

**INCORPORATED VILLAGE OF
GARDEN CITY, NEW YORK**

FINANCIAL STATEMENTS

For The Year Ended May 31, 2015

INCORPORATED VILLAGE OF GARDEN CITY, NEW YORK

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MAY 31, 2015**



Prepared by:

*Finance Department
Irene Woo, CPA, Treasurer*

INCORPORATED VILLAGE OF GARDEN CITY
FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2015
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INDEPENDENT AUDITORS' REPORT

Mayor and Board of Trustees
Incorporated Village of Garden City
Garden City, New York

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incorporated Village of Garden City, New York, as of and for the year ended May 31, 2015, and the related notes to the financial statements, which collectively comprise the Incorporated Village of Garden City's (the "Village") basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

PERSONAL SERVICE. TRUSTED ADVICE. 

ALBRECHT, VIGGIANO, ZURECK & COMPANY, P.C.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incorporated Village of Garden City, New York, as of May 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Albert Vignone, CPA & Company P.C.

Hauppauge, New York
October 23, 2015

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015

As management of the Incorporated Village of Garden City, New York (the "Village"), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended May 31, 2015. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

FINANCIAL HIGHLIGHTS

- The combined assets of the Village exceeded its liabilities by \$18,308,316 (net position) at May 31, 2015.
- The Village's total combined net position increased by \$2,594,267 of which \$2,420,994 was related to governmental activities and \$173,273 was related to business-type activities.
- As of May 31, 2015, the Village's governmental funds reported combined ending fund balances of \$16,069,566. Of this amount, \$944,314 is not in spendable form or is required to remain intact. The remaining \$15,125,252 or approximately 94% of total fund balances is in spendable form with various levels of spending constraint: restricted, assigned, or unassigned making them available for spending at the Village's discretion (see Note 2.B).
- At year end, the Village's total fund balance for the General Fund was \$14,697,525, an increase of \$6,208,286 from the prior year. The assigned and unassigned fund balance for the General Fund was \$13,753,211.
- The Village's total bonded debt (inclusive of general obligation bonds and a special assessment bond but exclusive of premiums) was \$19,619,500, of which \$12,109,500 relates to governmental activities and \$7,510,000 relates to business-type activities. There was an increase in bonded debt in the amount of \$640,000, a result of issuance of \$3,090,000 in general obligation bonds for the Village's governmental activities, offset by principal payments made in the current year of \$2,450,000.

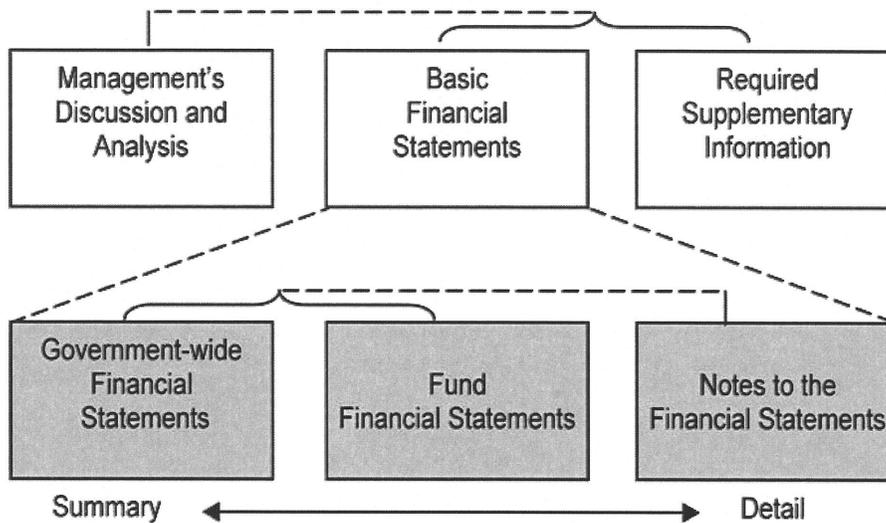
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**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**COMPONENTS OF
THE ANNUAL FINANCIAL REPORT**



Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The intent of the government-wide financial statements is to give the reader a long-term view of the Village's financial condition.

The Statement of Net Position presents financial information on all of the Village's assets and liabilities, with the difference between the two reported as net position. This combines and consolidates the Village's current financial resources with capital assets and long-term obligations. The purpose of this statement is to give the reader an understanding of the Village's total net worth. Over time, increases or decreases in the Village's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's buildings, roads, drainage and other assets to assess the overall health of the Village.

The Statement of Activities presents information showing how the Village's net position changed during the most recent year. Revenues and expenses are reported by activity to give the reader an understanding of how each of the Village's activities is being supported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. This method is known as the accrual basis of accounting and is different from the modified accrual basis of accounting used in the Village's fund financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Government-wide Financial Statements (continued)

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The Village's government-wide financial statements include both the governmental and business-type activities of the Village itself (known as the primary government) and of its legally separate nonmajor component unit for which the Village is financially accountable. Financial information for the component unit has been blended with that of the primary government.

Governmental Activities - The Village's basic services are reported here, including: general government support; public safety; transportation; economic assistance and opportunity; culture and recreation and home and community services. Property taxes, mortgage taxes, franchise fees, fines, and state and federal grants finance these activities. The Village also charges fees to customers to help it cover the cost of certain services it provides. In addition, the activities of the Garden City Public Library, although a legally separate entity, are included in the governmental activities since the Library functions for all practical purposes as a department of the Village.

Business-Type Activities - The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and recreation facilities are reported here.

Fund Financial Statements

The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each of which is defined as an accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific or attaining certain objectives in accordance with special regulations, restriction or limitations. The Village, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the Village's near term financial decisions. Both the governmental fund Balance Sheet and governmental fund Statement of Revenues, Expenditures, and Change in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

The Village maintains two individual major governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General and Capital Project Funds. The Library Fund (blended component unit) is considered a nonmajor governmental fund, and is presented as such in the governmental fund financial statements.

The Village adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule for the General Fund can be found in the section labeled "Required Supplementary Information Other Than Management's Discussion and Analysis."

The governmental fund financial statements can be found in the "Basic Financial Statements" section of this report.

Proprietary Fund

The Village maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its Water, Pool and Tennis Funds. The Internal Service Fund is used to accumulate and allocate costs internally among the Village's various functions. The Village uses its Internal Service Fund to account for risk management activities. Because these services predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements, but are included in a single column in the proprietary fund financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Pool, Tennis and Internal Service Funds since all are considered to be major funds of the Village. The proprietary fund financial statements can be found in the "Basic Financial Statements" section of this report.

Fiduciary Funds

All of the Village's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The fiduciary fund financial statement can be found in the "Basic Financial Statements" section of this report.

Notes to the Financial Statements

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

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Other Information

In addition to the basic financial statements this report contains supplementary information immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$18,308,316 at the close of the most recent year.

Our analysis below focuses on the net position and changes in net position of the Village as a whole.

**Condensed Statement of Net Position
as of May 31, 2015 and 2014**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other assets	\$ 26,497,413	\$ 20,155,448	\$ 2,888,653	\$ 2,660,545	\$ 29,386,066	\$ 22,815,993
Capital assets	53,285,436	49,735,021	16,419,966	17,601,476	69,705,402	67,336,497
Total Assets	79,782,849	69,890,469	19,308,619	20,262,021	99,091,468	90,152,490
Liabilities						
Current and other liabilities	8,714,449	8,057,875	1,748,272	2,009,544	10,462,721	10,067,419
Long-term liabilities	60,984,700	54,169,888	9,335,731	10,201,134	70,320,431	64,371,022
Total Liabilities	69,699,149	62,227,763	11,084,003	12,210,678	80,783,152	74,438,441
Net Position						
Net investment in capital assets	40,040,740	39,620,591	8,878,414	8,924,883	48,919,154	48,545,474
Restricted	70,572	70,511			70,572	70,511
Unrestricted	(30,027,612)	(32,028,396)	(653,798)	(873,540)	(30,681,410)	(32,901,936)
Total Net Position	\$ 10,083,700	\$ 7,662,706	\$ 8,224,616	\$ 8,051,343	\$ 18,308,316	\$ 15,714,049

Total assets of the Village's governmental activities, as of May 31, 2015, were \$79,782,849, an increase of \$9,892,380. Total liabilities as of May 31, 2015 were \$69,699,149, an increase of \$7,471,386. This resulted in a net position balance of \$10,083,700 for 2015, an increase of \$2,420,994.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Of the Village's governmental activities net position balance, \$40,040,740 was the net investment in capital assets, while \$70,572 was restricted by grantors for a specific purpose, leaving a deficit of \$30,027,612 in the unrestricted net position category.

The largest portion of the governmental activities net position, \$40,040,740, reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; 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 will not be used to liquidate these liabilities.

Total assets of the Village's business-type activities, as of May 31, 2015, were \$19,308,619, a decrease of \$953,402. Total liabilities as of May 31, 2015 were \$11,084,003, a decrease of \$1,126,675. This resulted in a net position balance of \$8,224,616 for 2015, an increase of \$173,273.

Of the Village's business-type activities net position balance, \$8,878,414 was the net investment in capital assets, leaving a deficit of \$653,798 in the unrestricted net position category. The Pool and Tennis Funds reported a negative net investment in capital assets. This is a result of the Village's assets depreciating at a faster rate than the corresponding debt is being amortized (i.e. paid down), which is a result of the Village's debt being issued at a later date compared to the date the asset is placed into service.

The deficit balance of unrestricted net position does not necessarily indicate fiscal stress. The deficit balance in unrestricted net position arose primarily due to long-term liabilities which include other postemployment benefits, compensated absences, claims and judgments and tax certiorari costs that will be funded through future budgetary appropriations or charges for services when they become payable in future periods.

The Village's combined net position was again impacted in the current year and will continue to be impacted in subsequent years due to the ongoing recognition of other postemployment benefits (OPEB). The unfunded liability for other postemployment benefits related to the primary government increased by \$5,635,369 in the current year, bringing the unfunded liability at year end to \$40,986,339. Additional information on other postemployment benefits can be found in Note 3.G to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
 May 31, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Our analysis below separately considers the operations of governmental and business-type activities.

Changes in Net Position

For the years ended May 31, 2015 and 2014

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2015	2014	2015	2014	2015	2014
Program Revenues						
Charges for services	\$ 3,646,084	\$ 4,084,176	\$ 7,314,833	\$ 7,147,754	\$ 10,960,917	\$ 11,231,930
Operating grants and contributions	31,476	176,194			31,476	176,194
Capital grants and contributions	2,866,018	641,259			2,866,018	641,259
Total Program Revenues	6,543,578	4,901,629	7,314,833	7,147,754	13,858,411	12,049,383
General Revenues						
Real property taxes	48,194,427	46,672,038			48,194,427	46,672,038
Other real property tax items	992,709	834,884			992,709	834,884
Non-property tax items	1,045,542	1,059,580			1,045,542	1,059,580
Earnings on investments	105,617	100,241	31,294	32,790	136,911	133,031
Sale of property and compensation for loss	5,043,085	476,272			5,043,085	476,272
Grants - unrestricted	797,869	859,421			797,869	859,421
Legal settlement			2,185		2,185	
Other	1,085,837	3,414,583			1,085,837	3,414,583
Total General Revenues	57,265,086	53,417,019	33,479	32,790	57,298,565	53,449,809
Total Revenues	63,808,664	58,318,648	7,348,312	7,180,544	71,156,976	65,499,192
Program Expenses						
General government support	12,350,672	12,619,967			12,350,672	12,619,967
Public safety	23,712,330	24,088,342			23,712,330	24,088,342
Transportation	5,360,266	5,273,408			5,360,266	5,273,408
Economic assistance and opportunity	45,064	17,489			45,064	17,489
Culture and recreation	11,742,658	11,795,752			11,742,658	11,795,752
Home and community services	7,908,048	7,854,519			7,908,048	7,854,519
Interest on debt	268,632	269,158			268,632	269,158
Pool			1,312,160	1,322,500	1,312,160	1,322,500
Tennis			474,828	483,314	474,828	483,314
Water			5,388,051	5,633,027	5,388,051	5,633,027
Total Program Expenses	61,387,670	61,918,635	7,175,039	7,438,841	68,562,709	69,357,476
Change in Net Position	2,420,994	(3,599,987)	173,273	(258,297)	2,594,267	(3,858,284)
Net Position at Beginning of Year	7,662,706	11,262,693	8,051,343	8,309,640	15,714,049	19,572,333
Net Position at End of Year	\$ 10,083,700	\$ 7,662,706	\$ 8,224,616	\$ 8,051,343	\$ 18,308,316	\$ 15,714,049

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

During the year ended May 31, 2015, government-wide revenues increased from the prior year by \$5,657,784 while government-wide expenses decreased from the prior year by \$794,767.

The key elements of the change in government-wide revenues as compared to the prior year are as follows:

- Decrease in the charges for services related to governmental activities of \$438,092, primarily due to a decrease in building, electrical and plumbing inspection fees of \$462,727, a result of a large construction project that was started during the 2013 - 2014 fiscal year which generated significant fees in the prior year.
- Increase in the charges for services related to business-type activities of \$167,079, primarily due to increases in tennis membership and guest fees of \$54,975, water sales and charges for public fire protection in the amount of \$46,098, and pool membership and guest fees of \$48,453.
- Decrease in operating grants and contributions of \$144,718 primarily due to a decrease in federal aid disaster assistance in the amount of \$142,463. In the prior year, the Village recognized federal aid related to cleanup costs associated with Hurricane Sandy.
- Increase in capital grants and contributions of \$2,224,759, primarily due to a donation of a building valued at \$1,700,000 and cash in the amount of \$180,000 from Doubleday Court. This donation will be used for the Senior Recreation Center. In addition, the Village received \$300,000 from Nassau County's 2006 Environmental Bond Act to assist in the remediation and deconstruction of Ellis Hall at St. Paul's campus.
- Increase in real property taxes of \$1,522,389 due to an increase in the implied tax rate of the General Fund.
- Increase in sale of property and compensation for loss of \$4,566,813, primarily as a result of the gain recognized on the sale of the Cherry Valley land of which the Village received proceeds in the amount of \$4,690,000. The original cost of the land was \$7,948.
- Decrease in general revenue – other of \$2,328,746, primarily due to the New York State Workers' Compensation Board enacting a new assessment methodology which reduced total assessment costs for all New York State employers. This change primarily impacted the 2013-2014 fiscal year, and resulted in a refund of expenses in the prior year of approximately \$3,308,000. This was offset by a refund of prior year expenditures reported in the current year in the amount of \$970,644, a result of a reduction in estimated judgments and claims related to general liability and workers' compensation claims based on an actuarial calculation.

The key elements of the change in government-wide expenses as compared to the prior year are as follows:

- Decrease in general government support expenses of \$269,295, primarily a result of fewer tax certiorari settlements against the Village in the current year (\$386,928) and a reduction of salary payments due to retirements in the prior year.

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

- Decrease in public safety expenses of \$376,012 primarily due to lower fire department payroll and overtime costs, as well as a retroactive salary award in the prior year which was included in personal services (an aggregate reduction of \$929,648), which was offset by an increase in vacation and sick accruals for public safety employees and contractual expenses in the fire department in the amounts of \$447,600 and \$145,203, respectively.
- Decrease in the Water Fund program expenses of \$244,976 primarily as a result of a Village Board approved review and re-evaluation of the cost allocation methodology which reduced payroll and employee benefit costs allocated to the Water Fund from the General Fund.

The following illustrates the total cost of services, program revenues by function and the net cost of services for the Village's governmental activities.

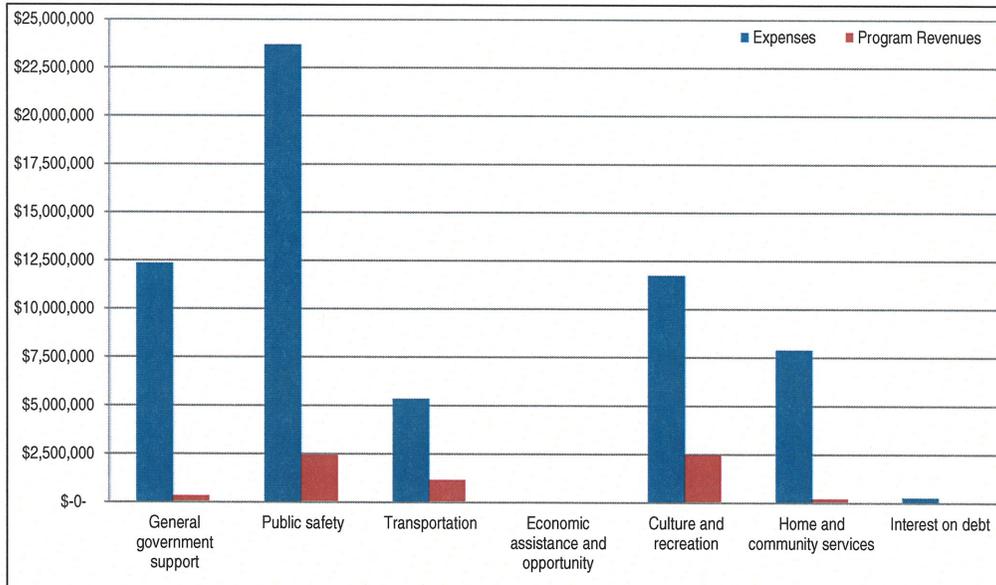
Net Expense of Services

Governmental Activities

For Years Ended May 31, 2015 and 2014

	Total Expense of Services		Program Revenues		Net Expense of Services	
	2015	2014	2015	2014	2015	2014
General government support	\$ 12,350,672	\$ 12,619,967	\$ 322,442	\$ 20,430	\$ (12,028,230)	\$ (12,599,537)
Public safety	23,712,330	24,088,342	2,420,887	2,746,320	(21,291,443)	(21,342,022)
Transportation	5,360,266	5,273,408	1,137,961	1,039,673	(4,222,305)	(4,233,735)
Economic assistance and opportunity	45,064	17,489			(45,064)	(17,489)
Culture and recreation	11,742,658	11,795,752	2,452,594	641,575	(9,290,064)	(11,154,177)
Home and community services	7,908,048	7,854,519	209,694	453,631	(7,698,354)	(7,400,888)
Interest on debt	268,632	269,158			(268,632)	(269,158)
	<u>\$ 61,387,670</u>	<u>\$ 61,918,635</u>	<u>\$ 6,543,578</u>	<u>\$ 4,901,629</u>	<u>\$ (54,844,092)</u>	<u>\$ (57,017,006)</u>

**Expenses and Program Revenues
Governmental Activities**



**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

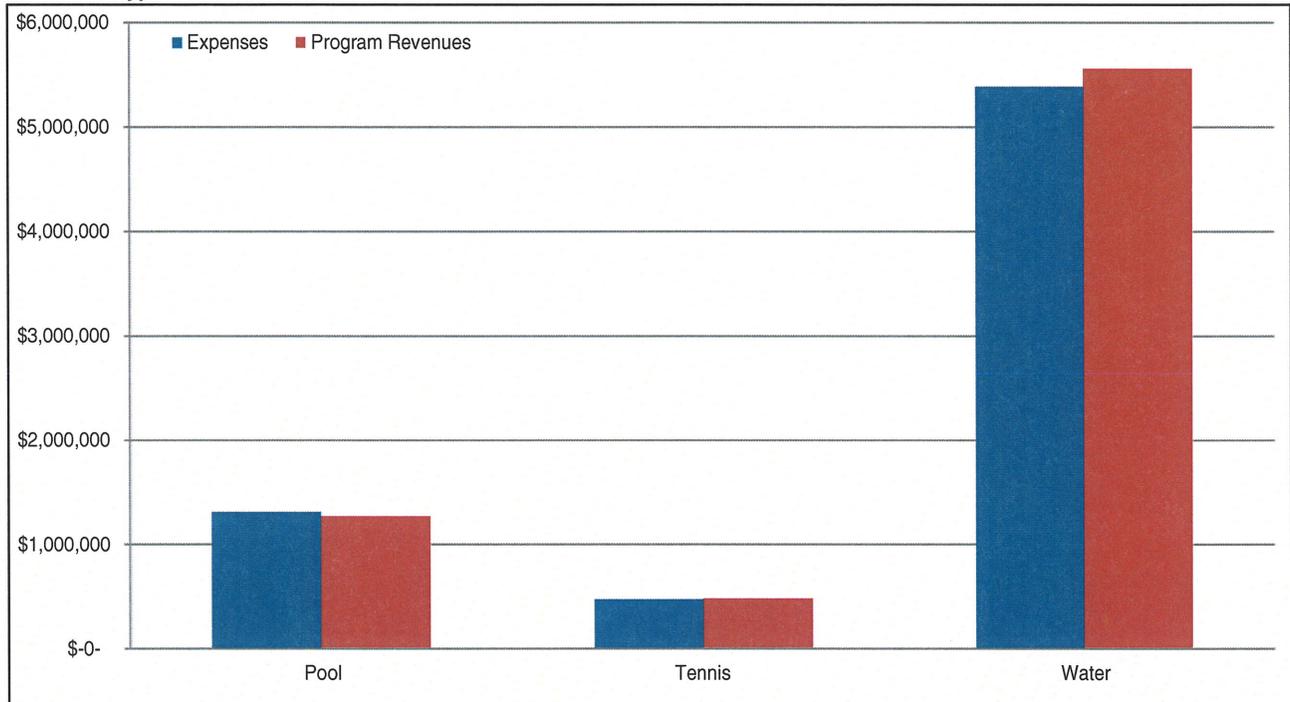
The cost of the governmental activities in the current fiscal year was \$61,387,670. The net cost of these services after being subsidized by program revenues of \$6,543,578 was \$54,844,092.

The following illustrates the total cost of services, program revenues by fund and the net cost of services for the Village's business-type activities.

**Net (Expense) Revenue of Services
Business-Type Activities
For Years Ended May 31, 2015 and 2014**

	Total Expense of Services		Program Revenues		Net (Expense) Revenue of Services	
	2015	2014	2015	2014	2015	2014
Pool	\$ 1,312,160	\$ 1,322,500	\$ 1,271,316	\$ 1,223,448	\$ (40,844)	\$ (99,052)
Tennis	474,828	483,314	482,113	423,943	7,285	(59,371)
Water	5,388,051	5,633,027	5,561,404	5,500,363	173,353	(132,664)
	<u>\$ 7,175,039</u>	<u>\$ 7,438,841</u>	<u>\$ 7,314,833</u>	<u>\$ 7,147,754</u>	<u>\$ 139,794</u>	<u>\$ (291,087)</u>

**Expenses and Program Revenues
Business-type Activities**



The cost of the business-type activities in the current fiscal year was \$7,175,039. The net revenue of these services after being subsidized by program revenues of \$7,314,833 was \$139,794.

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

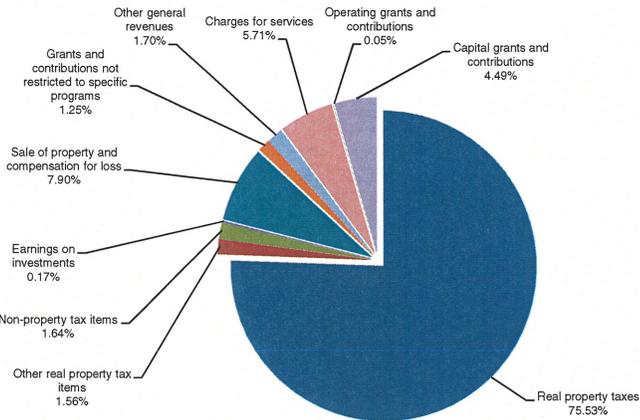
Revenue by Source

Governmental Activities

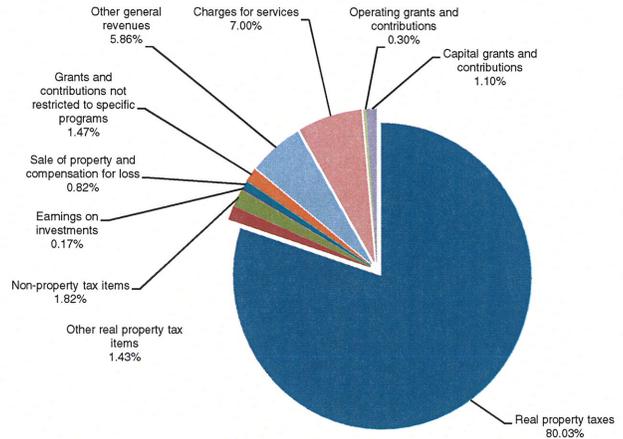
Years ended May 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Real property taxes	\$ 48,194,427	\$ 46,672,038
Other real property tax items	992,709	834,884
Non-property tax items	1,045,542	1,059,580
Earnings on investments	105,617	100,241
Sale of property and compensation for loss	5,043,085	476,272
Grants and contributions not restricted to specific programs	797,869	859,421
Other general revenues	1,085,837	3,414,583
Charges for services	3,646,084	4,084,176
Operating grants and contributions	31,476	176,194
Capital grants and contributions	2,866,018	641,259
	<u>\$ 63,808,664</u>	<u>\$ 58,318,648</u>

**Revenue by Source
Governmental Activities
For the year ended May 31, 2015**



**Revenue by Source
Governmental Activities
For the year ended May 31, 2014**



FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, spendable fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)

Governmental Funds (continued)

At May 31, 2015, the Village's governmental funds reported total ending fund balance of \$16,069,566 an increase of \$5,818,161 in comparison to the prior year. The category breakdown is as follows:

- **Nonspendable fund balance** - \$944,314 (inherently nonspendable) includes the portion of net resources that cannot be spent because they are not in spendable form, cannot be converted to cash in the current period or are legally or contractually required to remain intact.
- **Restricted fund balance** - \$285,000 (externally enforceable limitations on use) include amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- **Assigned fund balance** - \$6,637,165 (limitation resulting from intended use) consists of amounts where the intended specific purpose is established by the Village Board of Trustees, but do not meet the criteria to be classified as restricted or committed.
- **Unassigned fund balance** - \$8,203,087 (residual net resources) is the remaining fund balance in the General Fund in excess of nonspendable, restricted and assigned fund balance.

General Fund

The General Fund is the chief operating fund of the Village. At the end of the current year, the total fund balance of the General Fund was \$14,697,525, an increase of \$6,208,286 from the prior year. Of this amount, \$944,314 is not in spendable form (inventory of material and supplies) and the remaining \$13,753,211 is in spendable form as follows: \$2,552,618 has been assigned by the Village Board for the subsequent year's budget, \$485,248 has been assigned for purchase orders by the Village Auditor, \$2,487,902 has been assigned by the Village Board for future employee benefit payments, \$24,356 has been assigned for miscellaneous designations, and the remaining \$8,203,087 represents spendable, unassigned fund balance.

The key elements of the fund balance increase of \$6,208,286 are as follows:

- There was a budgeted use of prior year fund balance of \$583,143, as well as the prior year encumbrances carried forward in the amount of \$582,188.
- Actual revenues and other financing sources exceeded the final budget by \$5,245,445. This is primarily due to sales of real property being in excess of the budget in the amount of \$4,690,000, as well as safety inspection fees and fines and forfeitures exceeding budgeted expectations by \$243,071 and \$204,414, respectively.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)

General Fund (continued)

- Actual expenditures and other financing uses were less than the final budget by \$2,265,968. General government support expenditures were under budget by \$681,481, primarily a result of fewer refunds of real property taxes paid in the current year than anticipated due to the timing of the legal settlements (\$284,998) and lower than anticipated contractual expenditures across the departments (\$228,032). Public safety expenditures were under budget by \$746,819, due to less contractual expenditures than expected in the police and fire departments in the amounts of \$187,872 and \$252,179, respectively, and less payroll costs in the fire department due to a reduction in the number of Village firefighters. Culture and recreation expenditures related to contractual expenditures were under budget by \$221,986 primarily due to less utility costs, maintenance costs and contractual services for the playground and recreation centers. The Village's employee benefit costs were lower than expected by \$456,251 primarily due to lower contribution rates for the New York State Local Police and Fire Retirement System.
- Overall, actual revenues and other financing sources increased from the prior year by \$4,757,075, primarily a result of proceeds from the sale of Village properties in the current year in the amount of \$4,690,000 and an increase in real property taxes in the amount of \$1,520,763. The increased revenue was offset by decreases from the prior year in federal disaster aid revenue (\$495,962) related to debris removal and other cleanup costs from Hurricane Sandy, safety inspection fees (\$415,133) related to significant construction projects and transfers in from the Capital Projects Fund (\$554,649) related to the Village transferring unused project funds as a result of authorizing a bond for a capital expenditure.
- Overall, actual expenditures and other financing uses decreased from the prior year by \$533,750, a result of decreases in general government support and public safety expenditures in the amounts of \$687,024 and \$787,801, respectively, which was offset by an increase in the amount of funds transferred out to other funds of \$1,009,324. General government support expenditures decreased primarily due a reduction in the number of refunds of real property tax settlements in the current year (\$764,484) and salary and termination payments due to an employee from the Treasurer's Department that retired in the prior year (\$283,828), which was offset by an increase in the premium payment made to the Internal Service Fund (\$400,000) for additional funds required for legal fees related to a specific legal case. Decreases related to public safety expenditures were a result of less salary and overtime costs (\$278,860) for the fire department, due to a reduction of fire department overtime costs as well as retroactive salary awarded in the prior year to the fire department (\$650,788). Transfers out increased mainly as a result of the increase in the amount provided to the Capital Project Funds (\$949,149) due to the Village increasing the capital expenditure activity compared to the prior year.

Capital Projects Fund

At the end of the current year, the Capital Projects Fund had a total fund balance of \$1,110,435, a decrease of \$519,088 from the prior year. Of this amount, \$214,428 is restricted for bonded capital projects and the remaining \$896,007 has been assigned for capital project purposes as determined by the Village's Board of Trustees.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)

Capital Projects Fund (continued)

The fund balance decrease in the Capital Projects Fund from the prior year is mainly the result of timing differences between project expenditures and the recognition of the corresponding permanent financing sources.

Library Fund

At the end of the current year, the total fund balance of the Library Fund, a nonmajor fund (blended component unit) of the Village, was \$261,606, an increase of \$128,963 from the prior year. Of this amount, \$70,572 is restricted for specific purposes defined by grantors and donors, and \$191,034 is assigned for Library Fund purposes.

The fund balance increase in the Library Fund from the prior year is the result of a budgeted use of prior years' fund balance of \$26,948, higher revenues and other financing sources recognized in the current year in the amount of \$36,800 and an overall decrease in expenditures incurred in the amount of \$158,700. The Library Fund's revenue and other financing sources increase was a result of a higher transfer from the General Fund to provide funding for Library operations (\$60,175) which was offset by a reduction in the gifts and donations received in the current year (\$16,585). The overall decrease in expenditures was primarily a result of a reduction of payroll and employee benefit costs.

Proprietary Funds

The Village's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

The Pool Fund's deficit net position at year end was \$817,797. This deficit net position increased from the prior year by \$53,193, which was a result of the Pool Fund's expenditures, including depreciation expense and the continued recognition of other postemployment benefits (OPEB) costs continuing to exceed the Pool Fund's revenue, which is derived mainly from membership and guest fees. In the current year, the Pool Fund was able to generate additional membership and guest fees (\$48,453) and reduce operating expenses (\$37,069) primarily by lowering payroll costs.

The Tennis Fund's deficit in net position at year end was \$59,801. The Tennis Fund's net position increased from the prior year by \$4,501, the result of the generating additional membership and guest fees (\$54,976) and reducing operating expenses (\$13,284) and interest paid on bonded debt (\$2,240).

The Water Fund's net position at year end was \$8,957,194, an increase of \$138,571 from the prior year. The increase in net position was a result of the Water Fund recognizing additional operating revenues in the amount of \$61,041, primarily from water sales and public fire protection revenues, as well as a decrease in operating expenses in the amount of \$358,755, mainly a result of the Village Board's approved review and re-evaluation of the cost allocation methodology which resulted in reduced payroll and employee benefit costs that were allocated to the Water Fund in previous years.

The Internal Service Fund's net position at year end was \$1,854,468. The Internal Service Fund's net position increased from the prior year by \$1,066,412 primarily due to the recognition of revenues in the current year for the prior years' overaccrual of estimated claims related to workers' compensation and liability cases (\$970,644) and an increase in premiums from the General Fund (\$400,000) for a specific legal settlement and the related legal fees, and a reduction in claim and excess insurance costs incurred in the prior year (\$327,209), a result of change in factors for outstanding cases.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
 May 31, 2015

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village appropriated expenditures in the original General Fund budget in excess of estimated revenues in the amount of \$1,165,831, by designating unreserved fund balance from the prior year in the amount of \$583,143 and reappropriating prior year encumbrances in the amount of \$582,688. Over the course of the year, the Board of Trustees revised the budget as needed so that expenditures do not exceed appropriations. In the General Fund, various transfers between appropriations, as well as additional expenditures appropriated from fund balance, were approved for this purpose. The amount of appropriated fund balance was increased by \$137,796 from the original budget. The increase in appropriated fund balance was primarily due to the retroactive salary payments, a result of a settlement of a collective bargaining contract.

Please see the "General Fund" section for more details on the comparison of final budgets to actual expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of May 31, 2015, amounts to \$53,285,436 and \$16,419,966, respectively. This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, curbs, sidewalks, drainage, sewer and water systems, and construction in progress.

During the fiscal year ended May 31, 2015, the Village's major capital expenditures were as follows:

Road repairs	\$	2,147,030
Demolition of Ellis Hall		838,415
Fire apparatus and equipment		728,156
Public Works equipment		680,210
Sidewalk repairs and curb replacement		495,000
Senior Recreation center building foundation and structure move		413,820
Police vehicles and equipment		292,499

Capital Assets - Net of Accumulated Depreciation

Years ended May 31,

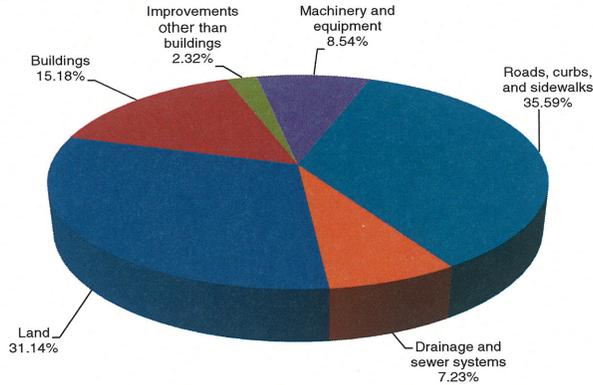
	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Land	\$ 16,594,667	\$ 16,602,615	\$ 69,212	\$ 69,212
Construction in progress			264,193	264,193
Buildings	8,087,705	5,973,948	3,355,097	3,714,906
Improvements other than buildings	1,238,207	1,517,941	9,373,696	9,648,160
Machinery and equipment	4,549,528	3,510,872	3,357,768	3,905,005
Infrastructure:				
Roads, curbs, and sidewalks	18,964,535	17,970,037		
Drainage and sewer systems	3,850,794	4,159,608		
Total net capital assets	<u>\$ 53,285,436</u>	<u>\$ 49,735,021</u>	<u>\$ 16,419,966</u>	<u>\$ 17,601,476</u>

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015**

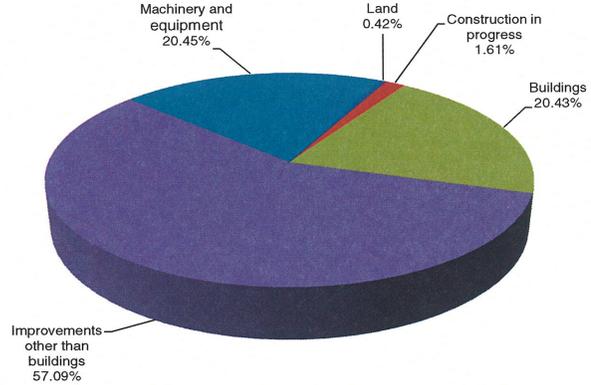
CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Capital Assets

**Capital Assets - Net of Accumulated Depreciation
Governmental Activities
For the year ended May 31, 2015**



**Capital Assets - Net of Accumulated Depreciation
Business-type Activities
For the year ended May 31, 2015**



The Village has five-year capital improvement plans for the General Fund. The five-year plans allow for the continued improvements to infrastructure, buildings and equipment while remaining consistent with the Village's debt service requirements. Annually, the Village Board of Trustees reviews, updates, and amends the capital plan.

Additional information on the Village's capital assets can be found in Note 3.C to the financial statements.

Debt Administration

At the end of the current year, the Village had total long-term bonded debt outstanding of \$12,109,500 and \$7,510,000 for its governmental and business-type activities, respectively. The entire debt is backed by the full faith and credit of the Village. The Village also has \$230,577 outstanding in capital loans payable.

Outstanding debt at May 31, 2015 and 2014

	2015	2014
Governmental Activities:		
Capital loans payable	\$ 230,577	\$ 409,654
Special assessment bond payable with governmental commitment	300,000	605,000
General obligation bonds payable, exclusive of premium	11,809,500	9,734,500
Total outstanding debt, governmental activities	<u>\$ 12,340,077</u>	<u>\$ 10,749,154</u>
Business-type Activities:		
General obligation bonds payable, exclusive of premium	\$ 7,510,000	\$ 8,640,000
Total outstanding debt, business-type activities	<u>\$ 7,510,000</u>	<u>\$ 8,640,000</u>

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015**

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Debt Administration (continued)

The above does not include premiums related to general obligation bonds in the amount of \$87,957 and \$31,552 for the governmental activities and business-type activities, respectively, as of May 31, 2015 and \$91,501 and \$36,593 respectively, as of May 31, 2014.

During the current fiscal year, the Village's debt, inclusive of bonded debt and capital loans, increased by \$460,923 or 2.38%, a result of the issuance of \$3,090,000 in general obligation bonds offset by \$2,629,077 in principal payments made during the current year.

Moody's Investment Services maintained the Village's credit rating at "Aaa" during the year ended May 31, 2015.

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 7.00% of the average full valuation of taxable real estate of the Village, and is 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 calculated 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 Board of Equalization and Assessment. 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. The percentage of debt contracting power exhausted at May 31, 2015 was 3.29%.

Additional information on the Village's debt activity can be found in Note 3.D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Property Tax

The Village has adopted a budget for the 2015-2016 fiscal year, which factors in inflation and other adjustments to revenues and expenditures as well as prior year positive fund balances. The 2015-2016 budget includes an overall increase in real property tax revenues of \$794,069, which is the result of an increase in the tax rate of 1.86% from the current year. The tax levy increase was 1.65% which is under the 1.68% limit imposed under the tax cap law.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2% property tax cap for municipalities. Beginning in 2012 and lasting through at least June 15, 2020, no local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less). Local governments can exceed the tax levy limit by a 60% vote of the governing body and annually adopting a local law. There are permitted exceptions and adjustments. The Village did not exceed the 2% cap, inclusive of allowable exclusion in the 2015-2016 budget.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2015

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (continued)

Tax Assessment Trends

Assessment reductions resulting from tax certiorari actions continue to erode the Village tax base. The Village anticipates that this trend will continue for the year ending May 31, 2016.

LEGAL CONTINGENCY

The Village has been the defendant in an action that was filed in federal district court in 2005. The case was tried in June 2013 and on December 6, 2013 the U.S. District Court ruled that the Village had violated the Fair Housing Act as well as 42 U.S. Code §1981 and §1983 and the Equal Protection Clause of the Fourteenth Amendment. As the prevailing party, the plaintiffs have filed a motion seeking to recover approximately \$5.6 million in attorneys' fees and costs, which is subject to increase as the case continues. On September 11, 2014, the court granted the Village's motion to defer the ruling on the plaintiffs' attorneys' fees and cost request pending the outcome of an appeal that the Village has filed on the trial court decision with the 2nd Circuit U.S. Court of Appeals. The appeal was argued in May of 2015 and the Village is awaiting the Court's determination. If the Court determines that the Village is not liable, the plaintiffs will not be entitled to the recovery of attorneys' fees and costs. However, in the event that the Village is not successful on appeal and the plaintiffs are awarded attorneys' fees and costs, the Village believes that it has insurance coverage for such award. As of the date of this report, the insurance carrier has not conceded that the Village's coverage would apply and has reserved its rights. If the Village is not successful on appeal and the insurance carrier denies the coverage, the Village intends to take all reasonable steps to enforce payment. Additional information related to this case can be found in Note 4.C to the financial statements.

SUBSEQUENT EVENT

Subsequent to year end, the Village entered into a collective bargaining agreement with the Garden City Police Benevolent Association, Inc. The agreement, which was ratified by the Village Board on June 4, 2015, included a clause that all employees hired under the ratified contract will be required to contribute 10% towards their health insurance premium until reaching a certain salary, upon which they will have to contribute 15% for the remainder of their employment with the Village and during their years of retirement.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the finances of the Village, and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact the Incorporated Village of Garden City, Business Office, Garden City, New York.

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BASIC FINANCIAL STATEMENTS

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INCORPORATED VILLAGE OF GARDEN CITY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
May 31, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 24,324,754	\$ 1,854,925	\$ 26,179,679
Accounts receivable	304,171	889,670	1,193,841
Due from other governments	405,796		405,796
Restricted cash	70,572		70,572
Tax sale certificates	447,806		447,806
Inventory of material and supplies	944,314	144,058	1,088,372
Total Current Assets	<u>26,497,413</u>	<u>2,888,653</u>	<u>29,386,066</u>
Noncurrent Assets:			
Non-depreciable capital assets	16,594,667	333,405	16,928,072
Depreciable capital assets, net of depreciation	36,690,769	16,086,561	52,777,330
Total Noncurrent Assets	<u>53,285,436</u>	<u>16,419,966</u>	<u>69,705,402</u>
Total Assets	<u>79,782,849</u>	<u>19,308,619</u>	<u>99,091,468</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	2,810,259	286,736	3,096,995
Due to New York State retirement systems	726,061	56,270	782,331
Unearned revenues	105,364	399,862	505,226
Internal balances	145,020	(145,020)	-0-
Noncurrent liabilities due within one year:			
Compensated absences	444,488	10,383	454,871
Claims and judgments payable	982,860		982,860
Tax certioraris payable	1,800,000		1,800,000
Capital loans payable	180,372		180,372
Special assessment bond payable with governmental commitment	300,000		300,000
General obligation bonds payable	1,220,025	1,140,041	2,360,066
Total Current Liabilities	<u>8,714,449</u>	<u>1,748,272</u>	<u>10,462,721</u>
Noncurrent Liabilities:			
Compensated absences	8,445,266	197,265	8,642,531
Claims and judgments payable	3,562,413		3,562,413
Other postemployment benefits payable	38,249,384	2,736,955	40,986,339
Capital loans payable	50,205		50,205
General obligation bonds payable	10,677,432	6,401,511	17,078,943
Total Noncurrent Liabilities	<u>60,984,700</u>	<u>9,335,731</u>	<u>70,320,431</u>
Total Liabilities	<u>69,699,149</u>	<u>11,084,003</u>	<u>80,783,152</u>
NET POSITION			
Net investment in capital assets	40,040,740	8,878,414	48,919,154
Restricted for culture and recreation	70,572		70,572
Unrestricted	(30,027,612)	(653,798)	(30,681,410)
Total Net Position	<u>\$ 10,083,700</u>	<u>\$ 8,224,616</u>	<u>\$ 18,308,316</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended May 31, 2015

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General government support	\$ 12,350,672	\$ 22,442		\$ 300,000 \$ 322,442
Public safety	23,712,330	2,420,887		2,420,887
Transportation	5,360,266	451,943		686,018 1,137,961
Economic assistance and opportunity	45,064			
Culture and recreation	11,742,658	547,507	\$ 25,087	1,880,000 2,452,594
Home and community services	7,908,048	203,305	6,389	209,694
Interest on debt	268,632			
Total Governmental Activities	<u>61,387,670</u>	<u>3,646,084</u>	<u>31,476</u>	<u>2,866,018</u>
Business-type Activities:				
Pool	1,312,160	1,271,316		
Tennis	474,828	482,113		
Water	5,388,051	5,561,404		
Total Business-type Activities	<u>7,175,039</u>	<u>7,314,833</u>	<u>-0-</u>	<u>-0-</u>
Total Primary Government	<u>\$ 68,562,709</u>	<u>\$ 10,960,917</u>	<u>\$ 31,476</u>	<u>\$ 2,866,018</u>

GENERAL REVENUES:

Real property taxes
Other real property tax items
Non-property tax items
Earnings on investments
Sale of property and compensation for loss
Grants and contributions not restricted to specific programs
Legal settlement
Other

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See notes to the financial statements.

Net (Expenses) Revenues and Change in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (12,028,230)		\$ (12,028,230)
(21,291,443)		(21,291,443)
(4,222,305)		(4,222,305)
(45,064)		(45,064)
(9,290,064)		(9,290,064)
(7,698,354)		(7,698,354)
(268,632)		(268,632)
<u>(54,844,092)</u>	<u>\$ -0-</u>	<u>(54,844,092)</u>
	(40,844)	(40,844)
	7,285	7,285
	<u>173,353</u>	<u>173,353</u>
<u>-0-</u>	<u>139,794</u>	<u>139,794</u>
<u>(54,844,092)</u>	<u>139,794</u>	<u>(54,704,298)</u>
48,194,427		48,194,427
992,709		992,709
1,045,542		1,045,542
105,617	31,294	136,911
5,043,085		5,043,085
797,869		797,869
	2,185	2,185
<u>1,085,837</u>	<u>33,479</u>	<u>1,085,837</u>
<u>57,265,086</u>	<u>33,479</u>	<u>57,298,565</u>
2,420,994	173,273	2,594,267
<u>7,662,706</u>	<u>8,051,343</u>	<u>15,714,049</u>
<u>\$ 10,083,700</u>	<u>\$ 8,224,616</u>	<u>\$ 18,308,316</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
 May 31, 2015

ASSETS	Major Funds		Nonmajor Fund	Totals
	General	Capital Projects	Library	
Cash	\$ 15,460,371	\$ 2,107,568	\$ 357,074	\$ 17,925,013
Accounts receivable	304,048		123	304,171
Due from other governments	405,410		386	405,796
Restricted cash			70,572	70,572
Tax sale certificates	447,806			447,806
Inventory of materials and supplies	944,314			944,314
Total Assets	\$ 17,561,949	\$ 2,107,568	\$ 428,155	\$ 20,097,672
 LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,643,624	\$ 997,133	\$ 108,118	\$ 2,748,875
Due to New York State retirement systems	682,630		43,431	726,061
Unearned revenues	90,364		15,000	105,364
Total Liabilities	2,416,618	997,133	166,549	3,580,300
 DEFERRED INFLOWS OF RESOURCES				
Unavailable real property taxes	447,806			447,806
Total Deferred Inflows of Resources	447,806	-0-	-0-	447,806
 FUND BALANCES				
Nonspendable	944,314			944,314
Restricted		214,428	70,572	285,000
Assigned	5,550,124	896,007	191,034	6,637,165
Unassigned	8,203,087			8,203,087
Total Fund Balances	14,697,525	1,110,435	261,606	16,069,566
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,561,949	\$ 2,107,568	\$ 428,155	\$ 20,097,672

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
 May 31, 2015

TOTAL FUND BALANCES- GOVERNMENTAL FUNDS \$ 16,069,566

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets less accumulated depreciation are included in the Statement of Net Position:

Capital assets - non-depreciable	\$	16,594,667	
Capital assets - depreciable		108,269,855	
Accumulated depreciation		<u>(71,579,086)</u>	
			53,285,436

Internal Service Fund is used to account for the Village's risk retention and the charges to individual funds. Total assets of the Internal Service Fund reduced by an internal payable (a result of the net gain), due to the business-type activities, reported on the Statement of Net Position 6,254,721

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported in the funds. However, these liabilities are included in the Statement of Net Position:

Compensated absences		(8,889,754)	
Claims and judgments payable		(4,545,273)	
Tax certioraris payable		(1,800,000)	
Other postemployment benefits payable		(38,249,384)	
Capital loans payable		(230,577)	
Special assessment bond payable with governmental commitment		(300,000)	
General obligation bonds payable, inclusive of related premium		<u>(11,897,457)</u>	
			(65,912,445)

Interest and retainage payable applicable to the Village's governmental activities is not due and payable in the current period and accordingly is not reported in the funds. However, these liabilities are included in the Statement of Net Position (61,384)

Deferred inflows of resources that are considered unavailable on the fund statements because it does not meet the availability criteria and therefore only reported as revenue on the Statement of Net Position. 447,806

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 10,083,700

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended May 31, 2015

	Major Funds		Nonmajor Fund	Total Governmental Funds
	General	Capital Projects	Library	
REVENUES				
Real property taxes	\$ 48,162,496			\$ 48,162,496
Other real property tax items	992,709			992,709
Non-property tax items	1,045,542			1,045,542
Departmental income	1,881,400			1,881,400
Intergovernmental charges	3,368			3,368
Use of money and property	110,900		\$ 2,668	113,568
Licenses and permits	217,405			217,405
Fines and forfeitures	1,359,758		43,233	1,402,991
Special assessments	239,733			239,733
Sale of property and compensation for loss	5,063,700			5,063,700
Fees and services			32,867	32,867
Miscellaneous local sources	113,668		18,780	132,448
State and local aid	1,310,886	\$ 300,000	24,760	1,635,646
Federal aid	5,476			5,476
Total Revenues	<u>60,507,041</u>	<u>300,000</u>	<u>122,308</u>	<u>60,929,349</u>
EXPENDITURES				
Current:				
General government support	9,102,724			9,102,724
Public safety	13,453,068			13,453,068
Transportation	2,959,944			2,959,944
Economic assistance and opportunity	45,064			45,064
Culture and recreation	4,730,355		3,210,345	7,940,700
Home and community services	4,860,544			4,860,544
Employee benefits	12,042,443			12,042,443
Capital outlay		6,034,753		6,034,753
Debt service:				
Principal	1,499,077			1,499,077
Interest	269,852			269,852
Total Expenditures	<u>48,963,071</u>	<u>6,034,753</u>	<u>3,210,345</u>	<u>58,208,169</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,543,970</u>	<u>(5,734,753)</u>	<u>(3,088,037)</u>	<u>2,721,180</u>
OTHER FINANCING SOURCES (USES)				
Principal amount of bond issuance		3,090,000		3,090,000
Premium on bonds	6,981			6,981
Transfers in		2,125,665	3,217,000	5,342,665
Transfers out	(5,342,665)			(5,342,665)
Total Other Financing Sources (Uses)	<u>(5,335,684)</u>	<u>5,215,665</u>	<u>3,217,000</u>	<u>3,096,981</u>
Net Change in Fund Balances	6,208,286	(519,088)	128,963	5,818,161
Fund Balances at				
Beginning of Year	<u>8,489,239</u>	<u>1,629,523</u>	<u>132,643</u>	<u>10,251,405</u>
Fund Balances at End of Year	<u>\$ 14,697,525</u>	<u>\$ 1,110,435</u>	<u>\$ 261,606</u>	<u>\$ 16,069,566</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year Ended May 31, 2015

NET CHANGE IN FUND BALANCES \$ 5,818,161

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. The amount by which depreciation exceeds capital outlay in the current period is:

Capital outlay	\$	8,116,567	
Depreciation expense		(4,545,287)	
Loss on dispositions		<u>(20,865)</u>	
			3,550,415

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 31,931

Retainage is recorded as an expenditure on the fund statements when the relating capital project is substantially complete, and on the Statement of Activities when it is incurred. (33,956)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position:

Compensated absences		(704,684)	
Tax certioraris payable		(300,000)	
Other postemployment benefits payable		(5,337,732)	
Repayment of capital loans		179,077	
Bonds issued		(3,090,000)	
Premium on bonds issued		(6,981)	
Repayment of special assessment bond with governmental commitment		305,000	
Repayment of bond principal		1,015,000	
Amortization of bond premiums		10,525	
Accrued interest costs		<u>1,220</u>	
			(7,928,575)

The Internal Service Fund is used by management to charge the costs of insurance activities to the individual funds. The net gain of the Internal Service Fund is reported with governmental activities:

Claims and judgments payable		780,871	
Workers' compensation premium and other Internal Service Fund changes in activity		<u>202,147</u>	
			<u>983,018</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 2,420,994**

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
May 31, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	Pool	Tennis	Water	Total Enterprise Funds	Internal Service Fund
ASSETS					
Current Assets:					
Cash	\$ 74,449	\$ 224,133	\$ 1,556,343	\$ 1,854,925	\$ 6,399,741
Accounts receivable	4,415	40	885,215	889,670	
Inventory of materials and supplies			144,058	144,058	
Total Current Assets	<u>78,864</u>	<u>224,173</u>	<u>2,585,616</u>	<u>2,888,653</u>	<u>6,399,741</u>
Noncurrent Assets:					
Non-depreciable capital assets			333,405	333,405	
Depreciable capital assets, net of depreciation	1,774,874	13,862	14,297,825	16,086,561	
Total Noncurrent Assets	<u>1,774,874</u>	<u>13,862</u>	<u>14,631,230</u>	<u>16,419,966</u>	<u>-0-</u>
Total Assets	<u>1,853,738</u>	<u>238,035</u>	<u>17,216,846</u>	<u>19,308,619</u>	<u>6,399,741</u>
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued liabilities	36,733	6,015	243,988	286,736	
Collections in advance- membership fees	337,008	62,854		399,862	
Due to New York State retirement systems	3,961	2,961	49,348	56,270	
Compensated absences	1,140	636	8,607	10,383	
General obligation bonds payable	212,251	50,000	877,790	1,140,041	
Claims and judgments payable					982,860
Total Current Liabilities	<u>591,093</u>	<u>122,466</u>	<u>1,179,733</u>	<u>1,893,292</u>	<u>982,860</u>
Noncurrent Liabilities:					
Compensated absences	21,661	12,078	163,526	197,265	
Other postemployment benefits payable	209,017	113,292	2,414,646	2,736,955	
General obligation bonds payable	1,849,764	50,000	4,501,747	6,401,511	
Claims and judgments payable					3,562,413
Total Noncurrent Liabilities	<u>2,080,442</u>	<u>175,370</u>	<u>7,079,919</u>	<u>9,335,731</u>	<u>3,562,413</u>
Total Liabilities	<u>2,671,535</u>	<u>297,836</u>	<u>8,259,652</u>	<u>11,229,023</u>	<u>4,545,273</u>
NET POSITION					
Net investment in capital assets	(287,141)	(86,138)	9,251,693	8,878,414	
Unrestricted	(530,656)	26,337	(294,499)	(798,818)	1,854,468
Total Net Position	<u>\$ (817,797)</u>	<u>\$ (59,801)</u>	<u>\$ 8,957,194</u>	<u>8,079,596</u>	<u>\$ 1,854,468</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the Internal Service Fund and the Enterprise Funds over time				145,020	
Net Position of business-type activities				<u>\$ 8,224,616</u>	

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended May 31, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				Internal Service Fund
	Pool	Tennis	Water	Total Enterprise Funds	
OPERATING REVENUES					
Charges for services:					
Water sales			\$ 4,700,365	\$ 4,700,365	
Public fire protection			614,512	614,512	
Water services for other governments			149,508	149,508	
Intergovernmental sales			53,011	53,011	
Membership and guest fees	\$ 1,175,049	\$ 478,066		1,653,115	
Other operating revenues	96,267	4,047	44,008	144,322	\$ 971,644
Premiums Charged for Risk Retention:					
General fund					3,931,074
Enterprise funds					305,693
Component unit - Garden City Public Library					177,232
Total Operating Revenues	<u>1,271,316</u>	<u>482,113</u>	<u>5,561,404</u>	<u>7,314,833</u>	<u>5,385,643</u>
OPERATING EXPENSES					
Pumping			1,199,510	1,199,510	
Transmission and distribution			668,362	668,362	
Purification			378,869	378,869	
Other operating expenses	763,429	327,316	826,388	1,917,133	
Administrative and general	251,667	83,706	1,121,620	1,456,993	15,501
Depreciation	256,696	60,284	1,061,972	1,378,952	
Excess insurance					1,334,662
Claims and judgments					1,002,510
Workers' compensation					1,972,638
Total Operating Expenses	<u>1,271,792</u>	<u>471,306</u>	<u>5,256,721</u>	<u>6,999,819</u>	<u>4,325,311</u>
Income (Loss) from Operations	<u>(476)</u>	<u>10,807</u>	<u>304,683</u>	<u>315,014</u>	<u>1,060,332</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest on investments	3,114	522	27,658	31,294	6,080
Legal settlement			2,185	2,185	
Interest on debt	(55,831)	(6,828)	(195,955)	(258,614)	
Total Non-Operating Revenues (Expenses)	<u>(52,717)</u>	<u>(6,306)</u>	<u>(166,112)</u>	<u>(225,135)</u>	<u>6,080</u>
Changes in Net Position	<u>(53,193)</u>	<u>4,501</u>	<u>138,571</u>	<u>89,879</u>	<u>1,066,412</u>
Total Net Position at Beginning of Year	<u>(764,604)</u>	<u>(64,302)</u>	<u>8,818,623</u>		<u>788,056</u>
Total Net Position at End of Year	<u>\$ (817,797)</u>	<u>\$ (59,801)</u>	<u>\$ 8,957,194</u>		<u>\$ 1,854,468</u>
Adjustment for the net effect of the current year activity between the Internal Service Fund and Enterprise Funds				<u>83,394</u>	
Changes in Net Position of business-type activities				<u>\$ 173,273</u>	

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended May 31, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				
	<u>Pool</u>	<u>Tennis</u>	<u>Water</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Revenue Collected:					
Water sales			\$ 4,588,157	\$ 4,588,157	
Public fire protection			614,512	614,512	
Water services for other governments			149,508	149,508	
Intergovernmental sales			53,011	53,011	
Membership and guest fees	\$ 1,096,479	\$ 493,954		1,590,433	
Other receipts	96,267	4,047	44,008	144,322	\$ 971,644
Cash for interfund services provided					4,413,999
Payments for Expenses:					
Payments to suppliers	(248,467)	(156,766)	(1,700,629)	(2,105,862)	(5,106,182)
Compensation and related expenses	(660,315)	(234,498)	(2,083,925)	(2,978,738)	
Cash paid for internal services provided	(77,308)	(10,232)	(218,153)	(305,693)	
Net Cash Provided by Operating Activities	<u>206,656</u>	<u>96,505</u>	<u>1,446,489</u>	<u>1,749,650</u>	<u>279,461</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from legal settlement			2,185	2,185	
Advances to other funds					35,906
Net Cash Provided by Noncapital and Related Financing Activities	<u>-0-</u>	<u>-0-</u>	<u>2,185</u>	<u>2,185</u>	<u>35,906</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets			(197,440)	(197,440)	
Principal paid on capital debt	(210,000)	(50,000)	(870,000)	(1,130,000)	
Interest paid on capital debt	(55,831)	(6,828)	(195,955)	(258,614)	
Net Cash Used by Capital and Related Financing Activities	<u>(265,831)</u>	<u>(56,828)</u>	<u>(1,263,395)</u>	<u>(1,586,054)</u>	<u>-0-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and earnings received	863	522	24,868	26,253	6,080
Net Cash Provided by Investing Activities	<u>863</u>	<u>522</u>	<u>24,868</u>	<u>26,253</u>	<u>6,080</u>
Net Change in Cash	(58,312)	40,199	210,147	192,034	321,447
Cash at Beginning of Year	132,761	183,934	1,346,196	1,662,891	6,078,294
Cash at End of Year	<u>\$ 74,449</u>	<u>\$ 224,133</u>	<u>\$ 1,556,343</u>	<u>\$ 1,854,925</u>	<u>\$ 6,399,741</u>

(continued)

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended May 31, 2015

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	Pool	Tennis	Water	Total Enterprise Funds	Internal Service Fund
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(continued)

RECONCILIATION OF THE INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Income (Loss) from Operations	\$ (476)	\$ 10,807	\$ 304,683	\$ 315,014	\$ 1,060,332
Adjustments to reconcile operating income to net cash provided by operating activities:					
Accounts receivable	(1,385)	10	(112,208)	(113,583)	
Inventory			77,507	77,507	
Depreciation expense	256,696	60,284	1,061,972	1,378,952	
Accounts payable and accrued liabilities	(18,959)	(4,699)	(94,004)	(117,662)	
Due to New York State retirement system	81	(606)	(2,174)	(2,699)	
Compensated absences	6,258	(3,261)	(27,206)	(24,209)	
Other postemployment benefits payable	41,626	18,092	237,919	297,637	
Collections in advance	(77,185)	15,878		(61,307)	
Claims and judgments payable					(780,871)
					<u>(780,871)</u>
Net Cash Provided by Operating Activities	<u>\$ 206,656</u>	<u>\$ 96,505</u>	<u>\$ 1,446,489</u>	<u>\$ 1,749,650</u>	<u>\$ 279,461</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Amortization of bond premiums	\$ 2,251		\$ 2,790	\$ 5,041	
Total Noncash Investing, Capital and Financing Activities	<u>\$ 2,251</u>	<u>\$ -0-</u>	<u>\$ 2,790</u>	<u>\$ 5,041</u>	<u>\$ -0-</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
 May 31, 2015

		Agency Fund
ASSETS		
Cash	\$	3,799,884
Due from others		34,506
Total Assets	\$	3,834,390
 LIABILITIES		
Building fees and other deposits	\$	3,220,582
Justice court fund		173,144
Other agency liabilities		440,664
Total Liabilities	\$	3,834,390

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Incorporated Village of Garden City (the "Village") was established in 1919 and is governed by Village Law and other general laws of the State of New York and various local laws. The Board of Trustees, which is the legislative body responsible for the overall operation of the Village, consists of the Mayor and seven trustees elected for two-year terms. The Mayor serves as the Chief Executive Officer. The Mayor and the Board of Trustees appoint the Chief Fiscal Officer of the Village. The Mayor, with ratification by the Board of Trustees, annually appoints the principal department heads.

The Village provides a full range of municipal services including police, fire, sewer, water, sanitation, street maintenance, building, zoning, parks, recreation, library and general and administrative services.

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

The more significant of the government's accounting policies are described below.

A. REPORTING ENTITY

The financial reporting entity consists of: (a) the primary government, which is the Village; and (b) a component unit organization for which the primary government is financially accountable (blended component unit). Blended component units are, in substance, part of the primary government's operations, even though they are separate legal entities. Thus, the blended component unit, described below, is appropriately presented as a fund of the primary government.

The Garden City Public Library (the "Library") was established by the Village for the benefit of its residents and granted a charter by the State Board of Regents as provided in Article 5 of the Education Law. Although the Library is a separate legal entity, the Village appoints Library trustees, raises taxes and finances the Library's operations through the transfer of funds to the Library, has title to real property used by the Library, and issues all Library indebtedness which is supported by the full faith and credit of the Village.

Complete financial statements of the Garden City Public Library can be obtained by contacting:

Garden City Public Library
60 7th Street,
Garden City, NY 11530

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds).

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

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 of the non-fiduciary activities of the Village as a whole with separate columns for the primary governmental activities and business-type activities. For the most part, the effect of interfund activity has been eliminated from the government-wide financial statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function, and 3) interest earned on grants or capital projects that is required to be used to support a particular program or project. Taxes and other items not properly included among program revenues are reported as general revenues. The Village does not allocate indirect expenses to specific functions in the Statement of Activities.

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

Fund Financial Statements

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are presented by type in the fund financial statements. The focus of the governmental funds financial statements is on the major funds. Accordingly, the Village maintains the following fund types:

Governmental Funds - Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. Governmental funds are further classified as major and nonmajor funds.

The Village reports the following major governmental funds:

General Fund – is the principal operating fund of the Village. This fund is used to account for all financial resources except those required to be accounted for in other funds.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

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 capital facilities and other capital assets other than those financed by proprietary funds.

Additionally, the Village reports on the following nonmajor governmental fund:

Special Revenue Fund - is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following Special Revenue Fund is utilized:

Library Fund - used to account for all activity of the Garden City Public Library, serving as a center of information and providing community programming for the area.

Proprietary Funds - Proprietary funds are used to account for ongoing activities which are similar to those often found in the private sector. Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund. The Village presents all proprietary funds as major funds because the Village believes the financial position and activities of these funds are significant to the Village as a whole.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position.

The Village reports the following major proprietary funds:

Enterprise Funds – used to account for the following operations:

Water Fund – used to account for operations related to water billings.

Pool Fund – used to account for operations at the Village’s swimming pool.

Tennis Fund – used to account for operations at the Village’s tennis bubble.

Internal Service Fund – used to account for special activities or services provided by one department to the other departments or to other governments on a cost-reimbursement basis.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Proprietary Funds (continued)

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the Village's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity (general government support, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services, etc.). When significant, surplus or deficits in the Internal Service Fund may be allocated back to the business-type funds at the government-wide level Statement of Activities. This creates a reconciling item between the business-type activities column and the proprietary fund statements.

The Internal Service Fund includes the following fund:

Risk Retention Fund – used to account for transactions and reserves set aside by the Village to provide for risk management programs.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the Village in a trustee or custodial capacity.

The Village has reported the following fiduciary fund:

Agency Fund – used to account for money received and held in the capacity of trustee, custodian or agent. The Village uses this fund to account for Justice Court monies held and various deposits such as building fees and tax redemptions.

The Village's Agency fund is presented in the fund financial statements. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

C. 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 or economic resources. 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, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized 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.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village generally considers revenues to be available if they are collected within sixty (60) days of the end of the current period. 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, tax certioraris, pollution remediation obligations, capital loans, and other postemployment benefits are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

Revenues susceptible to accrual are mortgage tax, franchise fees, charges for services, state and federal aid, intergovernmental revenue and operating transfers. Permit fees and other similar revenues are not susceptible to accrual because they are not measurable until received in cash. In those instances where expenditures are the prime factor in determining eligibility for state and federal grants, revenues are recognized when the expenditure is incurred.

Proprietary funds distinguish between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the fund's ongoing operations. The principal operating revenues of the Village's propriety funds are charges to customers for water sales, membership and guest fees to the pool and tennis facilities, and premiums for the risk management program. Operating expenses include costs of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

The Agency Fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/ FUND BALANCE

1. CASH AND CASH EQUIVALENTS

Cash consists of funds deposited in demand accounts and time deposit accounts. For purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with a maturity when purchased of three months or less to be cash equivalents. At May 31, 2015, the Village did not have any cash equivalents. The Statement of Cash Flows presented uses the direct method of reporting cash flows.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/ FUND BALANCE (continued)

1. CASH AND CASH EQUIVALENTS (continued)

State statutes govern the Village's investment policies. The Village has its own written investment policy stating that Village money must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of the New York State or its localities. All demand accounts and time deposit accounts are carried at cost. The Village did not own any investments as of May 31, 2015.

Collateral is required for demand deposits and time deposits accounts at 102% of all deposits not covered by federal deposit insurance. The Village's investment policy defines acceptable forms of collateral as: obligations that may be pledged as collateral including obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

2. RECEIVABLES, PAYABLES AND TRANSFERS

Receivables relating to governmental activities primarily include amounts due from other governments related to various grant agreements as well as amounts due from individuals and entities for services provided by the Village. In addition, the Village's receivables include the amount of Village owned tax certificates, including interest and fees. A corresponding deferred inflow of resources is reported in the governmental fund statements for the amount of tax certificates.

Receivables relating to business-type activities primarily consist of amounts due from residents and other entities for services rendered. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred.

In the Statement of Net Position, receivables, including amounts due from other governments, are reported as current or noncurrent based on the expected timing of repayment.

Interfund transactions, exclusive of interfund services provided and used, have been eliminated from the government-wide financial statements. In the funds statements, interfund transactions include:

a) Interfund Revenues

Interfund revenues and interfund services provided and used, in the General Fund represent amounts charged for services or facilities provided by the General Fund. The amounts paid by the fund receiving the benefits of the service or facilities are reflected as an expenditure of that fund.

b) Transfers

Transfers represent payments to the Library Fund and the Capital Projects Fund from the General Fund to support operations and to fund various capital projects per the Board adopted budget as modified.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/ FUND BALANCE (continued)

2. RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Internal balances reported in the government-wide Statement of Net Position, represent the portion of the net position in the Internal Service Fund that was allocated to the business-type activities in the current year.

3. INVENTORIES

Inventories in the General Fund and Water Fund, consisting of expendable supplies and spare parts held for consumption, are valued at average cost. These inventories are accounted for on the consumption method and recorded as an expenditure at the time of usage. In the General Fund, amounts reported as inventory are equally offset by nonspendable fund balance amounts, indicating that they do not constitute "available spendable resources" even though they are a component of net current assets.

4. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets purchased or acquired with an original cost of \$500 or more and have a useful life greater than a year, are reported at historical cost or estimated historical cost. Contributed capital assets are recorded at fair market value as of the date of the donation to the Village.

Costs incurred for repairs and maintenance are expensed as incurred. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant or equipment.

Infrastructure assets consisting of certain improvements other than buildings including roads, curbs, sidewalks, drainage systems and sewer systems, and water mains are capitalized along with other capital assets.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 - 50 years
Improvements other than buildings	10 - 30 years
Machinery and equipment	3 - 25 years
Infrastructure systems:	
Roads, curbs and sidewalks	20 years
Drainage systems	20 years
Sewer systems	50 years
Water mains	100 years

In the fund financial statements, capital assets are recorded as capital outlay expenditures in the governmental fund upon acquisition.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/ FUND BALANCE (continued)

5. UNEARNED REVENUE

Unearned revenues, reported as liabilities in the fund and government-wide financial statements, are those where asset recognition criteria have been met, but which revenue recognition criteria have not been met for exchange type transactions. Such amounts include collections in advance, unearned income and amounts that have been deemed to be “measurable” but not “available” to finance current expenses.

6. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Balance Sheet or Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund balance or net position that applied to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Village does not have any activity that qualifies for reporting in this category.

In addition to liabilities, the Balance Sheet or Statement of Net Position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element represents an acquisition of fund balance or net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has one type of transaction, Village owned tax sale certificates, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet.

7. LONG-TERM OBLIGATIONS

In the government-wide and proprietary fund financial statements, liabilities for long-term obligations consisting of compensated absences, claims and judgments payable, tax certioraris payable, other postemployment benefits payable, the capital loan payable, the special assessment bond payable and general obligation bonds payable are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of applicable bond premium or discount. Debt 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, in the fund servicing the debt. 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 actual debt proceeds received, are reported as debt service expenditures.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/ FUND BALANCE (continued)

8. NET POSITION AND FUND BALANCE CLASSIFICATIONS

In the government-wide and proprietary fund financial statements, net position is reported in three categories:

- 1) Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Accounts payable that are related to capital projects are used in the calculation of net investment in capital assets.
- 2) Restricted net position – consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- 3) Unrestricted net position – remaining net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financials statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources; they are 1) nonspendable, 2) restricted 3) committed, 4) assigned, or 5) unassigned.

- 1) Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form (i.e. prepaid items or inventories), or (b) will not convert to cash within the current period (i.e. long term receivables and financial assets held for resale), or (c) legally or contractually required to be maintained intact (i.e. the principal of a permanent fund).

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- 2) Restricted fund balance reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- 3) Committed fund balance reflects amounts that can only be used for specific purposes by a government using its highest and most binding level of decision making authority. The Village’s highest decision making authority is the Board of Trustees, who by adoption of a Village ordinance prior to year end, can commit fund balance. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action imposing the commitment. At May 31, 2015, the Village did not have any committed fund balance.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/ FUND BALANCE (continued)

8. NET POSITION AND FUND BALANCE CLASSIFICATIONS (continued)

- 4) Assigned fund balance reflects the amounts constrained by the Village's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Trustees has delegated their authority to assign amounts to be used for specific purposes to the Village Auditor.
- 5) Unassigned fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

9. NET POSITION AND FUND BALANCE FLOW ASSUMPTIONS

When outlays for a particular purpose can be funded from both restricted and unrestricted net position resources in the government-wide and proprietary fund financial statements, it is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, and then unrestricted resources - committed, assigned and unassigned - in order as needed.

10. FUND BALANCE POLICY

The Village Board has adopted a fund balance policy to maintain a minimum unassigned fund balance in the General Fund equal to two percent (2%) of subsequent year's expected expenditures. If the fund balance falls below the established minimum level, the Village Board will develop a plan to replenish fund balance to the minimum level in the subsequent year's budget.

E. REVENUES AND EXPENDITURES/ EXPENSES

1. REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES

The Village's property taxes are levied and become a lien on June 1st, each fiscal year. Taxes are levied based upon the taxable value of all real property located within the Village. Taxes are recorded as a receivable on June 1st, and are payable one-half by July 1st, and one-half by December 31st, each year. Current year delinquent property taxes not collected by March 31st are placed on tax sale.

For the year ended May 31, 2015, the maximum amount of taxes which could be levied by the Village based on the foregoing was \$131,912,764. The actual real property taxes levied by the Village for the year ended May 31, 2015 was \$48,147,712. The State Constitution limits the amount of revenue which the Village can raise from the real estate tax for operating purposes to two percent (2%) of the average full value of taxable real estate within the Village for the most recent five year period plus any amounts required to pay principal and interest on certain indebtedness.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. REVENUE AND EXPENDITURES/EXPENSES (continued)

2. OTHER POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Village's employees may become eligible for these benefits if they reach normal retirement age while working for the Village as well as meet certain years of service requirements.

Health care benefits in accordance with New York State Health Insurance Rules and Regulations (administered by the New York State Department of Civil Service), are provided through the New York State Empire Plan (the "Empire Plan") whose premiums are based on the benefits paid throughout the State during the year.

The Village recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. The Village's union contracts and ordinances require that it provide its eligible enrollees with the Empire Plan benefit coverage, or if another provider is utilized, the equivalent coverage. Under the provisions of the Empire Plan, premiums are adjusted on a prospective basis for any losses experienced by the Empire Plan. The Village has the option to terminate its participation in the Empire Plan at any time without liability for its respective share of any previously incurred loss. The liability for other postemployment benefits is recorded as a noncurrent liability in the government-wide and proprietary fund statements.

3. COMPENSATED ABSENCES

The liability for vested or accumulated vacation and sick leave (compensated absences) is recorded as current and noncurrent obligations in the government-wide and proprietary fund financial statements. The current portion of this debt is estimated based on historical trends. The compensated absences liability and expense are reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

The amount that is expected to be liquidated with expendable available financial resources is reported as a liability in the fund financial statements of the respective fund that will pay it.

4. RISK MANAGEMENT

The Internal Service Fund services all claims for risk of loss to which the Village is exposed, including general liability and workers' compensation claims. All funds of the Village participate. Based on actuarial estimates, liabilities have been established in the self-insurance fund for claims reported but not paid, and incurred but not reported. The Village allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund. This charge considers recent trends in actual claim experience of the Village as a whole and makes provisions for catastrophic losses. The premiums paid by the operating funds are accounted for as expenditures/expenses of the funds.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purpose, is employed in the governmental funds. Encumbrances are reported as restrictions, commitments, or assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred. Appropriations for all governmental funds except the Capital Projects Fund lapse at year end. However, encumbrances reserved against fund balance are re-appropriated in the ensuing year.

G. USE OF ESTIMATES

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

H. NEW PRONOUNCEMENTS

The Village has adopted all of the current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. During the year ended May 31, 2015, the Village adopted:

- a) GASB Statement No. 69 "*Governmental Combinations and Disposals of Governmental Operations*," which establishes accounting and financial reporting standards related to governmental combinations and disposals of governmental operations. As used in this Statement, the term government combination includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement had no effect on the Village's financial statements.
- b) GASB Statement No. 70 "*Accounting and Reporting for Nonexchange Financial Guarantees*," was established to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement had no effect on the Village's financial statements.

I. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date of the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budget Policies

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

- a) Approximately four months prior to May 31st, the Village Administrator will submit a proposed operating budget for the General Fund for the fiscal year commencing June 1st. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted to obtain the public's comments on the proposed budget. On or before May 1st, the proposed budget is officially adopted by the Board of Trustees and tax rates are established.
- c) Revenues are budgeted by source. Expenditures are budgeted by department and character (personal services, equipment and capital outlay, contractual expenditures, etc.) which constitutes the legal level of control. Expenditures and encumbrances may not exceed appropriations at this level. All budget revisions at this level are subject to final approval of the Board of Trustees. Within these control levels, the Village Auditor is authorized to make transfer appropriations without Board approval.
- d) Appropriations lapse at the close of the year to the extent that they have not been expended or encumbered. Activities of all funds, except the Capital Projects Fund, are appropriated through this annual budget process and controlled through the purchase requisition system. The Capital Projects Fund is approved through resolutions authorizing individual projects which remain in effect for the life of the project.
- e) The budget for the General Fund is legally adopted for each year. Budgets are adopted on a basis of accounting consistent with GAAP. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations may be made. The Capital Project Fund is budgeted on a project or grant basis.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a two percent (2%) property tax cap for municipalities. Beginning in 2012 and lasting through at least June 15, 2020, no local government is authorized to increase its property tax levy by more than two percent (2%) or the rate of inflation (whichever is less); however, local governments can exceed the tax levy limit by a 60% vote of the governing body and annually adopting a local law.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

B. FUND BALANCE

The following table provides the detail regarding fund balance categories and classifications for the governmental funds which show components of nonspendable fund balances, as well as the purposes for restricted, and assigned fund balance. The unassigned fund balance is also shown.

	General Fund	Capital Projects Fund	Library Fund	Total
Fund Balances:				
Nonspendable:				
Inventory	\$ 944,314			\$ 944,314
Total Nonspendable	944,314	\$ -0-	\$ -0-	944,314
Restricted for:				
Capital projects		214,428		214,428
Grantor and donor restrictions			70,572	70,572
Total Restricted	-0-	214,428	70,572	285,000
Assigned to:				
Subsequent year's budget	2,552,618		96,463	2,649,081
Purchases on order	485,248	730,961	70,888	1,287,097
Library - component unit			23,683	23,683
Capital projects and contractual obligations		165,046		165,046
Compensated absences	2,487,902			2,487,902
Other assignments	24,356			24,356
Total Assigned	5,550,124	896,007	191,034	6,637,165
Unassigned, reported in:				
General Fund	8,203,087			8,203,087
Total Unassigned	8,203,087	-0-	-0-	8,203,087
Total Fund Balances	\$ 14,697,525	\$ 1,110,435	\$ 261,606	\$ 16,069,566

3. DETAIL NOTES ON ALL FUNDS

A. CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits/Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

A. CASH AND CASH EQUIVALENTS (continued)

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized,
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Village's name.

At May 31, 2015, the Village's cash book balance was \$30,047,985. This amount is inclusive of Fiduciary Fund deposits of \$3,799,884 and restricted cash of \$70,572 but exclusive of petty cash of \$2,150. The bank balance was \$30,533,006. Of the bank balance, \$981,028 was covered by Federal deposit insurance, and \$29,551,978 was covered by collateral held by the Village's agent, a third-party financial institution, in the Village's name.

Credit Risk – State law and Village law limit investments to those authorized by State statutes. The Village has a written investment policy.

Interest-Rate Risk – Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

Concentration of Credit Risk – Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5.0% or more in securities of a single issuer.

As of May 31, 2015, the Village of Garden City did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

The Library Fund's cash includes amounts received from donors in previous years that may only be used for specific purposes. Accordingly, the amount of \$70,572 is shown as restricted cash on the Balance Sheet and Statement of Net Position.

B. INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The interfund receivable and payable between the business-type funds and the governmental funds was for a loan to provide a financing source for the purchase of equipment and was subject to a 2.00% interest rate. The interfund loan was fully repaid as of May 31, 2015.

For the year ended May 31, 2015, transfers were used to move General Fund resources to the Library Fund for operations and the Capital Project Fund for capital improvements.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

B. INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (continued)

The composition of interfund transfers for the year ended May 31, 2015 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund		\$ 5,342,665
Capital Projects Fund	\$ 2,125,665	
Nonmajor Fund:		
Library Fund	<u>3,217,000</u>	
Total	<u>\$ 5,342,665</u>	<u>\$ 5,342,665</u>

C. CAPITAL ASSETS

A summary of changes within the governmental activities capital assets for the year ended May 31, 2015 is as follows:

	Balance June 1, 2014	Additions	Deletions	Balance May 31, 2015
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 16,602,615		\$ 7,948	\$ 16,594,667
Depreciable capital assets:				
Buildings	23,532,927	\$ 3,436,245		26,969,172
Improvements other than buildings	7,604,876	48,929		7,653,805
Machinery and equipment	19,123,056	1,924,029	991,078	20,056,007
Infrastructure:				
Roads, curbs and sidewalks	40,088,817	2,707,364		42,796,181
Drainage and sewer systems	10,794,690			10,794,690
Total depreciable capital assets	<u>101,144,366</u>	<u>8,116,567</u>	<u>991,078</u>	<u>108,269,855</u>
Less accumulated depreciation:				
Buildings	17,558,979	1,322,488		18,881,467
Improvements other than buildings	6,086,935	328,663		6,415,598
Machinery and equipment	15,612,184	872,456	978,161	15,506,479
Infrastructure:				
Roads, curbs and sidewalks	22,118,780	1,712,866		23,831,646
Drainage and sewer systems	6,635,082	308,814		6,943,896
Total accumulated depreciation	<u>\$ 68,011,960</u>	<u>\$ 4,545,287</u>	<u>\$ 978,161</u>	<u>71,579,086</u>
Total net depreciable capital assets				<u>36,690,769</u>
Total net capital assets				<u>\$ 53,285,436</u>

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 1,082,326
Public safety	369,590
Transportation	1,335,040
Culture and recreation	1,161,313
Home and community services	597,018
Total depreciation expense - governmental activities	<u>\$ 4,545,287</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

C. CAPITAL ASSETS (continued)

A summary of changes within the business-type activities capital assets for the year ended May 31, 2015 is as follows:

Business-type activities:	Balance June 1, 2014	Additions	Deletions	Balance May 31, 2015
Capital assets not being depreciated:				
Land	\$ 69,212			\$ 69,212
Construction in progress	264,193			264,193
Total capital assets not being depreciated	<u>333,405</u>	\$ -0-	\$ -0-	<u>333,405</u>
Depreciable capital assets:				
Buildings	10,451,971			10,451,971
Improvements other than buildings	15,249,612	39,054		15,288,666
Machinery and equipment	13,532,445	158,386		13,690,831
Total depreciable capital assets	<u>39,234,028</u>	<u>197,440</u>	<u>-0-</u>	<u>39,431,468</u>
Less accumulated depreciation:				
Buildings	6,737,065	359,809		7,096,874
Improvements other than buildings	5,601,452	313,518		5,914,970
Machinery and equipment	9,627,440	705,623		10,333,063
Total accumulated depreciation	<u>\$ 21,965,957</u>	<u>\$ 1,378,950</u>	<u>\$ -0-</u>	<u>23,344,907</u>
Total net depreciable capital assets				<u>16,086,561</u>
Total net capital assets				<u>\$ 16,419,966</u>
Depreciation expense was charged to functions as follows:				
Culture and recreation				\$ 316,978
Home and community services				1,061,972
Total depreciation expense - business-type activities				<u>\$ 1,378,950</u>

Depreciation for the Village is recorded on the straight-line basis over the estimated useful lives, in years, of the respective assets.

The Village evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Village's policy is to record an impairment loss in the period when the Village determines that the carrying amount of the asset will not be recoverable. No such impairment losses have been recorded during the year ended May 31, 2015.

In September 2015, the Village received a donation of a building to be used as a Senior Recreation Center. The fair market value of the building and relocation expense was determined to be \$1,880,000. Accordingly, the Village reported this as a capital asset and capital contribution in the culture and recreation function in the government-wide financial statements. This was not reported on the Village's fund financial statements since it did not meet the definition of a current financial resource.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

D. INDEBTEDNESS

LONG-TERM DEBT

Capital Loans Payable

The Village's capital loans payable consists of two loans due to the New York Power Authority ("NYPA"), an outside third party. The borrowings were used to finance capital projects performed by the Village. The capital loans bear interest at a variable rate and will mature during the fiscal year ending 2017. At May 31, 2015, the total principal balance on these loans was \$230,577.

The future principal and interest payments, utilizing the year end variable rate of 0.86%, for the capital loans are as follows:

	Principal	Interest	Total Principal and Interest
Years ending May 31, 2016	\$ 180,372	\$ 755	\$ 181,127
2017	50,205	47	50,252
Total	\$ 230,577	\$ 802	\$ 231,379

Special Assessment Bond Payable

The Village has \$300,000 of special assessment debt outstanding from an original issue of \$2,250,000 to provide funds for the improvement of a parking lot. The Village will receive 84.949% of the resources to repay the debt from amounts levied against the property owners directly benefiting from the capital project financed. The remaining 15.051% of the debt service requirements will come from the Village's general revenues. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the Village must provide resources to cover the deficiency until other resources are received. As of May 31, 2015, there were no unpaid or delinquent special assessments. The bond has a remaining interest rate of 4.13% and principal and interest in the amounts of \$300,000 and \$12,375, respectively, will be paid during the fiscal year ended May 31, 2016.

General Obligation Bonds Payable

The Village borrows money in order to acquire land, or equipment or to construct buildings and improvements. These long-term liabilities, which are the full faith and credit debt of the Village, are reported as governmental and business-type activities.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

D. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

General Obligation Bonds Payable (continued)

At May 31, 2015, bonds payable consisted of the following individual issues:

Governmental Activities:

Description of Issue and Purpose	Original Debt	Year of Final Maturity	Interest Rate	Outstanding Balance
Building construction, 2006	\$ 950,000	2021	4.100% - 4.200%	\$ 470,000
Library reconstruction, 2008	1,005,000	2017	3.000% - 3.380%	245,000
Community Park improvements, 2008	2,350,000	2022	3.000% - 3.600%	1,195,000
Village Hall improvements, 2010	2,555,500	2025	1.500% - 3.500%	1,605,000
Various road and lighting improvements, resurfacing of parking fields, 2012	3,875,000	2027	2.000% - 2.625%	3,015,000
Various road and building improvements, acquisition of fire truck, 2014	2,189,500	2024	1.000 - 2.000%	2,189,500
Various road and curb installation, building demolition, 2015	3,090,000	2025	2.000% - 2.375%	3,090,000
Total Governmental Activities				<u>\$ 11,809,500</u>

Business-type Activities:

Description of Issue and Purpose	Original Debt	Year of Final Maturity	Interest Rate	Outstanding Balance
Water Fund:				
Water system improvements, serial bonds, 2006	\$ 1,585,000	2021	4.100% - 4.200%	\$ 780,000
Water system improvements, serial bonds, 2008	4,365,000	2022	3.000% - 3.600%	2,195,000
Water system improvements, serial bonds, 2010	4,210,000	2025	1.500% - 3.500%	2,400,000
Pool Fund:				
Pool reconstruction, 2002	950,000	2017	4.300% - 4.750%	160,000
Pool improvements, 2012	2,135,000	2027	2.000% - 2.625%	1,875,000
Tennis Fund:				
Tennis structure, 2002	600,000	2017	4.300% - 4.750%	100,000
Total Business-type Activities				<u>\$ 7,510,000</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

D. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

General Obligation Bonds Payable (continued)

Future principal and interest payments for the general obligation bonds are as follows:

Governmental Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending May 31, 2016	\$ 1,209,500	\$ 279,984	\$ 1,489,484
2017	1,435,000	254,872	1,689,872
2018	1,265,000	221,994	1,486,994
2019	1,305,000	192,085	1,497,085
2020	1,370,000	160,355	1,530,355
2021 - 2025	5,105,000	338,672	5,443,672
2026 - 2027	120,000	4,726	124,726
Total	\$ 11,809,500	\$ 1,452,688	\$ 13,262,188

Business-type Activities:

	<u>Water Fund</u>		<u>Pool Fund</u>		<u>Tennis Fund</u>		<u>Total Principal and Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
Years ending May 31, 2016	\$ 875,000	\$ 141,054	\$ 210,000	\$ 50,556	\$ 50,000	\$ 4,750	\$ 1,331,360
2017	725,000	149,560	210,000	44,156	50,000	2,375	1,181,091
2018	725,000	126,869	130,000	37,756			1,019,625
2019	740,000	103,821	130,000	35,156			1,008,977
2020	715,000	79,466	130,000	32,556			957,022
2021 - 2025	1,595,000	121,410	845,000	114,982			2,676,392
2026 - 2027			380,000	14,963			394,963
Total	\$ 5,375,000	\$ 722,180	\$ 2,035,000	\$ 330,125	\$ 100,000	\$ 7,125	\$ 8,569,430

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INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

D. INDEBTEDNESS (continued)

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activities for the year ended May 31, 2015 are as follows:

	Balance June 1, 2014	Increases	Reductions	Balance May 31, 2015	Noncurrent liabilities due within one year	Noncurrent liabilities
Governmental Activities:						
General obligation bonds	\$ 9,734,500	\$ 3,090,000	\$ 1,015,000	\$ 11,809,500	\$ 1,209,500	\$ 10,600,000
Plus premiums on issuance	91,501	6,981	10,525	87,957	10,525	77,432
Total general obligation bonds	9,826,001	3,096,981	1,025,525	11,897,457	1,220,025	10,677,432
Compensated absences	8,185,070	861,969	157,285	8,889,754	444,488	8,445,266
Claims and judgments payable	5,326,144	635,958	1,416,829	4,545,273	982,860	3,562,413
Tax certioraris payable	2,284,245	222,710	706,955	1,800,000	1,800,000	
Other postemployment benefits payable	32,911,652	7,365,293	2,027,561	38,249,384		38,249,384
Capital loans payable	409,654		179,077	230,577	180,372	50,205
Special assessment bond payable with governmental commitment	605,000		305,000	300,000	300,000	
Governmental activities long-term activities	<u>\$ 59,547,766</u>	<u>\$ 12,182,911</u>	<u>\$ 5,818,232</u>	<u>\$ 65,912,445</u>	<u>\$ 4,927,745</u>	<u>\$ 60,984,700</u>
Business-type Activities:						
General obligation bonds	\$ 8,640,000		\$ 1,130,000	\$ 7,510,000	\$ 1,135,000	\$ 6,375,000
Plus premiums on issuance	36,593		5,041	31,552	5,041	26,511
Total general obligation bonds	8,676,593	-0-	1,135,041	7,541,552	1,140,041	6,401,511
Compensated absences	231,857	6,257	30,466	207,648	10,383	197,265
Other postemployment benefits payable	2,439,318	449,400	151,763	2,736,955		2,736,955
Business-type activities long-term activities	<u>\$ 11,347,768</u>	<u>\$ 455,657</u>	<u>\$ 1,317,270</u>	<u>\$ 10,486,155</u>	<u>\$ 1,150,424</u>	<u>\$ 9,335,731</u>

The liabilities for compensated absences, other postemployment benefits payable and general obligation bonds payable will be liquidated through future budgetary appropriation in the fund that gave rise to the liability. The liability for claims and judgments payable will be liquidated through the Internal Service Fund and tax certioraris payable, the capital loans payable and the special assessment bond payable will be liquidated through the General Fund.

E. RETIREMENT SYSTEMS

Plan Description

The Village participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (collectively known as the "Systems"). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

E. RETIREMENT SYSTEMS (continued)

Plan Description (continued)

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (the "Comptroller") serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplemental information. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System on or after July 27, 1976, who contribute 3.00% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) generally contribute 3.00% of their salary for their entire length of service. Employees who joined on or after April 1, 2012 (ERS and PFRS) generally contribute between 3.00% and 6.00% based on their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed as proportions of payroll members, used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

The Village is required to contribute at an actuarially determined rate. The actual contributions were equal to 100% of the actuarially required amounts. The credits and miscellaneous adjustments represent modifications made by the ERS and PFRS to the prior year's contributions due to differences between estimated and actual salaries for the plan year.

Contributions for the current year and two preceding years were equal to 100.00% of the contributions required, and were as follows:

<u>Annual Required Contribution - ERS</u>					
<u>Amount</u>	<u>Credits & Miscellaneous Adjustments</u>	<u>Prepayment Discount</u>	<u>Total Payment</u>		
2015	\$ 2,774,380	\$ (97,910)	\$ (24,967)	\$	2,651,503
2014	2,995,570	92,883	(26,958)		3,061,495
2013	2,592,884	(97,951)	(23,334)		2,471,599

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

E. RETIREMENT SYSTEMS (continued)

Funding Policy (continued)

		<u>Annual Required Contribution - PFRS</u>			
		<u>Amount</u>	<u>Credits & Miscellaneous Adjustments</u>	<u>Prepayment Discount</u>	<u>Total Payment</u>
2015	\$	2,902,432	\$ (21,770)	\$ (26,120)	2,854,542
2014		3,003,357	(9,634)	(27,028)	2,966,695
2013		2,631,372	92,522	(23,680)	2,700,214

Amounts due to New York State Retirement Systems reported in the governmental fund and business-type activities represent the approximate contribution to the ERS and PFRS for the months of April and May 2015.

F. DEFERRED COMPENSATION PLAN

All Village employees may participate in the Deferred Compensation Plan for Employees of the Village of Garden City (the "Plan"), a defined contribution plan. The Plan was created in accordance with Section 457 of the Internal Revenue Code (IRC) and is subject to the provisions of the rules and regulations of the New York State Deferred Compensation Board (the "Board"), as amended. The Deferred Compensation Committee is responsible for oversight of the Plan and determines the appropriateness of the Plan's investment offerings, monitors investment performance. The Village is the plan sponsor.

Each year, participants may contribute a minimum of \$260 and up to 100% of includible compensation for the plan year, as defined in the Plan. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. An additional catch-up is allowed for previous missed contributions for participants who are within three years of retirement. Participants may also contribute amounts representing distributions from other qualified plans. Each participant's account is credited with the participant's contribution and allocation of the Plan's earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants are immediately vested in their contributions plus actual earnings thereon. The amount of participant contributions, including amounts rolled over from other qualified plans, was \$1,473,650 for the Plan year ended December 31, 2014.

On termination of service due to death, disability, retirement, or for other reasons, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, periodic payments or annual installments over a certain period, as defined by the Plan. Participants are eligible for in-service withdrawals for an unforeseeable emergency subject to the provisions of the IRC.

Complete financial statements of the Plan can be obtained from the Incorporated Village of Garden City Business Office, 351 Stewart Avenue, Garden City, NY 11530.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Village, a participant in a single-employer defined benefit plan, has collective bargaining contracts with four associations a) Civil Service Employees Association, Inc., b) Civil Service Employees Association, Inc.'s Supervisor Unit, c) Garden City Police Benevolent Association and d) Professional Firefighters Association of Nassau County. These contracts will be renegotiated at various times in the future.

The Village, in accordance with its contract with Civil Service Employees Association, Inc. and Civil Service Employees Association, Inc.'s Supervisor Unit will pay 90% of the premium costs for medical insurance coverage (currently provided by the New York State Empire Plan and HIP) at retirement, provided the employee retired after June 1, 2001 and had been employed by the Village for at least fifteen years. The Village will pay 90% of the individual and 75% of the family premium costs for employees hired prior to June 1, 2001 who retire after June 1, 2001 and have been employed by the Village for at least ten years but less than fifteen years.

The Village, in accordance with its contract with Garden City Police Benevolent Association and Professional Firefighters Association of Nassau County, will pay 100% of the premium costs for medical insurance coverage (currently provided by the New York State Empire Plan and HIP) at retirement, provided the employee had been employed by the Village for at least ten years.

All retirees are eligible for Medicare Part B reimbursement in the amount of \$1,259, based on the 2014 rate, if they are over the age of sixty-five. Beginning in 2015, Medicare Part B reimbursement is determined based on yearly income (2013 income used for the 2015 determination) with the minimum reimbursement being \$1,259 and the maximum reimbursement being \$4,028. Upon death of a retiree, the Village will cease to pay any portion of the health insurance premium for the surviving spouse, however the spouse is still eligible for Medicare Part B reimbursement.

The Village, as administrator of the plan, does not issue a separate report.

The number of participants as of June 1, 2014, the effective date of the most recent OPEB valuation, is as follows:

	Primary Government	Governmental Activities	Business-type Activities
Active employees	262	247	15
Retired employees	218	205	13
Total	480	452	28

There have been no significant changes in the number of employees or the type of coverage since that date.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS (continued)

Funding Policy

The Village currently pays for other postemployment benefits (OPEB) on a pay-as-you-go basis.

Annual Other Postemployment Benefit Cost and Net Obligation

For the year ended May 31, 2015, the Village's annual other postemployment benefits cost (expense) was \$7,814,693 of which \$7,365,293 was related to governmental activities and \$449,400 was related to business-type activities. The annual expense, inclusive of current health insurance premiums, totaled \$2,179,325 for retirees and their beneficiaries, of which \$2,027,561 was related to governmental activities and \$151,763 was related to business-type activities. The result was an increase in the other postemployment benefits liability of \$5,635,369, of which \$5,337,732 was related to governmental activities and \$297,637 was related to business-type activities for the year ended May 31, 2015.

Benefit Obligations and Normal Cost

	Primary Government	Governmental Activities	Business-type Activities
Actuarial Accrued Liability (AAL)			
Active employees	\$ 57,515,407	\$ 54,597,304	\$ 2,918,103
Retired employees	43,689,917	40,641,637	3,048,280
Total Actuarial Accrued Liability (AAL)	101,205,324	95,238,941	5,966,383
Actuarial value of plan assets	-0-	-0-	-0-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 101,205,324</u>	<u>\$ 95,238,941</u>	<u>\$ 5,966,383</u>
Funded Ratio	0.00%	0.00%	0.00%
Normal cost at the beginning of the year	\$ 2,416,210	\$ 2,279,299	\$ 136,911
Amortization cost at the beginning of the year	\$ 5,628,772	\$ 5,296,938	\$ 331,834
Annual covered payroll	\$ 23,972,996	n/a*	n/a*
UAAL as a percentage of covered payroll	422.16%	n/a*	n/a*

* Information was only available for the total primary government

The Village's annual other postemployment benefit cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded actuarial accrued liability for the Village for the year ended May 31, 2015 amounted to \$101,205,324.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual Other Postemployment Benefit Cost and Net Obligation (continued)

The following table shows the components of the Village's other postemployment benefits liability:

Level Dollar Amortization Method
Calculation of ARC under the Projected Unit Credit Cost Method

	Primary Government	Governmental Activities	Business-type Activities
Normal cost	\$ 2,416,210	\$ 2,279,299	\$ 136,911
Amortization of unfunded actuarial liability (UAAL) over 30 years	5,628,772	5,296,938	331,834
Interest	321,799	303,049	18,750
Annual required contribution (ARC)	8,366,781	7,879,286	487,495
Interest on net OPEB obligation	1,414,039	1,316,466	97,573
Adjustment to ARC	(1,966,127)	(1,830,459)	(135,668)
OPEB Cost	7,814,693	7,365,293	449,400
Less: Contribution for year ended May 31, 2015	2,179,324	2,027,561	151,763
Increase in other postemployment benefits liability	5,635,369	5,337,732	297,637
Other postemployment benefits liability at May 31, 2014	35,350,970	32,911,652	2,439,318
Other postemployment benefits liability at May 31, 2015	\$ 40,986,339	\$ 38,249,384	\$ 2,736,955
Percent of annual OPEB cost contributed	27.89%	27.53%	33.77%

Funded Status and Funding Progress

The percentage contributed, as it relates to the Village, for the current year and the preceding two years were:

	Annual OPEB Cost	Annual Contribution Made	Percentage Contributed	Net OPEB Obligation
May 31, 2015	\$ 7,814,693	\$ 2,179,324	27.89%	\$ 40,986,339
May 31, 2014	7,480,265	2,108,693	28.19%	35,350,970
May 31, 2013	7,566,572	2,040,276	26.96%	29,979,398

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress (continued)

The projected funded status of the plan as of June 1, 2014 is as follows:

	Actuarial Accrued Liability (AAL)	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Primary Government	\$ 101,205,324	\$ -0-	\$ 101,205,324	0.00%	\$ 23,972,996	422.16%

The required schedule of funding progress can be found immediately following the notes to the financial statements, in required supplementary information, and presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the June 1, 2014 actuarial valuation, the liabilities were computed using the projected unit credit actuarial cost method and level dollar amortization method over an open 30 year amortization period to amortize the initial unfunded liability. The actuarial assumptions utilized a 4.0% interest rate and a 4.0% inflation rate. The valuation assumes an initial 7.0%-9.0% healthcare cost trend and post-retirement benefit increase (inclusive of the 4.0% inflation rate) and reduced increments to a rate of 5.0% after ten years. The actuarial valuation does not incorporate an assumption for projected salary increases as the projected unit credit actuarial cost method does not include a salary component.

H. COMPENSATED ABSENCES

Village employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation, personal leave and sick leave at various rates subject to certain maximum limitations.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

3. DETAIL NOTES ON ALL FUNDS (continued)

H. COMPENSATED ABSENCES (continued)

Estimated vacation, sick leave, and compensatory absences accumulated by governmental fund type employees have been recorded in the Statements of Net Assets. Vested vacation, personal leave and sick leave accumulated by business type employees have been recorded in proprietary funds as a liability and expense. Payment of vacation time and sick leave is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave, and compensatory absences when such payments become due. As of May 31, 2015, the value of the Village's accumulated vacation time and sick leave for governmental and business-type activities was \$9,097,402, of which \$2,487,902 was included in the assigned fund balance of the General Fund.

4. COMMITMENTS AND CONTINGENCIES

A. RISK MANAGEMENT

In common with other municipalities, the Village receives numerous notices of claims. The Village established a self-insurance risk management program for general liability and workers' compensation claims which is accounted for in the Internal Service Fund. With respect to those insurance needs which are being self-insured, the Village has umbrella policies which provide for (1) \$31,000,000 of coverage per year for general liability claims which on a case by case basis are more than \$200,000 (\$1,100,000 in the aggregate) and (2) \$2,000,000 of coverage per year for workers' compensation claims filed prior to August 1, 2011 which, on a case by case basis, are more than \$400,000 with the exception of policemen and firemen claims which are \$500,000. The Village purchases an insurance policy which covers all workers' compensation claims incurred after August 1, 2011. There have been no significant reductions in insurance coverage as compared to the prior year, and there were no settlements in excess of insurance coverage over the last three years.

The actuarially determined Internal Service Fund liabilities are reported without a discount when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as, inflation, changes in legal doctrines, and damage awards. Accordingly, claims liabilities are reevaluated periodically to consider the effects of inflation, take recent claim settlement trends (including the frequency and amount of the claims), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to the specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

The New York State Workers' Compensation Board, as mandated by the Business Relief Act, which was enacted as part of the 2013 – 2014 New York State budget, created a single assessment methodology to fund the New York State workers' compensation system. The new assessment methodology which was established on November 1, 2013 and became effective on January 1, 2014 has reduced total assessment costs for all New York State employers. Subsequent to January 1, 2014 assessments are no longer calculated based upon indemnity loss payments but are now based on premium (or premium equivalent) and plans in runoff (such as the Village of Garden City Workers Compensation Self-Insured Plan) will no longer be assessed.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2015

4. COMMITMENTS AND CONTINGENCIES (continued)

B. SELF-INSURANCE PROGRAM

At May 31, 2015, the Internal Service Fund had a fund balance surplus of \$1,854,468. The Enterprise Funds' portion of the Internal Service Fund's surplus is approximately \$145,020 and has been reported as an internal balance in the government-wide financial Statement of Net Position.

The schedule below presents the changes in claim reserves for general liability and workers' compensation for the years ended May 31, 2015 and 2014:

	<u>Workers'</u> <u>Compensation</u>		<u>General</u> <u>Liability</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Unpaid Claims as of June 1 st	\$ 2,539,080	\$ 6,043,072	\$ 2,787,064	\$ 2,739,423
Incurred Claims:				
Provision for insured events of the current fiscal year	-0-*	-0-*	635,958	553,780
Decrease in net provision for insured events of prior fiscal years	<u>(288,635)</u>	<u>(2,883,521)</u>	<u>(677,115)</u>	<u>(332,299)</u>
Total Incurred Claims and Claim Adjustments	<u>(288,635)</u>	<u>(2,883,521)**</u>	<u>(41,157)</u>	<u>(332,299)</u>
Payments of:				
Claims during the current year	<u>(368,435)</u>	<u>(620,471)</u>	<u>(82,644)</u>	<u>(173,840)</u>
Unpaid Claims as of May 31 st	<u>\$ 1,882,010</u>	<u>\$ 2,539,080</u>	<u>\$ 2,663,263</u>	<u>\$ 2,787,064</u>

*The Village began purchasing workers' compensation insurance policies during the fiscal year ended May 31, 2012 in order to minimize costs (the insurance policies will provide coverage for workers' compensation claims occurring after August 1, 2011) and therefore there is no provision for insured workers' compensation events in the current or prior fiscal year.

**Effective January 1, 2014, the manner in which New York State self-insured entities are assessed by the Workers' Compensation Board changed. Assessments are no longer calculated based upon indemnity loss payments. The Workers' Compensation Board assessments are now based on premium (or premium equivalent) and plans in runoff (such as the Village of Garden City Workers' Compensation Self-Insured Plan) will no longer be assessed. As a result there was a significant reduction in the cumulative provision for prior fiscal years.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

4. COMMITMENTS AND CONTINGENCIES (continued)

B. SELF-INSURANCE PROGRAM (continued)

During the year ended May 31, 2015, the Internal Service Fund charged the following premiums:

<u>Primary Government:</u>	
General Fund	\$ 3,931,074
Library Fund	177,232
Water Fund	218,153
Pool Fund	77,308
Tennis Fund	<u>10,232</u>
Total Premiums	<u>\$ 4,413,999</u>

C. LITIGATION

The Village has been the defendant in an action filed in federal district court in 2005 entitled MHANY Management et al. v. Incorporated Village of Garden City, et al. The plaintiffs alleged, among other things, that the Village engaged in discrimination in connection with the 2004 rezoning of certain parcels of property owned by Nassau County and used principally as the headquarters for the Nassau County Department of Social Services. The case was tried in June 2013 and on December 6, 2013 the U.S. District Court ruled that the Village had violated the Fair Housing Act as well as 42 U.S. Code §1981 and §1983 and the Equal Protection Clause of the Fourteenth Amendment. The plaintiffs were not awarded monetary damages. However, among other things, the Court directed the Village: (1) not to engage in discriminatory conduct in connection with residential real property-related matters, (2) to enact a fair housing resolution and (3) to retain a fair housing compliance officer to, among other things, oversee the Village's compliance with the terms of the judgment. As the prevailing party, plaintiffs have filed a motion seeking to recover approximately \$5.6 million in attorneys' fees and costs, which amount is subject to increase as the case continues. The Village is disputing the amount sought by plaintiffs. On September 11, 2014, the court granted the Village's motion to defer ruling on the plaintiffs' attorneys' fees and costs request pending the outcome of an appeal that the Village has filed of the trial court decision with the 2nd Circuit U.S. Court of Appeals. The appeal was orally argued on May 29, 2015, and the parties now await the Court's determination. In the event that the Village prevails on appeal and is ultimately determined not to be liable, the plaintiffs will not be entitled to a recovery of attorneys' fees and costs. In the event that the Village is not successful on appeal and the plaintiffs are awarded attorneys' fees and costs, the Village believes that it has insurance coverage for such award. However, the insurance carrier has not conceded that such coverage would apply and has reserved its rights. In the event that the plaintiffs are awarded attorneys' fees and the carrier was to deny coverage, the Village intends to take all reasonable steps to enforce payment. For the foregoing reasons, it is not possible to estimate the potential loss, if any, to the Village as a result of this litigation.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

4. COMMITMENTS AND CONTINGENCIES (continued)

D. GENERAL LITIGATION

Consistent with other municipalities, the Village has been named a defendant in various legal actions in the course of ordinary operations. The Village has accrued for all estimated and probable contingent losses. The Village primarily funds settlements of legal actions through current operating funds; however, the Village has the ability to fund settlements through bonding if deemed necessary. An estimate cannot be made on certain of the legal actions that have possible unfavorable outcome against the Village. In the opinion of the Village's management, the potential loss on all claims will not materially affect the Village's financial position.

E. TAX CERTIORARI PROCEEDINGS

From time to time, the Village is involved in tax certiorari proceedings under which taxpayers seek reduction in the assessed value of property upon which taxes are measured. A reduction in assessed valuation may result in a refund of real property taxes previously paid by the claimant. The amount refunded to Village taxpayers as a result of tax certiorari proceedings was \$706,955 for the year ended 2015.

F. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress commitments for equipment purchases and other capital acquisition commitments amounting to \$945,389 are restricted or assigned in the Capital Projects Fund.

G. OTHER COMMITMENTS

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

5. NEW PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued the following Statements:

Statement No. 68 "*Accounting and Financial Reporting for Pensions*" – an amendment of GASB Statement No. 27 of which the primary objective is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2014.

Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement date – an amendment of GASB Statement No. 68*" of which the objective is to address an issue regarding application of the transition provisions of Statement No. 68, "*Accounting and Financial Reporting for Pensions*." The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement should be applied simultaneously with the provision of Statement No. 68.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2015

5. NEW PRONOUNCEMENTS (continued)

Statement No. 72 "*Fair Value Measurement and Application*" includes requirements that will enhance the comparability of financial statements among governments by requiring the measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

Statement No. 73 "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68 - and amendments to Certain Provisions of GASB 67 and 68*" of which the objective is to clarify the existing guidance as well as establish new requirements for pensions not covered by Statement No. 67 and No. 68. The requirements of this Statement are effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016.

Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*," which outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017.

Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*," the objective of which is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.

Statement No. 77, "*Tax Abatement Disclosures*," the objective of which is to improve financial reporting by providing the users of financial statements with information about the nature and magnitude of tax abatements, and helping the users understand how tax abatements affect a government's future ability to raise resources and meet its financial obligations, as well as the impact on the government's financial position and economic condition. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

The Village is currently evaluating the impact of the above pronouncements.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual – General Fund**

**Schedule of Funding Progress for Other Post-Employment
Benefits (OPEB)**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The budgets are adopted on a basis of accounting consistent with GAAP, except that appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior years. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations are made. The capital projects are budgeted on a project or grant basis.

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Real Property Taxes				
Real property taxes	\$ 48,167,710	\$ 48,167,710	\$ 48,162,496	\$ (5,214)
Total Real Property Taxes	48,167,710	48,167,710	48,162,496	(5,214)
Other Real Property Tax Items				
Payment in lieu of taxes	887,894	887,894	887,761	(133)
Interest and penalties on real property tax	107,550	107,550	104,948	(2,602)
Total Other Real Property Tax Items	995,444	995,444	992,709	(2,735)
Non-Property Tax Items				
Public utilities gross receipts tax	650,000	650,000	663,474	13,474
County sales tax	60,267	60,267	62,159	1,892
Franchise fees	350,000	350,000	319,909	(30,091)
Total Non-Property Tax Items	1,060,267	1,060,267	1,045,542	(14,725)
Departmental Income				
Charges for tax advertising	1,600	1,600	1,825	225
Safety inspection fees	522,500	522,500	765,571	243,071
Parking lots and garages	191,200	191,200	208,800	17,600
Zoning fees	30,000	30,000	40,245	10,245
Dump permits	5,000	5,000	3,795	(1,205)
Sewer charges	2,800	2,800	2,646	(154)
Refuse and garbage fees	145,000	145,000	147,673	2,673
Park and recreational charges	483,020	483,020	451,407	(31,613)
Public works service	215,000	215,000	215,958	958
Health fees	6,000	6,000	7,230	1,230
Planning commission fees	2,000	2,000	2,500	500
Architectural design review fees	20,000	20,000	33,750	13,750
Utility permit fees	12,100	12,100	(12,100)	(12,100)
Total Departmental Income	1,636,220	1,636,220	1,881,400	245,180
Intergovernmental Charges				
Fire protection services	20,000	20,000	3,263	(16,737)
Sewer services	345	345	105	(240)
Total Intergovernmental Charges	20,345	20,345	3,368	(16,977)
Use of Money and Property				
Interest and earnings	83,000	83,000	88,129	5,129
Commissions	5,000	5,000	(5,000)	(5,000)
Rental real property	135,065	135,065	22,771	(112,294)
Total Use of Money and Property	223,065	223,065	110,900	(112,165)

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES (continued)				
Licenses and Permits				
Business and occupational licenses	3,300	3,300	2,660	(640)
Dog license fund apportionment	3,500	3,500	7,446	3,946
Permits	133,125	133,125	207,299	74,174
Total Licenses and Permits	<u>139,925</u>	<u>139,925</u>	<u>217,405</u>	<u>77,480</u>
Fines and Forfeitures				
Fines and forfeited bail	1,150,000	1,150,000	1,354,414	204,414
Forfeiture of deposits	500	500	5,344	4,844
Total Fines and Forfeitures	<u>1,150,500</u>	<u>1,150,500</u>	<u>1,359,758</u>	<u>209,258</u>
Special Assessments				
Special assessment - parking lot	239,733	239,733	239,733	-0-
Total Special Assessments	<u>239,733</u>	<u>239,733</u>	<u>239,733</u>	<u>-0-</u>
Sales of Property and Compensation for Loss				
Minor sales - other	13,000	13,000	19,712	6,712
Sales of real property			4,690,000	4,690,000
Sales of equipment	15,000	30,000	53,811	23,811
Insurance recoveries	200,000	200,000	274,907	74,907
Other compensation for losses	25,000	25,000	25,270	270
Total Sales of Property and Compensation for Loss	<u>253,000</u>	<u>268,000</u>	<u>5,063,700</u>	<u>4,795,700</u>
Miscellaneous Local Sources				
Refund of prior year expenses			77,144	77,144
Gifts and donations		10,000	10,000	-0-
Interfund revenues	20,000	20,000	20,000	-0-
Unclassified revenues	10,000	10,000	6,524	(3,476)
Total Miscellaneous Local Sources	<u>30,000</u>	<u>40,000</u>	<u>113,668</u>	<u>73,668</u>
State and Local Aid				
Per capita	207,449	207,449	207,449	-0-
Mortgage tax	650,000	650,000	566,638	(83,362)
Emergency disaster assistance			913	913
Youth programs	8,147	8,147	327	(7,820)
Consolidated local street and highway improvement aid	401,525	401,525	446,285	44,760
Other	24,550	60,247	89,274	29,027
Total State and Local Aid	<u>1,291,671</u>	<u>1,327,368</u>	<u>1,310,886</u>	<u>(16,482)</u>

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u> (continued)				
Federal Aid				
Emergency disaster assistance			5,476	5,476
Total Federal Aid	-0-	-0-	5,476	5,476
Total Revenue	\$ 55,207,880	\$ 55,268,577	\$ 60,507,041	\$ 5,238,464

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
General Government Support				
Board of Trustees:				
Other expenditures	\$ 55,180	\$ 31,430	\$ 7,942	\$ 23,488
Village Justice:				
Personal services	315,832	321,321	295,894	25,427
Other expenditures	34,473	34,473	26,305	8,168
Clerk-Treasurer:				
Personal services	717,323	773,347	771,346	2,001
Equipment	22,158	22,158	8,946	13,212
Other expenditures	382,274	448,024	349,249	98,775
Purchasing:				
Personal services	291,477	260,134	258,569	1,565
Other expenditures	7,450	7,450	3,540	3,910
Assessment:				
Personal services	39,266	39,976	39,918	58
Other expenditures	12,500	12,500	3,366	9,134
Tax Advertising and Expense:				
Other expenditures	1,500	1,500	1,291	209
Discount on Taxes	25,000	26,828	26,828	
Law:				
Other expenditures	660,500	1,169,092	1,163,460	5,632
Personnel:				
Personal services	113,778	97,868	96,861	1,007
Other expenditures	30,000	35,000	16,912	18,088
Engineer:				
Personal services	100,773	235,949	234,449	1,500
Other expenditures	14,150	14,150	9,855	4,295
Elections:				
Personal services	1,075	1,130	1,130	-0-
Other expenditures	1,700	1,645	1,449	196
Buildings:				
Personal services	139,386	134,923	123,419	11,504
Other expenditures	181,950	177,413	168,809	8,604
St. Paul School:				
Other expenditures	8,500	8,500	5,000	3,500
Central Garage:				
Personal services	294,403	298,828	235,281	63,547
Equipment		791	791	-0-
Other expenditures	185,233	209,642	208,293	1,349
Central Printing and Mailing:				
Other expenditures	24,000	24,000	23,988	12
Central Data Processing:				
Personal services	102,552	103,062	101,866	1,196
Other expenditures	233,764	232,689	190,017	42,672
Municipal Association Dues	23,000	23,000	21,505	1,495
Refunds of Real Property Taxes	1,500,000	991,953	706,955	284,998

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
General Government Support (continued)				
Insurance charges	3,931,074	3,931,074	3,931,074	-0-
MTA payroll tax	75,000	75,000	68,416	6,584
Contingency	912,396	39,355		39,355
Total General Government Support	10,437,667	9,784,205	9,102,724	681,481
Public Safety				
Police Department:				
Personal services	8,825,104	8,953,592	8,937,592	16,000
Equipment	8,000	30,750	26,745	4,005
Other expenditures	582,077	581,926	394,054	187,872
Fire Department:				
Personal services	2,519,050	2,486,550	2,259,880	226,670
Equipment	93,611	93,611	56,703	36,908
Other expenditures	1,362,271	1,394,771	1,142,592	252,179
Safety Inspection:				
Personal services	521,209	478,687	459,775	18,912
Other expenditures	127,000	180,000	175,727	4,273
Total Public Safety	14,038,322	14,199,887	13,453,068	746,819
Transportation				
Street Administration:				
Personal services	252,024	311,901	308,900	3,001
Equipment	1,319	1,319		1,319
Other expenditures	53,600	53,600	43,861	9,739
Street Maintenance:				
Personal services	712,377	706,737	691,028	15,709
Other expenditures	276,350	335,350	331,103	4,247
Snow Removal:				
Personal services	282,611	393,611	391,254	2,357
Other expenditures	142,700	287,530	286,817	713
Street Lighting:				
Personal services	165,325	167,855	159,653	8,202
Other expenditures	688,039	749,880	747,328	2,552
Total Transportation	2,574,345	3,007,783	2,959,944	47,839
Economic Assistance and Opportunity				
Publicity:				
Other expenditures	38,400	77,400	45,064	32,336
Total Economic Assistance and Opportunity	38,400	77,400	45,064	32,336

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
Culture and Recreation				
Parks:				
Personal services	1,561,246	1,570,848	1,567,782	3,066
Equipment	9,060	9,060	8,917	143
Other expenditures	465,798	475,798	465,827	9,971
Playgrounds and Recreation Centers:				
Personal services	1,802,508	1,841,500	1,841,524	(24)
Equipment	35,242	34,717	20,501	14,216
Other expenditures	977,088	1,013,088	819,823	193,265
Concerts:				
Other expenditures	3,000	3,000	1,666	1,334
Historian:				
Other expenditures	1,500	4,330	4,315	15
Total Culture and Recreation	4,855,442	4,952,341	4,730,355	221,986
Home and Community Services				
Sanitary Sewers:				
Personal services	103,910	259,435	256,000	3,435
Equipment	40,000	67,500	42,459	25,041
Other expenditures	150,400	94,900	79,407	15,493
Storm Sewers:				
Personal services	113,567	113,567	109,367	4,200
Other expenditures	38,219	47,219	41,282	5,937
Refuse and Garbage:				
Personal services	1,874,869	1,904,344	1,904,015	329
Equipment		1,920	1,918	2
Other expenditures	1,536,550	1,499,380	1,497,549	1,831
Street Cleaning:				
Personal services	458,991	458,991	444,691	14,300
Other expenditures	164,900	181,500	181,003	497
Other Sanitation:				
Personal services	249,622	249,622	246,772	2,850
Other expenditures	78,000	59,900	56,081	3,819
Total Home and Community Services	4,809,028	4,938,278	4,860,544	77,734

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
Employee Benefits				
State retirement	2,161,268	2,175,718	2,137,579	38,139
Police and fire retirement	2,795,971	2,843,579	2,627,421	216,158
Social security	1,535,992	1,550,737	1,452,486	98,251
Unemployment insurance	30,000	30,000	6,658	23,342
Hospital and medical insurance	5,898,660	5,898,660	5,818,299	80,361
Total Employee Benefits	<u>12,421,891</u>	<u>12,498,694</u>	<u>12,042,443</u>	<u>456,251</u>
Debt Service				
Principal	1,486,000	1,499,127	1,499,077	50
Interest	384,451	271,324	269,852	1,472
Total Debt Service	<u>1,870,451</u>	<u>1,770,451</u>	<u>1,768,929</u>	<u>1,522</u>
Total Expenditures	<u>51,045,546</u>	<u>51,229,039</u>	<u>48,963,071</u>	<u>2,265,968</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,162,334	4,039,538	11,543,970	7,504,432
Other Financing Sources (Uses)				
Premium on bonds			6,981	6,981
Transfers out	(5,327,665)	(5,342,665)	(5,342,665)	-0-
Total Other Financing Sources (Uses)	<u>(5,327,665)</u>	<u>(5,342,665)</u>	<u>(5,335,684)</u>	<u>6,981</u>
Net Change in Fund Balance*	<u>\$ (1,165,331)</u>	<u>\$ (1,303,127)</u>	6,208,286	<u>\$ 7,511,413</u>
Fund Balance at Beginning of Year			<u>8,489,239</u>	
Fund Balance at End of Year			<u>\$ 14,697,525</u>	

* The net change in fund balance for the original and final budget was included in the budget as an appropriation (i.e. spend down) of fund balance.

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
May 31, 2015

Actuarial Valuation Date June 1,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
2014	\$ -0-	\$ 101,205,324	\$ 101,205,324	0.00%	\$ 23,972,996	422.16%
2012	\$ -0-	\$ 95,543,983	\$ 95,543,983	0.00%	\$ 24,690,996	386.96%
2010	\$ -0-	\$ 92,989,078	\$ 92,989,078	0.00%	\$ 24,991,040	372.09%
2008	\$ -0-	\$ 80,844,585	\$ 80,844,585	0.00%	\$ 25,511,693	316.89%