

PRELIMINARY OFFICIAL STATEMENT

**NEW/RENEWAL ISSUES**

**SERIAL BONDS & BOND ANTICIPATION NOTES**

**MOODY'S INVESTORS SERVICE BOND RATING: "Aa2"**

**See "BOND RATING" herein**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds and Notes is not a specific preference item for purposes of the individual federal alternative minimum tax. Interest on the Bonds and Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds and Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and Notes. See "TAX MATTERS" herein.

The Bonds and Notes will be designated "qualified tax-exempt obligations" pursuant to Section 265(b) (3) of the Code.



**\$2,264,762**

**VILLAGE OF CROTON-ON-HUDSON  
WESTCHESTER COUNTY, NEW YORK  
GENERAL OBLIGATIONS**

**CUSIP BASE #: 227795†**

**\$1,288,400 Public Improvement (Serial) Bonds, 2024  
(the "Bonds")**

**Dated: September 26, 2024**

**Due: September 15, 2025-2040**

**MATURITIES\***

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2025	\$ 33,400				2033	\$ 80,000	**		
2026	60,000				2034	85,000	**		
2027	65,000				2035	90,000	**		
2028	70,000				2036	95,000	**		
2029	70,000				2037	95,000	**		
2030	75,000				2038	100,000	**		
2031	75,000				2039	105,000	**		
2032	80,000				2040	110,000	**		

\* The maturities of the Bonds are subject to change pursuant to the terms of the accompanying Notice of Private Competitive Bond Sale to achieve substantially level or declining annual debt service as provided in the New York Local Finance Law.

\*\* The Bonds maturing in the years 2033-2040, inclusive, are subject to redemption prior to maturity as described herein under the heading "Optional Redemption" herein.

**\$976,362 Bond Anticipation Notes, 2024  
(the "Notes")**

**Dated: September 26, 2024**

**Due: September 26, 2025**

**(collectively referred to herein as the "Bonds and Notes")**

The Bonds and Notes will constitute general obligations of the Village of Croton-on-Hudson, Westchester County, New York, (the "Village") all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and Notes and interest thereon, subject to applicable statutory limitations. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Bonds will be issued as registered bonds and, may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$8,400 with respect to the September 15, 2025 maturity. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on March 15 and September 15 in each year until maturity commencing September 15, 2025. Principal and interest will be paid by the Village to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, except for one necessary odd denomination which is or includes \$8,400 with respect to the September 15, 2025 maturity. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than \$1,288,400 and accrued interest, if any, on the total principal amount of the Bonds. A good faith deposit will not be required.

The Notes will not be subject to redemption prior to maturity. At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”).

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Village.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof except for a necessary odd denomination which is or includes \$6,362. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Village to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. See “BOOK-ENTRY-ONLY SYSTEM” herein.

The Bonds and Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective approving legal opinions as to the validity of the Bonds and Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds and Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about September 26, 2024.

**ELECTRONIC BIDS for the Bonds and Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.fiscaladvisorsauction.com](http://www.fiscaladvisorsauction.com) on September 12, 2024 by no later than 11:00 A.M., Prevailing Time, pursuant to the respective Notices of Sales. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Village, each bid will constitute an irrevocable offer to purchase the Bonds and Notes pursuant to the terms provided in the respective Notices of Sales.**

August 29, 2024

THE VILLAGE DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (“THE RULE”), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALES OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICES OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE VILLAGE WILL COVENANT IN AN UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE AS DEFINED IN THE RULE WITH RESPECT TO THE BONDS. SEE “APPENDIX-C, CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS” HEREIN. THE VILLAGE WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE WITH RESPECT TO THE NOTES. SEE “APPENDIX-D, MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES” HEREIN.

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# VILLAGE OF CROTON-ON-HUDSON WESTCHESTER COUNTY, NEW YORK

## VILLAGE OFFICIALS



BRIAN PUGH  
Mayor

LEN SIMON  
Deputy Mayor

### TRUSTEES

IAN W. MURTAUGH  
NORA M. NICHOLSON  
CARA POLITI

\* \* \* \* \*

BRYAN T. HEALY  
Village Manager

DANIEL TUCKER  
Village Treasurer

PAULINE DISANTO  
Village Clerk

MCCULLOUGH, GOLDBERGER & STAUDT, LLP  
Village Attorney



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE LLP  
Bond Counsel

No person has been authorized by the Village to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds and Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village.

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT**  
**OF THE**  
**VILLAGE OF CROTON-ON-HUDSON**  
**WESTCHESTER COUNTY, NEW YORK**  
**RELATING TO**  
**\$1,288,400 Public Improvement (Serial) Bonds, 2024**  
**and**  
**\$976,362 Bond Anticipation Notes, 2024**

This Official Statement, which includes the cover page and all appendices, has been prepared by the Village of Croton-on-Hudson, Westchester County, New York (the “Village”, “County”, and “State”, respectively) in connection with the sale by the Village of \$1,288,400 Public Improvement (Serial) Bonds, 2024 (the “Bonds”) and \$976,362 Bond Anticipation Notes, 2024 (the “Notes”).

The factors affecting the Village’s financial condition and the Bonds and Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Village’s tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Village contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and Notes and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and Notes and such proceedings.

**NATURE OF OBLIGATION**

Each of the Bonds and Notes when duly issued and paid for will constitute a contract between the Village and the holder thereof.

Holders of any series of bonds or notes of the Village may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds and Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Village’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean...So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the *Flushing National Bank* (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the *Flushing National Bank* (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in *Quirk*, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In *Quirk v. Municipal Assistance Corp.*, the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

## THE BONDS

### Description of the Bonds

The Bonds are general obligations of the Village, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Village is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Bonds will be dated the date of delivery and will mature in the principal amounts and on the dates as set forth on the cover page. Interest on the Bonds will be payable semi-annually on March 15 and September 15 in each year until maturity commencing September 15, 2025. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption." The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date. Interest will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of \$5,000 or integral multiples thereof except for one necessary odd denomination which is or includes \$8,400 with respect to the September 15, 2025 maturity. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the Village to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See “BOOK-ENTRY-ONLY SYSTEM” herein. The Bonds may not be converted into coupon bonds or be registered to bearer.

**Optional Redemption**

The Bonds maturing on or before September 15, 2032 shall not be subject to redemption prior to maturity. The Bonds maturing on or after September 15, 2033 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Village on September 15, 2032 or on any payment date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the Village by lot in any customary manner of selection as determined by the Village Treasurer. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

**Purpose of Issue – The Bonds**

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Village Law and the Local Finance Law and bond resolutions adopted by the Village Board Trustees for the following purposes:

<b>Resolution Date</b>	<b>Purpose</b>	<b>Amount of Bonds to be Issued</b>
06/12/24	Dump Truck	\$ 50,000
06/12/24	Fire Equipment	193,800
06/12/24	Harmon Firehouse	840,600
06/12/24	Manes Field	51,000
06/12/24	Police Headquarters	45,900
06/12/24	Roads	81,600
06/12/24	Water Management System	25,500
	Total	<u>\$ 1,288,400</u>

The proceeds of the Bonds will provide \$1,288,400 in new money to permanently finance the above-mentioned purposes.

**THE NOTES**

**Description of the Notes**

The Notes are general obligations of the Village, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Village is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See “TAX LEVY LIMITATION LAW” herein.

The Notes are dated September 26, 2024 and mature, without option of prior redemption, on September 26, 2025. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in denominations of \$5,000 each or multiples thereof, except for one odd denomination which is or includes \$6,362 either (i) be registered in the name of the purchaser, in certificated form with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) be registered as “book entry” notes in the name of Cede & Co. DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

## No Optional Redemption

The Notes are not subject to redemption prior to maturity.

## Purposes of Issue – The Notes

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Village Law and the Local Finance Law and bond resolutions adopted by the Village Board Trustees for the following purposes:

<b>Resolution Date</b>	<b>Purpose</b>	<b>Amount Outstanding</b>	<b>Principal Paydown</b>	<b>New Money</b>	<b>Notes to be Issued</b>
06/07/21	Harmon Area Planning Update	21,420	7,140	-	14,280
06/07/21	Police Equipment	19,629	6,543	-	13,086
06/07/21	Upper North Highland Storage Tank Study	15,300	5,100	-	10,200
06/07/21	Emergency Medical Services Dept Equipment	34,026	11,342	-	22,684
06/07/21	IT Upgrades	9,180	3,060	-	6,120
06/02/22	Computer Server	40,000	10,000	-	30,000
06/02/22	EMS Command Vehcile	20,000	5,000	-	15,000
06/02/22	Speed Recorders	4,976	1,244	-	3,732
06/02/22	Police Vehicles	62,000	31,000	-	31,000
06/02/22	License Plate Reader	24,000	6,000	-	18,000
06/02/22	Harmon Firehouse Design	200,000	40,000	-	160,000
06/12/23	Police Equipment	45,575	9,115	-	36,460
06/12/23	Municipal Building Upgrades	42,000	8,400	-	33,600
06/12/23	Electric Vehicle	45,000	9,000	-	36,000
06/12/23	Brook Street Drainage Study	50,000	10,000	-	40,000
06/12/23	Police Vehicles	60,000	20,000	-	40,000
06/12/23	TV Technology Upgrade	35,000	7,000	-	28,000
06/12/23	Fire Department Study	10,000	2,000	-	8,000
06/12/23	Pay Stations	35,000	7,000	-	28,000
06/12/24	LPR Police Dept	-	-	45,900	45,900
06/12/24	Municipal Building Retaining Wall	-	-	102,000	102,000
06/12/24	Police Vehicles	-	-	86,700	86,700
06/12/24	Police Equipment	-	-	106,200	106,200
06/12/24	Police Radios	-	-	41,000	41,000
06/12/24	Fire Equipment (Cancer Prevention)	-	-	20,400	20,400
		<u>\$773,106</u>	<u>\$198,944</u>	<u>\$402,200</u>	<u>\$976,362</u>

The proceeds of the Notes, along with \$198,944 available funds of the Village, will partially redeem and renew \$773,106 bond anticipation notes maturing on September 27, 2024 and will provide \$402,200 in new money for the above-mentioned purposes.

## BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds and Notes, if so requested. The Bonds and Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds. One fully-registered note certificate will be issued for each Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the



provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds and Notes, except in the event that use of the book-entry system for the Bonds and Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Principal and interest payments on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and Notes at any time by giving reasonable notice to the Village. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE VILLAGE CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS AND NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS AND NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS AND NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS AND NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE VILLAGE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE BONDS AND NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS AND NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE VILLAGE MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

### **Certificated Bonds**

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$8,400 with respect to the September 15, 2025 maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the Village upon termination of the book-entry-only system. Interest on the Bonds will be payable semi-annually on March 15 and September 15 in each year until maturity commencing September 15, 2025. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificate of Determination of the Village Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

### **Certificated Notes**

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the Village and discharging its responsibilities with respect thereto under applicable law, or the Village may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be issued in registered form registered in the name of the Purchaser in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$6,362. Principal of and interest on the Notes will be payable at the Village. The Notes will remain not subject to redemption prior to their stated final maturity date.

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## THE VILLAGE

### General Information

The Village was incorporated as a municipal government by the State in 1898. The Village is vested with such powers and has the responsibilities inherent in the operation of municipal government, including the adoption of rules and regulations to govern its affairs. In addition, the Village may tax real property situated in its boundaries and incur debt subject to the provisions of the State's Local Finance Law. There is one independent public school district (Croton-Harmon Union Free School District) situated in the Village that possesses the same powers with respect to taxation and debt issuance. While the Hendrick Hudson School District is not physically located within the District, some residents located in the north end of the Village pay taxes to the district. Village residents also pay real property taxes to the Town of Cortlandt (the "Town") and the County of Westchester (the "County") to support programs conducted by these governmental entities.

As of the date of this Official Statement, the Village has two apartment building projects which have received their approvals. These projects are located at 25 South Riverside Avenue and 1380 Albany Post Road. A total of 68 apartments will be constructed when these projects are completed. Seven of these apartments will be considered affordable units. As of August 1, 2024, the Village has issued temporary certificates of occupancy to the all-affordable multifamily development known as Maple Commons. This project is comprised of 33 units. Construction of an apartment building is also planned within the Village at 1 Croton Point Avenue on a Village-owned parcel currently operating as a public parking lot ('Parking Lot A'). The sale of this property to a developer is expected to close by the end of 2024. The Village anticipates a significant increase in its assessments when these projects are fully completed; however, the exact amounts are not known as of the date of this Official Statement.

The Village has also leased a portion of the Croton-Harmon Train Station parking lot to a solar developer for the installation of solar canopies and a battery energy storage system. This project is slated to be completed in November 2024 and will pay the Village \$480,705 annually in lease payments for 25 years with the option to renew for up to 20 additional years.

Government operations of the Village are subject to the provisions of the State Constitution and various statutes affecting village governments, including the Village Law, the General Municipal Law and the Local Finance Law.

Real property assessment, collection, and enforcement procedures are determined by the Real Property Tax Law and the County Tax Code. Real property taxes are levied & become a lien on June 1 of each year. The Village bills, collects and enforces unpaid Village real property taxes. See "Tax Collection Procedure" and "Tax Levies and Collection Record" under "Real Property Taxes" herein.

Source: Village officials.

### Larger Employers

<u>Name</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Westchester Medical Center	Hospital and healthcare services	4,464
PepsiCo Inc.	Multinational food, snack and beverage	3,966
IBM Corp.	Computer hardware and software	3,118
Saint John's Riverside Hospital	Hospital and healthcare services	2,756
White Plains Hospital	Hospital and healthcare services	2,185
Regeneron.	Biotechnology	2,000
Saint Joseph's Medical Center	Hospital and healthcare services	1,562
Northern Westchester Hospital	Hospital and healthcare services	1,313
Montefiore New Rochelle Hospital	Hospital and healthcare services	1,304

Source: County of Westchester Annual Comprehensive Financial Report for the fiscal year ending December 31, 2023 submitted to the Electronic Municipal Market Access website.

### Population Trends

	<u>Village of Croton-on-Hudson</u>	<u>Town of Cortlandt</u>	<u>Westchester County</u>	<u>New York State</u>
1990	7,018	37,357	874,866	17,990,455
2000	7,606	38,467	923,459	18,976,457
2010	8,070	41,592	949,113	19,378,102
2020	8,327	42,545	1,004,457	20,201,249
2023 (Estimate)	8,136	41,189	990,817	19,571,216

Source: U.S. Census Bureau.

**Selected Wealth and Income Indicators**

Per capita income statistics are available for the Village, Town, County and State. Listed below are select figures from the 2006-2010, 2016-2020 and 2018-2022 American Community Survey 5 Year Estimates.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
Village of:						
Croton-on-Hudson	\$ 47,962	\$ 62,532	\$ 77,032	\$ 111,486	\$ 171,801	\$ 192,700
Town of:						
Cortlandt	42,815	52,934	60,493	106,688	140,064	161,805
County of:						
Westchester	47,814	57,953	67,776	100,863	126,992	147,091
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Note: 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010, 2016-2020 and 2018-2022 American Community Survey data.

**Unemployment Rate Statistics**

Unemployment statistics are not available for the Village as such. The smallest area for which such statistics are available (which includes the Village) is the Town of Cortlandt and Westchester County. The information set forth below with respect to the Town and County are included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Town or County are necessarily representative of the Village, or vice versa.

	<u>Annual Average</u>							
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Town of Cortlandt	3.9%	4.1%	3.5%	3.4%	7.1%	4.2%	2.9%	3.1%
Westchester County	4.4%	4.5%	3.9%	3.6%	8.0%	4.8%	3.2%	3.4%
New York State	4.9%	4.6%	4.1%	3.9%	9.8%	7.1%	4.3%	4.2%

	<u>2024 Monthly Figures</u>							
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
Town of Cortlandt	3.5%	3.6%	3.5%	3.1%	3.4%	3.3%	3.7%	N/A
Westchester County	3.8%	4.0%	3.8%	3.4%	3.7%	3.6%	4.0%	N/A
New York State	4.3%	4.5%	4.2%	3.9%	4.2%	4.3%	4.9%	N/A

Note: Unemployment rates for August 2024 are unavailable as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

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## **Form of Village Government**

The Board of Trustees (the "Village Board") is the legislative, appropriating, governing and policy determining body of the Village, consisting of four trustees elected at large to serve a two-year term, and the Mayor. Trustees may be elected to an unlimited number of terms. It is the responsibility of the Village Board to enact, by resolution, all legislation, including ordinances and local laws. Annual operating budgets for the Village must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Village Board. The original issuance of all Village indebtedness is subject to approval by the Board.

The Mayor is the chief elected official of the Village and is elected for a two-year term of office with the right to succeed himself/herself. In addition, the Mayor is a full member of and the presiding officer of the Board.

The Village Board appoints a Village Manager who is responsible for managing daily operations.

The Village Clerk is appointed by the Mayor, subject to confirmation by the Board, to serve a two-year term.

The responsibilities of the Clerk are many and varied. The Clerk has custody of the corporate seal, books, records, and papers of the Village. and all the official reports and communications of the Board, and is clerk to the Board and each board of village officers and keeps the records of their proceedings. The Village Clerk is responsible for maintaining the Village code of laws and ordinances as it relates to the codes for building, plumbing, electric, zoning, vehicle and traffic regulations, and general ordinances.

The Village Treasurer is the chief fiscal officer of the Village. Duties of the Village Treasurer include maintaining the Village's accounting systems and records, which includes the responsibility to prepare and file an annual financial report with the State Comptroller, the custody and investment of Village funds, and debt management.

The Village provides its residents with many of the services traditionally provided by village governments. In addition, the Town and County furnish certain other services. A list of these services provided by the Village is as follows: police protection and law enforcement; fire protection; sewage collection services: refuse collection and incineration; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State's Vehicle and Traffic Law and local ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreational activities; building code enforcement; and planning and zoning administration. The Village's Emergency Medical Services operates as a department of the Village, similar to fire department services.

Pursuant to State law, the County is responsible for funding and providing various social service and health care programs such as Medicaid, aid to families, with dependent children, home relief and mental health programs. The County is also responsible for certain sewer services for which special purpose districts have been established. In addition, the County operates a two-year community college which offers associate degrees in various fields of study.

## **Budgetary Procedures**

The head of each administrative unit of the Village is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the Budget Officer (the Village Manager) on or before March 1st of each year. After reviewing these estimates, the Budget Officer prepares a tentative budget, which includes the Budget Officer's recommendations. The tentative budget is filed with the Village Clerk not later than March 20th. Subsequently, the Village Treasurer presents the tentative budget to the Board at a regular or special meeting. Following this review process, the tentative budget and such modifications, if any, as approved by the Board, become the preliminary budget. A public hearing on the preliminary budget, notice of which must be given at least five (5) days prior to the hearing, must be held not later than April 15th. After the public hearing, the Board may further change and revise the preliminary budget. The Board must adopt the preliminary budget as submitted or amended by May 1st, at which time the preliminary budget becomes the annual budget of the Village for the ensuing fiscal year. Budgetary control is the responsibility of the Village Treasurer.

The Village stayed within the Tax Cap for fiscal years ending May 31, 2023, May 31, 2024 and May 31, 2025.

The Village's tax levy limit for the fiscal year ending May 31, 2024 was 2.20% and the tax levy increase was 1.41%.

The Village's tax levy limit for the fiscal year ending May 31, 2025 was 4.21% and the tax levy increase was 3.18%.

Source: Village officials.

## State Aid

The Village receives financial assistance from the State. State Aid accounts for approximately 0.74% of the total general fund budgeted revenues of the Village in the 2025 fiscal year. A substantial portion of the State aid received is directed to be used for specific programs. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in any year or future years, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have an effect, although not substantial, upon the Village requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

## Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the Village has an investment policy applicable to the investment of all moneys and financial resources of the Village. The responsibility for the investment program has been delegated by the Board to the Village Treasurer, who was required to establish written operating procedures consistent with the Village's investment policy guidelines. According to the investment policy of the Village, all investments must conform to the applicable requirements of law and provide for the safety of the principal sufficient liquidity and a reasonable rate of return.

**Authorized Investments.** The Village has designated seven banks or trust companies located and authorized to conduct business in the State to receive deposits of money. The Village is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the Village is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the Village include: revenue mid tax anticipation notes issued by any municipality, school district or district corporation other than the Village (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies: obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the Village, but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The Village may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement: trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the Village, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State. Reverse repurchase agreements are not allowed under State Law.

**Collateral Requirements.** All Village deposits in excess of the applicable insurance coverage provided by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the "eligible securities", "eligible surety bonds" or "eligible letter of credit" as described in the law.

Eligible securities pledged to secure deposits must be held by the depository or third-party bank or trust company pursuant to written security and custodial agreements. The Village's security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection of such deposits in the event of a default. Securities not registered or inscribed in the name of the Village must be delivered, in a form suitable for transfer or with an assignment in blank, to the Village or its designated custodial bank. The custodial agreements used by the Village provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter or credit may be issued, in favor of the Village, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the Village in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

## **Employees**

The Village provides services through approximately 69 full-time employees. The following Table shows employee representation by collective bargaining agent and the date of expiration of their respective collective bargaining agreements.

<u>Employees</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
18	Croton-on-Hudson Police Benevolent Association	May 31, 2029
39	Teamsters Local 456	May 31, 2027

Source: Village officials.

## **Status and Financing of Employee Pension Benefits**

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

The ERS is non- contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The PFRS is non- contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For both ERS & PFRS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For both ERS & PFRS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The Village’s payments to ERS and PFRS since the 2020 fiscal year have been as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2020	\$664,518	\$645,672
2021	755,625	716,842
2022	749,701	758,798
2023	563,812	787,007
2024 (Unaudited)	639,706	865,162
2025 (Budgeted)	781,268	1,024,384

Source: Village officials. Table itself is not audited.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. Early retirement incentives were offered to both negotiating units that work with the Village in the calendar year 2021. One police department employee accepted the offer. The total payout was \$50,000 and the projected savings over the following three years was \$72,280.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees’ and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2021 to 2025) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2021	14.6%	24.4%
2022	16.2	28.3
2023	11.6	27.0
2024	13.1	27.8
2025	15.2	31.2

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Village, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. For 2014 and 2015 the rate is 12.0% for ERS and 20% for PFRS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The Village is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.



The investment of monies and assumptions underlying same, of the Retirement Systems covering the Village's employees is not subject to the direction of the Village. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Village which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

### Other Post-Employment Benefits

Healthcare Benefits. School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. Other Post-Employment Benefits ("OPEB") refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending May 31, 2019. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

Summary of Changes from the Last Valuation. The Village contracted with Danziger & Markhoff LLP, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal year ending May 31, 2023.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

Balance at May 31, 2022:	\$ 43,133,654
<u>Changes for the year:</u>	
Service cost	\$ 1,179,273
Interest	1,568,710
Differences between expected and actual experience	(3,452,316)
Changes of benefit terms	-
Changes in assumptions	(3,577,410)
Benefit payments	<u>(1,472,194)</u>
Net Changes	<u>(5,753,937)</u>
Balance at May 31, 2023:	<u>\$ 37,379,717</u>

Note: The above table is not audited. Information for the fiscal year ending May 31, 2024 is not available as of the date of this Official Statement.

GASB 45. Prior to GASB 75, GASB Statement No. 45 ("GASB 45") required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") was determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 did not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

Actuarial Valuations are required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

## Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which bonds and notes are to be issued, is the Village Law and the Local Finance Law.

The Village is in compliance with the procedure for the validation of the Bonds and Notes provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of this Village is past due.

The fiscal year of the Village is June 1 through May 31.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Village.

## Financial Statements

The Village retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Village. The financial affairs of the Village are also subject to annual audits by the State Comptroller. The last independent audit covers the fiscal year ending May 31, 2023, and is attached hereto as "APPENDIX – E". The (unaudited) annual financial report ("AFR") and audited financial statement for the fiscal year ending May 31, 2024 are not complete as of the date of this Official Statement. The Village's AFR for the fiscal year ending May 31, 2024 is expected to be available on or about September 1, 2024. The Village's independent audit for the fiscal year ending May 31, 2024 is expected to be available on or about November 30, 2024.

The Village complies with the Uniform System of Accounts as prescribed for towns in New York State by the State Comptroller. This System differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending December 31, 2003, the Village is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The Village hired an outside consultant to assist in implementation of GASB 34, inclusive of a physical review and documentation of all assets owned by the Village. The Village is currently in full compliance with GASB 34.

### *Unaudited Results for the Fiscal Year Ending May 31, 2024*

Summary unaudited projected information for the General Fund for the period ending May 31, 2024 is as follows:

Projected Revenues:	\$ 22,892,781
Projected Expenditures:	<u>22,261,512</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ 631,269</u>
Total General Fund Balance at May 31, 2023:	\$ 12,681,740
Total Projected General Fund Balance at May 31, 2024:	\$ 13,313,009

Note: These projections are based upon certain current assumptions and estimates, and the final audited results may vary therefrom. The Village's audited financial statements are expected to be available on or about November 30, 2024.

## The State Comptroller’s Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “significant fiscal stress”, in “moderate fiscal stress,” as “susceptible to fiscal stress” or “no designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past five years for the Village are as follows:

<u>Fiscal Year Ending May 31st</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	3.3
2022	No Designation	3.3
2021	No Designation	6.7
2020	No Designation	10.0
2019	No Designation	10.0

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference. Information for the fiscal year ending May 31, 2024 has not been calculated as of the date of this Official Statement.

## New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Village has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller’s office has not released an audit of the Village within the last five years. There are no State Comptroller audits of the Village that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

## TAX INFORMATION

### Taxable Valuations

<u>Fiscal Year Ending May 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuation	\$ 45,062,239	\$ 45,378,705	\$ 45,453,442	\$ 46,093,362	\$ 46,289,424
New York State Equalization Rate	3.30%	3.22%	3.22%	3.16%	2.89%
Total Taxable Full Valuation	\$ 1,365,522,394	\$ 1,409,276,553	\$ 1,411,597,578	\$ 1,458,650,696	\$ 1,601,710,173

### Tax Rate per \$1,000 (Assessed)

<u>Fiscal Year Ending May 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	\$ 264.73	\$ 271.96	\$ 278.44	\$ 278.44	\$ 286.06

## Tax Levy and Tax Collection Record

<u>Fiscal Year Ending May 31:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 11,929,350	\$ 12,453,284	\$ 12,655,820	\$ 12,834,004	\$ 13,241,617
Amount Uncollected <sup>(1)</sup>	-	122,045	-	326,359	547,740 <sup>(2)</sup>
% Uncollected	0.00%	0.98%	0.00%	2.54%	4.14%

(1) See "Tax Collection Procedure".

(2) Uncollected as of July 31, 2024.

## Tax Collection Procedure

The collection and enforcement of real property taxes is governed by the Real Property Tax Law of the State as well as by the County Tax Code.

The Village is responsible for levying, collecting and enforcing its own real property taxes. Taxes are levied on June 1 and may be paid without penalty at any time during the month of June. Late payments are assessed a 5% penalty for the first overdue month or fraction thereof and 1% each month thereafter up to a maximum of 12%.

Town, County and school district taxes levied against real property in the Village are collected by the Town. The Town must remit the full amount of the levy directly to the school districts and the County.

The following table sets forth the Village's gross tax levies and the current tax collection record.

## Larger Taxpayers 2023-2024 for the 2024-2025 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Consolidated Edison Co.	Utility	\$ 1,483,906
Croton Enterprises, LLC <sup>(1)</sup>	Shopping Plaza	462,750
Sky View Rehabilitation <sup>(1)</sup>	Nursing Home	411,882
Croton View Properties	Supermarket	294,245
Hudson National Golf Club	Golf Club	292,320
Bari Apartments LLC	Apartment Complex	267,915
1 HMB MZL Property Owners	Warehouse	231,550
420 South Riverside LLC	Shopping Plaza	124,200
Mapleby LLC	Supermarket	117,800
Cipes, Stephen	Apartment Complex	114,625

<sup>(1)</sup> Pending tax certiorari. The Village does not reasonably expect these outstanding tax certioraris to have a material impact on the Village. See "Litigation" herein.

The ten larger taxpayers listed above have a total taxable assessed valuation of \$3,801,193 which represents 8.2% of the 2024-2025 tax base of the Village.

Source: Village Tax Rolls.

## Constitutional Tax Margin

Computation of Constitutional Tax Margin for fiscal year ending May 31, 2023, May 31, 2024 and May 31, 2025 is as follows:

	<u>2023</u>	<u>2024</u>	<u>2025</u>
Five-Year Average Full Valuation.....	\$ 1,306,770,560	\$ 1,348,915,797	\$ 1,420,915,395
Tax Limit – 2.0% thereof.....	\$ 26,135,411	\$ 26,978,316	\$ 28,418,308
Add: Exclusions From Limit .....	\$ 2,339,852	\$ 2,451,254	\$ 3,695,960
Total Taxing Power .....	\$ 28,475,263	\$ 29,429,570	\$ 32,114,268
Less Total Levy .....	\$ 12,655,820	\$ 12,834,004	\$ 13,241,617
Constitutional Tax Margin.....	\$ 15,819,443	\$ 16,595,566	\$ 18,872,651

## **Additional Tax Information**

The Village assesses real property for the Village.

Veterans' and senior citizens' exemptions are offered to those who qualify. Exemptions are also offered to active volunteers of the Fire and Emergency Medical Services departments. Additional exemptions have been adopted within the past year for Gold Star Parents, those who add an accessory dwelling unit to their property and those who add living quarters for a parent or grandparent to their existing residence.

## **TAX LEVY LIMITATION LAW**

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

The New York State Constitution limits the power of the Village (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the Village and its indebtedness (including the Bonds and Notes), include the following provisions:

*Purpose and Pledge.* Subject to certain enumerated exceptions, the Village shall not give or loan any money or property to or in aid of any individual, private corporation or private undertaking or give or loan its credit to or in aid of any foreign or public corporation. The Village may contract indebtedness only for a Village purpose and shall pledge its faith and credit for the payment of the principal of any interest thereon.

*Payment and Maturity.* Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such

indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless substantially level or declining debt service is utilized. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its bonds.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real property of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the Village is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

## **Statutory Procedure**

In general, the State Legislature has authorized the power and procedure for the Village to borrow and incur indebtedness by the enactment of the Local Finance Law subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the Village Law and the General Municipal Law.

Pursuant to the Local Finance Law and Village Law, the Village authorizes the issuance of bonds by the adoption of a bond ordinance approved by at least two-thirds of the members of the Board of Trustees, the finance board of the Village. Customarily, the Board of Trustees has delegated to the Village Treasurer, as chief fiscal officer of the Village, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that when a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the Village is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations, and
- (3) An action contesting such validity, is commenced within twenty days after the date of such publication, or,

Such obligations are authorized in violation of the provisions of the Constitution.

The Village generally issues its obligations after the time period specified in 3, above has expired with no action filed that has contested validity. It is a procedure that is recommended by Bond Counsel and followed by the Village, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. The Village has authorized bonds for a variety of Village objects or purposes.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such bonds outstanding, commencing no later than two years from the date of the first of such bonds and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein.)

In general, the Local Finance Law contains provisions providing the Village with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget, deficiency and capital notes (see "Details of Outstanding Indebtedness" herein).

## Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending May 31<sup>st</sup>:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 33,705,400	\$ 34,124,990	\$ 31,965,000	\$ 30,536,500	\$ 30,374,620
Bond Anticipation Notes	552,689	334,155	361,415	424,503	773,106
Other Debt <sup>(1)</sup>	<u>887,748</u>	<u>685,087</u>	<u>470,084</u>	<u>241,987</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 35,145,837</u>	<u>\$ 35,144,232</u>	<u>\$ 32,796,499</u>	<u>\$ 31,202,990</u>	<u>\$ 31,147,726</u>

<sup>(1)</sup> Represents installment purchase debt for the purchase of land. The last payment was made by the Village on January 15, 2024.

## Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Village evidenced by bonds and notes as of August 29, 2024.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2024-2044	\$ 30,144,620
Bond Anticipation Notes Various projects	September 27, 2024	<u>773,106</u> <sup>(1)</sup>
Total Indebtedness		<u>\$ 30,917,726</u>

<sup>(1)</sup> To be redeemed with a portion of the proceeds of the Notes and \$198,944 available Village funds.

## Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 29, 2024:

Five-Year Average Full Valuation of Taxable Real Property .....	\$ 1,449,351,479
Debt Limit – 7% thereof .....	101,454,604

### Inclusions:

Bonds .....	\$ 30,144,620	
Bond Anticipation Notes .....	<u>773,106</u>	
Total Inclusions .....		<u>\$ 30,917,726</u>

### Exclusions:

Appropriations – Serial Bonds.....	\$ 1,566,049	
Appropriations – Bond Anticipation Notes ....	198,944	
Water Debt <sup>(1)</sup> .....	<u>11,097,518</u>	
Total Exclusions .....		<u>\$ 12,862,511</u>

Total Net Indebtedness Subject to Debt Limit .....	<u>\$ 18,055,215</u>
Net Debt-Contracting Margin .....	<u>\$ 83,399,389</u>
Percent of Debt Contracting Power Exhausted .....	17.80%

<sup>(1)</sup> Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

## Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

## Capital Project Plans

The Village issues serial bonds or bond anticipation notes annually to fund capital improvements.

The Village presently plans to undertake the following projects in the next five years:

- \$1,100,000 for a new fire engine
- \$1,200,000 for the expansion of the Village’s Municipal Building parking lot
- \$400,000 for renovations to an existing playground
- \$300,000 for a new sanitation truck
- \$250,000 for a new ambulance

The sources of funding for these projects will be debt issuance, the use of assigned and unassigned fund balance, and grant funding. The Village has sought and received grants and federal funding for many of these projects, including \$200,000 for the playground renovation. Since 2015, the Village has received more than \$4.5 million in grants to help offset its capital program.

## Cash Flow Borrowing

The Village has not found it necessary to issue revenue anticipation notes, tax anticipation notes, budget notes nor deficiency notes in the recent past, and has no plans to borrow for such in the foreseeable future.

## Estimated Overlapping Indebtedness

In addition to the Village, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Village. The estimated net outstanding indebtedness of such political subdivisions as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Village Share</u>	<u>Applicable Indebtedness</u>
County of:						
Westchester	12/31/2023 <sup>(2)</sup>	\$ 1,494,629,305	\$ 374,652,567 <sup>(3)</sup>	\$ 1,119,976,738	0.69%	\$ 7,727,839
Town of:						
Cortlandt	6/26/2024 <sup>(2)</sup>	15,750,000	4,327,851 <sup>(3)</sup>	11,422,149	17.54%	2,003,445
School District:						
Croton-Harmon UFSD	6/11/2024 <sup>(2)</sup>	16,974,894	7,333,154 <sup>(4)</sup>	9,641,740	67.44%	<u>6,502,389</u>
					Total:	<u>\$ 16,233,674</u>

- <sup>(1)</sup> Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- <sup>(2)</sup> Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- <sup>(3)</sup> Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- <sup>(4)</sup> Amount excluded represents State building aid on existing bonded indebtedness estimated to be received by the district pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963.

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## Debt Ratios

The following table sets forth certain ratios relating to the Village's net indebtedness as of August 29, 2024.

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 18,055,215	\$ 2,219.18	1.13%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	34,288,889	4,214.47	2.14

(a) The current estimated population of the Village is 8,136. (See "THE VILLAGE – Population" herein.)

(b) The Village's 2024-2025 full value of taxable real estate is \$1,601,710,173. (See "TAX INFORMATION" herein.)

(c) See "Debt Statement Summary" herein.

(d) Estimated net overlapping indebtedness is \$16,233,674. (See "Estimated Overlapping Indebtedness" herein.)

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

**General Municipal Law Contract Creditors' Provision.** Each Bond and Note when duly issued and paid for will constitute a contract between the Village and the holder thereof. Under current law, provision is made for contract creditors of the Village to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds and Notes in the event of a default in the payment of the principal of and interest on the Bonds and Notes.

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Village may not be enforced by levy and execution against property owned by the Village.

**Authority to File for Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as the Village, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds and Notes should the Village be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds and Notes to receive interest and principal from the Village could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Village (including the Bonds and Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

**State Debt Moratorium Law.** There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Village of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Village.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a "material change in circumstances" the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the *Flushing National Bank* case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict , subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Village has not requested FRB assistance nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes, such as the Notes.

**Default Litigation.** In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the

State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “NATURE OF OBLIGATION” and “State Debt Moratorium Law” herein.

**No Past Due Debt.** No principal of or interest on Village indebtedness is past due. See “CONTINUING DISCLOSURE – Historical Compliance” herein relating to debt payments.

## MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds and Notes. The following is a discussion of certain events that could affect the risk of investing in the Bonds and Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the Village as well as the market for the Bonds and Notes could be affected by a variety of factors, some of which are beyond the Village’s control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds and Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Village to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds and Notes could be adversely affected.

The Village is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Village, in any year, the Village may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Village. In some years, the Village has received delayed payments of State aid which resulted from the State’s delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also “THE VILLAGE - State Aid”).

There are a number of general factors which could have a detrimental effect on the ability of the Village to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Village. Unforeseen developments could also result in substantial increases in Village expenditures, thus placing strain on the Village’s financial condition. These factors may have an effect on the market price of the Bonds and Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds and Notes should elect to sell a Bond or Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds and Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds and Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and Notes and other debt issued by the Village. Any such future legislation would have an adverse effect on the market value of the Bonds and Notes (See “TAX MATTERS” herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Village and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Village and hence upon the market price of the Bonds and Notes. See “TAX LEVY LIMITATION LAW” herein.

### Cybersecurity

The Village, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Village faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. No assurances can be given that such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Village digital networks and systems and the costs of remedying any such damage could be substantial.

## COVID-19

While public health conditions have improved substantially following the initial outbreak of COVID-19 as a result of the widespread availability of vaccines, there can be no assurance against a resurgence of the disease and the imposition of associated public health restrictions in response. The spread or resurgence of disease could have a material adverse effect on the State and municipalities and school districts in the State, including the Village. Any future impact of COVID-19 and its variants to the Village's operations and finances cannot be predicted at this time due to the dynamic nature of COVID-19, including uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The Village will continue to monitor closely the current economic environment and the global COVID-19 pandemic situation, and take proactive measures as required to ensure the strong financial condition of the Village.

## TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds and Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Bonds and Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – F" and "APPENDIX – G".

To the extent the issue price of any maturity of the Bonds and Notes is less than the amount to be paid at maturity of such Bonds and Notes (excluding amounts stated to be interest and payable at least annually over the term of such Bonds and Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds and Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds and Notes is the first price at which a substantial amount of such maturity of the Bonds and Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds and Notes accrues daily over the term to maturity of such Bonds and Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds and Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds and Notes. Owners of the Bonds and Notes should consult their own tax advisors with respect to the tax consequences of ownership of Bonds and Notes with original issue discount, including the treatment of owners who do not purchase such Bonds and Notes in the original offering to the public at the first price at which a substantial amount of such Bonds and Notes is sold to the public.

Bonds and Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds or Notes") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Bond and Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds and Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Bonds and Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Bonds and Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Bonds and Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds and Notes. The Village has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds and Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds and Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds and Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds and Notes may adversely affect the value of, or the tax status of interest on, the Bonds and Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds and Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds and Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds and Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds and Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and Notes may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds and Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds and Notes. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds and Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Village, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Village has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds and Notes ends with the issuance of the Bonds and Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Village or the owners regarding the tax-exempt status of the Bonds and Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Village legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds and Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds and Notes, and may cause the Village or the owners to incur significant expense.

Payments on the Bonds and Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds and Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds and Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## LEGAL MATTERS

The legality of the authorization and issuance of the Bonds and Notes are covered by the approving legal opinions of Bond Counsel. The proposed form of Bond Counsel's opinions are attached hereto as "APPENDIX – F" and "APPENDIX – G".

Certain legal matters will be passed upon for the Village, by its Village Attorney.

## LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The Village does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Village.

In addition, certain property owners (including various largest taxpayers) have filed certiorari petitions under Article 7 of the Real Property Tax Law. Such petitions allege that property values as presently determined are excessive and request assessment reductions for one or more years and, in most actions, a refund of property taxes previously paid. The Village does not reasonably expect these outstanding tax certioraris to have a material impact on the Village, however, pursuant to State law, the Village may issue debt to pay tax certiorari refunds should the amount of such refunds exceed the amount on hand therefore.

To the best of knowledge of the Village, there is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Village threatened against or affecting the Village to restrain or enjoin the issuance, sale or delivery of the Bonds and Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds and Notes or any proceedings or authority of the Village taken with respect to the authorization, issuance or sale of the Bonds and Notes or contesting the corporate existence or boundaries of the Village.

## CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Village will enter into a Continuing Disclosure Undertaking with respect to the Bonds, a description of which is attached hereto as "APPENDIX – C" and an Undertaking to provide Material Event Notices with respect to the Notes, a description of which is attached hereto as "APPENDIX – D."

### Historical Compliance

Except as noted below, the Village is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

The Village made a late interest payment due on June 1, 2018 with respect to the \$1,616,700 Public Improvement (Serial) Bonds, Series 2017 due to an administrative oversight, and not due to insufficient funds being available. This was the first debt service payment on the 2017 Bonds and the Village did not receive the usual payment notice from DTC. The payment was subsequently made on June 5, 2018, the same day DTC notified the Village the payment was missed.

On April 15, 2020, the Village had principal payments in the amounts of \$90,000 and \$100,000 with respect to its 2008 and 2012 serial bonds. Due to a clerical error, the payment was not made until April 16, 2020. The payment delinquency was not a result of lack of available funds and occurred at the beginning of the COVID-19 pandemic when Village offices were closed. The current administrative team has a process in place to assure timely payment.

The Village failed to file its audited annual financial statements and Annual Financial Information and Operating Data within 180 days of the end of the fiscal years ending May 31, 2020 and May 31, 2021 as required by the continuing disclosure undertaking its 2012A, 2013A and 2013A Refunding Serial Bonds. A failure to file notice was submitted to the EMMA system on December 14, 2021 and amended on December 22, 2021 relating to the required filings for the fiscal year ending May 31, 2020 and May 31, 2021.

The Village failed to file its 2022 audited financial statements as required under its existing Continuing Disclosure Undertakings. The Village's 2022 audited financial statements were dated November 23, 2022, however, they were not posted to the EMMA system until August 17, 2023. A failure to file notice was submitted to the EMMA system on August 29, 2023 relating to the late filing of the 2022 audited financial statements.

The Village is aware of the requirements relating to Rule 15c2-12 and has a dissemination agent in place to complete the required filings.

## **BOND RATING**

The Notes are not rated.

Moody's Investors Service ("Moody's") has assigned its rating of "Aa2" to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the Bonds may have an adverse effect on the market price of the Bonds and Notes.

## **MUNICIPAL ADVISOR**

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Village on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and Notes. The advice on the plan of financing and the structuring of the Bonds and Notes was based on materials provided by the Village and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Village or the information set forth in this Official Statement or any other information available to the Village with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Village to Fiscal Advisors are partially contingent on the successful closing of the Bonds and Notes.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds and Notes. All expenses in relation to the printing of CUSIP numbers on the Bonds and Notes will be paid for by the Village provided, however; the Village assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds and Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Village management's beliefs as well as assumptions made by, and information currently available to, the Village's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Village's files with the repositories. When used in Village documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds and Notes.



Orrick, Herrington & Sutcliffe, LLP, New York, Bond Counsel expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Village for use in connection with the offer and sale of the Bonds and Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the Village will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Village.

The Official Statement is submitted only in connection with the sale of the Bonds and Notes by the Village and may not be reproduced or used in whole or in part for any other purpose.

The Village hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The Municipal Advisor may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://www.fiscaladvisors.com). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. The Municipal Advisor has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Village nor the Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, the Municipal Advisor and the Village disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. The Municipal Advisor and the Village also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Village contact information is as follows: Mr. Daniel Tucker, Village Treasurer, 1 Van Wyck Street, Croton-on-Hudson, New York 10520 telephone (914) 271-4781, fax (914) 271-2836, email [dtucker@crotononhudson-ny.gov](mailto:dtucker@crotononhudson-ny.gov).

Additional copies of the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at [www.fiscaladvisors.com](http://www.fiscaladvisors.com)

**VILLAGE OF CROTON-ON-HUDSON**

**Dated: August 29, 2024**

**DANIEL TUCKER**  
**VILLAGE TREASURER**

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending May 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>ASSETS</b>					
Cash and equivalents	\$ 4,952,871	\$ 7,595,229	\$ 7,751,897	\$ 7,315,433	\$ 3,219,509
Investments	1,103,741	1,293,907	1,217,905	1,536,436	8,058,768
Taxes receivable	55,010	45,449	253	-	-
Accounts receivable	589,919	97,897	63,532	79,231	120,136
State and Federal aid receivable	27,912	25,296	-	249,664	294,926
Due from other governments	309,565	258,103	401,050	453,388	474,604
Leases	-	-	-	-	2,188,703
Due from other Funds	3,077,956	674,157	642,849	1,137,759	3,379,030
Advances to other funds	-	-	-	-	-
Prepaid Expenditures	4,819	5,849	217	-	3,819
<b>TOTAL ASSETS</b>	<u>\$ 10,121,793</u>	<u>\$ 9,995,887</u>	<u>\$ 10,077,703</u>	<u>\$ 10,771,911</u>	<u>\$ 17,739,495</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Accounts Payable	\$ 745,597	\$ 324,649	\$ 391,440	\$ 204,174	\$ 241,021
Accrued Liabilities	464,850	432,167	548,207	507,871	647,614
Other Liabilities	-	-	-	-	-
Bond anticipation notes payable	-	-	-	-	-
Deposits payable	-	-	524,559	522,829	295,145
Employee payroll deductions	-	-	12,102	12,516	15,106
Due to Other Funds	223,866	76,294	94,746	117,379	839,506
Due to Other Governments	18,872	14,840	-	33,792	-
Unearned revenues	654,974	569,039	576,519	448,426	846,887
<b>TOTAL LIABILITIES</b>	<u>\$ 2,108,159</u>	<u>\$ 1,416,989</u>	<u>\$ 2,147,573</u>	<u>\$ 1,846,987</u>	<u>\$ 2,885,279</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Tax Revenues	41,068	45,519	292	-	-
Leases	-	-	-	-	2,172,476
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>41,068</u>	<u>45,519</u>	<u>292</u>	<u>-</u>	<u>2,172,476</u>
<b>FUND BALANCES</b>					
Nonspendable	\$ 4,819	\$ 5,849	\$ 217	\$ -	\$ 20,046
Restricted	1,730,371	1,922,436	1,919,180	2,030,092	2,147,580
Assigned	635,285	811,403	2,203,063	1,032,472	1,462,802
Unassigned	5,602,091	5,793,691	3,807,378	5,862,360	9,051,312
<b>TOTAL FUND BALANCES</b>	<u>7,972,566</u>	<u>8,533,379</u>	<u>7,929,838</u>	<u>8,924,924</u>	<u>12,681,740</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 10,121,793</u>	<u>\$ 9,995,887</u>	<u>\$ 10,077,703</u>	<u>\$ 10,771,911</u>	<u>\$ 17,739,495</u>

Source: 2019-2023 audited financial reports of the Village. Summary itself not audited.

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending May 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 11,542,729	\$ 11,642,590	\$ 12,131,047	\$ 12,347,525	\$ 12,662,904
Other Tax Items	34,901	31,663	139,614	33,870	33,192
Non-Property Tax Items	1,558,739	1,832,635	2,083,831	2,264,667	2,465,174
Departmental Income	4,895,363	4,419,424	1,909,538	2,958,157	3,923,791
Net change in fair value of investments	(89,477)	106,740	88,152	52,409	(254,838)
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	240,633	275,857	229,040	268,033	569,876
Licenses and Permits	201,507	239,135	209,585	261,103	556,175
Fines and Forfeitures	333,935	294,688	140,520	235,529	440,640
Sale of Property and Compensation for Loss	52,907	88,691	226,763	73,128	2,119,039
Miscellaneous	30,192	46,982	52,262	75,211	20,704
Interfund Revenues	490,000	-	-	-	-
Revenues from State Sources	190,157	213,904	264,333	312,227	315,087
Revenues from Federal Sources	109,117	76,663	44,377	714,617	559,893
<b>Total Revenues</b>	<u>\$ 19,590,703</u>	<u>\$ 19,268,972</u>	<u>\$ 17,519,062</u>	<u>\$ 19,596,476</u>	<u>\$ 23,411,637</u>
<b>EXPENDITURES</b>					
General Government Support	\$ 3,368,792	\$ 3,232,112	\$ 3,220,444	\$ 3,490,343	\$ 3,453,108
Public Safety	3,920,965	4,009,644	4,028,125	4,037,275	4,517,155
Health	488,976	461,945	431,761	616,548	443,116
Transportation	2,087,840	2,025,960	2,125,401	2,015,511	2,119,029
Economic opportunity and development	73,757	45,666	30,992	27,633	34,771
Culture and Recreation	923,731	823,201	490,203	651,261	817,153
Home and Community Services	1,021,775	954,144	991,539	889,443	1,109,719
Employee Benefits	4,548,179	4,508,038	4,619,751	4,726,217	4,971,498
Debt Service	7,693	17,720	11,023	2,406	1,916
<b>Total Expenditures</b>	<u>\$ 16,441,708</u>	<u>\$ 16,078,430</u>	<u>\$ 15,949,239</u>	<u>\$ 16,456,637</u>	<u>\$ 17,467,465</u>
<b>Net Change in Fund Balance</b>	<u>3,148,995</u>	<u>3,190,542</u>	<u>1,569,823</u>	<u>3,139,839</u>	<u>5,944,172</u>
<b>Other Financing Sources (Uses):</b>					
Insurance recoveries	42,270	22,339	59,723	38,963	129,148
Operating Transfers In	372,386	440,019	478,614	467,354	502,363
Operating Transfers Out	(3,332,408)	(3,092,087)	(2,711,701)	(2,651,070)	(2,818,867)
<b>Total Other Financing</b>	<u>(2,917,752)</u>	<u>(2,629,729)</u>	<u>(2,173,364)</u>	<u>(2,144,753)</u>	<u>(2,187,356)</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>231,243</u>	<u>560,813</u>	<u>(603,541)</u>	<u>995,086</u>	<u>3,756,816</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	7,741,323	7,972,566	8,533,379	7,929,838	8,924,924
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 7,972,566</u>	<u>\$ 8,533,379</u>	<u>\$ 7,929,838</u>	<u>\$ 8,924,924</u>	<u>\$ 12,681,740</u>

Source: 2019-2023 audited financial reports of the Village. Summary itself not audited.

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Fiscal Years Ending May 31:

	2023			2024	2025
	Original Budget	Final Actual	Audited	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Taxes	\$ 12,662,993	\$ 12,662,993	\$ 12,662,904	\$ 12,871,445	\$ 13,241,617
Other Tax Items	27,001	27,001	33,192	30,001	46,101
Non-Property Tax Items	1,983,640	1,983,640	2,465,174	2,172,680	2,272,680
Departmental Income	2,760,123	3,051,895	3,923,791	3,221,956	3,889,313
Net change in fair value of investments	-	-	(254,838)	-	-
Use of Money & Property	246,375	465,496	569,876	331,411	674,245
Licenses and Permits	203,500	223,500	556,175	242,800	261,900
Fines and Forfeitures	200,000	209,134	440,640	312,000	383,000
Sale of Property and Compensation for Loss	22,000	22,420	2,119,039	22,600	23,600
Miscellaneous	-	-	20,704	45,347	48,520
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	216,415	216,415	315,087	165,000	155,000
Revenues from Federal Sources	-	453,056	559,893	-	-
<b>Total Revenues</b>	<b>\$ 18,322,047</b>	<b>\$ 19,315,550</b>	<b>\$ 23,411,637</b>	<b>\$ 19,415,240</b>	<b>\$ 20,995,976</b>
<b>EXPENDITURES</b>					
General Government Support	\$ 3,527,207	\$ 3,496,372	\$ 3,453,108	\$ 3,627,163	\$ 3,849,199
Public Safety	4,057,766	4,576,425	4,517,155	4,611,767	4,741,831
Health	458,016	447,571	443,116	584,480	658,986
Transportation	2,774,743	2,212,905	2,119,029	2,869,326	3,085,321
Economic opportunity and development	29,412	34,871	34,771	35,781	48,497
Culture and Recreation	739,394	850,312	817,153	846,783	842,668
Home and Community Services	437,475	1,140,018	1,109,719	454,650	476,295
Employee Benefits	4,923,347	5,143,086	4,971,498	5,284,036	5,853,708
Debt Service	1,916	1,916	1,916	187,641	261,185
<b>Total Expenditures</b>	<b>\$ 16,949,276</b>	<b>\$ 17,903,476</b>	<b>\$ 17,467,465</b>	<b>\$ 18,501,627</b>	<b>\$ 19,817,690</b>
Net Change in Fund Balance	1,372,771	1,412,074	5,944,172	913,613	1,178,286
Other Financing Sources (Uses):					
Insurance recoveries	-	85,689	129,148	-	-
Operating Transfers In	500,000	500,000	502,363	625,000	525,000
Operating Transfers Out	(2,593,867)	(2,818,867)	(2,818,867)	(2,263,613)	(2,382,598)
<b>Total Other Financing</b>	<b>(2,093,867)</b>	<b>(2,233,178)</b>	<b>(2,187,356)</b>	<b>(1,638,613)</b>	<b>(1,857,598)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(721,096)	(821,104)	3,756,816	(725,000)	(679,312)
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	721,096	821,104	8,924,924	725,000	679,312
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,681,740</b>	<b>\$ -</b>	<b>\$ -</b>

Source: 2023 audited financial reports and 2024 and 2025 budgets (unaudited) of the Village. Summary itself not audited.

**APPENDIX - B**  
**Village of Croton-on-Hudson**

**BONDED DEBT SERVICE**

Fiscal Year Ending May 31st	Excluding the Bonds to be issued			Principal of the Bonds	Total Principal of All Issues
	Principal	Interest	Total		
2025	\$ 2,554,620	\$ 985,264	\$ 3,539,884	\$ -	\$ 2,554,620
2026	2,500,000	855,894	3,355,894	33,400	2,533,400
2027	2,610,000	764,944	3,374,944	60,000	2,670,000
2028	2,440,000	677,131	3,117,131	65,000	2,505,000
2029	2,060,000	590,481	2,650,481	70,000	2,130,000
2030	2,120,000	521,909	2,641,909	70,000	2,190,000
2031	1,945,000	450,745	2,395,745	75,000	2,020,000
2032	2,000,000	389,250	2,389,250	75,000	2,075,000
2033	1,950,000	328,694	2,278,694	80,000	2,030,000
2034	1,585,000	276,106	1,861,106	80,000	1,665,000
2035	1,570,000	232,969	1,802,969	85,000	1,655,000
2036	1,620,000	189,413	1,809,413	90,000	1,710,000
2037	1,095,000	146,050	1,241,050	95,000	1,190,000
2038	880,000	118,375	998,375	95,000	975,000
2039	730,000	96,863	826,863	100,000	830,000
2040	750,000	76,363	826,363	105,000	855,000
2041	525,000	54,600	579,600	110,000	635,000
2042	485,000	39,175	524,175	-	485,000
2043	505,000	23,975	528,975	-	505,000
2044	450,000	9,713	459,713	-	450,000
<b>TOTAL</b>	<b>\$ 30,374,620</b>	<b>\$ 6,827,912</b>	<b>\$ 37,202,532</b>	<b>\$ 1,288,400</b>	<b>\$ 31,663,020</b>

**APPENDIX - B1**  
**Village of Croton-on-Hudson**

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending May 31st	2013			2015		
	Refunding Bonds			Various Projects		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 185,000	\$ 1,850	\$ 186,850	\$ 155,000	\$ 96,331	\$ 251,331
2026	-	-	-	160,000	88,581	248,581
2027	-	-	-	165,000	80,581	245,581
2028	-	-	-	170,000	75,631	245,631
2029	-	-	-	175,000	70,531	245,531
2030	-	-	-	180,000	65,281	245,281
2031	-	-	-	185,000	59,881	244,881
2032	-	-	-	195,000	54,331	249,331
2033	-	-	-	200,000	48,481	248,481
2034	-	-	-	205,000	42,231	247,231
2035	-	-	-	210,000	35,825	245,825
2036	-	-	-	220,000	29,000	249,000
2037	-	-	-	225,000	23,500	248,500
2038	-	-	-	230,000	17,875	247,875
2039	-	-	-	240,000	12,125	252,125
2040	-	-	-	245,000	6,125	251,125
<b>TOTALS</b>	<b>\$ 185,000</b>	<b>\$ 1,850</b>	<b>\$ 186,850</b>	<b>\$ 3,160,000</b>	<b>\$ 806,312</b>	<b>\$ 3,966,312</b>

Fiscal Year Ending May 31st	2016			2016		
	Various Projects			Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 405,000	\$ 170,850	\$ 575,850	\$ 230,000	\$ 23,800	\$ 253,800
2026	420,000	158,700	578,700	235,000	14,500	249,500
2027	430,000	146,100	576,100	245,000	4,900	249,900
2028	440,000	133,200	573,200	-	-	-
2029	455,000	120,000	575,000	-	-	-
2030	465,000	106,350	571,350	-	-	-
2031	480,000	92,400	572,400	-	-	-
2032	490,000	78,000	568,000	-	-	-
2033	505,000	63,300	568,300	-	-	-
2034	520,000	48,150	568,150	-	-	-
2035	535,000	32,550	567,550	-	-	-
2036	550,000	16,500	566,500	-	-	-
<b>TOTALS</b>	<b>\$ 5,695,000</b>	<b>\$ 1,166,100</b>	<b>\$ 6,861,100</b>	<b>\$ 710,000</b>	<b>\$ 43,200</b>	<b>\$ 753,200</b>

Fiscal Year Ending May 31st	2017			2018		
	Various Projects			Various Projects		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 90,000	\$ 22,038	\$ 112,038	\$ 105,000	\$ 27,238	\$ 132,238
2026	90,000	20,013	110,013	105,000	24,875	129,875
2027	95,000	17,763	112,763	110,000	22,513	132,513
2028	95,000	15,150	110,150	110,000	20,038	130,038
2029	100,000	12,300	112,300	115,000	17,563	132,563
2030	100,000	9,300	109,300	115,000	14,400	129,400
2031	105,000	6,300	111,300	120,000	10,950	130,950
2032	105,000	3,150	108,150	120,000	7,350	127,350
2033	-	-	-	125,000	3,750	128,750
<b>TOTALS</b>	<b>\$ 780,000</b>	<b>\$ 106,013</b>	<b>\$ 886,013</b>	<b>\$ 1,025,000</b>	<b>\$ 148,675</b>	<b>\$ 1,173,675</b>

**APPENDIX - B2**  
**Village of Croton-on-Hudson**

Fiscal Year Ending May 31st	2018			2019		
	Various Projects			Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 40,000	\$ 21,750	\$ 61,750	\$ 470,000	\$ 126,250	\$ 596,250
2026	40,000	20,150	60,150	500,000	102,750	602,750
2027	40,000	18,550	58,550	525,000	77,750	602,750
2028	45,000	16,625	61,625	550,000	51,500	601,500
2029	45,000	14,375	59,375	235,000	24,000	259,000
2030	45,000	12,125	57,125	245,000	12,250	257,250
2031	50,000	9,750	59,750	-	-	-
2032	55,000	7,125	62,125	-	-	-
2033	55,000	4,375	59,375	-	-	-
2034	60,000	1,500	61,500	-	-	-
<b>TOTALS</b>	<b>\$ 475,000</b>	<b>\$ 126,325</b>	<b>\$ 601,325</b>	<b>\$ 2,525,000</b>	<b>\$ 394,500</b>	<b>\$ 2,919,500</b>

Fiscal Year Ending May 31st	2019			2020		
	Various Projects			Various Projects		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 180,000	\$ 54,956	\$ 234,956	\$ 140,000	\$ 33,038	\$ 173,038
2026	180,000	51,356	231,356	145,000	31,613	176,613
2027	185,000	47,756	232,756	145,000	30,072	175,072
2028	190,000	44,056	234,056	150,000	28,413	178,413
2029	195,000	40,256	235,256	150,000	26,725	176,725
2030	200,000	36,356	236,356	155,000	25,009	180,009
2031	205,000	32,356	237,356	155,000	23,169	178,169
2032	210,000	28,256	238,256	160,000	21,000	181,000
2033	215,000	24,056	239,056	160,000	18,400	178,400
2034	215,000	19,756	234,756	165,000	15,350	180,350
2035	220,000	15,188	235,188	165,000	12,050	177,050
2036	225,000	10,238	235,238	170,000	8,700	178,700
2037	230,000	5,175	235,175	175,000	5,250	180,250
2038	-	-	-	175,000	1,750	176,750
<b>TOTALS</b>	<b>\$ 2,650,000</b>	<b>\$ 409,763</b>	<b>\$ 3,059,763</b>	<b>\$ 2,210,000</b>	<b>\$ 280,538</b>	<b>\$ 2,490,538</b>

**APPENDIX - B3**  
**Village of Croton-on-Hudson**

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending May 31st	2022			2022		
	Refunding Bonds			Various Projects		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 460,000	\$ 219,425	\$ 679,425	\$ 30,000	\$ 21,000	\$ 51,000
2026	480,000	201,025	681,025	30,000	19,800	49,800
2027	515,000	181,825	696,825	35,000	18,500	53,500
2028	535,000	161,225	696,225	35,000	17,100	52,100
2029	430,000	139,825	569,825	35,000	15,700	50,700
2030	445,000	122,625	567,625	35,000	14,300	49,300
2031	465,000	104,827	569,827	40,000	12,800	52,800
2032	485,000	86,225	571,225	40,000	11,200	51,200
2033	500,000	69,825	569,825	40,000	9,800	49,800
2034	225,000	59,825	284,825	40,000	8,800	48,800
2035	235,000	55,325	290,325	45,000	7,950	52,950
2036	240,000	50,625	290,625	45,000	7,050	52,050
2037	245,000	45,825	290,825	45,000	6,150	51,150
2038	250,000	40,925	290,925	45,000	5,025	50,025
2039	255,000	35,925	290,925	45,000	3,675	48,675
2040	260,000	30,825	290,825	50,000	2,250	52,250
2041	270,000	24,975	294,975	50,000	750	50,750
2042	275,000	18,900	293,900	-	-	-
2043	280,000	12,713	292,713	-	-	-
2044	285,000	6,413	291,413	-	-	-
<b>TOTALS</b>	<b>\$ 7,135,000</b>	<b>\$ 1,669,102</b>	<b>\$ 8,804,102</b>	<b>\$ 685,000</b>	<b>\$ 181,850</b>	<b>\$ 866,850</b>

Fiscal Year Ending May 31st	2022			2023		
	Various Projects			Various Projects		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 30,000	\$ 37,281	\$ 67,281	\$ 34,620	\$ 129,457	\$ 164,077
2026	35,000	35,981	70,981	80,000	86,550	166,550
2027	35,000	34,559	69,559	85,000	84,075	169,075
2028	35,000	33,094	68,094	85,000	81,100	166,100
2029	35,000	31,606	66,606	90,000	77,600	167,600
2030	40,000	30,013	70,013	95,000	73,900	168,900
2031	40,000	28,313	68,313	100,000	70,000	170,000
2032	40,000	26,613	66,613	100,000	66,000	166,000
2033	45,000	24,806	69,806	105,000	61,900	166,900
2034	45,000	22,894	67,894	110,000	57,600	167,600
2035	45,000	20,981	65,981	115,000	53,100	168,100
2036	50,000	18,900	68,900	120,000	48,400	168,400
2037	50,000	16,650	66,650	125,000	43,500	168,500
2038	50,000	14,400	64,400	130,000	38,400	168,400
2039	55,000	12,038	67,038	135,000	33,100	168,100
2040	55,000	9,563	64,563	140,000	27,600	167,600
2041	60,000	6,975	66,975	145,000	21,900	166,900
2042	60,000	4,275	64,275	150,000	16,000	166,000
2043	65,000	1,463	66,463	160,000	9,800	169,800
2044	-	-	-	165,000	3,300	168,300
<b>TOTALS</b>	<b>\$ 870,000</b>	<b>\$ 410,403</b>	<b>\$ 1,280,403</b>	<b>\$ 2,269,620</b>	<b>\$ 1,083,282</b>	<b>\$ 3,352,902</b>



## CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS

In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”), the Village has agreed to provide, or cause to be provided,

- (i) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated September 12, 2024 of the Village relating to the Bonds under the headings “THE VILLAGE”, “TAX INFORMATION”, “STATUS OF INDEBTEDNESS”, “LITIGATION” and “APPENDIX A, A1, A2, B, B1, B2 and B3” by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending May 31, 2024, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending May 31, 2024; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Village of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Village of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
  - (a) principal and interest payment delinquencies
  - (b) non-payment related defaults; if material
  - (c) unscheduled draws on debt service reserves reflecting financial difficulties
  - (d) unscheduled draws on credit enhancements reflecting financial difficulties
  - (e) substitution of credit or liquidity providers, or their failure to perform
  - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
  - (g) modifications to rights of Bondholders; if material
  - (h) bond calls, if material, and tender offers
  - (i) defeasances
  - (j) release, substitution, or sale of property securing repayment of the Bonds; if material
  - (k) rating changes
  - (l) bankruptcy, insolvency, receivership or similar event of the Village;
  - (m) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
  - (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.
  - (o) incurrence of a financial obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect security holders, if material; and

- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Bonds.

With respect to event (d) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

For the purposes of the event identified in (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

With respect to events (o) and (p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The Village may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above, if the Village determines that any such other event is material with respect to the Bonds; but the Village does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

- (iii) in a timely manner, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The Village reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the Village no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Village acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Village's obligations under its continuing disclosure undertaking and any failure by the Village to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The Village reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Village, provided that, the Village agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

### MATERIAL EVENT NOTICES WITH RESPECT TO THE NOTES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the “Rule”), promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, the Village has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Note is outstanding, to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Note:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Village
- (m) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a “financial obligation” (as defined by the Rule) of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no “debt service reserves” will be established for the Notes.

With respect to event (d) the Village does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of

reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The Village reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the Village no longer remains an obligated person with respect to the Note within the meaning of the Rule. The Issuer acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Note). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Village’s obligations under its material event notices undertaking and any failure by the Village to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The Village reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Village; provided that the Village agrees that any such modification will be done in a manner consistent with the Rule.

An “Undertaking to Provide Notice of Material Events” to this effect shall be provided to the purchaser(s) at closing.

Please see the heading titled “CONTINUING DISCLOSURE – Historical Compliance” within the Official Statement for an overview of the Village’s past disclosure compliance.

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**VILLAGE OF CROTON-ON-HUDSON**  
**WESTCHESTER COUNTY, NEW YORK**

**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**

**May 31, 2023**

Such Audited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

The Village's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Village's independent auditor also has not performed any procedures relating to this Official Statement.

# **Village of Croton-on-Hudson, New York**

Financial Statements and  
Supplementary Information

Year Ended May 31, 2023

# Village of Croton-on-Hudson, New York

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## Village of Croton-on-Hudson, New York

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## **Independent Auditors' Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Croton-on-Hudson, New York ("Village"), as of and for the year ended May 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Water Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

We draw attention to Note 2E in the notes to financial statements which discloses the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases". Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information***

Our audit for the year ended May 31, 2023 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 for the year ended May 31, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended May 31, 2023 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended May 31, 2023.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Village as of and for the year ended May 31, 2022 (not presented herein), and have issued our report thereon dated November 23, 2022 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended May 31, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended May 31, 2022.

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
December 1, 2023

## **Village of Croton-on-Hudson, New York**

Management's Discussion and Analysis  
May 31, 2023

---

### **Introduction**

As management of the Village of Croton-on-Hudson, New York ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2023. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

### **Financial Highlights for Fiscal Year 2023**

- The General Fund completed fiscal year 2023 with a fund balance totaling \$12,681,740, an increase of \$3,756,816 from the prior year. Of the total General Fund, the unassigned fund balance totaled \$9,051,312, an increase from the prior year of \$3,188,952. This large increase in unassigned fund balance resulted from the sale of property in 2022, for which the Village received payment in the amount of \$2,000,000. The unassigned fund balance of \$9,051,312 is 44% of the 2023-24 budgeted appropriations. The assigned classification included \$173,495 for encumbrances, \$725,000 for subsequent year's expenditures, \$252,931 for contractual obligations, and \$311,376 for future retirement expenditures. \$656,928 was restricted for employee benefits which represents accumulated vacation and sick leave in accordance with various collective bargaining agreements. In addition, \$1,390,652 is restricted for pension benefits for the LOSAP and \$100,000 is restricted for tax stabilization purposes.
- On the government-wide financial statements, the assets and deferred outflows of resources of the Village was less than its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,367,127.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$16,661,126.
- The Capital Projects Fund expenditures totaled \$2,256,152 and the fund balance at May 31, 2023 was \$1,497,008.
- The Village retired \$141,132 of bond anticipation notes outstanding during the current fiscal year. At May 31, 2023, the Village had \$424,503 of bond anticipation notes outstanding to finance capital projects.
- During the 2023 fiscal year, the Village issued \$886,500 of serial bonds and retired \$2,340,000 of previously outstanding indebtedness. The Village's total outstanding general obligation bonds payable at May 31, 2023 totaled \$30,536,500, exclusive of unamortized issuance premiums of \$1,572,421. This represents a decrease in serial bonds of \$1,453,500 from the prior year.

## Overview of the Financial Statements

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

### Government-wide Financial Statements

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

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

The statement of activities presents information showing the change in the Village's net position during the current fiscal year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes and earned but unused vacation and sick leave. The focus of this statement is on the net cost of providing various services to the citizens of the Village.

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

### Fund Financial Statements

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Governmental resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

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

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

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

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

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

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

### **Notes to Financial Statement**

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

### **Other Information**

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the Village's Service Awards Program, other postemployment benefit obligations, the New York State Local Employees and Local Police and Fire Retirement Systems, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

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

The Village's assets and deferred outflows of resources were less than the liabilities and deferred inflows of resources by \$14,367,127 for fiscal year 2023. The reason for this is because beginning in fiscal year 2019 the Village was required to implement GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). This

statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service.

The following table reflects the condensed Statement of Net Position:

### Statement of Net Position

	May 31,	
	2023	2022
Current Assets	\$ 21,665,773	\$ 16,897,041
Capital Assets, net	53,505,394	53,876,975
Total Assets	75,171,167	70,774,016
Deferred Outflows of Resources*	17,772,108	21,293,706
Current Liabilities	3,101,798	2,495,977
Long-Term Liabilities	81,290,606	82,186,471
Total Liabilities	84,392,404	84,682,448
Deferred Inflows of Resources*	22,917,998	25,038,742
Net Position		
Net investment in capital assets	23,280,661	21,982,829
Restricted	1,149,902	1,263,150
Unrestricted	(38,797,690)	(40,899,447)
Total Net Position	\$ (14,367,127)	\$ (17,653,468)

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

	2023 Deferred Amounts	
	Outflows	Inflows
Police and Fire ("PFRS")	\$ 2,346,028	\$ 286,006
Employee ("ERS")	2,466,414	231,757
Fire Service Award Program	579,668	794,249
OPEB	12,190,996	19,433,510
Leases	-	2,172,476
Deferred Loss on Refunding Bonds	189,002	-
	\$ 17,772,108	\$ 22,917,998

One component of the Village's net position is net investment in capital assets of \$23,280,661 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position of \$1,149,902 represents resources that are subject to external restrictions on their use. The restrictions are:

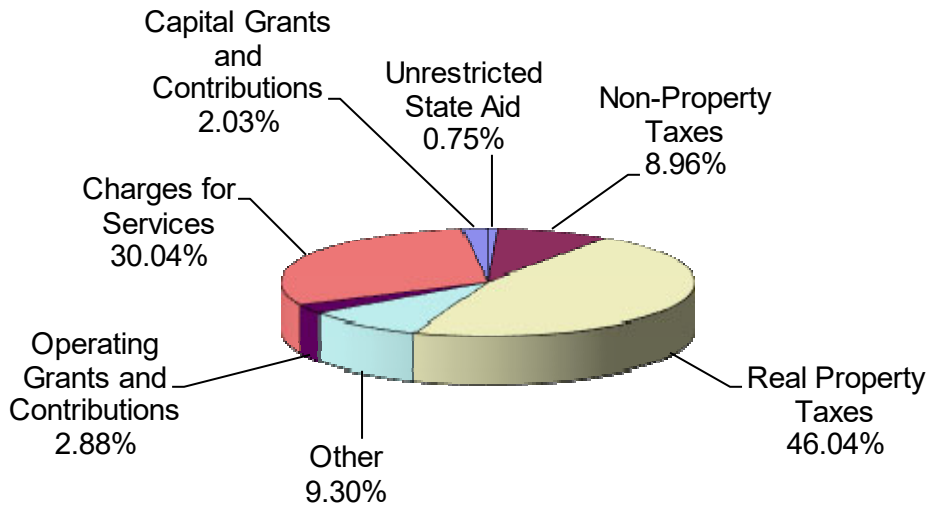
	<u>May31,</u>	
	<u>2023</u>	<u>2022</u>
Debt Service	\$ 414,823	\$ 496,664
Special Purpose	<u>735,079</u>	<u>766,486</u>
Restricted Net Assets	<u>\$ 1,149,902</u>	<u>\$ 1,263,150</u>



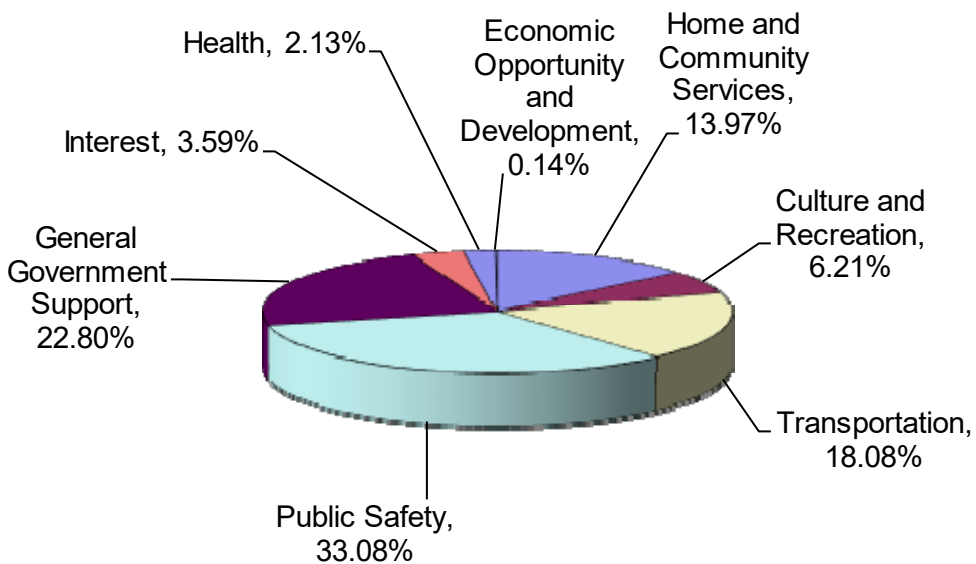
## Changes in Net Position

	Year Ended May 31,	
	2023	2022
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 8,262,965	\$ 6,939,681
Operating Grants and Contributions	792,749	829,313
Capital Grants and Contributions	558,466	459,581
Total Program Revenues	9,614,180	8,228,575
General Revenues		
Real Property Taxes	12,662,904	12,347,233
Other Tax Items	33,192	33,870
Non-Property Taxes	2,465,174	2,264,667
Unrestricted Use of Money and Property	271,176	1,736
Sale of Property and Compensation for Loss	2,119,039	73,128
Unrestricted State Aid	206,397	244,186
Miscellaneous	1,424	67,410
Insurance recoveries	129,148	38,963
Total General Revenues	17,888,454	15,071,193
Total Revenues	27,502,634	23,299,768
<b>PROGRAM EXPENSES</b>		
General Government Support	5,521,632	5,202,719
Public Safety	8,010,987	6,455,935
Health	514,835	473,926
Transportation	4,377,146	4,107,990
Economic Opportunity and Development	34,771	27,633
Culture and Recreation	1,503,243	1,401,272
Home and Community Services	3,384,038	3,099,966
Interest	869,641	898,875
Total Expenses	24,216,293	21,668,316
Change in Net Position	3,286,341	1,631,452
<b>NET POSITION</b>		
Beginning, as reported	(17,653,468)	(19,284,920)
Ending	\$ (14,367,127)	\$ (17,653,468)

**Sources of Revenue for Fiscal Year 2023  
Governmental Activities**



**Sources of Expenses for Fiscal Year 2023  
Governmental Activities**



**Governmental Activities:** Governmental activities increased the Village’s net position by \$3,286,341.

For the fiscal year ended May 31, 2023, revenues from governmental activities totaled \$27,502,634. Tax revenues of \$15,161,270 consisting of real property taxes, other tax items and non-property taxes, represented the largest revenue source at 63.1%.

## Financial Analysis of the Government's Funds

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

### Fund Balance Reporting

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

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

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

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

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

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

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

**Governmental Funds** - The table below outlines the various balances that comprise the total fund balance of the Village as of May 31, 2023 according to their GASB Statement No. 54 classifications along with what the former classifications would have been. More detailed information about the Village's fund balance is presented in note 3K in the notes to financial statements.

<u>GASB No. 54 Classification</u>	<u>Includes Former Classifications</u>	<u>Fund Balance</u>
Nonspendable Fund Balance	Leases	16,227
	Prepaid Expenditures	<u>3,819</u>
		<u>20,046</u>
Restricted Fund Balance	Reserved for Employee Benefits	663,793
	Reserved for Pension Benefits	1,390,652
	Reserved for Tax Stabilization	100,000
	Reserved for Debt Service	114,823
	Debt Service - for Subsequent Year's Expenditures	300,000
	Reserved for Capital Projects	1,497,008
	Reserved for Parklands	735,004
	Reserved for Trusts	<u>75</u>
	<u>4,801,355</u>	
Assigned Fund Balance	Reserved for Encumbrances:	
	General Government Support	28,090
	Public Safety	102,815
	Health	5,126
	Transportation	11,982
	Culture and Recreation	8,524
	Home and Community Services	54,068
	Designated for Subsequent Year's Expenditures:	
	Unassigned Fund Balance	725,000
	Designated for Future Retirement	
	Expenditures	311,376
	Contractual obligations	252,931
	Water Fund	535,116
Sewer Fund	<u>753,385</u>	
	<u>2,788,413</u>	
Unassigned Fund Balance	Unreserved and Undesignated:	
	General Fund	<u>9,051,312</u>
Total Fund Balances (as of May 31, 2023)		<u>\$ 16,661,126</u>

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

As of the end of the current fiscal year, the Village's governmental funds reported combined fund balances of \$16,661,126, an increase of \$3,448,452 from the prior year.

## General Fund Budgetary Highlights

When the fiscal 2022-2023 budget was adopted, it anticipated the use of \$400,000 of unassigned fund balance for the balancing of the operating budget. Actual operations resulted in an increase of \$3,756,816 to the overall general fund balance. Unassigned fund balance increased by \$3,188,952. As mentioned previously, this significant increase in fund balance was partially related to the sale of a village-owned property in 2022 for \$2,000,000.

## Capital Asset and Debt Administration

**Capital Assets:** The Village's investment in capital assets for its governmental activities as of May 31, 2023, amounted to \$53,505,394 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction-in-progress.

### Capital Assets (Net of Depreciation)

	May 31,	
	2023	2022
Land	\$ 4,773,011	\$ 4,773,011
Buildings and improvements	8,277,974	8,901,570
Machinery and equipment	4,542,680	4,786,981
Infrastructure	33,232,221	32,874,868
Construction-in-Progress	2,679,508	2,540,545
Total	<u>\$ 53,505,394</u>	<u>\$ 53,876,975</u>

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

**Long-term Debt:** On May 31, 2023, the Village had total debt outstanding of \$32,350,908, comprised of general obligation bonded debt of \$32,108,921, inclusive of \$1,572,421 of unamortized premiums, and installment purchase debt of \$241,987. During the 2022-2023 fiscal year, the Village issued \$886,500 of serial bonds and retired \$2,340,000 of serial bonds and made principal payment of \$228,097 of the installment debt. All of this debt is backed by the full faith and credit of the Village.

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

## Requests for Information

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

**Village of Croton-on-Hudson, New York**Statement of Net Position  
May 31, 2023

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 8,760,859
Investments	8,881,919
Receivables	
Accounts	121,636
Water rents	813,717
Sewer rents	125,590
State and Federal aid	294,926
Due from other governments	474,604
Leases	2,188,703
Prepaid expenses	3,819
Capital assets	
Not being depreciated	7,452,519
Being depreciated, net	46,052,875
Total Assets	<u>75,171,167</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding bonds	189,002
Pension related	4,812,442
OPEB related	12,190,996
Length of service awards programs	579,668
Total Deferred Outflows of Resources	<u>17,772,108</u>
<b>LIABILITIES</b>	
Accounts payable	574,321
Accrued liabilities	676,209
Deposits payable	295,145
Employee payroll deductions	15,106
Bond anticipation notes payable	424,503
Unearned revenues	846,887
Accrued interest payable	269,627
Non-current liabilities	
Due within one year	2,879,487
Due in more than one year	78,411,119
Total Liabilities	<u>84,392,404</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Leases	2,172,476
Pension related	517,763
OPEB related	19,433,510
Length of service awards programs	794,249
Total Deferred Inflows of Resources	<u>22,917,998</u>
<b>NET POSITION</b>	
Net investment in capital assets	23,280,661
Restricted	
Debt service	414,823
Special purpose	
Culture and recreation	735,079
Unrestricted	<u>(38,797,690)</u>
Total Net Position	<u>\$ (14,367,127)</u>

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

**Village of Croton-on-Hudson, New York**

Statement of Activities  
Year Ended May 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 5,521,632	\$ 556,103	\$ 24,077	\$ -	\$ (4,941,452)
Public safety	8,010,987	993,722	459,632	454,044	(6,103,589)
Health	514,835	433,332	-	-	(81,503)
Transportation	4,377,146	2,516,777	242,972	-	(1,617,397)
Economic opportunity and development	34,771	-	-	-	(34,771)
Culture and recreation	1,503,243	316,076	47,124	38,668	(1,101,375)
Home and community services	3,384,038	3,446,955	18,944	-	81,861
Interest	869,641	-	-	65,754	(803,887)
<b>Total Governmental Activities</b>	<b>\$ 24,216,293</b>	<b>\$ 8,262,965</b>	<b>\$ 792,749</b>	<b>\$ 558,466</b>	<b>(14,602,113)</b>
General revenues					
Real property taxes					12,662,904
Other tax items					
Interest and penalties on real property taxes					33,192
Non-property taxes					
Non-property tax distribution from County					2,166,744
Franchise fees					122,582
Utilities gross receipts taxes					174,208
Emergency Tenant Protection Act					1,640
Unrestricted use of money and property					271,176
Sale of property and compensation for loss					2,119,039
Unrestricted State aid					206,397
Miscellaneous					1,424
Insurance recoveries					129,148
<b>Total General Revenues</b>					<b>17,888,454</b>
Change in Net Position					3,286,341
Net Position - Beginning					(17,653,468)
Net Position - Ending					<b>\$ (14,367,127)</b>

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

Village of Croton-on-Hudson, New York

Balance Sheet  
 Governmental Funds  
 May 31, 2023

	General	Water	Debt Service
<b>ASSETS</b>			
Cash and equivalents	\$ 3,219,509	\$ 944,731	\$ 588,401
Investments	8,058,768	307,115	-
Other receivables			
Accounts	120,136	-	-
Water rents	-	813,717	-
Sewer rents	-	-	-
State and Federal aid	294,926	-	-
Due from other governments	474,604	-	-
Leases	2,188,703	-	-
Due from other funds	3,379,030	209,361	92,213
Prepaid expenditures	3,819	-	-
	<u>17,739,495</u>	<u>2,274,924</u>	<u>680,614</u>
Total Assets	<u>\$ 17,739,495</u>	<u>\$ 2,274,924</u>	<u>\$ 680,614</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 241,021	\$ 26,167	\$ -
Accrued liabilities	647,614	27,879	-
Bond anticipation notes payable	-	-	-
Deposits payable	295,145	-	-
Employee payroll deductions	15,106	-	-
Due to other funds	839,506	1,645,813	265,791
Unearned revenues	846,887	-	-
	<u>2,885,279</u>	<u>1,699,859</u>	<u>265,791</u>
Total Liabilities	<u>2,885,279</u>	<u>1,699,859</u>	<u>265,791</u>
Deferred inflows of resources			
Leases	2,172,476	-	-
	<u>2,172,476</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,057,755</u>	<u>1,699,859</u>	<u>265,791</u>
Fund balances			
Nonspendable	20,046	-	-
Restricted	2,147,580	6,865	414,823
Assigned	1,462,802	568,200	-
Unassigned	9,051,312	-	-
	<u>12,681,740</u>	<u>575,065</u>	<u>414,823</u>
Total Fund Balances	<u>12,681,740</u>	<u>575,065</u>	<u>414,823</u>
Total Liabilities and Fund Balances	<u>\$ 17,739,495</u>	<u>\$ 2,274,924</u>	<u>\$ 680,614</u>

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



Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 3,489,070	\$ 519,148	\$ 8,760,859
-	516,036	8,881,919
1,500	-	121,636
-	-	813,717
-	125,590	125,590
-	-	294,926
-	-	474,604
-	-	2,188,703
581,622	514,903	4,777,129
-	-	3,819
<u>\$ 4,072,192</u>	<u>\$ 1,675,677</u>	<u>\$ 26,442,902</u>
\$ 302,564	\$ 4,569	\$ 574,321
-	716	676,209
424,503	-	424,503
-	-	295,145
-	-	15,106
1,848,117	177,902	4,777,129
-	-	846,887
<u>2,575,184</u>	<u>183,187</u>	<u>7,609,300</u>
-	-	2,172,476
<u>2,575,184</u>	<u>183,187</u>	<u>9,781,776</u>
-	-	20,046
1,497,008	735,079	4,801,355
-	757,411	2,788,413
-	-	9,051,312
<u>1,497,008</u>	<u>1,492,490</u>	<u>16,661,126</u>
<u>\$ 4,072,192</u>	<u>\$ 1,675,677</u>	<u>\$ 26,442,902</u>

## Village of Croton-on-Hudson, New York

### Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position May 31, 2023

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

Total Fund Balances - Governmental Funds	<u>\$ 16,661,126</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	7,452,519
Capital assets - depreciable	95,725,599
Accumulated depreciation	<u>(49,672,724)</u>
	<u>53,505,394</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	4,812,442
Deferred outflows - OPEB related	12,190,996
Deferred outflows - length of service awards program(s)	579,668
Deferred inflows - pension related	(517,763)
Deferred inflows - OPEB related	(19,433,510)
Deferred inflows - length of service awards program(s)	<u>(794,249)</u>
	<u>(3,162,416)</u>
Long-term and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(269,627)
General Obligation Bonds payable	(30,536,500)
Installment purchase debt payable	(241,987)
Compensated absences	(2,055,259)
Net pension liability-ERS	(3,744,258)
Net pension liability-PFRS	(3,815,368)
Total OPEB Liability	(37,379,717)
Fire Service Award Program	<u>(1,945,096)</u>
	<u>(79,987,812)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	189,002
Premium on general obligation bonds	<u>(1,572,421)</u>
	<u>(1,383,419)</u>
Net Position of Governmental Activities	<u><u>\$ (14,367,127)</u></u>

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

**Village of Croton-on-Hudson, New York**

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended May 31, 2023

	General	Water	Debt Service
<b>REVENUES</b>			
Real property taxes	\$ 12,662,904	\$ -	\$ -
Other tax items	33,192	-	-
Non-property taxes	2,465,174	-	-
Departmental income	3,923,791	2,901,168	-
Net change in fair value of investments	(254,838)	-	-
Use of money and property	569,876	17,879	65,754
Licenses and permits	556,175	-	-
Fines and forfeitures	440,640	-	-
Sale of property and compensation for loss	2,119,039	1,065	-
State aid	315,087	-	-
Federal aid	559,893	-	-
Miscellaneous	20,704	-	-
	<u>23,411,637</u>	<u>2,920,112</u>	<u>65,754</u>
Total Revenues			
<b>EXPENDITURES</b>			
Current			
General government support	3,453,108	309,002	-
Public safety	4,517,155	-	-
Health	443,116	-	-
Transportation	2,119,029	-	-
Economic opportunity and development	34,771	-	-
Culture and recreation	817,153	-	-
Home and community services	1,109,719	775,552	-
Employee benefits	4,971,498	306,816	-
Debt service			
Principal	-	-	2,568,097
Interest	1,916	-	1,012,769
Capital outlay	-	-	-
	<u>17,467,465</u>	<u>1,391,370</u>	<u>3,580,866</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>5,944,172</u>	<u>1,528,742</u>	<u>(3,515,112)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	-	-	-
Insurance recoveries	129,148	-	-
Transfers in	502,363	-	3,608,271
Transfers out	(2,818,867)	(1,292,280)	(175,000)
	<u>(2,187,356)</u>	<u>(1,292,280)</u>	<u>3,433,271</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	3,756,816	236,462	(81,841)
<b>FUND BALANCES (DEFICIT)</b>			
Beginning of Year	<u>8,924,924</u>	<u>338,603</u>	<u>496,664</u>
End of Year	<u>\$ 12,681,740</u>	<u>\$ 575,065</u>	<u>\$ 414,823</u>

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 12,662,904
-	-	33,192
-	-	2,465,174
-	455,427	7,280,386
-	-	(254,838)
-	17,654	671,163
-	-	556,175
-	-	440,640
-	-	2,120,104
454,044	-	769,131
-	-	559,893
38,668	10,190	69,562
<u>492,712</u>	<u>483,271</u>	<u>27,373,486</u>
-	62,591	3,824,701
-	-	4,517,155
-	-	443,116
-	-	2,119,029
-	-	34,771
-	59,251	876,404
-	100,398	1,985,669
-	22,589	5,300,903
-	-	2,568,097
-	-	1,014,685
2,256,152	-	2,256,152
<u>2,256,152</u>	<u>244,829</u>	<u>24,940,682</u>
<u>(1,763,440)</u>	<u>238,442</u>	<u>2,432,804</u>
886,500	-	886,500
-	-	129,148
366,132	-	4,476,766
(29,766)	(160,853)	(4,476,766)
<u>1,222,866</u>	<u>(160,853)</u>	<u>1,015,648</u>
(540,574)	77,589	3,448,452
<u>2,037,582</u>	<u>1,414,901</u>	<u>13,212,674</u>
<u>\$ 1,497,008</u>	<u>\$ 1,492,490</u>	<u>\$ 16,661,126</u>

## Village of Croton-on-Hudson, New York

Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended May 31, 2023

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 3,448,452</u>
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.	
Capital outlay expenditures	2,326,284
Depreciation expense	<u>(2,697,865)</u>
	<u>(371,581)</u>
Issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Bonds issued	(886,500)
Principal paid on general obligation bonds	2,340,000
Principal paid on purchase debt	<u>228,097</u>
	<u>1,681,597</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	2,377
Compensated absences	(154,559)
Changes in pension liabilities and related deferred outflows and inflows of resources	(1,095,866)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(366,746)
Amortization of loss on refunding bonds and issuance premium	<u>142,667</u>
	<u>(1,472,127)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,286,341</u></u>

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

**Village of Croton-on-Hudson, New York**

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
General and Water Funds  
Year Ended May 31, 2023

	General			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 12,662,993	\$ 12,662,993	\$ 12,662,904	\$ (89)
Other tax items	27,001	27,001	33,192	6,191
Non-property taxes	1,983,640	1,983,640	2,465,174	481,534
Departmental income	2,760,123	3,051,895	3,923,791	871,896
Net change in fair value of investments	-	-	(254,838)	(254,838)
Use of money and property	246,375	465,496	569,876	104,380
Licenses and permits	203,500	223,500	556,175	332,675
Fines and forfeitures	200,000	209,134	440,640	231,506
Sale of property and compensation for loss	22,000	22,420	2,119,039	2,096,619
State aid	216,415	216,415	315,087	98,672
Federal aid	-	453,056	559,893	106,837
Miscellaneous	-	-	20,704	20,704
<b>Total Revenues</b>	<b>18,322,047</b>	<b>19,315,550</b>	<b>23,411,637</b>	<b>4,096,087</b>
<b>EXPENDITURES</b>				
Current				
General government support	3,527,207	3,496,372	3,453,108	43,264
Public safety	4,057,766	4,576,425	4,517,155	59,270
Health	458,016	447,571	443,116	4,455
Transportation	2,774,743	2,212,905	2,119,029	93,876
Economic opportunity and development	29,412	34,871	34,771	100
Culture and recreation	739,394	850,312	817,153	33,159
Home and community services	437,475	1,140,018	1,109,719	30,299
Employee benefits	4,923,347	5,143,086	4,971,498	171,588
Debt service				
Interest	1,916	1,916	1,916	-
<b>Total Expenditures</b>	<b>16,949,276</b>	<b>17,903,476</b>	<b>17,467,465</b>	<b>436,011</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,372,771</b>	<b>1,412,074</b>	<b>5,944,172</b>	<b>4,532,098</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	85,689	129,148	43,459
Transfers in	500,000	500,000	502,363	2,363
Transfers out	(2,593,867)	(2,818,867)	(2,818,867)	-
<b>Total Other Financing Uses</b>	<b>(2,093,867)</b>	<b>(2,233,178)</b>	<b>(2,187,356)</b>	<b>45,822</b>
<b>Net Change in Fund Balances</b>	<b>(721,096)</b>	<b>(821,104)</b>	<b>3,756,816</b>	<b>4,577,920</b>
<b>FUND BALANCES</b>				
Beginning of Year	721,096	821,104	8,924,924	8,103,820
End of Year	\$ -	\$ -	\$ 12,681,740	\$ 12,681,740

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

Water

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
2,710,904	2,710,904	2,901,168	190,264
-	-	-	-
100	9,343	17,879	8,536
-	-	-	-
-	-	-	-
-	1,065	1,065	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>2,711,004</u>	<u>2,721,312</u>	<u>2,920,112</u>	<u>198,800</u>
393,037	325,016	309,002	16,014
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
755,102	820,514	775,552	44,962
300,297	313,214	306,816	6,398
-	-	-	-
<u>1,448,436</u>	<u>1,458,744</u>	<u>1,391,370</u>	<u>67,374</u>
<u>1,262,568</u>	<u>1,262,568</u>	<u>1,528,742</u>	<u>266,174</u>
-	-	-	-
-	-	-	-
<u>(1,292,280)</u>	<u>(1,292,280)</u>	<u>(1,292,280)</u>	<u>-</u>
<u>(1,292,280)</u>	<u>(1,292,280)</u>	<u>(1,292,280)</u>	<u>-</u>
(29,712)	(29,712)	236,462	266,174
<u>29,712</u>	<u>29,712</u>	<u>338,603</u>	<u>308,891</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 575,065</u>	<u>\$ 575,065</u>

## Village of Croton-on-Hudson, New York

Notes to Financial Statements

May 31, 2023

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

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

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as applied 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 Village's significant accounting policies are described below:

#### **A. Financial Reporting Entity**

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

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

#### **B. Government-Wide Financial Statements**

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

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

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



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

**C. Fund Financial Statements**

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, 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 in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for certain defined purposes. The major special revenue fund of the Village is the Water Fund. The Water Fund is used to record the water utility operations of the Village, which renders services on a user charge basis to the general public. The major revenue of this fund is departmental income.

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

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

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

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

Special Revenue Funds:

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

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

- b. Fiduciary Funds (Not Included in Government-Wide Statements) - The Fiduciary Funds are used to account for assets held by the Village on behalf of others. In accordance with the provisions of GASB Statement No. 84, "Fiduciary Activities", the Village had no such activity to report in this fund category.

**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*. 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 when they have been earned and 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. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability, total pension liability and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

**Cash and Equivalents, Investments and Risk Disclosure**

**Cash and Equivalents** - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

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

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

**Investments** - (except Service Awards Investments which are discussed in Note 3A) - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Village follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The Village participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC") and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30<sup>th</sup>.

The Village's position in the pool, \$7,520,525, is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

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

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17<sup>th</sup> Street, Suite 1850, Denver, CO 80202.

**Risk Disclosure**

**Interest Rate Risk** - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Village does not invest in any long-term investment obligations.

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", 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, 2023.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Village does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

**Concentration of Credit Risk** - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Village's investment policy limits the amount on deposit at each of its banking institutions.

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

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

**Lease Receivable** - The Village is a lessor for a noncancellable leases of real property. The Village recognizes a lease receivable and a deferred inflow of resources in the government-wide and General Fund financial statements.

At the commencement of a lease, the Village initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

Key estimates and judgements include how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease-term, and (3) lease receipts.

- The Village uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Village monitors changes in circumstances that would require measurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**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, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation.

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

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)  
May 31, 2023

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

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Machinery and Equipment	5-20
Infrastructure	15-50

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

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

Unearned revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues of \$846,887 for ambulance, fire, parking permit fees and other fees received in advance in the General Fund. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets 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 includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Village reported deferred inflows of resources in the General Fund of \$2,172,476 in relation to its leases. This amount is deferred and recognized as an inflow of resources in the period that the amounts became available.

The Village reported deferred outflows of resources of \$189,002 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

The Village has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension, fire service award and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the Village's pension, fire service award and other postemployment benefit liabilities in Note 3H.

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

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

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

**Net Pension Liability (Asset)** - The net pension liability (asset) represents the Village's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68.*"

**Other Postemployment Benefit Liability ("OPEB")** - In addition to providing pension benefits, the Village provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

**Total Pension Liability – Length of Service Award Program** - The total pension liabilities for the Fire Service Award Program are presented in accordance with the provisions of GASB Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements Nos. 67 and 68*".

**Net Position** - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are

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

attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted* net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset 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. Restricted net position for the Village includes restricted for debt service and special purpose.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

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

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

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

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



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

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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

**F. Encumbrances**

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

**G. Use of Estimates**

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

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 1, 2023.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

- a) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the means of financing.
- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.

## Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)  
May 31, 2023

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

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

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

#### **B. Property Tax Limitations**

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 2022-2023 was \$26,135,411 which exceeded the actual levy (inclusive of exclusions) by \$13,479,591.

In addition to this constitutional tax limitation, Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)  
May 31, 2023

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

months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Board first enacts, by a vote of at least sixty percent of the total voting power of the Board, a local law to override such limit for such coming fiscal year.

**C. Excess of Actual Expenditures over budget – Capital Projects Fund**

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

Capital Projects Fund	
Village Wide Stormwater	\$ 312
DPW Vehicles	89,910
IT Server Upgrade	574
Speed Recorders	73

**D. Capital Projects Fund Deficits**

The deficits in various individual projects arise in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an “other financing source”. Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. This deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

**E. Cumulative Effect of Change in Accounting Principle**

The Village implemented the provisions of GASB Statement No. 87, “Leases,” for the year ended May 31, 2023, which established a single model for lease accounting based on the concept that leases are a financing of a “right-to-use” underlying asset. This statement requires a lessor to recognize a cumulative effect of change in accounting principle of \$2,376,351 for the lease receivable and \$2,376,351 for a deferred inflow of resources for a net cumulative effect of \$0 to the June 1, 2022 net position of governmental activities and the General Fund.

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)

May 31, 2023

**Note 3 - Detailed Notes on All Funds**

**A. Investments**

Investment of the Fire Service Award Program are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Village.

The Village had the following investments with average maturities and credit ratings in its Service Awards Program.

Type of Investment	Fair Value	N/A	1-5 Years	6-10 Years	Thereafter
Bond funds	\$ 487,008	\$ -	\$ 163,608	\$ 283,643	\$ 39,757
Treasury notes	143,507	143,507			
Certificates of deposit	211,940	211,940	-	-	
U.S. and international equities funds	518,939	518,939	-	-	-
	<u>\$ 1,361,394</u>	<u>\$ 874,386</u>	<u>\$ 163,608</u>	<u>\$ 283,643</u>	<u>\$ 39,757</u>

Type of Investment	Fair Value	N/A	A or better	BBB	BB	B or less
Bond funds	\$ 487,008	\$ -	\$ 197,221	\$ 157,269	\$ 39,757	\$ 92,761
Treasury notes	143,507	143,507				
Certificates of deposit	211,940	211,940	-	-	-	-
U.S. and international equities funds	518,939	518,939	-	-	-	-
	<u>\$ 1,361,394</u>	<u>\$ 874,386</u>	<u>\$ 197,221</u>	<u>\$ 157,269</u>	<u>\$ 39,757</u>	<u>\$ 92,761</u>

Investments in bond funds and U.S. and international equities fund are valued using Level one inputs. Certificates of deposits are not subject to the fair value hierarchy.

**B. Taxes Receivable**

Taxes receivable at May 31, 2023 consisted of the following:

Property acquired for taxes	\$ 34,055
Less - Allowance for uncollectible amounts	<u>(34,055)</u>
	<u>\$ -</u>

**C. Leases Receivable**

The Village has entered into lease agreements which provide for the lessees, of real property. The leases are effective through May 2078. Lease income during 2023 was \$203,875 and interest revenue was \$39,368. As of May 31, 2023, the leases receivable for the Village was \$2,188,703 and the deferred inflows of resources was \$2,172,476.

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)  
May 31, 2023

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

The following is a summary of the principal and interest requirements to maturity for the Village's lease receivable.

<u>Years Ended</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 147,905	\$ 58,097
2025	160,051	54,544
2026	152,340	50,758
2027	113,123	47,657
2028	65,328	45,264
2029-2033	331,867	200,023
2034-2038	254,850	157,040
2039-2043	260,216	121,674
2044-2048	300,398	81,492
2049-2053	62,291	53,431
2054-2058	50,076	46,634
2059-2063	57,789	38,921
2064-2068	66,690	30,020
2069-2073	76,962	19,747
2074-2078	88,817	7,893
	<u>\$ 2,188,703</u>	<u>\$ 1,013,195</u>

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

The balances reflected as due from/to other funds at May 31, 2023 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 3,379,030	\$ 839,506
Water	209,361	1,645,813
Debt Service	92,213	265,791
Capital Projects	581,622	1,848,117
Non-Major Governmental	514,903	177,902
	<u>\$ 4,777,129</u>	<u>\$ 4,777,129</u>

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

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)  
 May 31, 2023

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

**E. Capital Assets**

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

	Balance June 1, 2022	Additions	Deletions	Balance May 31, 2023
Capital Assets, not being depreciated:				
Land	\$ 4,773,011	\$ -	\$ -	\$ 4,773,011
Construction-in-progress	2,540,545	1,642,336	1,503,373	2,679,508
Total Capital Assets, not being depreciated	<u>\$ 7,313,556</u>	<u>\$ 1,642,336</u>	<u>\$ 1,503,373</u>	<u>\$ 7,452,519</u>
Capital Assets, being depreciated:				
Buildings and improvements	\$ 17,237,558	\$ 10,295	\$ -	\$ 17,247,853
Machinery and equipment	14,644,231	655,726	-	15,299,957
Infrastructure	61,656,489	1,521,300	-	63,177,789
Total Capital Assets, being depreciated	<u>93,538,278</u>	<u>2,187,321</u>	<u>-</u>	<u>95,725,599</u>
Less Accumulated Depreciation for:				
Buildings and improvements	8,335,988	633,891	-	8,969,879
Machinery and equipment	9,857,250	900,027	-	10,757,277
Infrastructure	28,781,621	1,163,947	-	29,945,568
Total Accumulated Depreciation	<u>46,974,859</u>	<u>2,697,865</u>	<u>-</u>	<u>49,672,724</u>
Total Capital Assets, being depreciated, net	<u>\$ 46,563,419</u>	<u>\$ (510,544)</u>	<u>\$ -</u>	<u>\$ 46,052,875</u>
Capital Assets, net	<u>\$ 53,876,975</u>	<u>\$ 1,131,792</u>	<u>\$ 1,503,373</u>	<u>\$ 53,505,394</u>

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

General Government Support	\$ 356,938
Public Safety	464,032
Health	68,928
Transportation	1,012,407
Culture and Recreation	262,501
Home and Community Services	533,059
	<u>\$ 2,697,865</u>

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)  
 May 31, 2023

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

**F. Accrued Liabilities**

Accrued liabilities at May 31, 2023 were as follows:

	General Fund	Water Fund	Non-Major Governmental Funds	Total
Payroll and Employee Benefits	\$ 647,614	\$ 27,879	\$ 716	\$ 676,209

**G. Short-Term Capital Borrowings - Bond Anticipation Notes**

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

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance June 1, 2022	New Issues	Redemptions	Balance May 31, 2023
Various	12/14/2017	12/9/2022	- %	\$ 20,400	\$ -	\$ 20,400	\$ -
Various	12/14/2018	9/29/2023	3.22	175,086	-	87,545	87,541
Various	12/9/2021	9/29/2023	3.22	165,929	-	33,187	132,742
	9/29/2022	9/29/2023	3.22	-	204,220	-	204,220
				<u>\$ 361,415</u>	<u>\$ 204,220</u>	<u>\$ 141,132</u>	<u>\$ 424,503</u>

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

Interest expenditures of \$1,916 were recorded in the fund financial statements in the General Fund and \$10,157 were recorded in the government-wide financial statements for governmental activities.

## Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)  
May 31, 2023

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

#### H. Long-Term Liabilities

The following table summarizes changes in the Village's long-term liabilities for the year ended May 31, 2023:

	Balance June 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2023	Due Within One Year
General Obligation Bonds Payable	\$ 31,990,000	\$ 886,500	\$ 2,340,000	\$ 30,536,500	\$ 2,431,500
Plus					
Unamortized premium on bonds	1,743,872	-	171,451	1,572,421	-
	<u>33,733,872</u>	<u>886,500</u>	<u>2,511,451</u>	<u>32,108,921</u>	<u>2,431,500</u>
Purchase Debt Payable	470,084	-	228,097	241,987	241,987
Other Non-Current Liabilities:					
Net Pension Liability-ERS	-	3,744,258	-	3,744,258	-
Net Pension Liability-PFRS	422,785	3,392,583	-	3,815,368	-
Total Pension Liability - Length of service award program	2,525,376	-	580,280	1,945,096	-
Compensated Absences	1,900,700	344,559	190,000	2,055,259	206,000
Other Postemployment Benefit Liability	43,133,654	-	5,753,937	37,379,717	-
Total Other Non- Current Liabilities	<u>48,452,599</u>	<u>7,481,400</u>	<u>6,752,314</u>	<u>49,181,685</u>	<u>447,987</u>
Total Long-Term Liabilities	<u>\$ 82,186,471</u>	<u>\$ 8,367,900</u>	<u>\$ 9,263,765</u>	<u>\$ 81,290,606</u>	<u>\$ 2,879,487</u>

Each governmental fund's liability for net pension liability, total pension liability – length of service award program, compensated absences and other postemployment benefit obligations is liquidated by the General, Water and Sewer funds. The Village's indebtedness for general obligation bonds and installment purchase debt is liquidated by the Debt Service Fund which is funded by the General, Water and Sewer Funds.

#### General Obligation Bonds Payable

General obligation bonds payable at May 31, 2023 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2023
Refunding Bond	2013	\$ 3,270,000	November, 2024	2.000 %	\$ 370,000
Various Purposes	2015	4,360,531	January, 2040	2.500-5.00	3,310,000
Refunding Bond	2016	2,035,000	July, 2026	4.000-5.00	930,000
Various Purposes	2016	8,578,200	April, 2036	3.000	6,090,000
Various Purposes	2017	1,331,780	February, 2032	2.125-3.00	865,000
Various Purposes	2018	1,616,700	December, 2032	2.250-3.00	1,130,000
Various Purposes	2019	640,000	May, 2034	4.000-5.00	510,000
Refunding Bond	2019	4,585,000	May, 2030	5.000	2,975,000
Various Purposes	2020	3,335,400	December, 2036	2.000-2.25	2,825,000
Various Purposes	2021	2,609,990	October, 2038	1.000-2.00	2,350,000
Refunding Bond	2022	8,350,000	April, 2044	2.000-4.00	7,580,000
Various Purposes	2022	740,000	October, 2040	2.000-4.00	715,000
Various Purposes	2023	886,500	October, 2040	4.000-4.50	886,500
					<u>\$ 30,536,500</u>



**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)  
May 31, 2023

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

Interest expenditures of \$987,935 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$839,782 was recorded in the government-wide financial statements for governmental activities.

**Purchase Debt**

The Village had entered into a contract to purchase land at a cost of \$4,000,000. An initial payment of \$500,000 was made at the closing and the balance of \$3,500,000 is payable in semi-annual installments of \$126,465, including interest at a rate of 6.0% per annum through 2024. The balance due at May 31, 2023 was \$241,987.

Interest expenditures of \$24,834 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$19,702 was recorded in the government-wide financial statements for governmental activities.

**Payments to Maturity**

The annual requirements to amortize all bonded and installment purchase debt outstanding as of May 31, 2023, including interest payments of \$6,715,300 are as follows:

Year Ending May 31,	General Obligation Bonds		Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,431,500	\$ 959,727	\$ 241,987	\$ 10,943	\$ 2,673,487	\$ 970,670
2025	2,520,000	855,807	-	-	2,520,000	855,807
2026	2,420,000	769,344	-	-	2,420,000	769,344
2027	2,525,000	680,869	-	-	2,525,000	680,869
2028	2,355,000	596,031	-	-	2,355,000	596,031
2029-2033	9,585,000	1,920,178	-	-	9,585,000	1,920,178
2034-2038	6,150,000	733,413	-	-	6,150,000	733,413
2039-2043	2,265,000	182,575	-	-	2,265,000	182,575
2044	285,000	6,413	-	-	285,000	6,413
	<u>\$ 30,536,500</u>	<u>\$ 6,704,357</u>	<u>\$ 241,987</u>	<u>\$ 10,943</u>	<u>\$ 30,778,487</u>	<u>\$ 6,715,300</u>

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

**Legal Debt Margin**

The Village is subject to legal limitations on the amount of debt that it may issue. The Village's legal debt margin is 7% of the five year average full valuation of taxable real property.

**Pension Plans**

*New York State and Local Retirement System*

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides

## Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2023

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

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

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31. The employer contribution rates for the plan’s year ended March, 31, 2023 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14/41J	13.0%
	4 A15/41J	13.0
	5 A15/41J	11.1
	6 A15/41J	8.2
PFRS	2 384D	29.0%
	5 384D*	25.0
	5 384D	27.6
	6 384D*	20.2

\* Indicates employees are required to make contributions for this PFRS tier/plan.

At May 31, 2023, the Village reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2023	March 31, 2023
Net pension liability	\$ 3,744,258	\$ 3,815,368
Villages’ proportion of the net pension liability	0.0174606 %	0.0692385 %
Change in proportion since the prior measurement date	(0.0004044) %	(0.0051896) %

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)

May 31, 2023

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

The net pension liability was measured as of March 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended May 31, 2023, the Village recognized its proportionate share of pension expense in the government-wide financial statements of \$1,245,375 for ERS and \$1,162,504 for PFRS. Pension expenditures of \$563,812 for ERS and \$802,968 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 532,895	\$ 802,968
Water Fund	30,570	-
Sewer Fund	347	-
	<u>\$ 563,812</u>	<u>\$ 802,968</u>

At May 31, 2023, the Village reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 398,793	\$ 105,153	\$ 372,914	\$ -
Changes of assumptions	1,818,453	20,097	1,859,219	-
Net difference between projected and actual earnings on pension plan investments	-	21,997	6,745	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	22,164	138,759	83,342	231,757
Village contributions subsequent to the measurement date	106,618	-	144,194	-
	<u>\$ 2,346,028</u>	<u>\$ 286,006</u>	<u>\$ 2,466,414</u>	<u>\$ 231,757</u>
	<u>Total</u>			
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		
Differences between expected and actual experience	\$ 771,707	\$ 105,153		
Changes of assumptions	3,677,672	20,097		
Net difference between projected and actual earnings on pension plan investments	6,745	21,997		
Changes in proportion and differences between Village contributions and proportionate share of contributions	105,506	370,516		
Village contributions subsequent to the measurement date	250,812	-		
	<u>\$ 4,812,442</u>	<u>\$ 517,763</u>		

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)

May 31, 2023

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

\$106,618 and \$144,194 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2024	\$ 438,127	\$ 388,159
2025	(248,101)	(115,924)
2026	753,878	1,086,766
2027	1,009,500	669,595
2028	-	61,867
	<u>\$ 1,953,404</u>	<u>\$ 2,090,463</u>

The total pension liability for the March 31, 2023 measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	ERS	PFRS
Measurement Date	March 31, 2023	March 31, 2023
Actuarial valuation date	April 1, 2022	April 1, 2022
Investment rate of return	5.9% *	5.9% *
Salary scale	4.4%	6.2%
Inflation rate	2.9%	2.9%
Cost of living adjustments	1.5%	1.5%

\*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)

May 31, 2023

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32 %	4.30 %
International Equity	15	6.85
Private Equity	10	7.50
Real Estate	9	4.60
Opportunistic/ARS Portfolio	3	5.38
Credit	4	5.43
Real Assets	3	5.84
Fixed Income	23	1.50
Cash	1	-
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.9%.

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	<u>1% Decrease (4.9%)</u>	<u>Current Discount Rate (5.9%)</u>	<u>1% Increase (6.9%)</u>
Village's proportionate share of the ERS net pension liability (asset)	<u>\$ 9,048,265</u>	<u>\$ 3,744,258</u>	<u>\$ (687,857)</u>
Village's proportionate share of the PFRS net pension liability (asset)	<u>\$ 7,953,314</u>	<u>\$ 3,815,368</u>	<u>\$ 388,901</u>

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)  
May 31, 2023

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

The components of the collective net pension liability as of the March 31, 2023 measurement date were as follows:

	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Total pension liability	\$ 232,627,259,000	\$ 43,835,333,000	\$ 276,462,592,000
Fiduciary net position	<u>211,183,223,000</u>	<u>38,324,863,000</u>	<u>249,508,086,000</u>
Employers' net pension liability (asset)	<u>\$ 21,444,036,000</u>	<u>\$ 5,510,470,000</u>	<u>\$ 26,954,506,000</u>
Fiduciary net position as a percentage of total pension liability	<u>90.78%</u>	<u>87.43%</u>	<u>90.25%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31<sup>st</sup>. Retirement contributions as of May 31, 2023 represent the employer contribution for the period of April 1, 2023 through May 31, 2023 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly. Accrued retirement contributions to ERS and PFRS as of May 31, 2023 were \$106,618 and \$144,194, respectively.

*Voluntary Defined Contribution Plan*

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

**Defined Benefit - Fire Service Award Program**

The Village's financial statements are for the year ended May 31, 2023. The information contained in this note is based on information for the Croton Volunteer Fire Department Length of Service Award Program for the program year ending on December 31, 2022, which is the most recent program year for which complete information is available. The Program is accounted for in the Village's financial statements within the General Fund - Fire Service Award Program – sub-fund.

*Plan description*

The Village established a defined benefit Service Award Program (referred to as a "LOSAP" - Length of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 2000 for the active volunteer firefighter members of the Village of Croton Volunteer Fire Department. This is a single employer defined benefit plan. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village is the Sponsor of the Program and the Program administrator.

An eligible Program Participant is defined to be an active volunteer firefighter who is at least 18 years of age and upon earning 50 or more points in a calendar year after 2000 under the provisions of the Program point system, is eligible to become a participant in the Program. Points are granted for the performance of certain activities in accordance with a system established by the Village on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the

## Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)  
May 31, 2023

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

Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 62 or the participant's age after earning 50 program points), shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity.

#### *Benefits provided*

The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Village Board, are authorized to invest the funds in authorized investment vehicles. Administrative costs are paid by the Village from the General Fund. Separate financial statements are not issued by the Program.

#### *Participants covered by the benefit terms.*

At the December 31, 2022 measurement date, the following participants were covered by the benefit terms.

Inactive participants currently receiving benefit payments	40
Inactive participants entitled to but not yet receiving benefit payments	14
Active participants	<u>66</u>
Total	<u><u>120</u></u>

#### *Contributions*

New York State General Municipal Law §219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village.

#### **Measurement of Total Pension Liability**

The total pension liability at the December 31, 2022 measurement date was determined using an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry Age Normal  
Inflation: 2.25%  
Salary Scale: None assumed

Mortality rates were based on RP-2014 Male Mortality Table without projection for mortality improvement.

*Discount Rate.* The discount rate used to measure the total pension liability was 4.31%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)

May 31, 2023

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

in the S&P Municipal Bond Index with maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Services, AA by Fitch or AA by Standard & Poor's Rating Services.

**Changes in the Total Pension Liability**

Balance as of 12/31/2021 measurement date	\$ 2,525,376
Service Cost	116,408
Interest	58,037
Changes of assumptions or other inputs	(681,279)
Differences between expected and actual experience	28,266
Benefit Payments	<u>(101,712)</u>
Balance as of 12/31/2022 measurement date	<u>\$ 1,945,096</u>

*Sensitivity of the Total Pension Liability to changes in the discount rate.* The following presents the total pension liability of the Village as of the December 31, 2022 measurement date, calculated using the discount rate of 4.31 percent, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.31 percent) or 1-percentage point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Pension Liability	<u>\$ 2,234,490</u>	<u>\$ 1,945,096</u>	<u>\$ 1,711,316</u>

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2022, the Village recognized pension expense of \$171,083 in the governmental activities and \$116,316 in the Fire Service Award Program – sub-fund. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 86,048	\$ 11,030
Changes of assumptions or other inputs	458,053	783,219
Benefit payments & administrative expenses subsequent to the measurement date	<u>35,567</u>	<u>-</u>
	<u>\$ 579,668</u>	<u>\$ 794,249</u>

\$35,567 reported as deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended May 31, 2024.



## Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2023

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year Ended	
<u>December 31 ,</u>	
2024	\$ (15,419)
2025	(15,419)
2026	(15,419)
2027	(15,419)
2028	(24,908)
Thereafter	<u>(163,564)</u>
	<u>\$ (250,148)</u>

### **Compensated Absences**

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

### **Other Postemployment Benefit Liability ("OPEB")**

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit OPEB 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 postemployment health care benefits is shared between the Village and the retired employee as noted below. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At May 31, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	63
Active employees	<u>69</u>
Total	<u>132</u>

The Village's total OPEB liability of \$37,379,717 was measured as of May 31, 2023, and was determined by an actuarial valuation as of June 1, 2022.

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)

May 31, 2023

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

The total OPEB liability in the June 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases and inflation rate	3.00%
Discount rate	4.24%
Healthcare cost trend rates	8.0% for 2023, decreasing by up to 1.0% per year to an ultimate rate of 5.0% rate.
Retirees' share of benefit-related costs	Varies from 2% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was based on the Bond Buyer's 20-year Bond Index.

Mortality rates were based on the RP 2010 mortality table projected fully generationally using projection scale MP-2021.

The Village's change in the total OPEB liability for the year ended May 31, 2023 is as follows:

Total OPEB Liability - Beginning of Year	\$ 43,133,654
Service Cost	1,179,273
Interest	1,568,710
Difference between expected and actual experience	(3,452,316)
Change in assumptions or other inputs	(3,577,410)
Benefit payments	<u>(1,472,194)</u>
Total OPEB Liability - End of Year	<u>\$ 37,379,717</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.24%) or 1 percentage point higher (5.24%) than the current discount rate:

	1% Decrease (3.24%)	Current Discount Rate (4.24%)	1% Increase (5.24%)
Total OPEB Liability	<u>\$ 43,192,521</u>	<u>\$ 37,379,717</u>	<u>\$ 32,684,826</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4.0%)	Current Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 32,292,658</u>	<u>\$ 37,379,717</u>	<u>\$ 43,837,020</u>

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Continued)  
 May 31, 2023

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

For the year ended May 31, 2023, the Village recognized OPEB expense of \$1,838,940 in the government-wide financial statements. At May 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 8,414,217	\$ 15,531,020
Differences between expected and actual experience	<u>3,776,779</u>	<u>3,902,490</u>
	<u>\$ 12,190,996</u>	<u>\$ 19,433,510</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended March 31,</u>	
2024	\$ (909,043)
2025	(909,043)
2026	(909,043)
2027	(1,071,246)
2028	(1,595,580)
Thereafter	<u>(1,848,559)</u>
	<u>\$ (7,242,514)</u>

**I. Revenues and Expenditures**

**Interfund Transfers**

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

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
General Fund	\$ -	\$ 2,452,735	\$ 366,132	\$ 2,818,867
Water Fund	275,000	1,017,280	-	1,292,280
Debt Service Fund	175,000	-	-	175,000
Capital Projects Fund	2,363	27,403	-	29,766
Non-Major Governmental Funds	<u>50,000</u>	<u>110,853</u>	<u>-</u>	<u>160,853</u>
	<u>\$ 502,363</u>	<u>\$ 3,608,271</u>	<u>\$ 366,132</u>	<u>\$ 4,476,766</u>

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

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due, 2) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 3) move amounts from the Capital Projects Fund to the General Fund, for unspent transfers and 4) move amounts from the Water Fund to the General Fund for shared costs 5) move amounts in the Debt Service Fund to the General Fund as principal and interest payments become due.

**J. Net Position**

The components of net position are detailed below:

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

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

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

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

Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)  
 May 31, 2023

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

**K. Fund Balances**

	2023					2022						
	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
<b>Nonspendable:</b>												
Leases	\$ 16,227	\$ -	\$ -	\$ -	\$ -	\$ 16,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid expenditures	3,819	-	-	-	-	3,819	-	-	-	-	-	-
<b>Total Restricted</b>	<b>20,046</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,046</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restricted:</b>												
Employee benefits	656,928	6,865	-	-	-	663,793	453,086	6,665	-	-	-	459,751
Pension benefit	1,390,652	-	-	-	-	1,390,652	1,577,006	-	-	-	-	1,577,006
Tax stabilization	100,000	-	-	-	-	100,000	-	-	-	-	-	-
Debt service	-	-	114,823	-	-	114,823	-	-	321,664	-	-	321,664
Debt service - for subsequent year's expenditures	-	-	300,000	-	-	300,000	-	-	175,000	-	-	175,000
Capital projects	-	-	-	1,497,008	-	1,497,008	-	-	-	2,037,582	-	2,037,582
Parklands	-	-	-	-	735,004	735,004	-	-	-	-	766,411	766,411
Trusts	-	-	-	-	75	75	-	-	-	-	75	75
<b>Total Restricted</b>	<b>2,147,580</b>	<b>6,865</b>	<b>414,823</b>	<b>1,497,008</b>	<b>735,079</b>	<b>4,801,355</b>	<b>2,030,092</b>	<b>6,665</b>	<b>496,664</b>	<b>2,037,582</b>	<b>766,486</b>	<b>5,337,489</b>
<b>Assigned:</b>												
<b>Purchases on order:</b>												
General government support	27,292	616	-	-	182	28,090	39,190	1,349	-	-	-	40,539
Public safety	102,815	-	-	-	-	102,815	151,930	-	-	-	-	151,930
Health	5,126	-	-	-	-	5,126	12,497	-	-	-	-	12,497
Transportation	11,982	-	-	-	-	11,982	47,659	-	-	-	-	47,659
Economic opportunity and development	-	-	-	-	-	-	2,589	-	-	-	-	2,589
Culture and recreation	8,524	-	-	-	-	8,524	18,931	-	-	-	-	18,931
Home and community services	17,756	32,468	-	-	3,844	54,068	48,300	28,363	-	-	295	76,958
<b>Total Assigned</b>	<b>173,495</b>	<b>33,084</b>	<b>-</b>	<b>-</b>	<b>4,026</b>	<b>210,605</b>	<b>321,096</b>	<b>29,712</b>	<b>-</b>	<b>-</b>	<b>295</b>	<b>351,103</b>
Subsequent year's expenditures	725,000	-	-	-	-	725,000	400,000	-	-	-	-	400,000
Future retirement expenditures	311,376	-	-	-	-	311,376	311,376	-	-	-	-	311,376
Contractual obligations	252,931	-	-	-	-	252,931	-	-	-	-	-	-
Water Fund	-	535,116	-	-	-	535,116	-	302,226	-	-	-	302,226
Sewer Fund	-	-	-	-	753,385	753,385	-	-	-	-	648,120	648,120
<b>Total Assigned</b>	<b>1,462,802</b>	<b>568,200</b>	<b>-</b>	<b>-</b>	<b>757,411</b>	<b>2,788,413</b>	<b>1,032,472</b>	<b>331,938</b>	<b>-</b>	<b>-</b>	<b>648,415</b>	<b>2,012,825</b>
<b>Unassigned</b>	<b>9,051,312</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,051,312</b>	<b>5,862,360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,862,360</b>
<b>Total Fund Balances (Deficits)</b>	<b>\$ 12,681,740</b>	<b>\$ 575,065</b>	<b>\$ 414,823</b>	<b>\$ 1,497,008</b>	<b>\$ 1,492,490</b>	<b>\$ 16,661,126</b>	<b>\$ 8,924,924</b>	<b>\$ 338,603</b>	<b>\$ 496,664</b>	<b>\$ 2,037,582</b>	<b>\$ 1,414,901</b>	<b>\$ 13,212,674</b>

## Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)  
May 31, 2023

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

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

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

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

The Restriction for Pension Benefits represents the component of net position that has been set aside to be used for LOSAP pension benefits in accordance with Article 11-A of the General Municipal Law of the State of New York.

The Restriction for Tax Stabilization represents funds set aside for an emergency to prevent a large tax increase.

The Restriction for Parklands represents funds received by the Village in lieu of parklands as a condition precedent to the approval of a subdivision by the Planning Board. These funds may be used only for park, playground or recreation purposes. The funds of the Gouveia Trust account represents an endowment to be used for the care and upkeep of Gouveia Park.

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

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

Subsequent year's expenditures represent that at May 31, 2023, the Board of Trustees has assigned the above amounts to be appropriated for the ensuing year's budget.

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

Assigned for Contractual Obligations - This assignment is used to segregate a portion of fund balance of the General Fund for contractual obligations.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned.

### **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.

## Village of Croton-on-Hudson, New York

Notes to Financial Statements (Continued)

May 31, 2023

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### **Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

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

#### **B. Contingencies**

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

#### **C. Risk Management**

The Village purchases various conventional insurance coverages to reduce its exposure to loss. The Village maintains general liability and public official's liability insurance coverage with policy limits of \$1 million per occurrence. In addition, the Village maintains an umbrella policy with a coverage limit of \$10 million. The law enforcement liability policy provides coverage up to \$1 million. In addition, the Village purchases workers' compensation insurance with coverage at statutory limits. Conventional health insurance is also provided to employees. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### **Note 5 - Subsequent Events**

The Village, on September 28, 2023 issued serial bonds in the amount of \$2,269,620. The bond proceeds will be used for various capital expenditures. The bonds mature annually through September 2043, with interest at rates from 3.0% to 4.0%

The Village on September 28, 2023 issued a \$773,106 bond anticipation note. The proceeds of the note along with \$173,972 in available funds will be used to redeem \$424,503 of outstanding bond anticipation notes and provide \$522,575 in new money for various capital expenditures. The note is due on September 27, 2024 with interest at 4.5%.

### **Note 6 - Recently Issued GASB Pronouncements**

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

**Village of Croton-on-Hudson, New York**

Notes to Financial Statements (Concluded)  
May 31, 2023

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**Note 6 - Recently Issued GASB Pronouncements (Continued)**

GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Village believes will most impact its financial statements. The Village will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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**Village of Croton-on-Hudson, New York**

Required Supplementary Information - Schedule of Changes in the  
 Village's Total OPEB Liability and Related Ratios  
 Last Ten Fiscal Years (1) (2)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability:					
Service cost	\$ 1,179,273	\$ 1,766,027	\$ 940,629	\$ 762,647	\$ 736,786
Interest	1,568,710	889,610	1,151,200	1,366,788	1,396,140
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(3,452,316)	1,944,641	3,709,278	(2,051,120)	-
Changes of assumptions or other inputs	(3,577,410)	(16,733,127)	7,687,580	5,900,868	1,685,609
Benefit payments	<u>(1,472,194)</u>	<u>(1,367,571)</u>	<u>(1,252,949)</u>	<u>(1,041,371)</u>	<u>(1,102,051)</u>
Net Change in Total OPEB Liability	(5,753,937)	(13,500,420)	12,235,738	4,937,812	2,716,484
Total OPEB Liability – Beginning of Year	<u>43,133,654</u>	<u>56,634,074</u>	<u>44,398,336</u>	<u>39,460,524</u>	<u>36,744,040</u> (3)
Total OPEB Liability – End of Year	<u>\$ 37,379,717</u>	<u>\$ 43,133,654</u>	<u>\$ 56,634,074</u>	<u>\$ 44,398,336</u>	<u>\$ 39,460,524</u>
Village's covered-employee payroll	<u>\$ 7,177,398</u>	<u>\$ 6,935,501</u>	<u>\$ 7,179,336</u>	<u>\$ 8,820,034</u>	<u>\$ 8,820,000</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>521%</u>	<u>622%</u>	<u>789%</u>	<u>503%</u>	<u>447%</u>
*Discount Rate	4.24%	3.70%	1.59%	2.63%	3.51%

Notes to Schedule:

(1) Data not available prior to fiscal year 2019 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

**Village of Croton-on-Hudson, New York**

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

Schedule of the Village's Proportionate Share of the Net Pension Liability (Asset) (2)

	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016
Village's proportion of the net pension liability (asset)	0.0174606%	0.0178650%	0.0177371%	0.0197402%	0.0196808%	0.0206840%	0.0205204%	0.0200875%
Village's proportionate share of the net pension liability (asset)	\$ 3,744,258	\$ (1,460,394)	\$ 17,662	\$ 5,227,312	\$ 1,394,445	\$ 667,565	\$ 1,928,144	\$ 3,224,099
Village's covered payroll	\$ 4,619,584	\$ 4,783,933	\$ 4,826,651	\$ 4,992,669	\$ 5,173,650	\$ 5,100,191	\$ 5,117,569	\$ 4,878,324
Village's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(81.05%)	(30.53%)	0.37%	104.70%	26.95%	13.09%	37.68%	66.09%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	97.90%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

Schedule of Contributions

	2022	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 551,631	\$ 789,905	\$ 755,833	\$ 754,473	\$ 757,401	\$ 773,967	\$ 742,631	\$ 851,684
Contributions in relation to the contractually required contribution	(551,631)	(789,905)	(755,833)	(754,473)	(757,401)	(773,967)	(742,631)	(851,684)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 4,686,425	\$ 4,738,948	\$ 4,923,858	\$ 4,918,388	\$ 5,106,990	\$ 5,168,567	\$ 4,981,026	\$ 4,810,512
Contributions as a percentage of covered payroll	11.77%	16.67%	15.35%	15.34%	14.83%	14.97%	14.91%	17.70%

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

(2) The amounts presented for each fiscal year were determined as of the March 31, measurement date within the current fiscal year.

(3) Increase in the Village's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the Village's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

Required Supplementary Information  
 New York State and Local Police and Fire Retirement System  
 Last Ten Fiscal Years (1)

Schedule of the Village's Proportionate Share of the Net Pension Liability (2)

	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016
Village's proportion of the net pension liability	0.0692385%	0.0744281%	0.0784524%	0.0814350%	0.0708670%	0.0777509%	0.0758163%	0.0798780%
Village's proportionate share of the net pension liability	\$ 3,815,368	\$ 422,785	\$ 1,362,150	\$ 4,352,650	\$ 1,188,485	\$ 785,873	\$ 1,571,408	\$ 2,365,019
Village's covered payroll	\$ 3,446,277	\$ 2,956,251	\$ 2,801,190	\$ 3,007,375	\$ 2,849,777	\$ 2,791,364	\$ 2,923,361	\$ 2,860,350
Village's proportionate share of the net pension liability as a percentage of its covered payroll	110.71%	14.30%	48.63%	144.73%	41.70%	28.15%	53.75%	82.68%
Plan fiduciary net position as a percentage of the total pension liability	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%
Discount rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 787,007	\$ 784,725	\$ 716,842	\$ 661,366	\$ 649,105	\$ 703,784	\$ 675,384	\$ 627,862
Contributions in relation to the contractually required contribution	(787,007)	(784,725)	(716,842)	(661,366)	(649,105)	(703,784)	(675,384)	(627,862)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 3,582,757	\$ 2,985,672	\$ 2,800,430	\$ 2,946,420	\$ 2,904,160	\$ 2,777,635	\$ 2,826,988	\$ 2,827,318
Contributions as a percentage of covered payroll	21.97%	26.28%	25.60%	22.45%	22.35%	25.34%	23.89%	22.21%

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

(2) The amounts presented for each fiscal year were determined as of the March 31, measurement date withing the current fiscal year.

(3) Increase in the Village's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the Village's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

Required Supplementary Information - Schedule of Changes  
in the Village's Total Pension Liability and Related Ratios - Fire Service Award Program  
Last Ten Fiscal Years (1)

	2023	2022	2021	2020	2019	2018
Total Pension Liability						
Service Cost	\$ 116,408	\$ 119,225	\$ 73,174	\$ 67,846	\$ 79,926	\$ 71,769
Interest	58,037	50,586	65,473	67,746	60,698	61,926
Changes of assumptions or other inputs	(681,279)	(126,546)	467,429	105,130	(132,769)	146,667
Differences between expected and actual experience	28,266	19,896	47,825	(19,050)	5,233	17,665
Benefit payments	(101,712)	(79,188)	(95,422)	(64,100)	(57,280)	(51,740)
Net Change in total pension liability	(580,280)	(16,027)	558,479	157,572	(44,192)	246,287
Total pension liability – beginning	2,525,376	2,541,403	1,982,924	1,825,352	1,869,544	1,623,257
Total pension liability – ending	<u>\$ 1,945,096</u>	<u>\$ 2,525,376</u>	<u>\$ 2,541,403</u>	<u>\$ 1,982,924</u>	<u>\$ 1,825,352</u>	<u>\$ 1,869,544</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Required Supplementary information**

*Changes in assumptions or other inputs.* The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index on December 31, 2017 through 2022 and was as follows:

Discount rate	4.31%	2.24%	1.93%	3.26%	3.64%	3.16%
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Trust Assets. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB No. 73 to pay related benefits.

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

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

General Fund  
 Combining Balance Sheet - Sub-Funds  
 May 31, 2023  
 (With Comparative Actuals for 2022)

	General	Fire Service Award Program	Totals	
			2023	2022
<b>ASSETS</b>				
Cash and equivalents	\$ 3,190,831	\$ 28,678	\$ 3,219,509	\$ 6,314,877
Investments	6,697,374	1,361,394	8,058,768	2,536,992
Taxes receivable				
Property acquired for taxes	34,055	-	34,055	33,966
Allowance for uncollectible taxes	(34,055)	-	(34,055)	(33,966)
	-	-	-	-
Other receivables				
Accounts	119,556	580	120,136	79,231
State and Federal aid	294,926	-	294,926	249,664
Due from other governments	474,604	-	474,604	453,388
Leases	2,188,703	-	2,188,703	-
Due from other funds	3,379,030	-	3,379,030	1,137,759
	6,456,819	580	6,457,399	1,920,042
Prepaid expenditures	3,819	-	3,819	-
Total Assets	<u>\$ 16,348,843</u>	<u>\$ 1,390,652</u>	<u>\$ 17,739,495</u>	<u>\$ 10,771,911</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 241,021	\$ -	\$ 241,021	\$ 204,174
Accrued liabilities	647,614	-	647,614	507,871
Deposits payable	295,145	-	295,145	522,829
Employee payroll deductions	15,106	-	15,106	12,516
Due to other funds	839,506	-	839,506	117,379
Due to other governments	-	-	-	33,792
Unearned revenues	846,887	-	846,887	448,426
Total Liabilities	2,885,279	-	2,885,279	1,846,987
Deferred inflows of resources				
Leases	2,172,476	-	2,172,476	-
Total Liabilities and Deferred Inflows of Resources	5,057,755	-	5,057,755	1,846,987
Fund balances				
Nonspendable	20,046	-	20,046	-
Restricted	756,928	1,390,652	2,147,580	2,030,092
Assigned	1,462,802	-	1,462,802	1,032,472
Unassigned	9,051,312	-	9,051,312	5,862,360
Total Fund Balances	11,291,088	1,390,652	12,681,740	8,924,924
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,348,843</u>	<u>\$ 1,390,652</u>	<u>\$ 17,739,495</u>	<u>10,771,911</u>

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

General Fund

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Sub-Funds

Year Ended May 31, 2023

(With Comparative Actuals for 2022)

	General	Fire Service Award Program	Eliminations	Totals	
				2023	2022
<b>REVENUES</b>					
Real property taxes	\$ 12,662,904	\$ -	\$ -	\$ 12,662,904	\$ 12,347,525
Other tax items	33,192	-	-	33,192	33,870
Non-property taxes	2,465,174	-	-	2,465,174	2,264,667
Departmental income	3,923,791	123,671	(123,671)	3,923,791	2,958,157
Net change in fair value of investments	-	(254,838)	-	(254,838)	52,409
Use of money and property	525,371	44,505	-	569,876	268,033
Licenses and permits	556,175	-	-	556,175	261,103
Fines and forfeitures	440,640	-	-	440,640	235,529
Sale of property and compensation for loss	2,119,039	-	-	2,119,039	73,128
State aid	315,087	-	-	315,087	312,227
Federal aid	559,893	-	-	559,893	714,617
Miscellaneous	20,704	-	-	20,704	75,211
<b>Total Revenues</b>	<b>23,621,970</b>	<b>(86,662)</b>	<b>(123,671)</b>	<b>23,411,637</b>	<b>19,596,476</b>
<b>EXPENDITURES</b>					
Current					
General government support	3,453,108	-	-	3,453,108	3,490,343
Public safety	4,417,463	99,692	-	4,517,155	4,037,275
Health	443,116	-	-	443,116	616,548
Transportation	2,119,029	-	-	2,119,029	2,015,511
Economic opportunity and development	34,771	-	-	34,771	27,633
Culture and recreation	817,153	-	-	817,153	651,261
Home and community services	1,109,719	-	-	1,109,719	889,443
Employee benefits	5,095,169	-	(123,671)	4,971,498	4,726,217
Debt Service					
Interest	1,916	-	-	1,916	2,406
<b>Total Expenditures</b>	<b>17,491,444</b>	<b>99,692</b>	<b>(123,671)</b>	<b>17,467,465</b>	<b>16,456,637</b>
Excess (Deficiency) of Revenues Over Expenditures	6,130,526	(186,354)	-	5,944,172	3,139,839
<b>OTHER FINANCING SOURCES (USES)</b>					
Insurance recoveries	129,148	-	-	129,148	38,963
Transfers in	502,363	-	-	502,363	467,354
Transfers out	(2,818,867)	-	-	(2,818,867)	(2,651,070)
<b>Total Other Financing Uses</b>	<b>(2,187,356)</b>	<b>-</b>	<b>-</b>	<b>(2,187,356)</b>	<b>(2,144,753)</b>
<b>Net Change in Fund Balances</b>	<b>3,943,170</b>	<b>(186,354)</b>	<b>-</b>	<b>3,756,816</b>	<b>995,086</b>
<b>FUND BALANCES</b>					
Beginning of Year	7,347,918	1,577,006	-	8,924,924	7,929,838
End of Year	\$ 11,291,088	\$ 1,390,652	\$ -	\$ 12,681,740	\$ 8,924,924

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

General Fund  
 Comparative Balance Sheet - Sub-Fund  
 May 31,

	2023	2022
<b>ASSETS</b>		
Cash and equivalents	\$ 3,190,831	\$ 6,276,907
Investments	6,697,374	1,000,556
Taxes receivable		
Property acquired for taxes	34,055	33,966
Allowance for uncollectible taxes	(34,055)	(33,966)
	-	-
Other receivables		
Accounts	119,556	76,631
State and Federal aid	294,926	249,664
Due from other governments	474,604	453,388
Leases	2,188,703	-
Due from other funds	3,379,030	1,137,759
	6,456,819	1,917,442
Prepaid expenditures	3,819	-
Total Assets	<u>\$ 16,348,843</u>	<u>\$ 9,194,905</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 241,021	\$ 204,174
Accrued liabilities	647,614	507,871
Deposits payable	295,145	522,829
Employee payroll deductions	15,106	12,516
Due to other funds	839,506	117,379
Due to other governments	-	33,792
Unearned revenues	846,887	448,426
Total Liabilities	2,885,279	1,846,987
Deferred inflows of resources		
Leases	2,172,476	-
Total Liabilities and Deferred Inflows of Resources	5,057,755	1,846,987
Fund balance		
Nonspendable	20,046	-
Restricted	756,928	453,086
Assigned	1,462,802	1,032,472
Unassigned	9,051,312	5,862,360
Total Fund Balance	11,291,088	7,347,918
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 16,348,843</u>	<u>\$ 9,194,905</u>

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

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

	2023			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 12,662,993	\$ 12,662,993	\$ 12,662,904	\$ (89)
Other tax items	27,001	27,001	33,192	6,191
Non-property taxes	1,983,640	1,983,640	2,465,174	481,534
Departmental income	2,760,123	3,051,895	3,923,791	871,896
Use of money and property	246,375	465,496	525,371	59,875
Licenses and permits	203,500	223,500	556,175	332,675
Fines and forfeitures	200,000	209,134	440,640	231,506
Sale of property and compensation for loss	22,000	22,420	2,119,039	2,096,619
State aid	216,415	216,415	315,087	98,672
Federal aid	-	453,056	559,893	106,837
Miscellaneous	-	-	20,704	20,704
<b>Total Revenues</b>	<b>18,322,047</b>	<b>19,315,550</b>	<b>23,621,970</b>	<b>4,306,420</b>
<b>EXPENDITURES</b>				
Current				
General government support	3,527,207	3,496,372	3,453,108	43,264
Public safety	4,057,766	4,576,425	4,417,463	158,962
Health	458,016	447,571	443,116	4,455
Transportation	2,774,743	2,212,905	2,119,029	93,876
Economic opportunity and development	29,412	34,871	34,771	100
Culture and recreation	739,394	850,312	817,153	33,159
Home and community services	437,475	1,140,018	1,109,719	30,299
Employee benefits	4,923,347	5,143,086	5,095,169	47,917
Debt service				
Interest	1,916	1,916	1,916	-
<b>Total Expenditures</b>	<b>16,949,276</b>	<b>17,903,476</b>	<b>17,491,444</b>	<b>412,032</b>
Excess of Revenues Over Expenditures	1,372,771	1,412,074	6,130,526	4,718,452
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	85,689	129,148	43,459
Transfers in	500,000	500,000	502,363	2,363
Transfers out	(2,593,867)	(2,818,867)	(2,818,867)	-
<b>Total Other Financing Uses</b>	<b>(2,093,867)</b>	<b>(2,233,178)</b>	<b>(2,187,356)</b>	<b>45,822</b>
<b>Net Change in Fund Balance</b>	<b>(721,096)</b>	<b>(821,104)</b>	<b>3,943,170</b>	<b>4,764,274</b>
<b>FUND BALANCE</b>				
Beginning of Year	721,096	821,104	7,347,918	6,526,814
End of Year	\$ -	\$ -	\$ 11,291,088	\$ 11,291,088

See independent auditors' report.



2022

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 12,349,532	\$ 12,349,532	\$ 12,347,525	\$ (2,007)
25,001	25,001	33,870	8,869
1,692,000	1,692,000	2,264,667	572,667
2,026,291	2,221,879	2,958,157	736,278
186,815	186,815	239,677	52,862
178,000	178,000	261,103	83,103
170,000	176,020	235,529	59,509
20,000	20,000	73,128	53,128
171,068	172,591	357,574	184,983
-	413,439	714,617	301,178
45,347	45,347	29,864	(15,483)
<u>16,864,054</u>	<u>17,480,624</u>	<u>19,515,711</u>	<u>2,035,087</u>
3,517,732	3,522,857	3,490,343	32,514
3,879,707	4,156,912	3,958,987	197,925
431,538	631,270	616,548	14,722
2,762,994	2,145,292	2,015,511	129,781
32,552	32,552	27,633	4,919
669,946	685,076	651,261	33,815
430,702	970,418	889,443	80,975
4,728,328	4,928,450	4,833,973	94,477
2,406	2,406	2,406	-
<u>16,455,905</u>	<u>17,075,233</u>	<u>16,486,105</u>	<u>589,128</u>
408,149	405,391	3,029,606	2,624,215
-	29,959	38,963	9,004
375,000	375,550	467,354	91,804
<u>(2,674,836)</u>	<u>(2,694,319)</u>	<u>(2,651,070)</u>	<u>43,249</u>
<u>(2,299,836)</u>	<u>(2,288,810)</u>	<u>(2,144,753)</u>	<u>144,057</u>
(1,891,687)	(1,883,419)	884,853	2,768,272
<u>1,891,687</u>	<u>1,883,419</u>	<u>6,463,065</u>	<u>4,579,646</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,347,918</u>	<u>\$ 7,347,918</u>

**Village of Croton-on-Hudson, New York**

General Fund - Sub-Fund  
 Schedule of Revenues and Other Financing Sources Compared to Budget  
 Year Ended May 31, 2023  
 (With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
<b>REAL PROPERTY TAXES</b>	\$ 12,662,993	\$ 12,662,993	\$ 12,662,904	\$ (89)	\$ 12,347,525
<b>OTHER TAX ITEMS</b>					
Interest and penalties on real property taxes	27,001	27,001	33,192	6,191	33,870
<b>NON-PROPERTY TAXES</b>					
Non-property tax distribution from County	1,750,000	1,750,000	2,166,744	416,744	2,032,607
Franchise fees	120,000	120,000	122,582	2,582	126,286
Utilities gross receipts taxes	112,000	112,000	174,208	62,208	105,774
Emergency Tenant Protection Act	1,640	1,640	1,640	-	-
	<u>1,983,640</u>	<u>1,983,640</u>	<u>2,465,174</u>	<u>481,534</u>	<u>2,264,667</u>
<b>DEPARTMENTAL INCOME</b>					
Charges for Tax Redemption	-	-	78	78	-
Clerk fees	-	-	4,926	4,926	-
Garbage removal	71,760	71,760	75,585	3,825	58,340
Parks and recreation charges	250,000	250,000	315,576	65,576	229,306
Ambulance service	316,043	316,043	429,292	113,249	393,926
Planning Board fees	5,500	5,500	8,475	2,975	8,750
Zoning fees	5,500	5,500	6,300	800	7,500
Fire protection services for other governments	276,310	276,310	276,310	-	282,369
Parking permits	1,810,000	1,835,000	2,506,711	671,711	1,830,905
Other	25,010	291,782	300,538	8,756	147,061
	<u>2,760,123</u>	<u>3,051,895</u>	<u>3,923,791</u>	<u>871,896</u>	<u>2,958,157</u>

**USE OF MONEY AND PROPERTY**

Earnings on investments	2,000	221,121	284,769	63,648	2,415
Rental of real property	244,375	244,375	240,602	(3,773)	237,262
	<u>246,375</u>	<u>465,496</u>	<u>525,371</u>	<u>59,875</u>	<u>239,677</u>

**LICENSES AND PERMITS**

Business and occupational licenses	10,000	10,000	12,100	2,100	12,690
Building permits	110,000	110,000	412,547	302,547	149,654
Dog license apportionment	5,500	5,500	7,785	2,285	6,903
Permit fees	78,000	98,000	123,743	25,743	91,856
	<u>203,500</u>	<u>223,500</u>	<u>556,175</u>	<u>332,675</u>	<u>261,103</u>

**FINES AND FORFEITURES**

Fines and forfeited bail	<u>200,000</u>	<u>209,134</u>	<u>440,640</u>	<u>231,506</u>	<u>235,529</u>
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**SALE OF PROPERTY AND COMPENSATION  
FOR LOSS**

Sale of equipment	4,000	4,000	2,052,442	2,048,442	54,671
Minor sales	18,000	18,420	16,611	(1,809)	18,457
Other	-	-	49,986	49,986	-
	<u>22,000</u>	<u>22,420</u>	<u>2,119,039</u>	<u>2,096,619</u>	<u>73,128</u>

**STATE AID**

Aid and incentives for municipalities	45,347	45,347	45,347	-	45,347
Mortgage tax	140,000	140,000	161,050	21,050	244,186
Snow and ice reimbursement	31,068	31,068	24,475	(6,593)	24,475
Emergency disaster	-	-	73,731	73,731	23,228
Other	-	-	10,484	10,484	20,338
	<u>216,415</u>	<u>216,415</u>	<u>315,087</u>	<u>98,672</u>	<u>357,574</u>

(Continued)

**Village of Croton-on-Hudson, New York**

General Fund - Sub-Fund  
 Schedule of Revenues Compared to Budget (Continued)  
 Year Ended May 31, 2023  
 (With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
<b>FEDERAL AID</b>					
American Rescue Plan Act	\$ -	\$ 415,127	\$ 415,127	\$ -	\$ 415,127
Emergency management assistance	-	37,929	144,766	106,837	299,490
	-	453,056	559,893	106,837	714,617
<b>MISCELLANEOUS</b>					
Refund of prior year's expenditures	-	-	1,424	1,424	22,063
Gifts and donations	-	-	19,280	19,280	7,801
	-	-	20,704	20,704	29,864
<b>TOTAL REVENUES</b>	<b>18,322,047</b>	<b>19,315,550</b>	<b>23,621,970</b>	<b>4,306,420</b>	<b>19,515,711</b>
<b>OTHER FINANCING SOURCES</b>					
Insurance recoveries	-	85,689	129,148	43,459	38,963
Transfers in					
Water Fund	275,000	275,000	275,000	-	275,000
Capital Projects Fund	-	-	2,363	2,363	92,354
Sewer Fund	50,000	50,000	50,000	-	-
Debt Service Fund	175,000	175,000	175,000	-	100,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>500,000</b>	<b>585,689</b>	<b>631,511</b>	<b>45,822</b>	<b>506,317</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 18,822,047</b>	<b>\$ 19,901,239</b>	<b>\$ 24,253,481</b>	<b>\$ 4,352,242</b>	<b>\$ 20,022,028</b>

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

General Fund - Sub-Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget  
 Year Ended May 31, 2023  
 (With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Board of Trustees	\$ 26,690	\$ 27,094	\$ 26,401	\$ 693	\$ 24,679
Justice	249,701	251,603	251,569	34	253,459
Mayor	6,400	6,523	6,358	165	6,006
Clerk - Treasurer	399,602	395,062	392,250	2,812	444,895
Assessment	25,775	23,043	23,043	-	19,628
Manager	222,897	236,308	236,308	-	347,768
Data processing	148,234	154,422	151,860	2,562	157,562
Law	157,172	157,762	157,672	90	146,609
Engineer	540,779	534,880	532,291	2,589	545,303
Operation of plant and buildings	113,515	287,340	274,563	12,777	228,689
Auditor	33,041	35,046	35,046	-	58,361
Central garage	613,869	672,263	669,705	2,558	471,436
Central communications	293,674	291,501	272,517	18,984	268,943
Unallocated insurance	353,539	356,515	356,515	-	359,004
Municipal association dues	8,582	8,607	8,607	-	11,082
Refunds of real property taxes	30,000	3,687	3,687	-	93,804
Taxes and assessments on property	25,434	24,586	24,586	-	24,865
Tax advertising	800	816	816	-	-
Metropolitan transportation authority commuter mobility tax	27,503	29,314	29,314	-	28,250
Contingent account	250,000	-	-	-	-
	<u>3,527,207</u>	<u>3,496,372</u>	<u>3,453,108</u>	<u>43,264</u>	<u>3,490,343</u>

**PUBLIC SAFETY**

Police	3,489,278	3,936,815	3,842,365	94,450	3,521,044
Fire Department	530,488	589,163	526,474	62,689	418,339
Control of animals	5,500	6,823	5,000	1,823	4,713
Traffic control	32,500	43,624	43,624	-	14,891
	<u>4,057,766</u>	<u>4,576,425</u>	<u>4,417,463</u>	<u>158,962</u>	<u>3,958,987</u>

**HEALTH**

Registrar of Vital Statistics	5,300	4,350	4,314	36	4,910
Public health	-	6	6	-	(6)
Ambulance	452,716	443,215	438,796	4,419	611,644
	<u>458,016</u>	<u>447,571</u>	<u>443,116</u>	<u>4,455</u>	<u>616,548</u>

**TRANSPORTATION**

Street maintenance and administration	2,269,566	1,621,545	1,560,520	61,025	1,476,404
Snow removal	199,281	196,735	170,995	25,740	244,497
Street lighting	9,671	28,667	28,650	17	6,379
Off-street parking	275,025	328,935	321,958	6,977	251,119
Brush and weeds	21,200	37,023	36,906	117	37,112
	<u>2,774,743</u>	<u>2,212,905</u>	<u>2,119,029</u>	<u>93,876</u>	<u>2,015,511</u>

**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Publicity	29,412	34,871	34,771	100	27,633
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**CULTURE AND RECREATION**

Parks, playgrounds and recreation	532,459	618,887	603,541	15,346	515,763
Youth programs	119,557	118,541	101,537	17,004	80,569
Historian	2,000	-	-	-	-
Celebrations	39,340	67,353	67,025	328	15,610
Community center	-	-	-	-	257
Senior citizens programs	46,038	45,531	45,050	481	39,062
	<u>739,394</u>	<u>850,312</u>	<u>817,153</u>	<u>33,159</u>	<u>651,261</u>

(Continued)

## Village of Croton-on-Hudson, New York

General Fund - Sub-Fund

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

Year Ended May 31, 2023

(With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
<b>HOME AND COMMUNITY SERVICES</b>					
Zoning	\$ 3,925	\$ 3,367	\$ 2,942	\$ 425	\$ 2,475
Planning	13,750	9,175	7,848	1,327	9,266
Recycling program	172,558	454,310	453,766	544	409,580
Sanitary and storm sewers	23,530	39,909	33,259	6,650	24,585
Refuse and garbage	145,082	352,386	337,845	14,541	328,365
Street cleaning	2,000	19,824	19,822	2	15,472
Shade trees	46,479	92,160	86,557	5,603	81,296
Conservation	-	2,126	2,126	-	-
Community beautification	24,150	27,386	27,005	381	13,569
Other	6,001	139,375	138,549	826	4,835
	<u>437,475</u>	<u>1,140,018</u>	<u>1,109,719</u>	<u>30,299</u>	<u>889,443</u>
<b>EMPLOYEE BENEFITS</b>					
State retirement	580,178	554,186	532,895	21,291	677,715
State retirement - Police and Fire	770,000	829,505	802,968	26,537	758,798
Service award program	123,671	223,671	223,671	-	107,756
Social security	479,548	495,486	495,486	-	476,592
Workers' compensation benefits	232,664	214,938	214,938	-	253,683
Life insurance	8,443	8,443	8,354	89	8,027
Health insurance	2,380,226	2,467,209	2,467,209	-	2,216,373
Dental insurance	99,150	97,776	97,776	-	98,260
Medicare reimbursement	245,467	251,872	251,872	-	236,769
Unemployment benefits	4,000	-	-	-	-
	<u>4,923,347</u>	<u>5,143,086</u>	<u>5,095,169</u>	<u>47,917</u>	<u>4,833,973</u>

**DEBT SERVICE**

## Interest

Bond anticipation notes	1,916	1,916	1,916	-	2,406
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**TOTAL EXPENDITURES**

	<u>16,949,276</u>	<u>17,903,476</u>	<u>17,491,444</u>	<u>412,032</u>	<u>16,486,105</u>
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**OTHER FINANCING USES**

## Transfers out

Capital Projects Fund	141,132	366,132	366,132	-	153,222
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Debt Service Fund	<u>2,452,735</u>	<u>2,452,735</u>	<u>2,452,735</u>	<u>-</u>	<u>2,497,848</u>
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**TOTAL OTHER FINANCING USES**

	<u>2,593,867</u>	<u>2,818,867</u>	<u>2,818,867</u>	<u>-</u>	<u>2,651,070</u>
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**TOTAL EXPENDITURES AND OTHER  
FINANCING USES**

	<u>\$ 19,543,143</u>	<u>\$ 20,722,343</u>	<u>\$ 20,310,311</u>	<u>\$ 412,032</u>	<u>\$ 19,137,175</u>
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See independent auditors' report.



**Village of Croton-on-Hudson, New York**

Water Fund  
Comparative Balance Sheet  
May 31,

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	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 944,731	\$ 596,788
Investments	<u>307,115</u>	<u>-</u>
Receivables		
Water rents	813,717	709,456
Due from other funds	<u>209,361</u>	<u>76,879</u>
	<u>1,023,078</u>	<u>786,335</u>
Total Assets	<u>\$ 2,274,924</u>	<u>\$ 1,383,123</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 26,167	\$ 29,068
Accrued liabilities	27,879	25,001
Due to other funds	<u>1,645,813</u>	<u>990,451</u>
Total Liabilities	<u>1,699,859</u>	<u>1,044,520</u>
Fund balance		
Restricted	6,865	6,665
Assigned	<u>568,200</u>	<u>331,938</u>
Total Fund Balance	<u>575,065</u>	<u>338,603</u>
Total Liabilities and Fund Balance	<u>\$ 2,274,924</u>	<u>\$ 1,383,123</u>

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

Water Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended May 31,

	2023			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Departmental income	\$ 2,710,904	\$ 2,710,904	\$ 2,901,168	\$ 190,264
Use of money and property	100	9,343	17,879	8,536
Sale of property and compensation for loss	-	1,065	1,065	-
<b>Total Revenues</b>	<b>2,711,004</b>	<b>2,721,312</b>	<b>2,920,112</b>	<b>198,800</b>
<b>EXPENDITURES</b>				
Current				
General government support	393,037	325,016	309,002	16,014
Home and community services	755,102	820,514	775,552	44,962
Employee benefits	300,297	313,214	306,816	6,398
<b>Total Expenditures</b>	<b>1,448,436</b>	<b>1,458,744</b>	<b>1,391,370</b>	<b>67,374</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,262,568</b>	<b>1,262,568</b>	<b>1,528,742</b>	<b>266,174</b>
<b>OTHER FINANCING USES</b>				
Transfers out	(1,292,280)	(1,292,280)	(1,292,280)	-
<b>Net Change in Fund Balance</b>	<b>(29,712)</b>	<b>(29,712)</b>	<b>236,462</b>	<b>266,174</b>
<b>FUND BALANCE</b>				
Beginning of Year	29,712	29,712	338,603	308,891
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 575,065</u>	<u>\$ 575,065</u>

See independent auditors' report.

2022

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 2,709,705 100	\$ 2,709,705 100	\$ 2,719,269 222	\$ 9,564 122
-	2,678	2,678	-
<u>2,709,805</u>	<u>2,712,483</u>	<u>2,722,169</u>	<u>9,686</u>
374,585	349,834	301,075	48,759
763,190	786,804	724,108	62,696
298,249	336,349	307,513	28,836
<u>1,436,024</u>	<u>1,472,987</u>	<u>1,332,696</u>	<u>140,291</u>
<u>1,273,781</u>	<u>1,239,496</u>	<u>1,389,473</u>	<u>149,977</u>
<u>(1,324,409)</u>	<u>(1,290,073)</u>	<u>(1,290,073)</u>	<u>-</u>
(50,628)	(50,577)	99,400	149,977
<u>50,628</u>	<u>50,577</u>	<u>239,203</u>	<u>188,626</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,603</u>	<u>\$ 338,603</u>

**Village of Croton-on-Hudson, New York**

Water Fund

Schedule of Revenues Compared to Budget

Year Ended May 31, 2023

(With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
<b>DEPARTMENTAL INCOME</b>					
Metered water sales	\$ 2,682,904	\$ 2,682,904	\$ 2,875,851	\$ 192,947	\$ 2,694,092
Interest and penalties on water rents	28,000	28,000	25,317	(2,683)	25,177
	<u>2,710,904</u>	<u>2,710,904</u>	<u>2,901,168</u>	<u>190,264</u>	<u>2,719,269</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	100	9,343	17,879	8,536	222
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>					
Insurance recoveries	-	1,065	1,065	-	2,678
<b>TOTAL REVENUES</b>	<u>\$ 2,711,004</u>	<u>\$ 2,721,312</u>	<u>\$ 2,920,112</u>	<u>\$ 198,800</u>	<u>\$ 2,722,169</u>

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

Water Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget  
 Year Ended May 31, 2023  
 (With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Central communications	\$ 175,485	\$ 197,130	\$ 195,539	\$ 1,591	\$ 176,671
Auditor	7,930	8,264	8,264	-	13,131
Unallocated insurance	113,957	113,957	101,123	12,834	107,421
Taxes and assessments on property	5,665	5,665	4,076	1,589	3,852
Contingent account	90,000	-	-	-	-
	<u>393,037</u>	<u>325,016</u>	<u>309,002</u>	<u>16,014</u>	<u>301,075</u>
<b>HOME AND COMMUNITY SERVICES</b>					
Water administration	89,259	86,425	85,984	441	86,015
Pumping, supply and power	181,700	219,265	205,866	13,399	174,000
Transmission and distribution	474,143	506,658	483,702	22,956	464,093
Capital projects	10,000	8,166	-	8,166	-
	<u>755,102</u>	<u>820,514</u>	<u>775,552</u>	<u>44,962</u>	<u>724,108</u>
<b>EMPLOYEE BENEFITS</b>					
State retirement	36,963	36,963	30,570	6,393	70,523
Social security	29,206	32,429	32,429	-	31,206
Workers' compensation benefits	55,839	55,839	55,839	-	38,230
Life insurance	499	499	494	5	499
Health and dental insurance	170,960	179,795	179,795	-	159,686
Medicare reimbursement	6,830	7,689	7,689	-	7,369
	<u>300,297</u>	<u>313,214</u>	<u>306,816</u>	<u>6,398</u>	<u>307,513</u>
<b>TOTAL EXPENDITURES</b>	<u>1,448,436</u>	<u>1,458,744</u>	<u>1,391,370</u>	<u>67,374</u>	<u>1,332,696</u>

**OTHER FINANCING USES**

Transfers out

General Fund	275,000	275,000	275,000	-	275,000
Debt Service Fund	1,017,280	1,017,280	1,017,280	-	1,015,073

**TOTAL OTHER FINANCING USES**

	<u>1,292,280</u>	<u>1,292,280</u>	<u>1,292,280</u>	<u>-</u>	<u>1,290,073</u>
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**TOTAL EXPENDITURES AND OTHER  
FINANCING USES**

	<u>\$ 2,740,716</u>	<u>\$ 2,751,024</u>	<u>\$ 2,683,650</u>	<u>\$ 67,374</u>	<u>\$ 2,622,769</u>
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See independent auditors' report.

**Village of Croton-on-Hudson, New York**

Debt Service Fund  
Comparative Balance Sheet  
May 31,

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	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 588,401	\$ 229,938
Due from other funds	<u>92,213</u>	<u>406,052</u>
Total Assets	<u>\$ 680,614</u>	<u>\$ 635,990</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Due to other funds	<u>\$ 265,791</u>	<u>\$ 139,326</u>
Fund balance		
Restricted	<u>414,823</u>	<u>496,664</u>
Total Liabilities and Fund Balance	<u>\$ 680,614</u>	<u>\$ 635,990</u>

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

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

	2023			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 65,754	\$ 65,754
<b>EXPENDITURES</b>				
Debt Service				
Principal				
Serial bonds	2,340,000	2,340,000	2,340,000	-
Installment purchase debt	228,097	228,097	228,097	-
	<u>2,568,097</u>	<u>2,568,097</u>	<u>2,568,097</u>	<u>-</u>
Interest				
Serial bonds	987,935	987,935	987,935	-
Installment purchase debt	24,834	24,834	24,834	-
	<u>1,012,769</u>	<u>1,012,769</u>	<u>1,012,769</u>	<u>-</u>
Refunding bond issuance costs	-	-	-	-
	<u>3,580,866</u>	<u>3,580,866</u>	<u>3,580,866</u>	<u>-</u>
Total Expenditures				
Deficiency of Revenues Over Expenditures	<u>(3,580,866)</u>	<u>(3,580,866)</u>	<u>(3,515,112)</u>	<u>65,754</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	-	-	-	-
Transfers in	3,580,866	3,580,866	3,608,271	27,405
Transfers out	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
Total Other Financing Sources	<u>3,405,866</u>	<u>3,405,866</u>	<u>3,433,271</u>	<u>27,405</u>
Net Change in Fund Balance	<u>(175,000)</u>	<u>(175,000)</u>	<u>(81,841)</u>	<u>93,159</u>
<b>FUND BALANCE</b>				
Beginning of Year	<u>175,000</u>	<u>175,000</u>	<u>496,664</u>	<u>321,664</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 414,823</u>	<u>\$ 414,823</u>

See independent auditors' report.



2022			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 2	\$ 2	\$ 4,094	\$ 4,092
2,374,990	2,374,990	2,389,990	(15,000)
215,003	215,003	215,003	-
2,589,993	2,589,993	2,604,993	(15,000)
1,064,559	1,064,559	973,464	91,095
37,928	37,928	37,927	1
1,102,487	1,102,487	1,011,391	91,096
-	106,497	106,497	-
3,692,480	3,798,977	3,722,881	76,096
(3,692,478)	(3,798,975)	(3,718,787)	80,188
-	8,350,000	8,350,000	-
-	(8,957,077)	(8,957,077)	-
-	713,574	784,234	70,660
3,692,478	3,692,478	3,918,649	226,171
(100,000)	(100,000)	(100,000)	-
3,592,478	3,698,975	3,995,806	296,831
(100,000)	(100,000)	277,019	377,019
100,000	100,000	219,645	119,645
\$ -	\$ -	\$ 496,664	\$ 496,664

**Village of Croton-on-Hudson, New York**

Capital Projects Fund  
Comparative Balance Sheet  
May 31,

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	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 3,489,070	\$ 3,054,130
Receivables		
Accounts	1,500	1,500
Due from other funds	<u>581,622</u>	<u>1,894</u>
	<u>583,122</u>	<u>3,394</u>
Total Assets	<u>\$ 4,072,192</u>	<u>\$ 3,057,524</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 302,564	\$ 63,120
Bond anticipation notes payable	424,503	361,415
Due to other funds	<u>1,848,117</u>	<u>595,407</u>
Total Liabilities	2,575,184	1,019,942
Fund balance		
Restricted	<u>1,497,008</u>	<u>2,037,582</u>
Total Liabilities and Fund Balance	<u>\$ 4,072,192</u>	<u>\$ 3,057,524</u>

See independent auditors' report.

**Village of Croton-on-Hudson, New York**Capital Projects Fund  
Comparative Statement of Revenues, Expenditures and Changes  
in Fund Balance  
Years Ended May 31,

	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>		
State aid	\$ 454,044	\$ 453,387
Miscellaneous	<u>38,668</u>	<u>2,100</u>
Total Revenues	492,712	455,487
<b>EXPENDITURES</b>		
Capital outlay	<u>2,256,152</u>	<u>2,582,001</u>
Deficiency of Revenues Over Expenditures	<u>(1,763,440)</u>	<u>(2,126,514)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bonds issued	886,500	740,000
Issuance premium	-	3,580
Transfers in	366,132	153,222
Transfers out	<u>(29,766)</u>	<u>(394,617)</u>
Total Other Financing Sources	<u>1,222,866</u>	<u>502,185</u>
Net Change in Fund Balance	(540,574)	(1,624,329)
<b>FUND BALANCE</b>		
Beginning of Year	<u>2,037,582</u>	<u>3,661,911</u>
End of Year	<u>\$ 1,497,008</u>	<u>\$ 2,037,582</u>

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

Capital Projects Fund  
 Project-Length Schedule  
 Inception of Project Through May 31, 2023

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
Sidewalks and Curbs	24462	\$ 1,754,294	\$ 1,680,957	\$ 73,337
Nordica Sewer Pump Station	09180	739,500	600,513	138,987
Harmon Firehouse HVAC System Overhaul	09190	20,000	16,219	3,781
Police Headquarters Renovation	09193	2,135,700	2,122,978	12,722
Municipal Building Window Replacement	09194	174,700	172,497	2,203
Sprinkler System - Harmon Fire House	11223	61,200	4,339	56,861
Water Source and Well Field Improvement	11228	1,146,300	1,141,355	4,945
Security Camera Croton Landing	12242	8,670	7,218	1,452
Water Main Replacement and Extension	13262	10,165,650	10,130,612	35,038
Half Moon Bay Bridge	15287	537,298	24,933	512,365
Service Truck	15290	76,500	72,646	3,854
Harmon Fire Windows	15297	51,000	17,770	33,230
LED Lights	15302	51,000	51,000	-
Low Boy Dump Truck	16316	107,100	102,382	4,718
DPW Vehicles 2017/18	18340	73,440	71,729	1,711
WEFH Renovations	18342	254,000	219,752	34,248
Renovation of New Building	18344	846,600	709,306	137,294
Police Vehicle	18345	39,780	39,055	725
NYSERDA LED Lighting	18349	50,000	45,072	4,928
DPW Equipment	19351	437,400	334,947	102,453
Relocation Water Department Offices	19359	100,000	63,612	36,388
6 wheel Dump Truck Spreader	20366	510,000	499,130	10,870
Command Car Replacement	20369	75,000	69,710	5,290
Police Electric Hybrid Vehicle	20372	108,000	1,744	106,256
Solar Power	20375	63,900	2,898	61,002
Equipment Upgrade Peg	20376	5,000	-	5,000
Replacement of FD Radios	21381	183,600	182,188	1,412
Security Improvement 2nd Floor	21382	50,000	43,927	6,073
Village Wide Stormwater	22390	102,000	102,312	(312)
DPW Vehicles	22391	430,440	395,195	35,245
SCBA Replacement Plan	22392	93,840	24,953	68,887
Command Car Replacement	22393	76,500	61,506	14,994
IT Upgrades	22394	43,860	32,639	11,221
EMS Equipment	22395	56,712	52,762	3,950
Police Equipment	22396	32,717	31,855	862
TV Station Upgrade	22397	15,300	9,917	5,383
Planning Studies Harmon Rezoni	22398	83,950	80,055	3,895
Repair and Replace Storage Tank Upper No	22399	25,500	576	24,924
Clean Energy Community House	22400	95,000	-	95,000

Total Revenues	Fund Balance (Deficit) at May 31, 2023	Bond Anticipation Notes Out- standing at May 31, 2023
\$ 1,662,759	\$ (18,198)	\$ 25,283
739,500	138,987	-
20,000	3,781	-
2,135,700	12,722	-
174,700	2,203	-
61,200	56,861	-
1,146,300	4,945	-
8,670	1,452	-
10,165,650	35,038	-
537,298	512,365	-
76,500	3,854	-
51,000	33,230	-
51,000	-	-
107,100	4,718	-
73,440	1,711	-
254,000	34,248	-
846,600	137,294	-
39,780	725	-
50,000	4,928	-
375,142	40,195	62,258
100,000	36,388	-
510,000	10,870	-
75,000	5,290	-
-	(1,744)	-
63,900	61,002	-
5,000	5,000	-
183,600	1,412	-
50,000	6,073	-
102,000	(312)	-
430,440	35,245	-
93,840	68,887	-
76,500	14,994	-
43,860	11,221	12,240
11,343	(41,419)	45,369
6,544	(25,311)	26,173
-	(9,917)	-
12,140	(67,915)	28,560
5,100	4,524	20,400
20,000	20,000	-

(Continued)

**Village of Croton-on-Hudson, New York**

Capital Projects Fund  
 Project-Length Schedule (Continued)  
 Inception of Project Through May 31, 2022

PROJECT	Project Number	Appropriation	Expenditures and Transfers to Date	Unexpended Balance
Grand Street Wall Replacement	23439	\$ 120,000	\$ 1,000	\$ 119,000
Village Wide Stormwater	23440	150,000	95,397	54,603
DPW Vehicles	23441	328,000	417,910	(89,910)
Fire Boat Marine 12 Replacement	23442	550,000	5,415	544,585
WEFH Solar Project	23443	190,000	65,748	124,252
Grand Street Firehouse	23444	211,372	94,801	116,571
Renovation Harmon Firehouse	23445	200,000	27,100	172,900
EMS Replacment Radios	23446	42,000	33,873	8,127
EMS Command Vehicle	23447	25,000	294	24,706
IT Server Upgrade	23448	25,000	25,574	(574)
Planner Affordable Housing Replacement	23449	75,000	8,550	66,450
Police Electric Hybrid Vehicle	23450	90,000	64,957	25,043
Speed Recorders	23451	6,220	6,293	(73)
Police Hybrid Pickup Truck	23452	68,000	798	67,202
Radio and Communications Upgrade	23453	16,500	8,272	8,228
Licencse Plate Reader	23454	30,000	18,779	11,221
HVAC Replacement	23460	26,050	-	26,050
Totals		<u>\$ 23,034,593</u>	<u>\$ 20,095,020</u>	<u>\$ 2,939,573</u>

See independent auditors' report.

Total Revenues	Fund Balance (Deficit) at May 31, 2023	Bond Anticipation Notes Out- standing at May 31, 2023
\$ 60,000	\$ 59,000	\$ -
150,000	54,603	-
143,000	(274,910)	-
550,000	544,585	-
27,500	(38,248)	-
211,372	116,571	-
-	(27,100)	-
42,000	8,127	-
-	(294)	25,000
-	(25,574)	50,000
-	(8,550)	-
-	(64,957)	25,000
-	(6,293)	6,220
-	(798)	68,000
16,500	8,228	-
-	(18,779)	30,000
26,050	26,050	-
<u>\$ 21,592,028</u>	<u>\$ 1,497,008</u>	<u>\$ 424,503</u>

**Village of Croton-on-Hudson, New York**

Non-Major Governmental Funds

Combining Balance Sheet

May 31, 2023

(With Comparative Totals for 2022)

	Special Purpose	Sewer	Total Non-Major Governmental Funds	
			2023	2022
<b>ASSETS</b>				
Cash and equivalents	\$ 446,446	\$ 72,702	\$ 519,148	\$ 889,250
Investments	309,344	206,692	516,036	200,111
Receivables				
Sewer rents	-	125,590	125,590	121,322
Due from other funds	7,898	507,005	514,903	309,739
	7,898	632,595	640,493	431,061
Total Assets	\$ 763,688	\$ 911,989	\$ 1,675,677	\$ 1,520,422
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ 4,569	\$ 4,569	\$ 15,125
Accrued liabilities	-	716	716	636
Due to other funds	28,609	149,293	177,902	89,760
Total Liabilities	28,609	154,578	183,187	105,521
Fund balances				
Restricted	735,079	-	735,079	766,486
Assigned	-	757,411	757,411	648,415
Total Fund Balances	735,079	757,411	1,492,490	1,414,901
Total Liabilities and Fund Balances	\$ 763,688	\$ 911,989	\$ 1,675,677	\$ 1,520,422

See independent auditors' report.



**Village of Croton-on-Hudson, New York**

Non-Major Governmental Funds  
 Combining Statement of Revenues, Expenditures and Changes  
 in Fund Balances  
 Year Ended May 31, 2023  
 (With Comparative Totals for 2022)

	Special Purpose	Sewer	Total Non-Major Governmental Funds	
			2023	2022
<b>REVENUES</b>				
Departmental income	\$ -	\$ 455,427	\$ 455,427	\$ 473,274
Use of money and property	17,654	-	17,654	597
Miscellaneous	10,190	-	10,190	9,000
<b>Total Revenues</b>	<b>27,844</b>	<b>455,427</b>	<b>483,271</b>	<b>482,871</b>
<b>EXPENDITURES</b>				
Current				
General government support	-	62,591	62,591	23,951
Culture and recreation	59,251	-	59,251	2,326
Home and community services	-	100,398	100,398	108,266
Employee benefits	-	22,589	22,589	11,459
<b>Total Expenditures</b>	<b>59,251</b>	<b>185,578</b>	<b>244,829</b>	<b>146,002</b>
Excess (Deficiency) of Revenues Over Expenditures	(31,407)	269,849	238,442	336,869
<b>OTHER FINANCING USES</b>				
Transfers out	-	(160,853)	(160,853)	(103,465)
<b>Net Change in Fund Balances</b>	<b>(31,407)</b>	<b>108,996</b>	<b>77,589</b>	<b>233,404</b>
<b>FUND BALANCES</b>				
Beginning of Year	766,486	648,415	1,414,901	1,181,497
End of Year	\$ 735,079	\$ 757,411	\$ 1,492,490	\$ 1,414,901

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

Special Purpose Fund  
Comparative Balance Sheet  
May 31,

---

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 446,446	\$ 738,967
Investments	309,344	-
Due from other funds	<u>7,898</u>	<u>27,519</u>
Total Assets	<u>\$ 763,688</u>	<u>\$ 766,486</u>
<b>FUND BALANCE</b>		
Liabilities		
Due to other funds	\$ 28,609	\$ -
Fund Balance		
Restricted	<u>735,079</u>	<u>766,486</u>
Total Liabilities and Fund Balance	<u>\$ 763,688</u>	<u>\$ 766,486</u>

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

Special Purpose Fund  
Comparative Statement of Revenues, Expenditures and Changes  
in Fund Balance  
Years Ended May 31,

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	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>		
Use of money and property	\$ 17,654	\$ 597
Miscellaneous	<u>10,190</u>	<u>9,000</u>
Total Revenues	27,844	9,597
<b>EXPENDITURES</b>		
Current		
Culture and recreation	<u>59,251</u>	<u>2,326</u>
Excess (Deficiency) of Revenues Over Expenditures	(31,407)	7,271
<b>FUND BALANCE</b>		
Beginning of Year	<u>766,486</u>	<u>759,215</u>
End of Year	<u><u>\$ 735,079</u></u>	<u><u>\$ 766,486</u></u>

See independent auditors' report.

Village of Croton-on-Hudson, New York

Sewer Fund  
Comparative Balance Sheet  
May 31,

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 72,702	\$ 150,283
Investments	<u>206,692</u>	<u>200,111</u>
Receivables		
Sewer rents	125,590	121,322
Due from other funds	<u>507,005</u>	<u>282,220</u>
	<u>632,595</u>	<u>403,542</u>
Total Assets	<u><u>\$ 911,989</u></u>	<u><u>\$ 753,936</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 4,569	\$ 15,125
Accrued liabilities	716	636
Due to other funds	<u>149,293</u>	<u>89,760</u>
Total Liabilities	154,578	105,521
Fund balance		
Assigned	<u>757,411</u>	<u>648,415</u>
Total Liabilities and Fund Balance	<u><u>\$ 911,989</u></u>	<u><u>\$ 753,936</u></u>

See independent auditors' report.

**Village of Croton-on-Hudson, New York**

Sewer Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended May 31,

	2023			Variance with Final Budget
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Departmental income	\$ 429,414	\$ 430,509	\$ 455,427	\$ 24,918
<b>EXPENDITURES</b>				
Current				
General government support	126,763	125,952	62,591	63,361
Home and community services	119,466	121,304	100,398	20,906
Employee benefits	22,627	22,695	22,589	106
Total Expenditures	268,856	269,951	185,578	84,373
Excess of Revenues Over Expenditures	160,558	160,558	269,849	109,291
<b>OTHER FINANCING USES</b>				
Transfers out	(160,853)	(160,853)	(160,853)	-
Net Change in Fund Balance	(295)	(295)	108,996	109,291
<b>FUND BALANCE</b>				
Beginning of Year	295	295	648,415	648,120
End of Year	\$ -	\$ -	\$ 757,411	\$ 757,411

See independent auditors' report.

2022			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 346,138	\$ 346,436	\$ 473,274	\$ 126,838
122,868	75,601	23,951	51,650
110,096	154,101	108,266	45,835
8,734	15,734	11,459	4,275
<u>241,698</u>	<u>245,436</u>	<u>143,676</u>	<u>101,760</u>
104,440	101,000	329,598	228,598
<u>(106,905)</u>	<u>(103,465)</u>	<u>(103,465)</u>	<u>-</u>
(2,465)	(2,465)	226,133	228,598
<u>2,465</u>	<u>2,465</u>	<u>422,282</u>	<u>419,817</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 648,415</u>	<u>\$ 648,415</u>

**Village of Croton-on-Hudson, New York**

Sewer Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2023

(With Comparative Actuals for 2022)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Auditor	\$ 3,084	\$ 3,107	\$ 3,107	\$ -	\$ 1,459
Central communications	21,326	28,345	28,135	210	13,297
Unallocated insurance	30,067	30,303	30,303	-	8,235
Taxes and assessments on property	2,286	2,286	1,046	1,240	960
Contingent account	70,000	61,911	-	61,911	-
	<u>126,763</u>	<u>125,952</u>	<u>62,591</u>	<u>63,361</u>	<u>23,951</u>
<b>HOME AND COMMUNITY SERVICES</b>					
Sanitary sewers	99,466	101,304	95,198	6,106	108,266
Other Home and Community Services	20,000	20,000	5,200	14,800	-
	<u>119,466</u>	<u>121,304</u>	<u>100,398</u>	<u>20,906</u>	<u>108,266</u>
<b>EMPLOYEE BENEFITS</b>					
State retirement	453	453	347	106	1,463
Social security	459	527	527	-	1,526
Workers' compensation benefits	21,715	21,715	21,715	-	8,470
	<u>22,627</u>	<u>22,695</u>	<u>22,589</u>	<u>106</u>	<u>11,459</u>
<b>TOTAL EXPENDITURES</b>	268,856	269,951	185,578	84,373	143,676
<b>OTHER FINANCING USES</b>					
Transfers out					
General Fund	50,000	50,000	50,000	-	-
Debt Service Fund	110,853	110,853	110,853	-	103,465
	<u>160,853</u>	<u>160,853</u>	<u>160,853</u>	<u>-</u>	<u>103,465</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 429,709</u>	<u>\$ 430,804</u>	<u>\$ 346,431</u>	<u>\$ 84,373</u>	<u>\$ 247,141</u>

See independent auditors' report.

## FORM OF BOND COUNSEL’S OPINION – BONDS

September 26, 2024

Village of Croton-on-Hudson  
Westchester County,  
State of New York

Re: Village of Croton-on-Hudson, Westchester County, New York  
\$1,288,400 Public Improvement (Serial) Bonds, 2024

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$1,288,400 Public Improvement (Serial) Bonds, 2024 (the “Obligations”), of the Village of Croton-on-Hudson, Westchester County, New York (the “Obligor”), dated September 26, 2024, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_ hundredths per centum (\_\_\_%) per annum as to bonds maturing in \_\_\_\_, payable on September 15, 2025 and semi-annually thereafter on March 15 and September 15, and maturing in the amount of \$\_\_\_\_\_ on September 15, 2025, \$\_\_\_\_\_ on September 15, 2026, \$\_\_\_\_\_ on September 15, 2027, \$\_\_\_\_\_ on September 15, 2028, \$\_\_\_\_\_ on September 15, 2029, \$\_\_\_\_\_ on September 15, 2030, \$\_\_\_\_\_ on September 15, 2031, \$\_\_\_\_\_ on September 15, 2032, \$\_\_\_\_\_ on September 15, 2033, \$\_\_\_\_\_ on September 15, 2034, \$\_\_\_\_\_ on September 15, 2035, \$\_\_\_\_\_ on September 15, 2036, \$\_\_\_\_\_ on September 15, 2037, \$\_\_\_\_\_ on September 15, 2038, \$\_\_\_\_\_ on September 15, 2039 and \$\_\_\_\_\_ on September 15, 2040.

The Obligations maturing on or before September 15, 2032 shall not be subject to redemption prior to maturity. The Obligations maturing on or after September 15, 2033 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Village on September 15, 2032 or on any date thereafter at par, plus accrued interest to the date of redemption.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the “Code”);
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the “Arbitrage Certificate”); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.



In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal alternative minimum tax. We observe that interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

## FORM OF BOND COUNSEL’S OPINION – NOTES

September 26, 2024

Village of Croton-on-Hudson  
Westchester County,  
State of New York

Re: Village of Croton-on-Hudson, Westchester County, New York  
\$976,362 Bond Anticipation Notes, 2024

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$976,362 Bond Anticipation Notes, 2024 (the “Obligation”), of the Village of Croton-on-Hudson, Westchester County, New York (the “Obligor”), dated September 26, 2024, numbered 1, of the denomination of \$976,362, bearing interest at the rate of \_\_\_% per annum, payable at maturity, and maturing on September 26, 2025.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the “Arbitrage Certificate”); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP