of Revenues Over Expenditures	111,504	93,851	(193,707)
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	95,693	-	-
Transfers in	146,653	-	214,517
Transfers out	(214,517)	(80,000)	(66,653)
Total Other Financing Sources (Uses)	27,829	(80,000)	147,864
Net Change in Fund Balances	139,333	13,851	(45,843)
FUND BALANCES (DEFICITS)			
Beginning of Year	1,639,368	335,769	(557,533)
End of Year	<u>\$ 1,778,701</u>	<u>\$ 349,620</u>	<u>\$ (603,376)</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 10,289,353
-	24,440
-	1,237,587
-	1,661,633
-	5,627
-	130,853
-	273,895
-	333,703
-	9,265
-	335,236
-	(109,004)
1,405	54,972
1,405	14,247,560
-	1,105,734
-	5,640,660
-	495,906
1,323	276,406
-	1,984,905
-	4,124,287
-	190,000
-	108,643
-	309,289
1,323	14,235,830
82	11,730
-	95,693
-	361,170
-	(361,170)
-	95,693
82	107,423
36,807	1,454,411
\$ 36,889	\$ 1,561,834

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Village of Pelham, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended May 31, 2014

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 107,423</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold. This is the amount by which depreciation expense exceeded capital outlay in the current period.</p>	
Capital outlay expenditures	164,309
Depreciation expense	<u>(821,199)</u>
	<u>(656,890)</u>
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Principal paid on bonds	<u>190,000</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	5,291
Compensated absences	(46,841)
Other post employment benefit obligations	<u>(1,480,000)</u>
	<u>(1,521,550)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (1,881,017)</u></u>

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

Village of Pelham, New York

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual
 General and Water Funds
 Year Ended May 31, 2014

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 10,298,403	\$ 10,298,403	\$ 10,289,353	\$ (9,050)
Other tax items	27,500	27,500	24,440	(3,060)
Non-property taxes	1,145,000	1,145,000	1,237,587	92,587
Departmental income	762,050	762,050	745,001	(17,049)
Intergovernmental charges	1,969	1,969	5,627	3,658
Use of money and property	132,500	132,500	130,240	(2,260)
Licenses and permits	173,000	173,000	273,895	100,895
Fines and forfeitures	315,000	315,000	333,703	18,703
Sale of property and compensation for loss	2,000	2,000	9,265	7,265
State aid	206,154	207,354	226,704	19,350
Federal aid	-	-	(116,054)	(116,054)
Miscellaneous	21,000	45,811	53,567	7,756
Total Revenues	13,084,576	13,110,587	13,213,328	102,741
EXPENDITURES				
Current				
General government support	1,546,217	1,205,954	1,105,734	100,220
Public safety	5,473,370	5,731,125	5,640,660	90,465
Transportation	968,912	502,592	495,906	6,686
Culture and recreation	-	277,067	275,083	1,984
Home and community services	866,200	1,167,849	1,161,511	6,338
Employee benefits	4,050,692	4,132,732	4,124,287	8,445
Debt service				
Principal	190,000	190,000	190,000	-
Interest	108,675	108,644	108,643	1
Total Expenditures	13,204,066	13,315,963	13,101,824	214,139
Excess (Deficiency) of Revenues Over Expenditures	(119,490)	(205,376)	111,504	316,880
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	20,000	29,971	95,693	65,722
Transfers in	140,000	140,000	146,653	6,653
Transfers out	(231,020)	(214,517)	(214,517)	-
Total Other Financing Sources (Uses)	(71,020)	(44,546)	27,829	72,375
Net Change in Fund Balances	(190,510)	(249,922)	139,333	389,255
FUND BALANCES				
Beginning of Year	190,510	249,922	1,639,368	1,389,446
End of Year	\$ -	\$ -	\$ 1,778,701	\$ 1,778,701

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

Water			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
924,000	924,000	916,632	(7,368)
-	-	-	-
100	100	613	513
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>924,100</u>	<u>924,100</u>	<u>917,245</u>	<u>(6,855)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
844,100	844,100	823,394	20,706
-	-	-	-
-	-	-	-
-	-	-	-
<u>844,100</u>	<u>844,100</u>	<u>823,394</u>	<u>20,706</u>
<u>80,000</u>	<u>80,000</u>	<u>93,851</u>	<u>13,851</u>
-	-	-	-
-	-	-	-
<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
-	-	13,851	13,851
-	-	335,769	335,769
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,620</u>	<u>\$ 349,620</u>

Village of Pelham, New York

Statement of Assets and Liabilities
Fiduciary Fund
May 31, 2014

	<u>Agency Fund</u>
ASSETS	
Cash and equivalents	<u>\$ 24,313</u>
LIABILITIES	
Deposits	<u>\$ 24,313</u>

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

Note 1 - Summary of Significant Accounting Policies

The Village of Pelham, New York ("Village") was incorporated in 1975 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operations. The Mayor serves as the chief executive officer and the Village Administrator serves as the Operating Officer. The Village provides the following services to its residents: public safety, transportation, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

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

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service or capital projects purposes. The major special revenue fund of the Village is as follows:

Water Fund - The Water Fund is used to record the water utility operations of the Village, which renders services on a user charge to the general public and is primarily funded by departmental revenues in the form of water rents.

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

The Village also reports the following non-major special revenue fund -

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. The Village's Fiduciary Fund is primarily used to account for various deposits and payroll withholdings that are payable to other jurisdictions and individuals.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Deposits, Investments and Risk Disclosure

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2014.

Investments - All investments are stated at fair value. Investments consist of certificates of deposit which are fixed rate investments maturing in more than three months and are secured by FDIC coverage, with collateral posted by the respective depository.

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

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on June 1st. After the levy date, the tax roll is transferred to the Town of Pelham which is responsible for collection and for conducting in-rem foreclosure proceedings. The Town remits tax collections to the Village as they are collected.

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

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of health insurance costs which have been satisfied prior to the end of the fiscal year, but represent items

Note 1 - Summary of Significant Accounting Policies (Continued)

which have been provided for in the subsequent year’s budget and will benefit such periods. Reported amounts are equally offset by a nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

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

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

Land is not depreciated. Property, plant and equipment of the Village are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-50
Infrastructure	10-65
Machinery and equipment	5-20
Licensed vehicles	5

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

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

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

As of May 31, 2014, no amounts were required to be reported as deferred outflows/inflows of resources.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 29, 2014.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for the General and Water funds.
- f) The budget for the General and Water funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted by the Board for the Special Purpose Fund.
- g) The Village Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Village Administrator. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations require a majority vote by the Board.
- h) Appropriations in General and Water funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for 2013-2014 was \$27,324,888 which exceeded the actual levy by \$17,035,535.

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board first enacts, by a vote of at least sixty percent of the total voting power of the Village Board, a local law to override such limit for such coming fiscal year.

C. Application of Accounting Standards

For the year ended May 31, 2014, the Village implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities. This statement also recognizes as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

D. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$603,376 arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Village of Pelham, New York

Notes to Financial statements (Continued)
 May 31, 2014

Note 3 - Detailed Notes on All Funds

A. Investments

Investments of the Village consist of the certificate of deposit that matures seven months from the date of issuance and is secured by FDIC coverage.

B. Taxes Receivable

Taxes receivable consisted of the following:

Village taxes - Current year	\$ 41,650
Tax liens and overdue taxes	<u>32,788</u>
Total Taxes	74,438
Less - Allowance for uncollectable taxes	<u>(74,438)</u>
Taxes Receivable	<u>\$ -</u>

C. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2014 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 7,137	\$ 48
Capital Projects	<u>48</u>	<u>7,137</u>
	<u>\$ 7,185</u>	<u>\$ 7,185</u>

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

D. Capital Assets

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

	<u>Balance June 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance May 31, 2014</u>
Capital Assets, not being depreciated				
Land	<u>\$ 528,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 528,387</u>

Village of Pelham, New York

Notes to Financial Statements (Continued)
 May 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

	Balance June 1, 2013	Additions	Deletions	Balance May 31, 2014
Capital Assets, being depreciated				
Buildings and improvements	\$ 5,810,053	\$ 28,900	\$ -	\$ 5,838,953
Infrastructure	8,223,945	-	-	8,223,945
Machinery and equipment	674,276	52,115	-	726,391
Licensed vehicles	2,595,864	83,294	85,000	2,594,158
 Total Capital Assets, being depreciated	 <u>17,304,138</u>	 <u>164,309</u>	 <u>85,000</u>	 <u>17,383,447</u>
Less Accumulated Depreciation for				
Buildings and improvements	1,686,390	143,778	-	1,830,168
Infrastructure	5,177,046	411,358	-	5,588,404
Machinery and equipment	496,868	31,314	-	528,182
Licensed vehicles	1,884,883	234,749	85,000	2,034,632
 Total Accumulated Depreciation	 <u>9,245,187</u>	 <u>821,199</u>	 <u>85,000</u>	 <u>9,981,386</u>
 Total Capital Assets, being depreciated, net	 <u>\$ 8,058,951</u>	 <u>\$ (656,890)</u>	 <u>\$ -</u>	 <u>\$ 7,402,061</u>
 Capital Assets, net	 <u>\$ 8,587,338</u>	 <u>\$ (656,890)</u>	 <u>\$ -</u>	 <u>\$ 7,930,448</u>

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

Governmental Activities:	
General Government Support	\$ 116,942
Public Safety	177,015
Transportation	495,185
Culture and Recreation	8,073
Home and Community Services	<u>23,984</u>
 Total Depreciation Expense	 <u>\$ 821,199</u>

E. Accrued Liabilities

Accrued liabilities at May 31, 2014 were as follows:

Payroll and Employee Benefits	<u>\$ 617,864</u>
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Note 3 - Detailed Notes on All Funds (Continued)

F. Pension Plans

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

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plans' year ended March 31, 2014 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	21.0 %
	4 A15	21.0
	5 A15	16.9
	6 A15	11.4
PFRS	2 384D	28.4
	5 384D	22.7
	6 384D	12.3

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

	<u>ERS</u>	<u>PFRS</u>
2014	\$ 304,461	\$ 1,211,313
2013	224,188	1,184,721
2012	223,468	962,318

The ERS and PFRS contributions were equal to 100% of the actuarially required contribution for each respective fiscal year.

The current ERS and PFRS contributions were charged to the General Fund.

Prior to its participation in PFRS, the Village had a pension plan covering retired police officers. It is the policy of the Village to provide for payments to the beneficiaries of this plan out of current operations of the General Fund. There is only one member left in the plan receiving \$420 in monthly benefits. During the year ended May 31, 2014, \$840 was paid by the Village.

Village of Pelham, New York

Notes to Financial Statements (Continued)
 May 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

G. Short-Term Capital Borrowings - Bond Anticipation Notes

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

Purpose	Date of Original Issue	Maturity Date	Rate of Interest	Balance June 1, 2013	New Issues	Redemptions	Balance May 31, 2014
Public Works Dump Truck	10/02/08	-	- %	\$ 10,970	\$ -	\$ 10,970	\$ -
Front End Loader	10/02/08	-	-	30,380	-	30,380	-
Streetscape Project	10/02/08	-	-	18,400	-	18,400	-
Police Vehicles and DPW Equipment	10/01/10	09/26/14	0.98	80,690	-	26,250	54,440
DPW Sweeper/Vacuum	10/01/10	09/26/14	0.98	139,780	-	45,780	94,000
Parking Facility Design - DPW Garage	09/28/12	-	-	126,500	-	126,500	-
Road Construction	09/28/12	09/26/14	0.98	230,000	-	36,800	193,200
DPW Equipment	09/28/12	09/26/14	0.98	54,000	-	8,960	45,040
Police Vehicles	09/28/12	09/27/14	0.98	35,000	-	5,600	29,400
Police Vests	09/28/12	09/26/14	0.98	10,000	-	1,280	8,720
Police Security Camera	09/28/12	09/26/14	0.98	35,000	-	5,600	29,400
Fire Equipment	09/28/12	09/26/14	0.98	36,000	-	5,760	30,240
Fire Equipment	09/27/13	09/26/14	0.98	-	22,000	-	22,000
Highway Equipment	09/27/13	09/26/14	0.98	-	16,000	-	16,000
Firehouse Paving	09/27/13	09/26/14	0.98	-	15,000	-	15,000
Wolfs Lane Retaining Wall	09/27/13	09/26/14	0.98	-	25,000	-	25,000
3rd Street Flood Remediation	09/27/13	09/26/14	0.98	-	85,000	-	85,000
				<u>\$ 806,720</u>	<u>\$ 163,000</u>	<u>\$ 322,280</u>	<u>\$ 647,440</u>

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

Interest expenditures of \$11,343 were recorded in the fund financial statements in the General Fund. Interest expense of \$7,990 was recorded in the government-wide financial statements for governmental activities.

H. Long-Term Liabilities

The changes in the Village's long-term indebtedness during the year ended May 31, 2014 are summarized as follows:

	Balance June 1, 2013	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2014	Due Within One-Year
Bonds Payable	\$ 2,855,000	\$ -	\$ 190,000	\$ 2,665,000	\$ 195,000
Compensated Absences	375,007	84,841	38,000	421,848	42,000
Other Post Employment Benefit Obligations Payable	4,570,000	2,300,000	820,000	6,050,000	-
	<u>\$ 7,800,007</u>	<u>\$ 2,384,841</u>	<u>\$ 1,048,000</u>	<u>\$ 9,136,848</u>	<u>\$ 237,000</u>

Village of Pelham, New York

Notes to Financial Statements (Continued)
 May 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Each governmental funds' liability for bonds, compensated absences and other post employment benefit obligations is liquidated by the General and/or Water funds.

Bonds Payable

Bonds payable at May 31, 2014 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2014
Public Improvements	2003	\$ 300,000	September, 2021	5.000 %	\$ 160,000
Public Improvements	2006	1,392,720	September, 2020	4.0 - 4.375	710,000
Public Improvements	2012	1,913,792	September, 2032	2.0 - 4.000	1,795,000
					<u>\$ 2,665,000</u>

Interest expenditures of \$97,300 were recorded in the fund financial statements in the General Fund. Interest expense of \$95,362 was recorded in the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of May 31, 2014 including interest payments of \$722,152 are as follows:

Year Ending May 31,	Principal	Interest	Total
2015	\$ 195,000	\$ 89,450	\$ 284,450
2016	195,000	81,500	276,500
2017	200,000	73,363	273,363
2018	200,000	65,688	265,688
2019	215,000	58,488	273,488
2020-2024	705,000	201,519	906,519
2025-2029	500,000	119,750	619,750
2030-2033	455,000	32,394	487,394
	<u>\$ 2,665,000</u>	<u>\$ 722,152</u>	<u>\$ 3,387,152</u>

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

Compensated Absences

Pursuant to Village policy, vacation time is credited to an employee on January 1st of each year. All vacation time must be used by December 31st of that same year. In addition, pursuant to the collective bargaining agreement between the Village and PBA, police are entitled to accumulate compensatory time in lieu of paid overtime. At the option of the employee, payment will be made either through additional compensation or compensatory time. The Village does not compensate employees for unused sick time.

Note 3 - Detailed Notes on All Funds (Continued)

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing post employment health care benefits is shared between the Village and the retired employee. Substantially all of the Village's employee's may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements.

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

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

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

Year Ended May 31,	Medical
2014	6.50 %
2015	6.00
2016	5.50
2017+	5.00

Village of Pelham, New York

Notes to Financial Statements (Continued)
 May 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The amortization basis is the level percentage of payroll method with an open amortization approach with 24 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return, a 3% inflation rate and a 3% annual payroll growth rate. The School District currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of May 31, 2014 was as follows:

Active Employees	65
Retired Employees	63
	<u>128</u>

Amortization Component	
Actuarial Accrued Liability as of June 1, 2013	\$ 27,440,000
Assets at Market Value	-
	<u>27,440,000</u>
Unfunded Actuarial Accrued Liability	\$ 27,440,000
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	\$ 6,870,000
UAAL as a Percentage of Covered Payroll	<u>399.42%</u>
Annual Required Contribution	\$ 2,360,000
Interest on Net OPEB Obligation	210,000
Adjustment to Annual Required Contribution	<u>(270,000)</u>
Annual OPEB Cost	2,300,000
Contributions Made	<u>(820,000)</u>
Increase in Net OPEB Obligation	1,480,000
Net OPEB Obligation - Beginning of year	<u>4,570,000</u>
Net OPEB Obligation - End of year	<u>\$ 6,050,000</u>

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

Fiscal Year Ended May 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 2,300,000	35.65 %	\$ 6,050,000
2012	2,200,000	37.73 %	\$ 4,570,000
2011	2,110,000	38.39	3,200,000

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

Note 3 - Detailed Notes on All Funds (Continued)

I. Revenues and Expenditures

Interfund Transfers

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

Transfers Out	Transfers in		Total
	General Fund	Capital Projects Fund	
General Fund	\$ -	\$ 214,517	\$ 214,517
Water Fund	80,000	-	80,000
Capital Projects Fund	66,653	-	66,653
	<u>\$ 146,653</u>	<u>\$ 214,517</u>	<u>\$ 361,170</u>

Transfers are used to 1) move funds earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures, 2) move amounts earmarked in the operating funds to fulfill commitments of the General Fund and 3) move remaining fund balances of closed projects from the Capital Projects Fund to General Fund.

J. Net Position

The components of net position are detailed below:

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

Restricted for Water - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

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

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

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2014				2013					
	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Fund	Total	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Fund	Total
Nonspendable										
Prepaid expenditures	\$ 28,977	\$ -	\$ -	\$ -	\$ 28,977	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Trusts	-	-	-	36,889	36,889	-	-	-	36,807	36,807
Assigned										
Purchases on order										
General government support	5,799	-	-	-	5,799	-	-	-	-	-
Public safety	15,300	-	-	-	15,300	3,055	-	-	-	3,055
	21,099	-	-	-	21,099	3,055	-	-	-	3,055
Subsequent year's expenditures	-	-	-	-	-	187,455	-	-	-	187,455
Major funds	-	349,620	-	-	349,620	-	335,769	-	-	335,769
Total Assigned	21,099	349,620	-	-	370,719	190,510	335,769	-	-	526,279
Unassigned										
	1,728,625	-	(603,376)	-	1,125,249	1,448,858	-	(557,533)	-	891,325
Total Fund Balances	\$ 1,778,701	\$ 349,620	\$ (603,376)	\$ 36,889	\$ 1,561,834	\$ 1,639,368	\$ 335,769	\$ (557,533)	\$ 36,807	\$ 1,454,411

Note 3 - Detailed Notes on All Funds (Continued)

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

Nonspendable for prepaid expenditures has been established to account for health insurance payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Restricted for trusts has been established to set aside funds in accordance with the terms of the grants.

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

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund represents the deficit balances in the capital projects.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

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

B. Contingencies

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

The Village maintains various liability insurance policies to provide against potential losses. The Village maintains general liability, law enforcement liability and public officials liability insurance coverage with policy limits carrying \$1 to \$10 million. The Village purchases conventional health insurance and workers' compensation insurance with coverage at statutory limits. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Village of Pelham, New York

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

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
June 1, 2011	\$ -	\$ 25,220,000	25,220,000	- %	\$ 6,540,000	386 %
June 1, 2012	-	26,290,000	26,290,000	-	6,750,000	389
June 1, 2013	-	27,440,000	27,440,000	-	6,870,000	399

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Village of Pelham, New York

General Fund
Comparative Balance Sheet
May 31,

	2014	2013
ASSETS		
Cash and equivalents	\$ 2,557,685	\$ 2,328,257
Investments	60,430	60,419
Taxes receivable, net of allowance for uncollectible taxes of \$74,438 in 2014 and \$47,896 in 2013	-	-
Other receivables		
Accounts	147,431	130,038
Due from other governments	142,441	309,521
Due from other funds	7,137	95,407
	297,009	534,966
Prepaid expenditures	28,977	-
Total Assets	<u>\$ 2,944,101</u>	<u>\$ 2,923,642</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 155,442	\$ 120,003
Accrued liabilities	617,864	872,999
Due to retirement systems	392,046	291,272
Due to other funds	48	-
Total Liabilities	1,165,400	1,284,274
Fund balance		
Nonspendable	28,977	-
Assigned	21,099	190,510
Unassigned	1,728,625	1,448,858
Total Fund Balance	1,778,701	1,639,368
Total Liabilities and Fund Balance	<u>\$ 2,944,101</u>	<u>\$ 2,923,642</u>

Village of Pelham, New York

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

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 10,298,403	\$ 10,298,403	\$ 10,289,353	\$ (9,050)
Other tax items	27,500	27,500	24,440	(3,060)
Non-property taxes	1,145,000	1,145,000	1,237,587	92,587
Departmental income	762,050	762,050	745,001	(17,049)
Intergovernmental charges	1,969	1,969	5,627	3,658
Use of money and property	132,500	132,500	130,240	(2,260)
Licenses and permits	173,000	173,000	273,895	100,895
Fines and forfeitures	315,000	315,000	333,703	18,703
Sale of property and compensation for loss	2,000	2,000	9,265	7,265
State aid	206,154	207,354	226,704	19,350
Federal aid	-	-	(116,054)	(116,054)
Miscellaneous	21,000	45,811	53,567	7,756
Total Revenues	13,084,576	13,110,587	13,213,328	102,741
EXPENDITURES				
Current				
General government support	1,546,217	1,205,954	1,105,734	100,220
Public safety	5,473,370	5,731,125	5,640,660	90,465
Transportation	968,912	502,592	495,906	6,686
Culture and recreation	-	277,067	275,083	1,984
Home and community services	866,200	1,167,849	1,161,511	6,338
Employee benefits	4,050,692	4,132,732	4,124,287	8,445
Debt service				
Principal	190,000	190,000	190,000	-
Interest	108,675	108,644	108,643	1
Total Expenditures	13,204,066	13,315,963	13,101,824	214,139
Excess (Deficiency) of Revenues Over Expenditures	(119,490)	(205,376)	111,504	316,880
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	20,000	29,971	95,693	65,722
Transfers in	140,000	140,000	146,653	6,653
Transfers out	(231,020)	(214,517)	(214,517)	-
Total Other Financing Sources (Uses)	(71,020)	(44,546)	27,829	72,375
Net Change in Fund Balance	(190,510)	(249,922)	139,333	389,255
FUND BALANCE				
Beginning of Year	190,510	249,922	1,639,368	1,389,446
End of Year	\$ -	\$ -	\$ 1,778,701	\$ 1,778,701

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,040,558	\$ 10,040,558	\$ 10,040,686	\$ 128
27,500	27,500	23,882	(3,618)
1,120,000	1,120,000	1,185,801	65,801
772,050	772,050	749,560	(22,490)
1,969	1,969	2,066	97
130,400	130,400	135,072	4,672
173,000	173,000	183,600	10,600
315,000	315,000	325,282	10,282
2,000	2,000	2,841	841
196,154	196,154	261,020	64,866
-	172,665	363,801	191,136
21,000	24,730	18,382	(6,348)
<u>12,799,631</u>	<u>12,976,026</u>	<u>13,291,993</u>	<u>315,967</u>
1,623,998	1,146,842	1,117,064	29,778
5,354,657	5,812,539	5,752,050	60,489
927,036	396,365	390,008	6,357
-	254,714	247,908	6,806
808,386	1,205,966	1,155,194	50,772
3,735,135	3,854,140	3,852,694	1,446
148,792	153,792	153,792	-
141,821	141,821	141,781	40
<u>12,739,825</u>	<u>12,966,179</u>	<u>12,810,491</u>	<u>155,688</u>
<u>59,806</u>	<u>9,847</u>	<u>481,502</u>	<u>471,655</u>
20,000	20,000	94,610	74,610
80,000	80,000	80,000	-
(184,092)	(186,217)	(186,215)	2
<u>(84,092)</u>	<u>(86,217)</u>	<u>(11,605)</u>	<u>74,612</u>
(24,286)	(76,370)	469,897	546,267
<u>24,286</u>	<u>76,370</u>	<u>1,169,471</u>	<u>1,093,101</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,639,368</u>	<u>\$ 1,639,368</u>

Village of Pelham, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended May 31, 2014
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
REAL PROPERTY TAXES	\$ 10,298,403	\$ 10,298,403	\$ 10,289,353	\$ (9,050)	\$ 10,040,686
OTHER TAX ITEMS	27,500	27,500	24,440	(3,060)	23,882
Interest and penalties on real property taxes					
NON-PROPERTY TAXES	900,000	900,000	976,816	76,816	923,926
Non-property tax distribution from County	125,000	125,000	133,335	8,335	141,403
Public utility taxes	120,000	120,000	127,436	7,436	120,472
Cable TV franchise fees					
	1,145,000	1,145,000	1,237,587	92,587	1,185,801
DEPARTMENTAL INCOME	1,000	1,000	1,591	591	653
Clerk fees	600	600	545	(55)	440
Police fees	200	200	100	(100)	120
Tax advertising	14,750	14,750	18,550	3,800	22,025
Safety inspection fees	340,000	340,000	356,042	16,042	333,861
Parking lots and fees	400,000	400,000	362,923	(37,077)	387,461
Parking meter fees	2,500	2,500	2,750	250	3,000
Zoning fees	3,000	3,000	2,500	(500)	2,000
Site plan fees					
	762,050	762,050	745,001	(17,049)	749,560
INTERGOVERNMENTAL CHARGES	1,969	1,969	5,627	3,658	2,066
Snow removal other governments					

USE OF MONEY AND PROPERTY

Interest earnings	20,500	20,500	13,215	(7,285)	16,126
Rental income	112,000	112,000	117,025	5,025	118,946

LICENSES AND PERMITS

Business and occupational licenses	5,000	5,000	5,189	189	650
Street openings	32,500	32,500	53,580	21,080	35,950
Permit fees	135,500	135,500	215,126	79,626	147,000

FINES AND FORFEITURES

Fines and forfeited bail	173,000	173,000	273,895	100,895	183,600
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**SALE OF PROPERTY AND
COMPENSATION FOR LOSS**

Sale of scrap	1,000	1,000	1,528	528	832
Other	1,000	1,000	7,737	6,737	2,009

STATE AID

Per capita	73,154	73,154	78,662	5,508	73,154
Mortgage tax	130,000	130,000	154,667	24,667	139,387
Emergency management assistance	-	-	(10,675)	(10,675)	38,202
Police and fire grants	3,000	4,200	4,050	(150)	10,277

FEDERAL AID

Emergency management assistance	206,154	207,354	226,704	19,350	261,020
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(116,054)

(116,054)

363,801

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Village of Pelham, New York

**General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
Year Ended May 31, 2014
(With Comparative Actuals for 2013)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
MISCELLANEOUS					
Gifts and donations	\$ 5,000	\$ 9,258	\$ 9,273	\$ 15	\$ 8,730
Refunds of prior years' expenditures	5,000	5,000	-	(5,000)	2,758
Police overtime reimbursements	10,000	30,553	44,268	13,715	6,894
Miscellaneous	1,000	1,000	26	(974)	-
	<u>21,000</u>	<u>45,811</u>	<u>53,567</u>	<u>7,756</u>	<u>18,382</u>
TOTAL REVENUES	<u>13,084,576</u>	<u>13,110,587</u>	<u>13,213,328</u>	<u>102,741</u>	<u>13,291,993</u>
OTHER FINANCING SOURCES					
Insurance recoveries	20,000	29,971	95,693	65,722	94,610
Transfers in					
Water Fund	80,000	80,000	80,000	-	80,000
Capital Projects Fund	60,000	60,000	66,653	6,653	-
	<u>160,000</u>	<u>169,971</u>	<u>242,346</u>	<u>72,375</u>	<u>174,610</u>
TOTAL OTHER FINANCING SOURCES					
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 13,244,576</u>	<u>\$ 13,280,558</u>	<u>\$ 13,455,674</u>	<u>\$ 175,116</u>	<u>\$ 13,466,603</u>

Village of Pelham, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended May 31, 2014
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 19,550	\$ 21,380	\$ 16,795	\$ 4,585	\$ 14,540
Mayor	6,500	6,500	5,680	820	6,378
Administrator	170,010	170,010	168,430	1,580	172,662
Treasurer	189,151	189,151	186,498	2,653	175,570
Assessment and taxation	5,850	5,850	5,849	1	5,836
Village office staff	70,740	70,740	66,738	4,002	66,634
Legal services	108,000	108,000	60,794	47,206	130,406
Engineering services	20,200	19,780	5,005	14,775	22,685
Village hall building	67,000	67,000	60,740	6,260	55,705
Central garage	279,944	291,755	283,833	7,922	257,149
Unallocated insurance	172,000	177,235	177,235	-	167,348
Municipal association dues	4,500	4,500	4,251	249	4,251
Judgments and claims	146,572	48,097	39,186	8,911	14,000
Taxes on Village property	9,200	7,916	6,710	1,206	6,149
Metropolitan commuter transportation mobility tax	17,000	18,040	17,990	50	17,751
Contingent account	260,000	-	-	-	-
	<u>1,546,217</u>	<u>1,205,954</u>	<u>1,105,734</u>	<u>100,220</u>	<u>1,117,064</u>
PUBLIC SAFETY					
Police department	3,401,781	3,633,072	3,562,010	71,062	3,609,616
Parking enforcement	62,000	62,000	51,032	10,968	58,491
Fire department	1,914,553	1,941,017	1,933,772	7,245	1,991,580
Safety inspection	95,036	95,036	93,846	1,190	92,363
	<u>5,473,370</u>	<u>5,731,125</u>	<u>5,640,660</u>	<u>90,465</u>	<u>5,752,050</u>

TRANSPORTATION

Street maintenance	752,912	220,443	214,697	5,746	192,178
Permanent improvements	5,000	-	-	-	-
Snow removal	90,000	149,412	149,412	-	82,685
Street lighting	97,000	106,357	106,052	305	88,271
Traffic equipment	24,000	26,380	25,745	635	26,874
	<u>968,912</u>	<u>502,592</u>	<u>495,906</u>	<u>6,686</u>	<u>390,008</u>

CULTURE AND RECREATION

Parks maintenance and security	-	277,067	275,083	1,984	247,908
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HOME AND COMMUNITY SERVICES

Planning and zoning board	2,200	2,270	2,265	5	2,260
Storm and sanitary sewers	67,000	216,914	215,432	1,482	157,367
Garbage collection and recycling	752,000	718,097	715,312	2,785	720,667
Community environment	45,000	35,566	35,232	334	69,891
Street cleaning	-	195,002	193,270	1,732	205,009
	<u>866,200</u>	<u>1,167,849</u>	<u>1,161,511</u>	<u>6,338</u>	<u>1,155,194</u>

EMPLOYEE BENEFITS

State retirement	260,666	304,461	304,461	-	224,188
Police and fire retirement	1,240,251	1,211,313	1,211,313	-	1,184,721
Local police pension	5,040	840	840	-	5,040
Disability benefits	65,760	69,043	69,042	1	70,225
Social security and medicare	471,500	471,964	463,521	8,443	491,480
Life insurance	5,200	5,434	5,434	-	5,157
Unemployment benefits	4,000	-	-	-	1,739
Workers' compensation insurance	260,000	380,752	380,752	-	283,468
Medical insurance	1,735,000	1,685,640	1,685,639	1	1,583,391
Employee assistance program	3,275	3,285	3,285	-	3,285
	<u>4,050,692</u>	<u>4,132,732</u>	<u>4,124,287</u>	<u>8,445</u>	<u>3,852,694</u>

(Continued)

Village of Pelham, New York

**General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended May 31, 2014
(With Comparative Actuals for 2013)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
DEBT SERVICE					
Principal					
Serial bonds	\$ 190,000	\$ 190,000	\$ 190,000	\$ -	\$ 153,792
Interest					
Serial bonds	97,300	97,300	97,300	-	134,811
Bond anticipation notes	11,375	11,344	11,343	1	6,970
	108,675	108,644	108,643	1	141,781
	298,675	298,644	298,643	1	295,573
TOTAL EXPENDITURES	13,204,066	13,315,963	13,101,824	214,139	12,810,491
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	231,020	214,517	214,517	-	186,215
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 13,435,086	\$ 13,530,480	\$ 13,316,341	\$ 214,139	\$ 12,996,706

Village of Pelham, New York

Section 8 Housing Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended May 31,

	<u>2014</u>	<u>2013</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Current		
Economic opportunity and development	<u>-</u>	<u>171,731</u>
Deficiency of Revenues Over Expenditures	-	(171,731)
FUND BALANCE		
Beginning of Year	<u>-</u>	<u>171,731</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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Village of Pelham, New York

Water Fund
Comparative Balance Sheet
May 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 157,046	\$ 208,369
Accounts receivable	<u>193,488</u>	<u>218,440</u>
Total Assets	<u>\$ 350,534</u>	<u>\$ 426,809</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 914	\$ 4,326
Due to other funds	<u>-</u>	<u>86,714</u>
Total Liabilities	914	91,040
Fund balance		
Assigned	<u>349,620</u>	<u>335,769</u>
Total Liabilities and Fund Balances	<u>\$ 350,534</u>	<u>\$ 426,809</u>

Village of Pelham, New York

Water Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended May 31,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 924,000	\$ 924,000	\$ 916,632	\$ (7,368)
Use of money and property	100	100	613	513
Total Revenues	924,100	924,100	917,245	(6,855)
EXPENDITURES				
Current				
Home and community services	844,100	844,100	823,394	20,706
Excess of Revenues Over Expenditures	80,000	80,000	93,851	13,851
OTHER FINANCING USES				
Transfers out	(80,000)	(80,000)	(80,000)	-
Net Change in Fund Balance	-	-	13,851	13,851
FUND BALANCE				
Beginning of Year	-	-	335,769	335,769
End of Year	\$ -	\$ -	\$ 349,620	\$ 349,620

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 924,000 100	\$ 924,000 100	\$ 914,255 139	\$ (9,745) 39
924,100	924,100	914,394	(9,706)
<u>844,100</u>	<u>844,100</u>	<u>739,828</u>	<u>104,272</u>
80,000	80,000	174,566	94,566
<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
-	-	94,566	94,566
-	-	<u>241,203</u>	<u>241,203</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,769</u>	<u>\$ 335,769</u>

Village of Pelham, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 92,981	\$ 138,688
Receivables		
Due from other governments	501	126,500
Due from other funds	48	-
	<u>549</u>	<u>126,500</u>
Total Assets	<u>\$ 93,530</u>	<u>\$ 265,188</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 37,093	\$ -
Retainages payable	5,236	7,308
Due to other funds	7,137	8,693
Bond anticipation notes payable	<u>647,440</u>	<u>806,720</u>
Total Liabilities	696,906	822,721
Fund deficit		
Unassigned	<u>(603,376)</u>	<u>(557,533)</u>
Total Liabilities and Fund Deficit	<u>\$ 93,530</u>	<u>\$ 265,188</u>

Village of Pelham, New York

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

	<u>2014</u>	<u>2013</u>
REVENUES		
State aid	\$ 108,532	\$ 76,900
Federal aid	7,050	-
Total Revenues	<u>115,582</u>	<u>76,900</u>
EXPENDITURES		
Capital outlay	<u>309,289</u>	<u>482,953</u>
Deficiency of Revenues Over Expenditures	<u>(193,707)</u>	<u>(406,053)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	214,517	186,215
Transfers out	<u>(66,653)</u>	<u>-</u>
Total Other Financing Sources	<u>147,864</u>	<u>186,215</u>
Net Change in Fund Balance	(45,843)	(219,838)
FUND DEFICIT		
Beginning of Year	<u>(557,533)</u>	<u>(337,695)</u>
End of Year	<u>\$ (603,376)</u>	<u>\$ (557,533)</u>

Village of Pelham, New York

Capital Projects Fund

Project Length Schedule

Inception of Project Through May 31, 2014

<u>Project</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
Police Handguns	\$ 11,935	\$ 11,132	\$ 803
2013-2014 Road Resurfacing	116,212	108,531	7,681
Police Vehicles and DPW Equipment	125,000	125,000	-
DPW Sweeper/Vacuum	218,000	218,000	-
Village Hall KVS Computer System	45,000	36,172	8,828
Police Vehicles	37,125	37,125	-
Road Construction	230,000	230,000	-
DPW Equipment	54,000	54,000	-
Police Vests	17,050	15,721	1,329
Police Security Camera	35,000	1,896	33,104
Fire Equipment	61,242	61,242	-
Highway Equipment	16,075	16,075	-
Firehouse Paving	15,000	15,000	-
Wolfs Lane Retaining Wall	25,000	25,000	-
3rd Street Flood Remediation	85,420	85,420	-
Totals	<u>\$ 1,092,059</u>	<u>\$ 1,040,314</u>	<u>\$ 51,745</u>

Total Revenues	Fund Balance (Deficit) at May 31, 2014	Bond Anticipation Notes Out- standing at May 31, 2014
\$ 11,935	\$ 803	\$ -
108,531	-	-
70,560	(54,440)	54,440
124,000	(94,000)	94,000
45,000	8,828	-
7,725	(29,400)	29,400
36,800	(193,200)	193,200
8,960	(45,040)	45,040
8,330	(7,391)	8,720
5,600	3,704	29,400
9,002	(52,240)	52,240
75	(16,000)	16,000
-	(15,000)	15,000
-	(25,000)	25,000
420	(85,000)	85,000
<u>\$ 436,938</u>	<u>\$ (603,376)</u>	<u>\$ 647,440</u>

Village of Pelham, New York

Non-Major Governmental Fund
Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 36,889</u>	<u>\$ 36,938</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 131
Fund balance		
Restricted	<u>36,889</u>	<u>36,807</u>
Total Liabilities and Fund Balance	<u>\$ 36,889</u>	<u>\$ 36,938</u>

Village of Pelham, New York

Non-Major Governmental Fund

Special Purpose Fund

Comparative Statement of Revenues, Expenditures and Changes

in Fund Balance

Years Ended May 31,

	<u>2014</u>	<u>2013</u>
REVENUES		
Miscellaneous	\$ 1,405	\$ 27,065
EXPENDITURES		
Current		
Culture and recreation	<u>1,323</u>	<u>14,798</u>
Excess of Revenues Over Expenditures	82	12,267
FUND BALANCE		
Beginning of Year	<u>36,807</u>	<u>24,540</u>
End of Year	<u>\$ 36,889</u>	<u>\$ 36,807</u>

