

Village of Pelham, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2015

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, 2015, 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.

O'CONNOR DAVIES, LLP

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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

July 31, 2015

Village of Pelham, New York

Management's Discussion and Analysis (MD&A) as of May 31, 2015

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, 2015 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 2013-2014 by \$327,848.
- ❖ At the conclusion of fiscal year 2014-2015 liabilities exceeded assets by \$895,959. This change is due to the accumulated increase in OPEB liability.
- ❖ 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.
- ❖ As of the close of 2014-2015, the Village's governmental funds reported combined ending fund balances of \$2,047,990, of which \$1,737,079 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 2014-2015, the unassigned fund balance for the General Fund increased by 26.06% from \$1,728,625 to \$2,179,027, which equates to 16.1% of total General Fund expenditures budgeted for 2014-2015.
- ❖ During the current fiscal year, the Village issued new short term debt of \$473,330 to refinance bond anticipation notes outstanding as of May 31, 2014, while paying down \$174,110 in principal from General Fund appropriations.
- ❖ 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 assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (ex. uncollected taxes and 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 and include individual fund financial statements and schedules of "budgets to actual" comparisons.

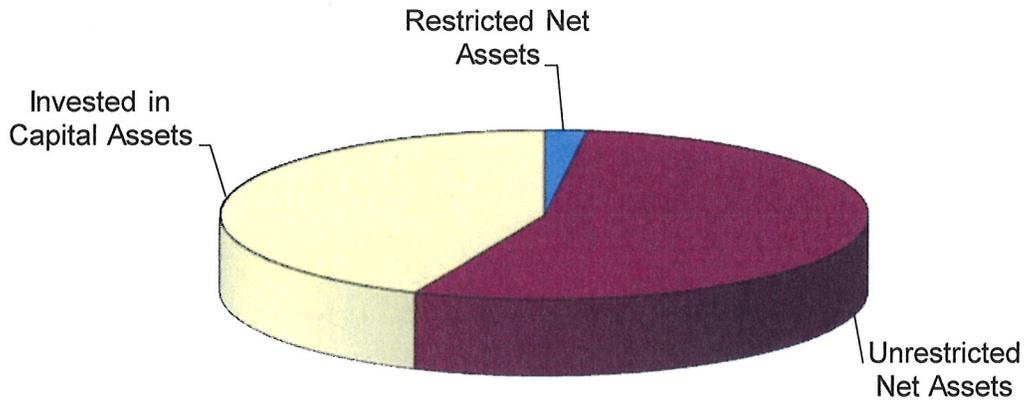
Government-wide Financial Analysis

As noted earlier, over time net assets may serve as a useful indicator of a government's financial position. In the case of the Village of Pelham, liabilities exceeded assets by \$895,959 for fiscal year ended 2015. This is a decrease of \$1,223,807, due mostly to the increase in long-term liability for Other Post Employment Benefits. 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,	
	2015	2014
Current Assets	\$ 3,502,788	\$ 3,417,819
Capital Assets, net	7,312,958	7,930,448
Total Assets	10,815,746	11,348,267
Current Liabilities	1,478,975	1,883,621
Long-term Liabilities	10,232,730	9,136,848
Total Liabilities	11,711,705	11,020,469
Net Position		
Investment in Capital Assets, net of related debt	4,401,010	4,662,072
Restricted	208,111	386,509
Unrestricted	(5,505,080)	(4,720,733)
Total Net Position	\$ (895,959)	\$ 327,848

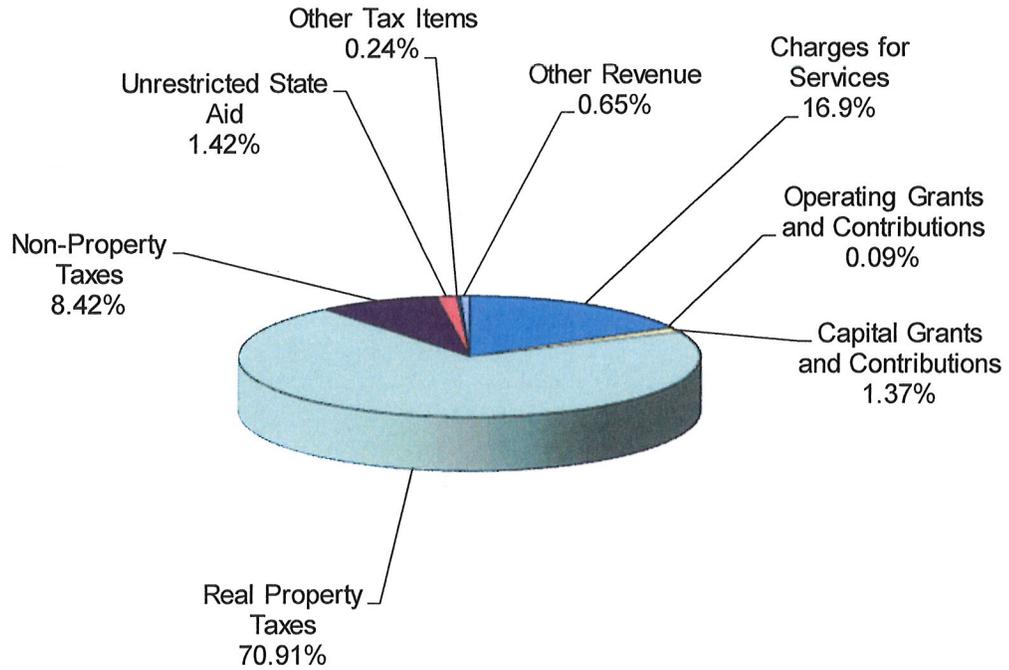
Net Asset Distribution FY2014-15



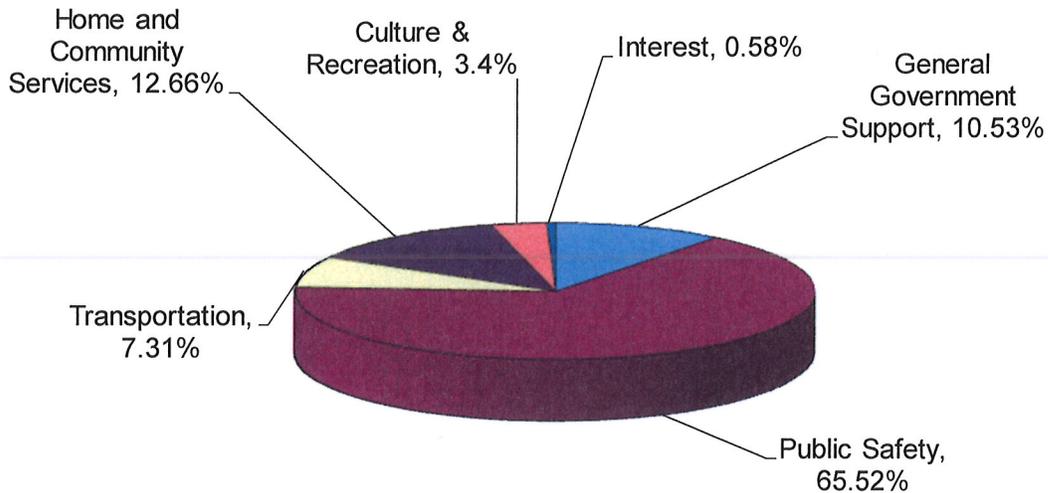
CHANGE IN NET POSITION

	2015	2014
REVENUES		
Program Revenues		
Charges for Services	\$ 2,493,888	\$ 2,391,883
Operating Grants and Contributions	13,547	(76,393)
Capital Grants and Contributions	202,002	115,718
	2,709,437	2,431,208
General Revenues		
Real Property Taxes	10,470,274	10,289,353
Other Tax Items	35,709	24,440
Non-Property Taxes	1,243,644	1,237,587
Unrestricted Use of Money and Property	6,267	13,079
Sale of property and compensation for loss	76,677	104,958
Unrestricted State Aid	210,382	233,329
Miscellaneous income	13,079	9,299
	12,056,032	11,912,045
Total Revenues	14,765,469	14,343,253
PROGRAM EXPENSES		
General Government Support	1,683,380	1,731,692
Public Safety	10,476,960	10,481,411
Transportation	1,168,727	1,249,675
Home and Community Services	2,024,062	2,111,787
Culture and Recreation	543,778	546,353
Interest	92,369	103,352
	15,989,276	16,224,270
Total Expenses	15,989,276	16,224,270
Change in Net Position	(1,223,807)	(1,881,017)
NET POSITION		
Beginning	327,848	2,208,865
Ending	\$ (895,959)	\$ 327,848

Sources of Revenues for Fiscal Year 2015 Governmental Activities



Expenses for Fiscal Year 2015 Governmental Activities



Governmental Activities

Government-wide activities decreased the Village's net assets by \$1,223,807. For the fiscal year ended May 31, 2015, revenues from governmental activities totaled \$14,765,479. Real estate property tax revenues for Fiscal Year 2014-2015 were \$10,470,274. Total tax revenues (\$11,500,859) comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (77.89%) Total Program Revenues were \$2,709,437.

For the fiscal year ended May 31, 2015, expenses from governmental activities totaled \$15,989,276 The largest components of governmental activities' expenses are public safety \$10,476,960 (65.52%) home and community services \$2,024,062(12.66%), general government support \$1,683,380 (10.53%) and Transportation \$1,168,727 (7.31%) Public Safety includes the following: Police, Fire & Safety Inspection and On Street Parking, 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.

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 \$2,047,990 which included a negative \$441,948 Capital Projects balance. \$2,036,746 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 (\$11,244).

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 \$2,281,827 of which \$2,800 was assigned for encumbrances. \$100,000 of the fund balance was appropriated for subsequent year in order to reduce the 2015-2016 tax levy.

Actual results of operations resulted in an increase in the Fund Balance of \$503,126. Revenues were \$13,595,842 which was \$255,952 or 1.92% more than the final budget. Expenditures were \$13,095,740 which was \$301,746 or 2.25% less than the final budget.

The major areas where revenues exceeded budget were: Licenses and Permits of \$65,619, Non-property Taxes of \$58,644 due mainly to increase in Sales Tax distributions and Utilities Gross Receipt Tax, and \$41,087 for fines and forfeitures.

The major area where spending was less than budgeted was General Government Support in the amount of \$130,333, and Public Safety of \$97,175, of which the Police Department accounted for over \$82,500 in budgetary savings.

The Capital Projects Fund has an unassigned deficit of \$441,948 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, 2015.

The Water Fund is for a section of the Village of Pelham where the Village of Pelham purchases water from United Water of Westchester for approximately 550 Village residents, who in turn are billed by the Village for their metered usage. During the Fiscal year 2014-15 negotiations with United Water took place and as of June 1, 2015, the Village of Pelham water accounts were taken over by United Water of Westchester.

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 \$163,700. This increase was to provide funding for various programs, and functional categories.

Capital Assets and Debt Administration

Capital Assets

The value of the Village's investment in capital assets for governmental activities at May 31, 2015, net of accumulated depreciation, was \$7,312,958. 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:

Capital Assets

	May 31,	
	2015	2014
Capital Assets, not being depreciated		
Land	\$ 528,387	\$ 528,387
Capital Assets being depreciated		
Buildings and Improvements	5,911,676	5,838,953
Machinery and Equipment	685,947	726,391
Licensed Vehicles	2,608,297	2,594,158
Infrastructure	8,223,945	8,223,945
Total Capital Assets being depreciated	17,429,865	17,383,447
Less Accumulated Depreciation for		
Buildings and Improvements	1,974,239	1,830,168
Machinery and Equipment	519,457	528,182
Licensed Vehicles	2,151,837	2,034,632
Infrastructure	5,999,761	5,588,404
Total Accumulated Depreciation	10,645,294	9,981,386
Total Capital Assets, net of accumulated depreciation	6,784,571	7,402,061
Capital Assets, net	\$ 7,312,958	\$ 7,930,448

Long-Term Debt/Short-Term Debt

At the end of the fiscal 2015 year, the Village had total bonded debt outstanding of \$2,470,000, of which \$2,275,000 is long term debt. On September 26, 2014, the Village of Pelham issued a total of \$473,330 in short term bond anticipation notes, renewed the \$647,440 of short term bond anticipation note debt outstanding at May 31, 2014, with a principal pay down of \$174,110.

Total short-term and long-term debt outstanding at May 31, 2015 was \$2,943,330. 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, 2015, the Village's five- year average full valuation was \$1,292,757,847 thereby establishing a constitutional debt limit for the year ending May 31, 2015 of \$90,493,050.

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 2014-15 was \$2,280,000. Contributions made on the pay as you go basis were \$910,000, leaving an increase in Net OPEB Obligation of \$1,370,000 for fiscal year 2014-2015 and \$7,420,000 total Net OPEB obligation as of May 31, 2015. This amount is reflected in the government-wide financial statements. It should be noted that this amount is included in our Statement of Net Assets, causing a deficit in the Village of Pelham's Total Net Assets of \$895,959.

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. Though there has been some movement in home sales and refinancing, the Mortgage Tax for FY2015 had a decrease, and was less than in previous years. Also, due to low interest rates, the Village's interest earnings are anticipated to be significantly low again for 2015-2016. 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 and CSEA 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 2015-2016 budget. The Police Union is without a contract for Fiscal years 2012-13, 2013-14 and 2014-15 and still remains without contract for June 1, 2015. In July 2014, the Fire Union settled for contract years 2011-12, 2012-13, 2013-14 and 2014-15. They were awarded salary increases of 2.5% for 6/1/2011, 2% for 6/1/2012, 2% for 6/1/2013 and 1.63% for 6/1/2014. The Fire Union is without a contract for 6/1/2015

The Village appropriated \$100,000 of General Fund fund balance for expenditures for FY 2015-2016 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 2014/15 tax levy for Village of Pelham was materially within the allowable limit of 1.60% at 1.29%. The Tax Limit for the 2015/16 Village of Pelham budget was 1.91% 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.

Village of Pelham, New York

Statement of Net Position
May 31, 2015

ASSETS

Cash and equivalents	\$	3,013,188
Investments		60,436
Receivables		
Accounts		320,601
Due from other governments		108,563
Capital assets		
Not being depreciated		528,387
Being depreciated, net		6,784,571
		<hr/>
Total Assets		10,815,746

LIABILITIES

Accounts payable		201,640
Accrued liabilities		522,130
Due to retirement systems		257,698
Bond anticipation notes payable		473,330
Accrued interest payable		24,177
Non-current liabilities		
Due within one year		229,000
Due in more than one year		10,003,730
		<hr/>
Total Liabilities		11,711,705

NET POSITION

Net investment in capital assets		4,401,010
Restricted for		
Water		196,867
Special purpose		11,244
Unrestricted		(5,505,080)
		<hr/>
Total Net Position	\$	(895,959)

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, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 1,683,380	\$ 315,149	\$ 7,292	\$ -
Public safety	10,476,960	469,080	4,952	78,180
Transportation	1,168,727	800,564	-	123,801
Culture and recreation	543,778	-	15	-
Home and community services	2,024,062	909,095	1,288	-
Interest	92,369	-	-	21
Total Governmental Activities	\$ 15,989,276	\$ 2,493,888	\$ 13,547	\$ 202,002

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>	
\$	(1,360,939)
	(9,924,748)
	(244,362)
	(543,763)
	(1,113,679)
	<u>(92,348)</u>
	<u>(13,279,839)</u>
	10,470,274
	35,709
	994,876
	113,906
	134,862
	6,267
	13,696
	210,382
	13,079
	<u>62,981</u>
	<u>12,056,032</u>
	(1,223,807)
	<u>327,848</u>
<u>\$</u>	<u>(895,959)</u>

Village of Pelham, New York

Balance Sheet
 Governmental Funds
 May 31, 2015

	General	Water	Capital Projects
ASSETS			
Cash and equivalents	\$ 2,920,789	\$ 46,587	\$ 33,608
Investments	60,436	-	-
Receivables			
Accounts	107,172	213,429	-
Due from other governments	108,563	-	-
Due from other funds	31	-	-
	<u>215,766</u>	<u>213,429</u>	<u>-</u>
Total Assets	<u>\$ 3,196,991</u>	<u>\$ 260,016</u>	<u>\$ 33,608</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 135,336	\$ 63,139	\$ 2,205
Accrued liabilities	522,130	-	-
Due to retirement systems	257,698	-	-
Due to other funds	-	10	21
Bond anticipation notes payable	-	-	473,330
Total Liabilities	<u>915,164</u>	<u>63,149</u>	<u>475,556</u>
Fund balances (deficits)			
Restricted	-	-	-
Assigned	102,800	196,867	-
Unassigned	2,179,027	-	(441,948)
Total Fund Balances (Deficits)	<u>2,281,827</u>	<u>196,867</u>	<u>(441,948)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 3,196,991</u>	<u>\$ 260,016</u>	<u>\$ 33,608</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 12,204	\$ 3,013,188
-	60,436
-	320,601
-	108,563
-	31
-	429,195
<u>\$ 12,204</u>	<u>\$ 3,502,819</u>
\$ 960	\$ 201,640
-	522,130
-	257,698
-	31
-	473,330
<u>960</u>	<u>1,454,829</u>
11,244	11,244
-	299,667
-	1,737,079
<u>11,244</u>	<u>2,047,990</u>
<u>\$ 12,204</u>	<u>\$ 3,502,819</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, 2015

Fund Balances - Total Governmental Funds	<u>\$ 2,047,990</u>
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>7,312,958</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(24,177)
Bonds payable	(2,470,000)
Compensated absences	(342,730)
Other post employment benefit obligations payable	<u>(7,420,000)</u>
	<u>(10,256,907)</u>
Net Position of Governmental Activities	<u><u>\$ (895,959)</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
Governmental Funds
Year Ended May 31, 2015

	General	Water	Capital Projects
REVENUES			
Real property taxes	\$ 10,470,274	\$ -	\$ -
Other tax items	35,709	-	-
Non-property taxes	1,243,644	-	-
Departmental income	789,221	904,595	-
Intergovernmental charges	3,356	-	-
Use of money and property	126,445	55	-
Licenses and permits	230,619	-	-
Fines and forfeitures	371,087	-	-
Sale of property and compensation for loss	13,696	-	-
State aid	222,777	-	123,801
Federal aid	1,057	-	-
Miscellaneous	87,957	-	78,180
	<u>13,595,842</u>	<u>904,650</u>	<u>201,981</u>
Total Revenues			
EXPENDITURES			
Current			
General government support	1,086,096	-	-
Public safety	5,706,339	-	-
Transportation	507,721	-	-
Culture and recreation	280,266	-	-
Home and community services	1,030,813	967,403	-
Employee benefits	4,193,727	-	-
Debt service			
Principal	195,000	-	-
Interest	95,778	-	-
Capital outlay	-	-	215,510
	<u>13,095,740</u>	<u>967,403</u>	<u>215,510</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>500,102</u>	<u>(62,753)</u>	<u>(13,529)</u>
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	62,981	-	-
Transfers in	115,000	-	174,957
Transfers out	(174,957)	(90,000)	-
	<u>3,024</u>	<u>(90,000)</u>	<u>174,957</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	503,126	(152,753)	161,428
FUND BALANCES (DEFICITS)			
Beginning of Year	<u>1,778,701</u>	<u>349,620</u>	<u>(603,376)</u>
End of Year	<u>\$ 2,281,827</u>	<u>\$ 196,867</u>	<u>\$ (441,948)</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 10,470,274
-	35,709
-	1,243,644
-	1,693,816
-	3,356
-	126,500
-	230,619
-	371,087
-	13,696
-	346,578
-	1,057
15	166,152
15	14,702,488
-	1,086,096
-	5,706,339
-	507,721
660	280,926
-	1,998,216
-	4,193,727
-	195,000
-	95,778
-	215,510
660	14,279,313
(645)	423,175
-	62,981
-	289,957
(25,000)	(289,957)
(25,000)	62,981
(25,645)	486,156
36,889	1,561,834
\$ 11,244	\$ 2,047,990

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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, 2015

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 486,156</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	142,776
Depreciation expense	<u>(760,266)</u>
	<u>(617,490)</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>195,000</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	3,409
Compensated absences	79,118
Other post employment benefit obligations	<u>(1,370,000)</u>
	<u>(1,287,473)</u>
Change in Net Position of Governmental Activities	<u>\$ (1,223,807)</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, 2015

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 10,440,024	\$ 10,440,024	\$ 10,470,274	\$ 30,250
Other tax items	27,500	27,500	35,709	8,209
Non-property taxes	1,185,000	1,185,000	1,243,644	58,644
Departmental income	762,200	762,200	789,221	27,021
Intergovernmental charges	2,066	2,066	3,356	1,290
Use of money and property	127,200	127,200	126,445	(755)
Licenses and permits	165,000	165,000	230,619	65,619
Fines and forfeitures	330,000	330,000	371,087	41,087
Sale of property and compensation for loss	2,000	5,500	13,696	8,196
State aid	216,154	216,154	222,777	6,623
Federal aid	-	-	1,057	1,057
Miscellaneous	20,500	79,246	87,957	8,711
Total Revenues	13,277,644	13,339,890	13,595,842	255,952
EXPENDITURES				
Current				
General government support	1,560,059	1,216,429	1,086,096	130,333
Public safety	5,486,327	5,803,514	5,706,339	97,175
Transportation	399,807	516,367	507,721	8,646
Culture and recreation	300,617	284,617	280,266	4,351
Home and community services	1,066,894	1,043,058	1,030,813	12,245
Employee benefits	4,129,287	4,242,706	4,193,727	48,979
Debt service				
Principal	195,000	195,000	195,000	-
Interest	95,795	95,795	95,778	17
Total Expenditures	13,233,786	13,397,486	13,095,740	301,746
Excess (Deficiency) of Revenues Over Expenditures	43,858	(57,596)	500,102	557,698
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	20,000	27,187	62,981	35,794
Transfers in	90,000	90,000	115,000	25,000
Transfers out	(174,957)	(174,957)	(174,957)	-
Total Other Financing Sources (Uses)	(64,957)	(57,770)	3,024	60,794
Net Change in Fund Balances	(21,099)	(115,366)	503,126	618,492
FUND BALANCES				
Beginning of Year	21,099	115,366	1,778,701	1,663,335
End of Year	\$ -	\$ -	\$ 2,281,827	\$ 2,281,827

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)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
934,000	934,000	904,595	(29,405)
-	-	-	-
100	100	55	(45)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
934,100	934,100	904,650	(29,450)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
844,100	968,371	967,403	968
-	-	-	-
-	-	-	-
-	-	-	-
844,100	968,371	967,403	968
90,000	(34,271)	(62,753)	(28,482)
-	-	-	-
-	-	-	-
(90,000)	(90,000)	(90,000)	-
(90,000)	(90,000)	(90,000)	-
-	(124,271)	(152,753)	(28,482)
-	124,271	349,620	225,349
\$ -	\$ -	\$ 196,867	\$ 196,867

Village of Pelham, New York

Statement of Assets and Liabilities
Fiduciary Fund
May 31, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and equivalents	\$ 29,521
LIABILITIES	
Accounts payable	\$ 4,158
Deposits	<u>25,363</u>
Total Liabilities	<u>\$ 29,521</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, 2015.

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, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2015, 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is July 31, 2015.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the means of financing.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for 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 2014-2015 was \$25,855,157 which exceeded the actual levy by \$15,384,883.

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

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year, 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$441,948 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.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable consisted of the following:

Village taxes - Current year	\$ 29,963
Tax liens and overdue taxes	<u>20,919</u>
Total Taxes	50,882
Less - Allowance for uncollectable taxes	<u>(50,882)</u>
Taxes Receivable	<u><u>\$ -</u></u>

Village of Pelham, New York

Notes to Financial Statements (Continued)
 May 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2015 were as follows:

Fund	Due From	Due To
General	\$ 31	\$ -
Water	-	10
Capital Projects	-	21
	\$ 31	\$ 31

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

C. Capital Assets

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

	Balance June 1, 2014	Additions	Deletions	Balance May 31, 2015
Capital Assets, not being depreciated				
Land	\$ 528,387	\$ -	\$ -	\$ 528,387
Capital Assets, being depreciated				
Buildings and improvements	\$ 5,838,953	\$ 72,723	\$ -	\$ 5,911,676
Infrastructure	8,223,945	-	-	8,223,945
Machinery and equipment	726,391	-	40,445	685,946
Licensed vehicles	2,594,158	70,053	55,914	2,608,297
Total Capital Assets, being depreciated	17,383,447	142,776	96,359	17,429,864
Less Accumulated Depreciation for				
Buildings and improvements	1,830,168	144,069	-	1,974,237
Infrastructure	5,588,404	411,358	-	5,999,762
Machinery and equipment	528,182	31,720	40,445	519,457
Licensed vehicles	2,034,632	173,119	55,914	2,151,837
Total Accumulated Depreciation	9,981,386	760,266	96,359	10,645,293
Total Capital Assets, being depreciated, net	\$ 7,402,061	\$ (617,490)	\$ -	\$ 6,784,571
Capital Assets, net	\$ 7,930,448	\$ (617,490)	\$ -	\$ 7,312,958

Village of Pelham, New York

Notes to Financial Statements (Continued)
 May 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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

Governmental Activities:	
General Government Support	\$ 112,394
Public Safety	211,529
Transportation	404,225
Culture and Recreation	8,134
Home and Community Services	<u>23,984</u>
Total Depreciation Expense	<u>\$ 760,266</u>

D. Accrued Liabilities

Accrued liabilities at May 31, 2015 were as follows:

Payroll and Employee Benefits	<u>\$ 522,130</u>
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E. 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, 2015 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	20.3 %
	4 A15	20.3
	5 A15	16.6
	6 A15	10.9
PFRS	2 384D	27.3
	5 384D	22.0
	6 384D	15.4

Note 3 - Detailed Notes on All Funds (Continued)

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

	<u>ERS</u>	<u>PFRS</u>
2015	\$ 289,730	\$ 1,240,321
2014	304,461	1,211,313
2013	224,188	1,184,721

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.

F. 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, 2014	Redemptions	Balance May 31, 2015
Police Vehicles and DPW Equipment	10/01/10	09/25/15	0.89 %	\$ 54,440	\$ 26,250	\$ 28,190
DPW Sweeper/Vacuum	10/01/10	09/25/15	0.89	94,000	45,780	48,220
Road Construction	09/28/12	09/25/15	0.89	193,200	43,700	149,500
DPW Equipment	09/28/12	09/25/15	0.89	45,040	10,260	34,780
Police Vehicles	09/28/12	09/25/15	0.89	29,400	6,650	22,750
Police Vests	09/28/12	09/25/15	0.89	8,720	1,900	6,820
Police Security Camera	09/28/12	09/25/15	0.89	29,400	6,650	22,750
Fire Equipment	09/28/12	09/25/15	0.89	30,240	6,840	23,400
Fire Equipment	09/27/13	09/25/15	0.89	22,000	3,520	18,480
Highway Equipment	09/27/13	09/25/15	0.89	16,000	2,560	13,440
Firehouse Paving	09/27/13	09/25/15	0.89	15,000	2,400	12,600
Wolfs Lane Retaining Wall	09/27/13	09/25/15	0.89	25,000	4,000	21,000
3rd Street Flood Remediation	09/27/13	09/25/15	0.89	85,000	13,600	71,400
				<u>\$ 647,440</u>	<u>\$ 174,110</u>	<u>\$ 473,330</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.

Village of Pelham, New York

Notes to Financial Statements (Continued)
 May 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$6,328 were recorded in the fund financial statements in the General Fund. Interest expense of \$4,906 was recorded in the government-wide financial statements for governmental activities.

G. Long-Term Liabilities

The changes in the Village's long-term indebtedness during the year ended May 31, 2015 are summarized as follows:

	Balance June 1, 2014	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2015	Due Within One-Year
Bonds Payable	\$ 2,665,000	\$ -	\$ 195,000	\$ 2,470,000	\$ 195,000
Compensated Absences	421,848	882	80,000	342,730	34,000
Other Post Employment Benefit Obligations Payable	6,050,000	2,280,000	910,000	7,420,000	-
	<u>\$ 9,136,848</u>	<u>\$ 2,280,882</u>	<u>\$ 1,185,000</u>	<u>\$ 10,232,730</u>	<u>\$ 229,000</u>

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, 2015 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2015
Public Improvements	2003	\$ 300,000	September, 2021	5.000 %	\$ 145,000
Public Improvements	2006	1,392,720	September, 2020	4.0 - 4.375	610,000
Public Improvements	2012	1,913,792	September, 2032	2.0 - 4.000	1,715,000
					<u>\$ 2,470,000</u>

Interest expenditures of \$89,450 were recorded in the fund financial statements in the General Fund. Interest expense of \$87,463 was recorded in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of May 31, 2015 including interest payments of \$632,703 are as follows:

Year Ending May 31,	Principal	Interest	Total
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	205,000	51,169	256,169
2021-2025	595,000	180,363	775,363
2026-2030	515,000	103,669	618,669
2031-2033	345,000	18,463	363,463
	<u>\$ 2,470,000</u>	<u>\$ 632,703</u>	<u>\$ 3,102,703</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.

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

Note 3 - Detailed Notes on All Funds (Continued)

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
2015	9.50 %
2016	9.00
2017	8.50
2018	8.00
2019	7.50
2020	7.00
2021	6.50
2022	6.00
2023	5.50
2024+	5.00

The amortization basis is the level percentage of payroll method with an open amortization approach with 23 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, 2015 was as follows:

Active Employees	61
Retired Employees	64
	125
	125

Village of Pelham, New York

Notes to Financial Statements (Continued)

May 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component	
Actuarial Accrued Liability as of June 1, 2014	\$ 28,060,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability	<u>\$ 28,060,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 6,970,000</u>
UAAL as a Percentage of Covered Payroll	<u>402.58%</u>
Annual Required Contribution	\$ 2,360,000
Interest on Net OPEB Obligation	270,000
Adjustment to Annual Required Contribution	<u>(350,000)</u>
Annual OPEB Cost	2,280,000
Contributions Made	<u>(910,000)</u>
Increase in Net OPEB Obligation	1,370,000
Net OPEB Obligation - Beginning of year	<u>6,050,000</u>
Net OPEB Obligation - End of year	<u>\$ 7,420,000</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
2015	\$ 2,280,000	39.91 %	\$ 7,420,000
2014	2,300,000	35.65 %	6,050,000
2013	2,200,000	37.73	4,570,000

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.

H. Revenues and Expenditures

Interfund Transfers

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

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers in		Total
	General Fund	Capital Projects Fund	
General Fund	\$ -	\$ 174,957	\$ 174,957
Water Fund	90,000	-	90,000
Non-Major Governmental - Special Purpose Fund	25,000	-	25,000
	<u>\$ 115,000</u>	<u>\$ 174,957</u>	<u>\$ 289,957</u>

Transfers are used to move funds earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and move amounts earmarked in the operating funds to fulfill commitments of the General Fund.

I. Net Position

The components of net position are detailed below:

Net investment in capital assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation 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".

Notes to Financial Statements (Continued)
May 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2015				2014				
	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Fund	General Fund	Water Fund	Capital Projects Fund	Non-Major Governmental Fund	Total
Nonspendable									
Prepaid expenditures	\$ -	\$ -	\$ -	\$ -	\$ 28,977	\$ -	\$ -	\$ -	\$ 28,977
Restricted									
Trusts	-	-	-	11,244	-	-	-	36,889	36,889
Assigned									
Purchases on order									
General government support	2,800	-	-	-	5,799	-	-	-	5,799
Public safety	-	-	-	-	15,300	-	-	-	15,300
Subsequent year's expenditures									
Major funds	2,800	-	-	-	21,099	-	-	-	21,099
	100,000	-	-	-	-	-	-	-	-
	-	196,867	-	-	-	349,620	-	-	349,620
Total Assigned	102,800	196,867	-	-	21,099	349,620	-	-	370,719
Unassigned									
	2,179,027	-	(441,948)	-	1,737,079	-	(603,376)	-	1,125,249
Total Fund Balances	\$ 2,281,827	\$ 196,867	\$ (441,948)	\$ 11,244	\$ 1,778,701	\$ 349,620	\$ (603,376)	\$ 36,889	\$ 1,561,834

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.

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

Subsequent year's expenditures represent that at May 31, 2015, the Board has assigned the above amounts to be appropriated for the ensuing year's budget.

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.

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, 2012	\$ -	\$ 26,290,000	26,290,000	- %	\$ 6,750,000	389 %
June 1, 2013	-	27,440,000	27,440,000	-	6,870,000	399
June 1, 2014	-	28,060,000	28,060,000	-	6,970,000	403

Village of Pelham, New York

General Fund
 Comparative Balance Sheet
 May 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 2,920,789	\$ 2,557,685
Investments	60,436	60,430
Taxes receivable, net of allowance for uncollectible taxes of \$50,882 in 2015 and \$74,438 in 2014	-	-
Other receivables		
Accounts	107,172	147,431
Due from other governments	108,563	142,441
Due from other funds	31	7,137
	<u>215,766</u>	<u>297,009</u>
Prepaid expenditures	-	28,977
Total Assets	<u>\$ 3,196,991</u>	<u>\$ 2,944,101</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 135,336	\$ 155,442
Accrued liabilities	522,130	617,864
Due to retirement systems	257,698	392,046
Due to other funds	-	48
Total Liabilities	<u>915,164</u>	<u>1,165,400</u>
Fund balance		
Nonspendable	-	28,977
Assigned	102,800	21,099
Unassigned	<u>2,179,027</u>	<u>1,728,625</u>
Total Fund Balance	<u>2,281,827</u>	<u>1,778,701</u>
Total Liabilities and Fund Balance	<u>\$ 3,196,991</u>	<u>\$ 2,944,101</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,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 10,440,024	\$ 10,440,024	\$ 10,470,274	\$ 30,250
Other tax items	27,500	27,500	35,709	8,209
Non-property taxes	1,185,000	1,185,000	1,243,644	58,644
Departmental income	762,200	762,200	789,221	27,021
Intergovernmental charges	2,066	2,066	3,356	1,290
Use of money and property	127,200	127,200	126,445	(755)
Licenses and permits	165,000	165,000	230,619	65,619
Fines and forfeitures	330,000	330,000	371,087	41,087
Sale of property and compensation for loss	2,000	5,500	13,696	8,196
State aid	216,154	216,154	222,777	6,623
Federal aid	-	-	1,057	1,057
Miscellaneous	20,500	79,246	87,957	8,711
Total Revenues	13,277,644	13,339,890	13,595,842	255,952
EXPENDITURES				
Current				
General government support	1,560,059	1,216,429	1,086,096	130,333
Public safety	5,486,327	5,803,514	5,706,339	97,175
Transportation	399,807	516,367	507,721	8,646
Culture and recreation	300,617	284,617	280,266	4,351
Home and community services	1,066,894	1,043,058	1,030,813	12,245
Employee benefits	4,129,287	4,242,706	4,193,727	48,979
Debt service				
Principal	195,000	195,000	195,000	-
Interest	95,795	95,795	95,778	17
Total Expenditures	13,233,786	13,397,486	13,095,740	301,746
Excess (Deficiency) of Revenues Over Expenditures	43,858	(57,596)	500,102	557,698
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	20,000	27,187	62,981	35,794
Transfers in	90,000	90,000	115,000	25,000
Transfers out	(174,957)	(174,957)	(174,957)	-
Total Other Financing Sources (Uses)	(64,957)	(57,770)	3,024	60,794
Net Change in Fund Balance	(21,099)	(115,366)	503,126	618,492
FUND BALANCE				
Beginning of Year	21,099	115,366	1,778,701	1,663,335
End of Year	\$ -	\$ -	\$ 2,281,827	\$ 2,281,827

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 10,298,403	\$ 10,298,403	\$ 10,289,353	\$ (9,050)
27,500	27,500	24,440	(3,060)
1,145,000	1,145,000	1,237,587	92,587
762,050	762,050	745,001	(17,049)
1,969	1,969	5,627	3,658
132,500	132,500	130,240	(2,260)
173,000	173,000	273,895	100,895
315,000	315,000	333,703	18,703
2,000	2,000	9,265	7,265
206,154	207,354	226,704	19,350
-	-	(116,054)	(116,054)
21,000	45,811	53,567	7,756
<u>13,084,576</u>	<u>13,110,587</u>	<u>13,213,328</u>	<u>102,741</u>
1,546,217	1,205,954	1,105,734	100,220
5,473,370	5,731,125	5,640,660	90,465
968,912	502,592	495,906	6,686
-	277,067	275,083	1,984
866,200	1,167,849	1,161,511	6,338
4,050,692	4,132,732	4,124,287	8,445
190,000	190,000	190,000	-
108,675	108,644	108,643	1
<u>13,204,066</u>	<u>13,315,963</u>	<u>13,101,824</u>	<u>214,139</u>
<u>(119,490)</u>	<u>(205,376)</u>	<u>111,504</u>	<u>316,880</u>
20,000	29,971	95,693	65,722
140,000	140,000	146,653	6,653
(231,020)	(214,517)	(214,517)	-
<u>(71,020)</u>	<u>(44,546)</u>	<u>27,829</u>	<u>72,375</u>
(190,510)	(249,922)	139,333	389,255
<u>190,510</u>	<u>249,922</u>	<u>1,639,368</u>	<u>1,389,446</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,778,701</u>	<u>\$ 1,778,701</u>

Village of Pelham, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended May 31, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
REAL PROPERTY TAXES	\$ 10,440,024	\$ 10,440,024	\$ 10,470,274	\$ 30,250	\$ 10,289,353
OTHER TAX ITEMS	27,500	27,500	35,709	8,209	24,440
Interest and penalties on real property taxes					
NON-PROPERTY TAXES	935,000	935,000	994,876	59,876	976,816
Non-property tax distribution from County	130,000	130,000	113,906	(16,094)	133,335
Public utility taxes	120,000	120,000	134,862	14,862	127,436
Cable TV franchise fees	1,185,000	1,185,000	1,243,644	58,644	1,237,587
DEPARTMENTAL INCOME	1,000	1,000	483	(517)	1,591
Clerk fees	600	600	560	(40)	545
Police fees	100	100	140	40	100
Tax advertising	15,000	15,000	22,580	7,580	18,550
Safety inspection fees	340,000	340,000	391,275	51,275	356,042
Parking lots and fees	400,000	400,000	369,683	(30,317)	362,923
Parking meter fees	2,500	2,500	2,000	(500)	2,750
Zoning fees	3,000	3,000	2,500	(500)	2,500
Site plan fees	762,200	762,200	789,221	27,021	745,001
INTERGOVERNMENTAL CHARGES	2,066	2,066	3,356	1,290	5,627
Snow removal other governments					

USE OF MONEY AND PROPERTY

Interest earnings	15,200	15,200	6,288	(8,912)	13,215
Rental income	112,000	112,000	120,157	8,157	117,025
	127,200	127,200	126,445	(755)	130,240

LICENSES AND PERMITS

Business and occupational licenses	5,000	5,000	6,182	1,182	5,189
Street openings	35,000	35,000	36,250	1,250	53,580
Permit fees	125,000	125,000	188,187	63,187	215,126
	165,000	165,000	230,619	65,619	273,895
	330,000	330,000	371,087	41,087	333,703

FINES AND FORFEITURES

Fines and forfeited bail					
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of scrap	1,000	1,000	8,330	7,330	1,528
Other	1,000	4,500	5,366	866	7,737
	2,000	5,500	13,696	8,196	9,265

STATE AID

Per capita	73,154	73,154	80,500	7,346	78,662
Mortgage tax	140,000	140,000	129,882	(10,118)	154,667
Emergency management assistance	-	-	176	176	(10,675)
Police and fire grants	3,000	3,000	12,219	9,219	4,050
	216,154	216,154	222,777	6,623	226,704
	-	-	1,057	1,057	(116,054)

FEDERAL AID

Emergency management assistance					
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MISCELLANEOUS

Gifts and donations	5,000	11,628	11,628	-	9,273
Refunds of prior years' expenditures	5,000	5,000	20	(4,980)	-
Police overtime reimbursements	10,000	62,118	74,878	12,760	44,268
Miscellaneous	500	500	1,431	931	26
	20,500	79,246	87,957	8,711	53,567
	13,277,644	13,339,890	13,595,842	255,952	13,213,328

TOTAL REVENUES

(Continued)

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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, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
OTHER FINANCING SOURCES					
Insurance recoveries	\$ 20,000	\$ 27,187	\$ 62,981	\$ 35,794	\$ 95,693
Transfers in					
Water Fund	90,000	90,000	90,000	-	80,000
Capital Projects Fund	-	-	-	-	66,653
Special Purpose Fund	-	-	25,000	25,000	-
TOTAL OTHER FINANCING SOURCES	110,000	117,187	177,981	60,794	242,346
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 13,387,644	\$ 13,457,077	\$ 13,773,823	\$ 316,746	\$ 13,455,674

Village of Pelham, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended May 31, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 15,950	\$ 16,205	\$ 13,118	\$ 3,087	\$ 16,795
Mayor	6,500	9,306	8,473	833	5,680
Administrator	173,281	173,281	169,383	3,898	168,430
Treasurer	196,429	198,218	198,193	25	186,498
Assessment and taxation	5,900	4,161	4,158	3	5,849
Village office staff	74,999	75,349	70,201	5,148	66,738
Legal services	108,000	107,380	27,739	79,641	60,794
Engineering services	20,200	21,720	21,520	200	5,005
Village hall building	76,799	84,143	66,138	18,005	60,740
Central garage	281,101	295,288	276,960	18,328	283,833
Unallocated insurance	191,400	189,870	189,870	-	177,235
Municipal association dues	4,500	5,251	5,251	-	4,251
Judgments and claims	118,000	8,326	7,869	457	39,186
Taxes on Village property	9,200	10,131	10,131	-	6,710
Metropolitan commuter transportation mobility tax	17,800	17,800	17,092	708	17,990
Contingent account	260,000	-	-	-	-
	<u>1,560,059</u>	<u>1,216,429</u>	<u>1,086,096</u>	<u>130,333</u>	<u>1,105,734</u>
PUBLIC SAFETY					
Police department	3,557,322	3,760,367	3,677,864	82,503	3,562,010
Parking enforcement	70,000	70,000	62,567	7,433	51,032
Fire department	1,762,495	1,876,987	1,870,587	6,400	1,933,772
Safety inspection	96,510	96,160	95,321	839	93,846
	<u>5,486,327</u>	<u>5,803,514</u>	<u>5,706,339</u>	<u>97,175</u>	<u>5,640,660</u>

TRANSPORTATION

Street maintenance	167,807	224,700	222,218	2,482	214,697
Permanent improvements	5,000	8,945	8,745	200	-
Snow removal	100,000	140,891	140,891	-	149,412
Street lighting	103,000	99,523	93,837	5,686	106,052
Traffic equipment	24,000	42,308	42,030	278	25,745
	<u>399,807</u>	<u>516,367</u>	<u>507,721</u>	<u>8,646</u>	<u>495,906</u>

CULTURE AND RECREATION

Parks maintenance and security	300,617	284,617	280,266	4,351	275,083
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HOME AND COMMUNITY SERVICES

Planning and zoning board	2,200	2,300	2,200	100	2,265
Storm and sanitary sewers	207,309	149,358	146,877	2,481	215,432
Garbage collection and recycling	647,000	652,429	652,428	1	715,312
Community environment	35,000	38,967	31,418	7,549	35,232
Street cleaning	175,385	200,004	197,890	2,114	193,270
	<u>1,066,894</u>	<u>1,043,058</u>	<u>1,030,813</u>	<u>12,245</u>	<u>1,161,511</u>

EMPLOYEE BENEFITS

State retirement	275,998	289,731	289,730	1	304,461
Police and fire retirement	1,175,360	1,240,321	1,240,321	-	1,211,313
Local police pension	-	-	-	-	840
Disability benefits	66,414	128,120	127,112	1,008	69,042
Social security and medicare	482,950	451,557	450,253	1,304	463,521
Life insurance	5,280	5,280	5,280	-	5,434
Unemployment benefits	4,000	6,881	6,881	-	-
Workers' compensation insurance	330,000	331,531	331,531	-	380,752
Medical insurance	1,786,000	1,786,000	1,739,334	46,666	1,685,639
Employee assistance program	3,285	3,285	3,285	-	3,285
	<u>4,129,287</u>	<u>4,242,706</u>	<u>4,193,727</u>	<u>48,979</u>	<u>4,124,287</u>

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Village of Pelham, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended May 31, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
DEBT SERVICE					
Principal					
Serial bonds	\$ 195,000	\$ 195,000	\$ 195,000	\$ -	\$ 190,000
Interest					
Serial bonds	89,450	89,450	89,450	-	97,300
Bond anticipation notes	6,345	6,345	6,328	17	11,343
	95,795	95,795	95,778	17	108,643
	290,795	290,795	290,778	17	298,643
TOTAL EXPENDITURES	13,233,786	13,397,486	13,095,740	301,746	13,101,824
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	174,957	174,957	174,957	-	214,517
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 13,408,743	\$ 13,572,443	\$ 13,270,697	\$ 301,746	\$ 13,316,341

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Village of Pelham, New York

Water Fund
Comparative Balance Sheet
May 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 46,587	\$ 157,046
Accounts receivable	<u>213,429</u>	<u>193,488</u>
Total Assets	<u>\$ 260,016</u>	<u>\$ 350,534</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 63,139	\$ 914
Due to other funds	<u>10</u>	<u>-</u>
Total Liabilities	63,149	914
Fund balance		
Assigned	<u>196,867</u>	<u>349,620</u>
Total Liabilities and Fund Balance	<u>\$ 260,016</u>	<u>\$ 350,534</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,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 934,000	\$ 934,000	\$ 904,595	\$ (29,405)
Use of money and property	100	100	55	(45)
Total Revenues	934,100	934,100	904,650	(29,450)
EXPENDITURES				
Current				
Home and community services	844,100	968,371	967,403	968
Excess (Deficiency) of Revenues Over Expenditures	90,000	(34,271)	(62,753)	(28,482)
OTHER FINANCING USES				
Transfers out	(90,000)	(90,000)	(90,000)	-
Net Change in Fund Balance	-	(124,271)	(152,753)	(28,482)
FUND BALANCE				
Beginning of Year	-	124,271	349,620	225,349
End of Year	\$ -	\$ -	\$ 196,867	\$ 196,867

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 924,000 100	\$ 924,000 100	\$ 916,632 613	\$ (7,368) 513
924,100	924,100	917,245	(6,855)
844,100	844,100	823,394	20,706
80,000	80,000	93,851	13,851
(80,000)	(80,000)	(80,000)	-
-	-	13,851	13,851
-	-	335,769	335,769
\$ -	\$ -	\$ 349,620	\$ 349,620

Village of Pelham, New YorkCapital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 33,608	\$ 92,981
Receivables		
Due from other governments	-	501
Due from other funds	-	48
	<u>-</u>	<u>549</u>
Total Assets	<u>\$ 33,608</u>	<u>\$ 93,530</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 2,205	\$ 37,093
Retainages payable	-	5,236
Due to other funds	21	7,137
Bond anticipation notes payable	<u>473,330</u>	<u>647,440</u>
Total Liabilities	475,556	696,906
Fund deficit		
Unassigned	<u>(441,948)</u>	<u>(603,376)</u>
Total Liabilities and Fund Deficit	<u>\$ 33,608</u>	<u>\$ 93,530</u>

Village of Pelham, New York

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

	<u>2015</u>	<u>2014</u>
REVENUES		
State aid	\$ 123,801	\$ 108,532
Federal aid	-	7,050
Miscellaneous	<u>78,180</u>	<u>-</u>
Total Revenues	201,981	115,582
EXPENDITURES		
Capital outlay	<u>215,510</u>	<u>309,289</u>
Deficiency of Revenues Over Expenditures	<u>(13,529)</u>	<u>(193,707)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	174,957	214,517
Transfers out	<u>-</u>	<u>(66,653)</u>
Total Other Financing Sources	<u>174,957</u>	<u>147,864</u>
Net Change in Fund Balance	161,428	(45,843)
FUND DEFICIT		
Beginning of Year	<u>(603,376)</u>	<u>(557,533)</u>
End of Year	<u><u>\$ (441,948)</u></u>	<u><u>\$ (603,376)</u></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	\$ 17,395	\$ 17,394	\$ 1
Police Vehicles and DPW Equipment	125,000	125,000	-
DPW Sweeper/Vacuum	218,000	218,000	-
Police Vehicles	37,125	37,125	-
Road Construction	230,000	230,000	-
DPW Equipment	54,000	54,000	-
Police Vests	17,050	16,878	172
Police Security Camera	35,000	3,791	31,209
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	-
Wolfs Lane Playground	121,400	72,723	-
3rd Street Flood Remediation	85,420	85,420	-
Totals	<u>\$ 1,057,707</u>	<u>\$ 977,648</u>	<u>\$ 31,382</u>

Total Revenues	Fund Balance (Deficit) at May 31, 2015	Bond Anticipation Notes Out- standing at May 31, 2015
\$ 17,395	\$ 1	\$ -
96,810	(28,190)	28,190
169,780	(48,220)	48,220
14,375	(22,750)	22,750
80,500	(149,500)	149,500
19,220	(34,780)	34,780
10,230	(6,648)	6,820
12,250	8,459	22,750
19,362	(41,880)	41,880
2,635	(13,440)	13,440
2,400	(12,600)	12,600
4,000	(21,000)	21,000
72,723	-	-
14,020	(71,400)	71,400
\$ 535,700	\$ (441,948)	\$ 473,330

Village of Pelham, New York

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

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 12,204</u>	<u>\$ 36,889</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 960	\$ -
Fund balance		
Restricted	<u>11,244</u>	<u>36,889</u>
Total Liabilities and Fund Balance	<u>\$ 12,204</u>	<u>\$ 36,889</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>2015</u>	<u>2014</u>
REVENUES		
Miscellaneous	\$ 15	\$ 1,405
EXPENDITURES		
Current		
Culture and recreation	<u>660</u>	<u>1,323</u>
Excess (Deficiency) of Revenues Over Expenditures	(645)	82
OTHER FINANCING USES		
Transfers out	<u>(25,000)</u>	<u>-</u>
Net Change in Fund Balance	(25,645)	82
FUND BALANCE		
Beginning of Year	<u>36,889</u>	<u>36,807</u>
End of Year	<u><u>\$ 11,244</u></u>	<u><u>\$ 36,889</u></u>