

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
MAY 31, 2010**

# INCORPORATED VILLAGE OF GARDEN CITY, NEW YORK

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED MAY 31, 2010



*Prepared by:*

*Office of the Village Auditor  
James E. Olivo  
Village Auditor*



**INCORPORATED VILLAGE OF GARDEN CITY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED MAY 31, 2010**  
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INCORPORATED

# VILLAGE OF GARDEN CITY

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TRUSTEES  
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JOHN J. WATRAS  
NICHOLAS P. EPISCOPIA  
ANDREW J. CAVANAUGH  
LAURENCE J. QUINN  
DENNIS C. DONNELLY  
BRIAN C. DAUGHNEY

VILLAGE ADMINISTRATOR  
ROBERT L. SCHOELLE, JR.

November 23, 2010

## **To Mayor Rothschild, Board of Trustees and Residents of the Incorporated Village of Garden City**

Attached is the Comprehensive Annual Financial Report for the Incorporated Village of Garden City, New York for the 2009-2010 fiscal year which ended on May 31, 2010. It is the responsibility of the Village to insure the accuracy of both the data and the disclosures made in the attached report. Accordingly, it has been prepared in conformity with Accounting Principles Generally Accepted in the United States of America as they apply to governmental units and to the best of our knowledge is correct in all material respects. We believe this report fairly presents the financial position of the Incorporated Village of Garden City and the results of operations for the year ended May 31, 2010. All disclosures necessary to gain a full and complete understanding of the Village's financial activities have been included.

This report includes all the funds of the Village (the primary government) and its component unit, the Garden City Public Library. Activities considered to be part of the reporting entity have been determined by the application of criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity." The basic, but not the only criteria for inclusion in the financial statements of the reporting entity is whether the component unit is financially accountable to the primary government. Discrete presentation via a separate column is used in incorporating the financial statement of the Library in the statements of the Village.

The Management Discussion and Analysis (MD&A), located in the financial section following the independent auditors' report, provides an introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

The Incorporated Village of Garden City is a full service municipality. It provides police, fire, sewer, water, sanitation, parks, recreation, library, building inspection and street maintenance services. Attendant with the above services, administration is provided including accounting, purchasing, human resources, maintenance of plant and equipment, Village Justice Court and other general services. These services are provided through the Village's General Fund, which is the main operating fund of the Village.

The Village enterprise operations consist of three distinct activities: Municipal Water Supply, Swimming Pool, and Indoor Tennis facilities. Each of these operations receives no funding from any tax base, rather their income is derived from sales of goods, or in the case of the recreation facilities, annual subscriptions.

## **History**

The Village's history began in 1869 when Alexander T. Stewart, a wealthy merchant, purchased approximately 7,000 acres of land for his own garden community. The Village was incorporated in 1919 and since then comprehensive planning and zoning have blended a modern business core and shopping district with a residential community of private homes, town houses, apartment buildings and condominiums.

## **Economic Condition and Outlook**

The Incorporated Village of Garden City is a suburban residential community with a population of approximately 21,700. It is located in Nassau County, thirty miles east of Manhattan. More than half of the Village's residents are employed in the managerial or professional sectors of the economy, primarily in the finance, insurance, or real estate industries.

Although the economic consequences resulting from Wall Street declines during 2009-2010 have impacted the community, it appears as if the high value of property in the Village remains relatively stable. The State equalization rate has remained unchanged, reflecting this trend.

The residential real estate market within Garden City remains strong as the Village is considered to be one of the region's most desirable residential communities. Factors which contribute to Garden City's popularity include the quantity and high quality of municipal services and facilities as well as our School District consistently being rated one of the best in New York State.

The desirability of the Village as a prime business location is demonstrated by the trend toward reinvestment in existing buildings in the central business corridor. The proximity of a diverse selection of restaurants, department stores, shops and personal service businesses enhances the desirability of the business district and contributes to the continued strength of the office market.

That same diversity attracts customers from the surrounding communities and contributes to the continued success of the retail marketplace. National stores such as Lord and Taylor and Sears provide a positive presence and continue to attract customers to the area.

Balancing of business development (commercial, retail, and personal service) along with the quality of life issues, so important to a residential community, is vital to the Village Board of Trustees. The character of Garden City is clearly shaped by its residential nature and yet a substantial percentage of the tax base is derived from business enterprises operating within the Village. The commitment to a continual planning process necessary to maintain this balance is demonstrated by the Planning Commission and the Architectural Design Review Board, both of which review all building expansion projects within the Village. The activities of these groups along with the diligent oversight of the Board of Trustees via site plan approval has been and continues to be critical to maintaining this balance and protecting the character of the Village.

The Village of Garden City's prudent handling of its financial responsibilities has earned an Aaa credit rating from Moody's Investor Service, the highest rating given to municipal debt, which permits the Village to sell municipal bonds at a favorable interest rate, making them less of a financial burden to the taxpayers.

## **Major Initiatives**

### **Current Year**

Annually the Village initiates capital planning through the establishment of a five-year plan. During 2010, projects involving sidewalk and curb restoration, road maintenance, tree planting, and equipment purchases were all continued.

## **Major Initiatives** (continued)

### **Current Year** (continued)

The Village has made a long-term commitment to maintaining its infrastructure, which is evidenced by the annual funding of the above projects. This commitment has provided the opportunity to maintain the highest levels of service to the community without undue tax burdens.

During the last 12 months, projects enhancing the Village's recreational facilities including new playground equipment, fence replacements, and building renovations in the neighborhood parks were completed. Renovation of Community Park consisting of reconstruction of the platform tennis courts and a support building for this area has been completed.

Renovations to Village Hall have continued with the addition of an elevator, interior corridor and a communications tower. Water treatment facilities were constructed to ensure the safety of our water supply. These improvements were financed by a bond issued in May.

### **Future Years**

The 2010-2011 Capital Plan has continued the existing Road Maintenance Program at a one and a half miles per year resurfacing schedule. This schedule will allow the Village to maintain roads on a 40 year cycle, with the funding being provided through appropriations, thereby avoiding bonding for continued maintenance items. An annual appropriation is also being maintained to fund sidewalk repair, curb replacement and sewer renovation in an effort to keep our bonded debt at the lowest possible level.

For 2010-2011, significant reductions in capital projects are planned, the result of the Village Board of Trustee's response to the poor economy designed to minimize the proposed tax rate.

As noted in each year of the Capital Plan, the continued funding for replacement equipment and infrastructure maintenance is a hallmark of the Village's philosophy toward maintaining our facilities for future generations. During the 2010-2011 fiscal year, the Village will take advantage of low interest rates and utilize debt issuance to finance necessary parking area improvements, including lighting and other road resurfacing projects. Equipment purchases have been reduced in response for the need for property tax relief as we emerge from the recession. It is anticipated that the pay as you go funding level for the Capital Plan will increase in future fiscal years.

## **Financial Information**

Village finances are accounted for through its various funds. All property taxes and non-tax revenues are accounted in their respected fund. All current operating expenditures are made from the funds pursuant to appropriations by the Village Board of Trustees.

### **Internal Controls**

The Mayor, Board of Trustees and the Village Administrator - Treasurer are responsible for implementing and maintaining a secure internal control system. Recognizing this, the Board of Trustees has established the position of Village Auditor to function as an Internal Auditor. The duties of this position include the continual examination of the current system of internal controls to assess their adequacy and the development of new controls as necessary. This system of control ensures that the assets of the Village are protected from loss, theft, and/or misuse. As with any system of internal control, the structure is intended to provide reasonable cost effective control through segregation of duties, enforcement of policy regulations, and periodic field audits.

## **Financial Information** (continued)

### **Internal Controls** (continued)

In addition the Village maintains controls in order to ensure compliance with the budgetary provisions embodied in the annual appropriated budgets approved by the Board of Trustees. The Village operates in an automated data processing environment making strict budgetary controls possible. Once the Village Board of Trustees has adopted a budget, line item control is enforced through a computerized purchase requisition system. This prevents the over expenditure of any line item by denying the requisition unless there are sufficient funds in the budget for that item. Activities of all funds, except the Capital Projects and Agency Funds, are appropriated through this annual budget process and controlled through the purchase requisition system. The Capital Projects Fund does not adopt an annual budget since the revenues and expenditures recorded in this fund span more than a single fiscal year. The Capital Projects Fund is approved through resolutions authorizing individual projects which remain in effect for the life of the project.

An examination of the Village's finances is conducted by Independent Auditors on an annual basis. The financial statements enclosed have been audited by the firm of Albrecht, Viggiano, Zureck & Company, P.C. This audit and the comments and recommendations of the independent auditor are viewed as an essential element of prudent financial management by the Board of Trustees. An Audit Committee consisting of three members of the Board meets twice annually with the independent auditors to discuss any items of concern.

In addition, the New York State Comptroller's Office periodically audits the Village to ensure compliance with State Laws regulating Villages and Municipalities. That State audit includes a review of the report of the Independent Auditor and an additional look at areas of concern, if any.

### **Employee Relations**

The Village provides services through approximately 306 full time employees. With the exception of department heads and certain managerial and confidential employees, all full time employees are covered by three collective bargaining agreements.

An agreement with the Garden City Unit of the Nassau Chapter of the Civil Service Employees Association, Inc. covers all Village employees except sworn employees of the Fire and Police Departments, department heads and certain managerial and confidential employees. This contract expired on May 31, 2010. All sworn employees of the Police Department, with the exception of the Chairman of the Board of Police Commissioners, are covered by a contract with the Garden City Police Benevolent Association, which expired on May 31, 2009. Career firefighters in the positions of firefighter and fire lieutenant are included within an agreement with the Professional Firefighters Association of Nassau County, which expired on May 31, 2010. Collective bargaining is continuing with the Garden City Police Benevolent Association, the Professional Firefighters Association of Nassau County and the Civil Service Employees Association.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Garden City for its comprehensive annual financial report for the year ended May 31, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

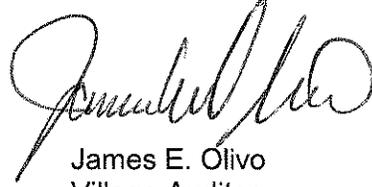
**Acknowledgment**

The preparation of this comprehensive annual financial report was made possible through the assistance of the Village department heads and staff. In addition, Albrecht, Viggiano, Zureck and Company, P.C. and Liberty Capital Services, LLC were also instrumental in the preparation of this document. We would like to express our sincere appreciation for the efforts made by all involved.

Respectfully submitted,



Robert L. Schoelle, Jr.  
Village Administrator



James E. Olivo  
Village Auditor

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Incorporated Village  
of Garden City, New York

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
May 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



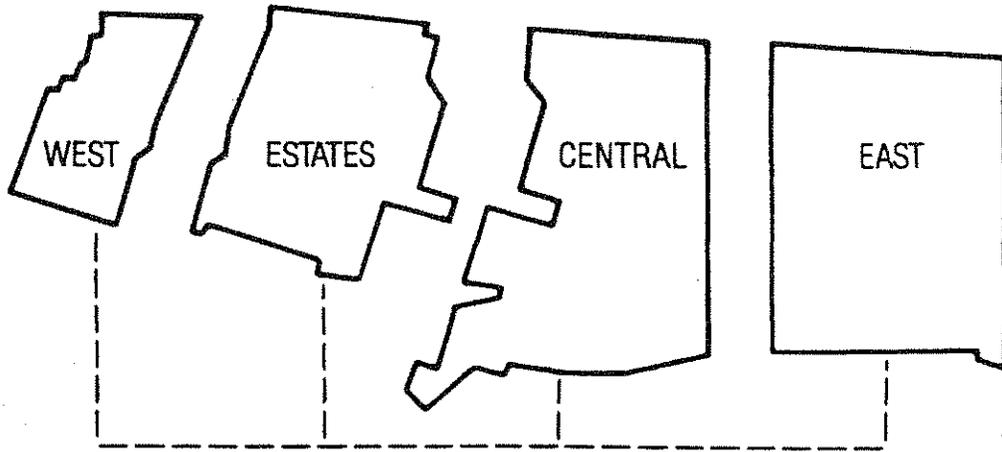
A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

VOTERS



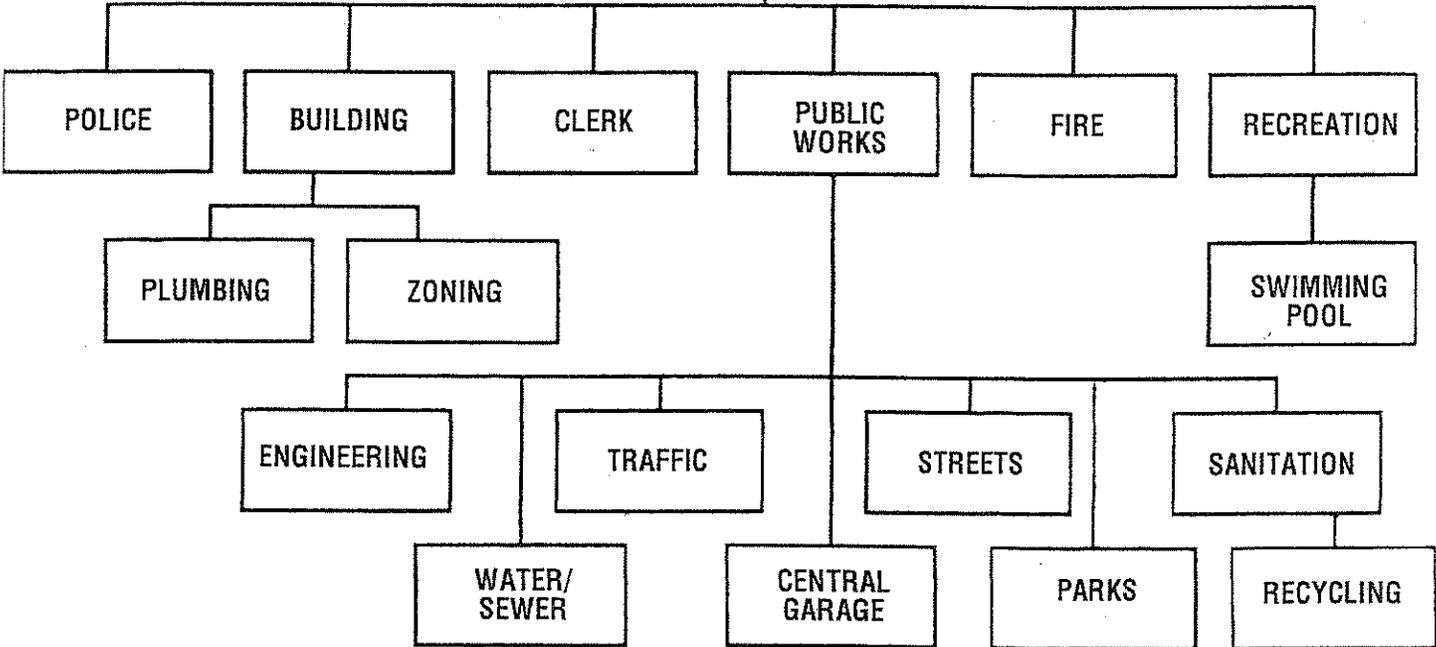
**Mayor &  
Board of Trustees\***

VILLAGE JUSTICE\*

BOARD &  
COMMISSIONS

COUNSEL

VILLAGE  
ADMINISTRATOR/  
TREASURER



INCORPORATED VILLAGE OF GARDEN CITY, NEW YORK  
 LISTING OF VILLAGE OFFICIALS  
 MAY 31, 2010

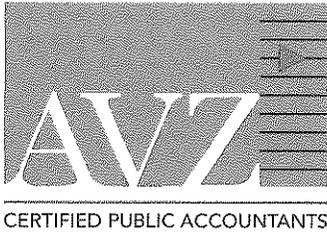
The Mayor and the seven member Board of Trustees are the governing body of the Village. The Mayor and the Board of Trustees appoint the Village Administrator who serves as the chief administrative officer and fiscal head of the Village government and is responsible for the proper administration of municipal affairs and coordination of departmental activities. The principal department heads are appointed annually by the Mayor, with ratification by the Board of Trustees.

The Mayor and Trustees are elected for two year terms. The terms are staggered so that four offices are filled each year.

Certain Village Officials

Robert J. Rothschild .....	Mayor
Nicholas P. Episcopia.....	Trustee
Donald T. Brudie .....	Trustee
John J. Watras .....	Trustee
Andrew J. Cavanaugh.....	Trustee
Dennis C. Donnelly.....	Trustee
Laurence J. Quinn.....	Trustee
Brian C. Daughney.....	Trustee
Robert L. Schoelle, Jr.....	Village Administrator and Treasurer
Ernest J. Cipullo .....	Commissioner of Police
William J. Graham .....	Fire Department Chief
Michael D. Filippon.....	Superintendent of Buildings
Kevin A. Ocker .....	Commissioner of Recreational and Cultural Affairs
Robert J. Mangan.....	Director of Public Works
James E. Olivo .....	Village Auditor
Brian S. Ridgway.....	Village Clerk
Carolyn J. Voegler.....	Library Director

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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, the discretely presented component unit and each major fund of the Incorporated Village of Garden City, New York, as of and for the year ended May 31, 2010, which collectively comprise the Incorporated Village of Garden City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Incorporated Village of Garden City's management. Our responsibility is to express an opinion 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, the discretely presented component unit and each major fund of the Incorporated Village of Garden City, New York, as of May 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, budgetary comparison information, and the schedule of funding progress for other postemployment benefits are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

PERSONAL SERVICE. TRUSTED ADVICE.

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

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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Incorporated Village of Garden City, New York's basic financial statements. The introductory section, supplemental information and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Albert H. Higgins, Jr. & Co., P.C.*

Hauppauge, New York  
November 23, 2010

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Management's Discussion and Analysis**

**INCORPORATED VILLAGE OF GARDEN CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
May 31, 2010

This section of the Incorporated Village of Garden City's (the "Village") comprehensive annual financial report ("CAFR") presents management's discussion and analysis of financial performance during the year ended May 31, 2010. Please read it in conjunction with the financial statements, which immediately follow this section. Comparative data is available and presented in this 2010 report.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The reporting focus of this report is on the Village as a whole, and on the major individual funds. The report presents a more comprehensive view of the Village's financial activities and makes it easier to compare the performance of the Incorporated Village of Garden City's government to that of other governments.

The financial section of this annual report presents the Village's financial activities and position in four parts – (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) required supplementary information other than management's discussion and analysis, and (4) other supplementary information. The report also includes statistical and economic data.

The basic financial statements include government-wide financial statements, fund financial statements, and notes that provide more detailed information to supplement the basic financial statements.

### Reporting the Village as a Whole

The government-wide financial statements are designed to present an overall picture of the financial position of the Village. These statements consist of the Statement of Net Assets and the Statement of Activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. This means that all the current year's revenues and expenses are included regardless of when cash is received or paid, producing a view of financial position similar to that presented by most private-sector companies.

The Statement of Net Assets combines and consolidates the Village's current financial resources with capital assets and long-term obligations. This statement includes all of the Village's assets and liabilities.

Net assets are the difference between the Village's assets and liabilities, and represent one measure of the Village's financial health. Over time, increases or decreases in the Village's net assets are 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 focuses on both the gross and net cost of various activities (governmental and component unit); these costs are paid by the Village's general tax and other revenues. This statement summarizes the cost of providing (or the subsidy provided by) specific government services, and includes all current year revenues and expenses.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
May 31, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Reporting the Village as a Whole (continued)

In the Statement of Net Assets and the Statement of Activities, we divide the Village into three kinds of activities:

Governmental Activities – Most of the Village's basic services are reported here, including the police, fire, public works, parks departments, and general administration. Property taxes, franchise fees, and state and local aid finance most of these activities.

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.

Component Unit – The Village includes the Garden City Public Library in this report. Although legally separate, this "component unit" is important because the Village is financially accountable for the Library.

Reporting the Village's Most Significant Funds

The fund financial statements provide detailed information about the significant funds – not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village Board of Trustees establishes other funds as necessary to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Village's two kinds of funds – governmental and proprietary – use different accounting approaches.

Governmental Funds

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

Proprietary Funds

When the Village charges customers for the services it provides– whether to outside customers or to other units of the Village – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Village's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The Village uses an Internal Service Fund (the other component of proprietary funds) to report activities that provide services for the Village's other programs and activities, that is the Risk Retention Fund.

Reporting the Village's Fiduciary Responsibilities

All of the Village's fiduciary activities are reported in separate Statement of Fiduciary Net Assets. These activities are excluded 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.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 May 31, 2010

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

Our analysis below focuses on the net assets and changes in net assets of the Village's governmental and business-type activities.

**Condensed Statement of Net Assets**  
**as of May 31, 2010 and 2009**

	(In millions)					
	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2010	2009	2010	2009	2010	2009
<b>Assets</b>						
Current and other assets	\$ 22.66	\$ 22.04	\$ 5.14	\$ 1.22	\$ 27.80	\$ 23.26
Capital assets	54.76	55.36	19.33	19.38	74.09	74.74
Total Assets	<u>77.42</u>	<u>77.40</u>	<u>24.47</u>	<u>20.60</u>	<u>101.89</u>	<u>98.00</u>
<b>Liabilities</b>						
Current and other liabilities	8.22	8.90	1.92	2.04	10.14	10.94
Long-term liabilities	33.50	26.04	10.77	6.81	44.27	32.85
Total Liabilities	<u>41.72</u>	<u>34.94</u>	<u>12.69</u>	<u>8.85</u>	<u>54.41</u>	<u>43.79</u>
<b>Net assets</b>						
Invested in capital assets, net of debt	45.28	46.22	9.01	12.68	54.29	58.90
Unrestricted	(9.58)	(3.76)	2.77	(0.93)	(6.81)	(4.69)
Total Net Assets	<u>\$ 35.70</u>	<u>\$ 42.46</u>	<u>\$ 11.78</u>	<u>\$ 11.75</u>	<u>\$ 47.48</u>	<u>\$ 54.21</u>

Net assets of the Village's governmental activities were approximately \$35.70 million, a decrease of approximately \$6.76 million over last year's net assets. Of this net asset balance for governmental activities, approximately \$45.28 million was invested in capital assets, net of related debt; while approximately \$9.58 million was an unrestricted deficit. The deficit balance of unrestricted net assets does not necessarily indicate stress. The deficit balance in unrestricted net assets arose primarily because of certain factors. The Village, in an effort to minimize tax rate increases, used up cash reserves. In addition, long-term liabilities which include compensated absences, claims and judgments payable, tax certioraris payable, capital loan payable, special assessment bond payable, general obligation bonds payable and other postemployment benefits payable will be funded through future budgetary appropriations when they become due in future periods.

The net assets of the Village's business-type activities were approximately \$11.78 million, an increase of approximately \$33,000 from last year's net assets. Of this net asset balance for business-type activities, approximately \$9.01 million was invested in capital assets, net of related debt, while approximately \$2.77 million was an unrestricted surplus – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

In addition, total net assets were again decreased in the current year and will continue to decrease in subsequent years due to the ongoing recognition of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB). The unfunded liability for postemployment benefit healthcare costs increased by approximately \$5.71 million, bringing the unfunded liability at year end to approximately \$11.85 million. Additional information on other postemployment benefits can be found in Note C.6 to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 May 31, 2010

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (continued)

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

**Changes in Net Assets**  
**for the years ended May 31, 2010 and 2009**

	(In millions)					
	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2010	2009	2010	2009	2010	2009
Program Revenues						
Charges for services	\$ 3.05	\$ 2.84	\$ 5.59	\$ 5.95	\$ 8.64	\$ 8.79
Operating grants and contributions	0.02	0.01			0.02	0.01
Capital grants and contributions	0.66	0.57			0.66	0.57
Total Program Revenues	<u>3.73</u>	<u>3.42</u>	<u>5.59</u>	<u>5.95</u>	<u>9.32</u>	<u>9.37</u>
General Revenues						
Real property taxes	44.31	42.58			44.31	42.58
Other real property tax items	0.60	0.55			0.60	0.55
Non-property tax items	0.96	1.07			0.96	1.07
Earnings on investments	0.20	0.50	0.03	0.07	0.23	0.57
Grants - unrestricted	0.89	1.01			0.89	1.01
Legal settlement			1.32		1.32	
Other	1.38	0.31			1.38	0.31
Total General Revenues	<u>48.34</u>	<u>46.02</u>	<u>1.35</u>	<u>0.07</u>	<u>49.69</u>	<u>46.09</u>
Total Revenues	<u>52.07</u>	<u>49.44</u>	<u>6.94</u>	<u>6.02</u>	<u>59.01</u>	<u>55.46</u>
Program Expenses						
General government support	13.89	12.00			13.89	12.00
Public safety	20.60	22.27			20.60	22.27
Transportation	4.41	4.30			4.41	4.30
Economic assistance and opportunity	0.02	0.07			0.02	0.07
Culture and recreation	7.46	7.44			7.46	7.44
Home and community services	12.14	12.26			12.14	12.26
Interest on debt	0.31	0.38			0.31	0.38
Pool			1.12	1.20	1.12	1.20
Tennis			0.42	0.44	0.42	0.44
Water			5.37	5.67	5.37	5.67
Total Program Expenses	<u>58.83</u>	<u>58.72</u>	<u>6.91</u>	<u>7.31</u>	<u>65.74</u>	<u>66.03</u>
Change in Net Assets	(6.76)	(9.28)	0.03	(1.29)	(6.73)	(10.57)
Net Assets, Beginning of Year	<u>42.46</u>	<u>51.74</u>	<u>11.75</u>	<u>13.04</u>	<u>54.21</u>	<u>64.78</u>
Net Assets, End of Year	<u>\$ 35.70</u>	<u>\$ 42.46</u>	<u>\$ 11.78</u>	<u>\$ 11.75</u>	<u>\$ 47.48</u>	<u>\$ 54.21</u>

**INCORPORATED VILLAGE OF GARDEN CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
May 31, 2010

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (continued)

The net assets of the Village's governmental activities decreased by approximately \$6.76 million, or 15.92%, from approximately \$42.46 million to approximately \$35.70 million.

The net assets of the Village's business-type activities increased by approximately \$33,000, or 0.26%, from approximately \$11.75 million to approximately \$11.78 million.

During the year ended May 31, 2010, government-wide revenues increased from the prior year by approximately \$3.55 million while government-wide expenditures decreased from the prior year by approximately \$300,000.

The key elements of the change in government-wide revenues are as follows:

- Increase in real property taxes of approximately \$1.73 million due to the 4.06% increase in the General Fund tax rate as approved by the Village Board of Trustees for the 2009–2010 budget.
- Increase in other general revenues of approximately \$1.07 million due to the settlement of several general liability and workers' compensation claims in the Village's favor. The Village had recorded a liability in the Internal Service Fund for these cases in prior years.
- Decrease in interest earnings of approximately \$340,000 mainly due to lower interest rates.
- Decrease in water sales of approximately \$350,000 mainly due to an increase in precipitation and a corresponding decrease in water consumption.
- Increase in water general revenues of approximately \$1.28 million primarily due to the settlement of a methyl tertiary butyl ether products liability class action law suit in the Village's favor.

The key elements of the change in government-wide expenditures are as follows:

- Increase in general government support of approximately \$1.89 million or 15.75% from the prior year of \$12.00 million to approximately \$13.89 million, primarily due to an increase in tax certiorari claims, an increase in capital outlay expenditures, and an increase in claims and judgments incurred during the year.
- Decrease in public safety of approximately \$1.67 million or 7.50% from the prior year of \$22.27 million to approximately \$20.60 million, primarily due to a decrease in police department and fire department salaries and employee benefits.
- Decrease in water fund expenditures of approximately \$300,000 or 5.29% from the prior year of \$5.67 million to approximately \$5.37 million, primarily due to a decrease in the recognition of compensated absences costs, due to the Village reassessing the allocation of costs to all funds in the prior year and only recognizing the change in the liability in the current year.

**INCORPORATED VILLAGE OF GARDEN CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
May 31, 2010**

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (continued)

**Net Cost of Services  
Governmental Activities  
Year Ended May 31, 2010**

	<b>(In millions)</b>		
	Total Cost of Services	Program Revenues	Net Cost of Services
General government support	\$ 13.89	\$ 0.03	\$ 13.86
Public safety	20.60	1.82	18.78
Transportation	4.41	1.00	3.41
Economic assistance and opportunity	0.02		0.02
Culture and recreation	7.46	0.46	7.00
Home and community services	12.14	0.42	11.72
Interest on debt	0.31		0.31
	\$ 58.83	\$ 3.73	\$ 55.10

The cost of all governmental activities this year was approximately \$58.83 million. As shown in the Statement of Activities, the amount that taxpayers financed for these activities through Village taxes was approximately \$44.31 million. The net cost shows the financial burden that was placed on the Village's taxpayers by each of these functions.

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

Variances between years for the governmental fund financial statements are not the same as variances between years for the government-wide financial statements. The Village's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term debt liabilities and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

The General Fund's fund balance increased by approximately \$439,000 for the year ended May 31, 2010. Revenues increased from the prior year by approximately \$1.51 million, primarily due to an increase in real property taxes of approximately \$1.73 million, which was offset by a decrease in interest earnings of approximately \$237,000. Expenditures decreased from the prior year by approximately \$2.18 million. This was primarily due to decreases in state retirement costs of approximately \$486,000, police department and fire department salaries of approximately \$761,000, and debt service requirements of approximately \$458,000.

The Capital Projects Fund's fund balance decrease of approximately \$62,000 was due to the Village utilizing the fund balance to finance its capital projects.

**INCORPORATED VILLAGE OF GARDEN CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
May 31, 2010**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village appropriated expenditures in the original General Fund budget in excess of estimated revenues in the amount of approximately \$2.09 million, by designating unreserved fund balance from the prior year and reappropriating prior year encumbrances. Over the course of the year the Board of Trustees revises the budget as needed so that expenditures do not exceed appropriations. In the General Fund, various transfers between appropriations were approved for this purpose. The final expenditure budget was increased by approximately \$568,000 from the original expenditure budget. The majority of this increase was for refunds of real property taxes (tax certiorari settlements) in general government support and public safety related overtime costs.

Total actual revenues were consistent with total budgeted revenues. However, the General Fund received an unbudgeted residual equity transfer from the Capital Projects Fund in the amount of \$366,000. The effect of this was offset by lower than expected mortgage taxes of \$320,000 due to the downturn in the real estate market as well as lower than expected consolidated local street and highway improvement aid of \$126,000. Overall, total expenditures, including operating transfers out, were approximately \$2.57 million less than originally budgeted. This favorable expenditure variance was driven by lower personal costs by leaving positions unfilled, lower contribution rates from the New York State Retirement System and the implementation of tighter budgetary and fiscal policies.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

The Village's capital assets include land, buildings, improvements, machinery and equipment, roads, curbs and sidewalks, drainage and sewer systems, and construction in progress.

Capital assets at May 31,

(In Millions)

**Governmental Activities:**

	2010	2009
Land	\$ 16.61	\$ 16.61
Buildings	21.47	20.06
Improvements other than buildings	6.93	6.92
Machinery and equipment	17.75	16.81
Infrastructure:		
Roads, curbs, and sidewalks	32.72	31.76
Drainage and sewer systems	10.70	10.57
Total capital assets	106.18	102.73
Less accumulated depreciation	51.42	47.37
Total net governmental capital assets	\$ 54.76	\$ 55.36

**Business-type Activities:**

Land	\$ 0.07	\$ 0.07
Construction in progress – water systems	2.24	1.70
Buildings	8.25	8.25
Improvements other than buildings	14.04	13.49
Machinery and equipment	11.05	10.99
Total capital assets	35.65	34.50
Less accumulated depreciation	16.32	15.12
Total net business-type capital assets	\$ 19.33	\$ 19.38

**INCORPORATED VILLAGE OF GARDEN CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 May 31, 2010

**CAPITAL ASSET AND DEBT ADMINISTRATION (continued)**

Capital Assets (continued)

As of May 31, 2010, the Village's governmental activities had approximately \$54.76 million in net capital assets, a decrease of approximately \$600,000 from prior year. The Village's business-type activities had approximately \$19.33 million in net capital assets, a decrease of approximately \$50,000 from last year.

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.

The Village has encumbered funds for commitments of capital expenditures in the amount of approximately \$580,000.

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

Debt Administration

Moody's Investment Services changed the Village's credit rating from "Aa1" to "Aaa" during the fiscal year ended May 31, 2010 due to the recalibration of the rating system.

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% 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, 2010 was 2.02%.

Outstanding debt at May 31,

**(In Millions)**

**Governmental Activities:**

	2010	2009
Capital loan payable	\$ 1.11	\$ 1.28
Special assessment bond payable with governmental commitment	1.61	1.83
General obligation bonds payable, exclusive of premium	7.69	6.10
Total outstanding debt, governmental activities	\$ 10.41	\$ 9.21

**Business-type Activities:**

General obligation bonds payable, exclusive of premium	\$ 10.30	\$ 6.69
Total outstanding debt, business-type activities	\$ 10.30	\$ 6.69

**INCORPORATED VILLAGE OF GARDEN CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
May 31, 2010**

**CAPITAL ASSET AND DEBT ADMINISTRATION (continued)**

Debt Limit (continued)

The above does not include premiums related to general obligation bonds in the amount of \$17,118 and \$18,487 for the governmental activities and business-type activities, respectively as of May 31, 2010 and \$19,736 and \$21,277, respectively as of May 31, 2009.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Property Tax

The Village has adopted a budget for the 2010-2011 fiscal year, which factors in inflation and other adjustments to revenues and expenditures as well as prior year positive and negative fund balances. The 2010-2011 budget includes an overall increase in real property tax revenues of approximately \$67,000, which is the result of an increase in the tax rate of 2.23% from the prior year.

State Aid and Local Assistance

The Village receives financial assistance from New York State and from Nassau County. During 2010, financial assistance included mortgage tax of approximately \$655,000, state aid – per capita of approximately \$225,000 and consolidated local street and highway improvement aid of approximately \$312,000. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village may be affected by a delay in the payment of state aid. The State is not constitutionally obligated to maintain or continue state aid to the Village. The Village's 2010-2011 budget includes similar amounts for this financial assistance.

Tax Assessment Trends

Assessment reductions resulting from tax certiorari actions continue to erode the Village tax base. This trend has shown signs of slowing and for the year ending May 31, 2011, the Village anticipates that assessment refunds will not exceed the budgeted allocation. Early estimates indicate approximately \$200,000 may be available to fund other appropriations.

**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.

## **BASIC FINANCIAL STATEMENTS**

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**INCORPORATED VILLAGE OF GARDEN CITY**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF NET ASSETS**  
 May 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash	\$ 21,199,247	\$ 3,074,196	\$ 24,273,443	\$ 801,089
Property taxes receivable	321,846		321,846	
Accounts receivable	280,977	627,576	908,553	49
Due from other governments	89,748		89,748	386
Due from legal settlement		1,278,286	1,278,286	
Inventory of material and supplies	767,224	165,377	932,601	
Total Current Assets	<u>22,659,042</u>	<u>5,145,435</u>	<u>27,804,477</u>	<u>801,524</u>
<b>Noncurrent Assets:</b>				
Non-depreciable capital assets	16,603,615	2,306,499	18,910,114	
Depreciable capital assets, net of depreciation	38,157,175	17,019,554	55,176,729	
Total Noncurrent Assets	<u>54,760,790</u>	<u>19,326,053</u>	<u>74,086,843</u>	<u>-0-</u>
<b>Total Assets</b>	<u>77,419,832</u>	<u>24,471,488</u>	<u>101,891,320</u>	<u>801,524</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable and other current liabilities	1,346,470	836,952	2,183,422	83,982
Due to New York State retirement system	407,406	22,561	429,967	23,385
Unearned revenues	93,681	440,400	534,081	
Noncurrent liabilities due within one year				
Compensated absences	374,939	16,958	391,897	
Claims and judgments payable	1,487,266		1,487,266	
Tax certioraris payable	3,200,000		3,200,000	
Capital loan payable	173,782		173,782	
Special assessment bond payable with governmental commitment	240,000		240,000	
General obligation bonds payable	897,618	602,790	1,500,408	
Total Current Liabilities	<u>8,221,162</u>	<u>1,919,661</u>	<u>10,140,823</u>	<u>107,367</u>
<b>Noncurrent Liabilities:</b>				
Compensated absences	7,123,835	322,206	7,446,041	
Claims and judgments payable	6,142,004		6,142,004	
Other postemployment benefits payable	11,120,593	734,073	11,854,666	
Capital loan payable	938,500		938,500	
Special assessment bond payable with governmental commitment	1,370,000		1,370,000	
General obligation bonds payable	6,810,000	9,710,697	16,520,697	
Total Noncurrent Liabilities	<u>33,504,932</u>	<u>10,766,976</u>	<u>44,271,908</u>	<u>-0-</u>
<b>Total Liabilities</b>	<u>41,726,094</u>	<u>12,686,637</u>	<u>54,412,731</u>	<u>107,367</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	45,276,890	9,012,566	54,289,456	
Unrestricted	(9,583,152)	2,772,285	(6,810,867)	694,157
<b>Total Net Assets</b>	<u>\$ 35,693,738</u>	<u>\$ 11,784,851</u>	<u>\$ 47,478,589</u>	<u>\$ 694,157</u>

See notes to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**GOVERNMENT-WIDE FINANCIAL STATEMENT**  
**STATEMENT OF ACTIVITIES**  
Year Ended May 31, 2010

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Government Activities:				
General government support	\$ 13,889,435	\$ 28,535		
Public safety	20,603,724	1,817,490	\$ 5,009	
Transportation	4,409,301	428,554		\$ 566,332
Economic assistance and opportunity	21,703			
Culture and recreation	7,457,643	456,385	5,575	
Home and community services	12,142,467	320,694	8,777	88,822
Interest on debt	310,265			
Total Governmental Activities	<u>58,834,538</u>	<u>3,051,658</u>	<u>19,361</u>	<u>655,154</u>
Business-type Activities:				
Pool	1,124,830	1,060,504		
Tennis	415,233	387,764		
Water	5,373,095	4,148,020		
Total Business-type Activities	<u>6,913,158</u>	<u>5,596,288</u>	<u>-0-</u>	<u>-0-</u>
Total Primary Government	<u>\$ 65,747,696</u>	<u>\$ 8,647,946</u>	<u>\$ 19,361</u>	<u>\$ 655,154</u>
<b>COMPONENT UNIT</b>				
Garden City Public Library	\$ 3,295,486	\$ 97,530	\$ 6,836	
Total Component Unit	<u>\$ 3,295,486</u>	<u>\$ 97,530</u>	<u>\$ 6,836</u>	<u>\$ -0-</u>

**GENERAL REVENUES:**

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

Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year

Net Assets at End of Year

See notes to the financial statements.

Net (Expenses) Revenues and Change in Net Assets

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (13,860,900)		\$ (13,860,900)	
(18,781,225)		(18,781,225)	
(3,414,415)		(3,414,415)	
(21,703)		(21,703)	
(6,995,683)		(6,995,683)	
(11,724,174)		(11,724,174)	
(310,265)		(310,265)	
<u>(55,108,365)</u>	<u>\$ -0-</u>	<u>(55,108,365)</u>	
	(64,326)	(64,326)	
	(27,469)	(27,469)	
	<u>(1,225,075)</u>	<u>(1,225,075)</u>	
<u>-0-</u>	<u>(1,316,870)</u>	<u>(1,316,870)</u>	
<u>(55,108,365)</u>	<u>(1,316,870)</u>	<u>(56,425,235)</u>	
			<u>\$ (3,191,120)</u>
			<u>(3,191,120)</u>
44,312,262		44,312,262	
603,744		603,744	
959,073		959,073	
202,686	29,951	232,637	5,704
883,350		883,350	3,489,370
	1,320,365	1,320,365	
<u>1,384,782</u>		<u>1,384,782</u>	<u>18,172</u>
<u>48,345,897</u>	<u>1,350,316</u>	<u>49,696,213</u>	<u>3,513,246</u>
(6,762,468)	33,446	(6,729,022)	322,126
<u>42,456,206</u>	<u>11,751,405</u>	<u>54,207,611</u>	<u>372,031</u>
<u>\$ 35,693,738</u>	<u>\$ 11,784,851</u>	<u>\$ 47,478,589</u>	<u>\$ 694,157</u>

See notes to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 May 31, 2010

<b>ASSETS</b>	Major Funds		
	General	Capital Projects	Totals
Cash	\$ 11,151,073	\$ 2,165,787	\$ 13,316,860
Property taxes receivable	321,846		321,846
Accounts receivable	280,977		280,977
Due from other governments	89,748		89,748
Inventory of materials and supplies	767,224		767,224
Total Assets	\$ 12,610,868	\$ 2,165,787	\$ 14,776,655
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 1,150,294	\$ 172,238	\$ 1,322,532
Tax certioraris payable	1,239,200		1,239,200
Due to New York State retirement system	407,406		407,406
Due to other funds	33,496		33,496
Deferred revenues	415,527		415,527
Advances from other funds	140,821		140,821
Total Liabilities	3,386,744	172,238	3,558,982
<b>Fund Balances</b>			
Fund Balance - Reserved:	5,474,157	579,679	6,053,836
Fund Balance - Unreserved:			
Designated for:			
Subsequent year's budget	2,246,261		2,246,261
Undesignated, reported in:			
General Fund	1,503,706		1,503,706
Capital Projects Fund		1,413,870	1,413,870
Total Fund Balances	9,224,124	1,993,549	11,217,673
Total Liabilities and Fund Balances	\$ 12,610,868	\$ 2,165,787	\$ 14,776,655

See notes to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
 May 31, 2010

**TOTAL FUND BALANCES- GOVERNMENTAL FUNDS** **\$ 11,217,673**

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

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

Capital assets - non-depreciable	\$ 16,603,615	
Capital assets - depreciable	89,580,899	
Accumulated depreciation	<u>(51,423,724)</u>	
		54,760,790

Internal Service Fund is used to account for the Village's risk retention and charges to individual funds		8,056,704
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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 Assets:

Compensated absences	(7,498,774)	
Claims and judgments payable	(7,629,270)	
Tax certioraris payable	(1,960,800)	
Other postemployment benefits payable	(11,120,593)	
Capital loan payable	(1,112,282)	
Special assessment bond payable with governmental commitment	(1,610,000)	
General obligation bonds payable, inclusive of premium	<u>(7,707,618)</u>	
		(38,639,337)

Interest 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 Assets		(23,938)
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Other assets and liabilities not reported in the governmental funds		<u>321,846</u>
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**NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ 35,693,738**

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, 2010

	General	Capital Projects	Total Governmental Funds
<b>REVENUES</b>			
Real property taxes and tax items	\$ 44,286,198		\$ 44,286,198
Other real property tax items	603,743		603,743
Non-property tax items	959,073		959,073
Departmental income	1,759,503		1,759,503
Intergovernmental charges	38,810		38,810
Use of money and property	265,821		265,821
Licenses and permits	94,686		94,686
Fines and forfeitures	972,224		972,224
Special assessments	253,987		253,987
Sale of property and compensation for loss	209,882		209,882
Miscellaneous local sources	49,354		49,354
State and local aid	1,353,266	\$ 8,777	1,362,043
Total Revenues	50,846,547	8,777	50,855,324
<b>EXPENDITURES</b>			
Current:			
General government support	10,534,079		10,534,079
Public safety	13,001,566		13,001,566
Transportation	2,439,092		2,439,092
Economic assistance and opportunity	21,703		21,703
Culture and recreation	7,901,184		7,901,184
Home and community services	5,819,008		5,819,008
Employee benefits	8,011,434		8,011,434
Capital outlay		3,650,813	3,650,813
Debt service:			
Principal	1,343,107		1,343,107
Interest	312,178		312,178
Total Expenditures	49,383,351	3,650,813	53,034,164
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,463,196	(3,642,036)	(2,178,840)
<b>OTHER FINANCING SOURCES (USES)</b>			
Principal amount of bond issuance		2,555,500	2,555,500
Transfers in	365,655	1,389,817	1,755,472
Transfers out	(1,389,817)	(365,655)	(1,755,472)
Total Other Financing Sources (Uses)	(1,024,162)	3,579,662	2,555,500
Net Change in Fund Balances	439,034	(62,374)	376,660
<b>Fund Balances - Beginning of Year</b>	8,785,090	2,055,923	10,841,013
Fund Balances - End of Year	\$ 9,224,124	\$ 1,993,549	\$ 11,217,673

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, 2010

**NET CHANGE IN FUND BALANCES** \$ 376,660

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	\$ 3,725,414	
Depreciation expense	(4,305,723)	
Loss on dispositions	<u>(14,718)</u>	(595,027)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 26,065

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 assets.

Compensated absences	(61,032)	
Tax certioraris payable	(454,565)	
Other postemployment benefits payable	(5,355,793)	
Repayment of capital loan	168,107	
Bonds issued	(2,555,500)	
Repayment of special assessment bond with governmental commitment	215,000	
Repayment of bond principal	960,000	
Amortization of bond premiums	2,618	
Accrued interest costs	<u>1,913</u>	(7,079,252)

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

Claims and judgments payable	57,552	
Other change in net assets	<u>451,534</u>	<u>509,086</u>

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** \$ (6,762,468)

See notes to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
 May 31, 2010

**BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**

	Pool	Tennis	Water	Total Enterprise Funds	Internal Service Fund
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash	\$ 88,235	\$ 276,338	\$ 2,709,623	\$ 3,074,196	\$ 7,882,387
Accounts receivable	738	220	626,618	627,576	
Due from other funds					33,496
Due from legal settlement			1,278,286	1,278,286	
Inventory of materials and supplies			165,377	165,377	
Total Current Assets	<u>88,973</u>	<u>276,558</u>	<u>4,779,904</u>	<u>5,145,435</u>	<u>7,915,883</u>
<b>Noncurrent Assets:</b>					
Advances to other funds					140,821
Non-depreciable capital assets			2,306,499	2,306,499	
Depreciable capital assets, net of depreciation	620,303	357,963	16,041,288	17,019,554	
Total Noncurrent Assets	<u>620,303</u>	<u>357,963</u>	<u>18,347,787</u>	<u>19,326,053</u>	<u>140,821</u>
Total Assets	<u>709,276</u>	<u>634,521</u>	<u>23,127,691</u>	<u>24,471,488</u>	<u>8,056,704</u>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable and accrued liabilities	42,751	6,506	787,695	836,952	
Collections in advance- membership fees	435,850	4,550		440,400	
Due to New York State retirement system	1,315	1,173	20,073	22,561	
Compensated absences	792	585	15,581	16,958	
General obligation bonds payable	61,000	39,000	502,790	602,790	
Claims and judgments payable					1,487,266
Total Current Liabilities	<u>541,708</u>	<u>51,814</u>	<u>1,326,139</u>	<u>1,919,661</u>	<u>1,487,266</u>
<b>Noncurrent Liabilities:</b>					
Compensated absences	15,055	11,116	296,035	322,206	
Other postemployment benefits payable	58,509	24,611	650,953	734,073	
General obligation bonds payable	471,000	294,000	8,945,697	9,710,697	
Claims and judgments payable					6,142,004
Total Noncurrent Liabilities	<u>544,564</u>	<u>329,727</u>	<u>9,892,685</u>	<u>10,766,976</u>	<u>6,142,004</u>
Total Liabilities	<u>1,086,272</u>	<u>381,541</u>	<u>11,218,824</u>	<u>12,686,637</u>	<u>7,629,270</u>
<b>NET ASSETS</b>					
Investment in capital assets, net of related debt	88,303	24,963	8,899,300	9,012,566	
Unrestricted	(465,299)	228,017	3,009,567	2,772,285	427,434
Total Net Assets (Deficit)	<u>\$ (376,996)</u>	<u>\$ 252,980</u>	<u>\$ 11,908,867</u>	<u>\$ 11,784,851</u>	<u>\$ 427,434</u>

See notes to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
Year Ended May 31, 2010

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				<u>Internal Service Fund</u>
	<u>Pool</u>	<u>Tennis</u>	<u>Water</u>	<u>Total Enterprise Funds</u>	
<b>OPERATING REVENUES</b>					
<b>Charges for services:</b>					
Water sales			\$ 3,415,181	\$ 3,415,181	
Public fire protection			528,270	528,270	
Water services for other governments			140,773	140,773	
Intergovernmental sales			59,466	59,466	
Membership and guest fees	\$ 952,204	\$ 387,099		1,339,303	
Other operating revenues	108,300	665	4,330	113,295	\$ 1,160,433
<b>Premiums Charged for Risk Retention:</b>					
General fund					3,040,737
Enterprise funds					224,717
Component unit- Garden City Public Library					140,496
<b>Total Operating Revenues</b>	<u>1,060,504</u>	<u>387,764</u>	<u>4,148,020</u>	<u>5,596,288</u>	<u>4,566,383</u>
<b>OPERATING EXPENSES</b>					
Pumping			1,077,044	1,077,044	
Transmission and distribution			740,144	740,144	
Purification			273,906	273,906	
Other operating expenses	790,397	277,688	1,063,090	2,131,175	
Administrative and general	154,192	49,635	1,023,948	1,227,775	16,000
Depreciation	145,468	70,954	983,944	1,200,366	
Excess insurance					1,553,282
Claims and judgments					620,438
Workers' compensation					1,909,925
<b>Total Operating Expenses</b>	<u>1,090,057</u>	<u>398,277</u>	<u>5,162,076</u>	<u>6,650,410</u>	<u>4,099,645</u>
<b>Income (Loss) from Operations</b>	<u>(29,553)</u>	<u>(10,513)</u>	<u>(1,014,056)</u>	<u>(1,054,122)</u>	<u>466,738</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest on investment	755	1,255	27,941	29,951	42,348
Legal settlement			1,320,365	1,320,365	
Interest on debt	(34,773)	(16,956)	(211,019)	(262,748)	
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(34,018)</u>	<u>(15,701)</u>	<u>1,137,287</u>	<u>1,087,568</u>	<u>42,348</u>
<b>Changes in Net Assets</b>	<u>(63,571)</u>	<u>(26,214)</u>	<u>123,231</u>	<u>33,446</u>	<u>509,086</u>
<b>Total Net</b>					
<b>Assets (Deficit) - Beginning</b>	<u>(313,425)</u>	<u>279,194</u>	<u>11,785,636</u>	<u>11,751,405</u>	<u>(81,652)</u>
<b>Total Net Assets (Deficit) - Ending</b>	<u>\$ (376,996)</u>	<u>\$ 252,980</u>	<u>\$ 11,908,867</u>	<u>\$ 11,784,851</u>	<u>\$ 427,434</u>

See notes to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year Ended May 31, 2010

<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>					
	<u>Pool</u>	<u>Tennis</u>	<u>Water</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Revenue Collected:					
Water sales			\$ 3,448,980	\$ 3,448,980	
Public fire protection			528,270	528,270	
Water services for other governments			140,773	140,773	
Intergovernmental sales			59,466	59,466	
Membership and guest fees	\$ 963,139	\$ 309,092		1,272,231	
Other receipts	108,300	665	4,330	113,295	\$ 1,160,433
Cash for interfund services provided					3,405,950
Payments for Expenses:					
Payments to suppliers	(261,974)	(118,310)	(1,652,680)	(2,032,964)	(4,157,197)
Compensation and related expenses	(591,727)	(183,328)	(2,137,554)	(2,912,609)	
Cash paid for internal services provided	(56,829)	(7,521)	(160,367)	(224,717)	
Net Cash Provided by Operating Activities	<u>160,909</u>	<u>598</u>	<u>231,218</u>	<u>392,725</u>	<u>409,186</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from legal settlement			42,079	42,079	
Net Cash Provided by Noncapital and Related Financing Activities	<u>-0-</u>	<u>-0-</u>	<u>42,079</u>	<u>42,079</u>	<u>-0-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets			(1,150,659)	(1,150,659)	
Proceeds from capital debt			4,210,000	4,210,000	
Principal paid on capital debt	(61,000)	(39,000)	(500,000)	(600,000)	
Interest paid on capital debt	(27,038)	(16,956)	(211,019)	(255,013)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(88,038)</u>	<u>(55,956)</u>	<u>2,348,322</u>	<u>2,204,328</u>	<u>-0-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Advances to other funds					(174,317)
Interest and earnings received	755	1,255	25,151	27,161	42,348
Net Cash Provided (Used) by Investing Activities	<u>755</u>	<u>1,255</u>	<u>25,151</u>	<u>27,161</u>	<u>(131,969)</u>
Net (Decrease) Increase in Cash	73,626	(54,103)	2,646,770	2,666,293	277,217
Cash, June 1, 2009	<u>14,609</u>	<u>330,441</u>	<u>62,853</u>	<u>407,903</u>	<u>7,605,170</u>
Cash, May 31, 2010	<u>\$ 88,235</u>	<u>\$ 276,338</u>	<u>\$ 2,709,623</u>	<u>\$ 3,074,196</u>	<u>\$ 7,882,387</u>

(continued)

See notes to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year Ended May 31, 2010

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
Pool	Tennis	Water	Total Enterprise Funds	Internal Service Fund

(continued)

**RECONCILIATION OF THE LOSS FROM OPERATIONS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES:**

Income (Loss) from Operations	\$ (29,553)	\$ (10,513)	\$ (1,014,056)	\$ (1,054,122)	\$ 466,738
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Accounts receivable			33,799	33,799	
Inventory			(17,539)	(17,539)	
Depreciation expense	145,468	70,954	983,944	1,200,366	
Accounts payable and accrued liabilities	9,782	1,015	(86,051)	(75,254)	
Due to New York State retirement system	134	348	788	1,270	
Compensated absences	(4,881)	4,592	14,608	14,319	
Other postemployment benefits payable	29,024	12,209	315,725	356,958	
Collections in advance	10,935	(78,007)		(67,072)	
Claims and judgments payable					(57,552)
Net Cash Provided by Operating Activities	<u>\$ 160,909</u>	<u>\$ 598</u>	<u>\$ 231,218</u>	<u>\$ 392,725</u>	<u>\$ 409,186</u>

**NON CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:**

Amortization of bond issuance costs	\$ 7,735			\$ 7,735	
Amortization of bond premiums			\$ 2,790	2,790	
Total Non Cash Investing, Capital and Financing Activities:	<u>\$ 7,735</u>	<u>\$ -0-</u>	<u>\$ 2,790</u>	<u>\$ 10,525</u>	<u>\$ -0-</u>

See notes to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
 May 31, 2010

	Agency Fund
<b>ASSETS</b>	
Cash	\$ 2,866,007
Total Assets	\$ 2,866,007
 <b>LIABILITIES</b>	
Building fees and other deposits	\$ 2,282,267
Justice court fund	100,585
Other agency liabilities	483,155
Total Liabilities	\$ 2,866,007

See notes to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**A. 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 Village Administrator who serves as 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 Incorporated Village of Garden City 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.

**1. REPORTING ENTITY**

The accompanying financial statements present the operations of all funds, functions and organizations of the Village. The financial reporting entity consists of (a) the primary government, which is the Incorporated Village of Garden City; and (b) organizations for which the primary government is financially accountable. The decision to include a potential component unit in the Incorporated Village of Garden City reporting entity is based on several criteria set forth in GASB Statement No. 14 entitled *The Financial Reporting Entity*, including legal standing, fiscal dependency and financial accountability.

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. 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. The Library is a component unit of the Village and is discretely presented in a separate column in the basic financial statements to emphasize that it is a legally separate form of government. A complete financial statement can be obtained at the Library's administrative office: Garden City Public Library, 60 7th Street, Garden City, NY 11530.

**2. FINANCIAL STATEMENT PRESENTATION, MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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).

**Government-wide Financial Statements**

The government-wide financial statements report information on the Village as a whole with separate columns for the primary governmental activities, as well as, the discretely presented component unit. The Village government-wide financial statements include a Statement of Net Assets and a Statement of Activities. 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. Fiduciary activities of the Village are not included in these statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**Government-wide Financial Statements** (continued)

In the government-wide Statement of Net Assets, the Village's governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functional categories (public safety, transportation, home and community services, etc.), which are otherwise supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.) for the government activities. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants to produce the net cost of each program. Program revenues include (a) charges for services and (b) operating and capital grants and contributions that are directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, Internal Service Fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

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

**Fund Financial Statements**

The Village uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. 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, liabilities, net assets or fund balances, revenues, and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes to which they are spent and the means by which spending activities are controlled.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Fund Financial Statements (continued)**

Funds are classified into three categories; governmental, proprietary and fiduciary. The governmental and proprietary funds are further divided into separate 'fund types.'

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. The Village presents all governmental funds as major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (measurable and available to finance current operations). "Measurable" means the transaction can be determined and "available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Revenues subject to accrual include real property taxes, charges for services, fines and forfeitures, franchise fees, intergovernmental revenues, and state aid. In those instances where expenditures are the prime factor in determining eligibility for state grants, revenues are recognized when the expenditure is incurred. In the Capital Projects Fund, long-term debt is recognized as revenue upon receipt of the proceeds. Expenditures are recorded on the accrual basis except that (a) expenditures for prepaid expenses are recognized when incurred; (b) principal and interest on indebtedness are recognized as expenditures when due; (c) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as expenditures when paid (d) other postemployment benefits, such as health insurance coverage for retirees, are charged as expenditures when paid.

Transactions between the primary government and its discretely presented component unit are reported as external transactions and therefore are reported as revenues and expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances for governmental funds.

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

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Governmental Fund Financial Statements (continued)**

The Village governmental fund types are as follows:

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.

Capital Projects Fund – is used to account for the acquisition or construction of major capital facilities and equipment.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, 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. A column representing the Internal Service Fund is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

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 Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The Village proprietary fund types are as follows:

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. Included is the following:

Risk Retention Fund – used to account for transactions and reserves set aside by the Village to provide for self-insurance type programs.

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.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Proprietary Fund Financial Statements (continued)**

The Village applies to its enterprise funds all applicable GASB pronouncements and only Financial Accounting Standards Board (FASB) Statements and Interpretations, issued on or before November 30, 1989, that do not conflict with GASB pronouncements.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Assets. The Village's Fiduciary Fund represents an Agency Fund, which is custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Village's Agency Fund measurement focus is custodial as it is not involved with the performance of governmental or business-type activities.

The Village Agency Fund – used to account for money (and/or property) 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.

**3. ASSETS, LIABILITIES AND NET ASSETS/FUND EQUITY**

**CASH AND CASH EQUIVALENTS**

For purposes of reporting the proprietary funds cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity. At May 31, 2010, the Village did not have any investments. The combined Statement of Cash Flows presented uses the direct method of reporting cash flows.

**RECEIVABLES**

Receivables relating to governmental activities include amounts due from other governments and individuals for services provided by the Village. Receivables relating to business-type activities primarily consist of amounts due from residents for services rendered and amounts due from a legal settlement associated with legal action against most of the major petroleum companies for contaminating the Village's water supply with methyl tertiary butyl ether. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred.

**INVENTORIES**

Inventories in governmental funds consisting of expendable supplies 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. Reported inventories are offset by a fund balance reserve which indicates that they do not constitute available resources even though they are a component of net current assets. Proprietary fund inventories consist principally of spare parts used by the Water Fund. This inventory is valued at average cost.

**UNAMORTIZED BOND ISSUE COSTS**

Proprietary fund bond issue costs are amortized on a straight line basis over the life of the related debt. The amortization expense for the year ended May 31, 2010 was \$7,735. There were no unamortized bond issue costs remaining at May 31, 2010.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**3. ASSETS, LIABILITIES AND NET ASSETS/FUND EQUITY** (continued)

**CAPITAL ASSETS**

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Donated capital assets are recorded at fair market value at the date received. Additions, improvements and other capital outlay that significantly extend the useful lives of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Infrastructure assets consisting of water mains are capitalized in the Water Fund. Infrastructure assets for governmental activities acquired after December 31, 1980, consisting of certain improvements other than buildings including roads, curbs, sidewalks, drainage systems and sewer systems 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.

**DEFERRED REVENUE/UNEARNED REVENUE**

Deferred revenues/uneared revenues are those where asset recognition criteria have been met, but which revenue recognition criteria have not been met. Such amounts include collections in advance, unearned income and amounts that have been deemed to be "measurable" but not "available" to finance current expenses. Accordingly, the amounts have been recorded as deferred revenue in the fund statements and unearned revenue in the government-wide statements.

**LONG-TERM OBLIGATIONS**

The 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 recognized in the government-wide financial statements. Proprietary fund statements report the liabilities for compensated absences, other postemployment benefits payable, and general obligation bonds payable.

Premiums related to the issuance of long-term debt are amortized on a straight-line basis over the life of the issue and are presented as part of general obligation bonds payable in the government-wide and proprietary fund financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3. ASSETS, LIABILITIES AND NET ASSETS/FUND EQUITY (continued)**

**LONG-TERM OBLIGATIONS (continued)**

In the governmental fund financial statements, long-term obligations are not reported as liabilities. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures when paid. Premiums are recognized in the current period and reported as other financing sources.

**EQUITY CLASSIFICATIONS**

In the government-wide and proprietary fund financial statements equity is classified as net assets and displayed in three components:

- a) Invested in capital assets, net of related debt – 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.
- b) Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Village had no restricted assets at May 31, 2010.
- c) Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Portions of fund equity are segregated for future use and therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, inventory, and compensated absences, represent portions of fund equity, which are required to be segregated in accordance with state law or GAAP. Designations of fund balances in governmental funds indicate the utilization of these resources in the subsequent year’s budget or tentative plans for future use.

**4. REVENUE AND EXPENDITURES/EXPENSES**

**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. Delinquent taxes not received within 60 days of year end are recorded as deferred revenues in the fund statements. For the year ended May 31, 2010, the maximum amount of taxes which could be levied by the Village based on the foregoing was \$134,195,148. The actual real property taxes levied by the Village for the year ended May 31, 2010 was \$44,295,682. The State Constitution limits the amount of revenue which the Village can raise from the real estate tax for operating purposes to 2.02% 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, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**4. REVENUE AND EXPENDITURES/EXPENSES** (continued)

**INTERFUND TRANSACTIONS**

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 in the General Fund, represent amounts received from other funds for 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 between the General Fund and Capital Projects Fund for the appropriate share of the capital project costs and residual equity transfers to close out completed capital projects.

**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 expenditures and a liability in the governmental fund financial statements in the respective fund that will pay it.

**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.

Health care benefits are currently provided by the New York State Health Insurance Program NYSHIP (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 long-term debt in the government-wide and proprietary fund statements in accordance with Governmental Accounting Standards Board Statement No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions."*

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**4. REVENUE AND EXPENDITURES/EXPENSES** (continued)

**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. 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.

**5. 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.

**B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**1. BUDGETARY DATA**

Budget Policies

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

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. 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.

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 management may transfer appropriations without Board approval. 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 and Agency Funds, 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.

Budget Basis of Accounting

The budget for the General Fund is legally adopted for each year. 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 year. 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.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**B. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (continued)

**2. FUND BALANCES**

**RESERVATION OF FUND BALANCE**

The Village records reserves to indicate that a portion of the fund equity has been legally or otherwise segregated by action of the governing board for specific use. A description of reserve balances outstanding at May 31, 2010 is as follows:

General Fund:	
Reserve for encumbrances	\$ 432,620
Inventory of materials and supplies	767,224
Reserve for Civil Practice Law Rules	20,660
Reserve for accrued employee benefit liability	<u>4,253,653</u>
Total General Fund	<u>\$ 5,474,157</u>
Capital Projects Fund:	
Reserve for encumbrances	<u>\$ 579,679</u>

**C. DETAIL NOTES ON ALL FUNDS**

**1. CASH**

Cash consists of funds deposited in demand accounts and time deposit accounts.

The Village's investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies 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.

Collateral is required for demand deposits and time deposits accounts at 102% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

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. The Village does not participate in a multi-municipal cooperation investment pool.

Governmental Accounting Standards Board Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized,
- Collateralized 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.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**1. CASH (continued)**

At May 31, 2010, the Village's cash book balance was \$27,137,600. This amount is inclusive of Fiduciary fund deposits of \$2,866,007 but exclusive of petty cash of \$1,850. The bank balance was \$28,155,220. Of the bank balance, \$847,390 was covered by Federal deposit insurance, and \$27,307,830 was covered by collateral held by the Village's agent, a third-party financial institution, in the Village's name.

At May 31, 2010, the Village's component unit's cash book and bank balance was \$800,789. This amount is exclusive of petty cash of \$300. Of the bank balance, \$70,137 was covered by Federal deposit insurance, the remaining bank balance of \$730,652 is commingled with the Village's accounts and 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% or more in securities of a single issuer.

As of May 31, 2010, the Village of Garden City did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

**2. INTERFUND RECEIVABLE AND PAYABLE**

The interfund receivable and payable balance for the primary government at May 31, 2010 represents a loan made to provide a financing source for the purchase of equipment and is subject to a 2.00% interest rate. The current portion of the principal balance referred to as due to/from other funds which will be reimbursed subsequent to year end is stated as follows:

	<u>Amount Receivable</u>	<u>Amount Payable</u>
General Fund		\$ 33,496
Internal Service Fund	\$ 33,496	
Total	\$ 33,496	\$ 33,496

The noncurrent portion of the principal balance referred to as advances to/from other funds will be reimbursed over a four year period beginning with the Village's fiscal year ending May 31, 2012 and is stated as follows:

	<u>Amount Receivable</u>	<u>Amount Payable</u>
General Fund		\$ 140,821
Internal Service Fund	\$ 140,821	
Total	\$ 140,821	\$ 140,821

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**2. INTERFUND RECEIVABLE AND PAYABLE (continued)**

The annual payment requirement including principal and interest for the interfund receivable and payable is as follows:

	Principal	Interest	Total Principal and Interest
Years ending May 31, 2011	\$ 33,496	\$ 3,487	\$ 36,983
2012	34,166	2,817	36,983
2013	34,850	2,133	36,983
2014	35,547	1,436	36,983
2015	36,258	725	36,983
Total	<u>\$ 174,317</u>	<u>\$ 10,598</u>	<u>\$ 184,915</u>

**3. CAPITAL ASSETS**

A summary of changes within the governmental activities capital assets for the year ended May 31, 2010 is as follows:

	Balance June 1, 2009	Additions	Deletions	Balance May 31, 2010
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 16,603,615			\$ 16,603,615
Depreciable capital assets:				
Buildings	20,062,861	\$ 1,419,261	\$ 7,938	21,474,184
Improvements other than buildings	6,922,515	11,953		6,934,468
Machinery and equipment	16,813,455	1,200,843	259,620	17,754,678
Infrastructure:				
Roads, curbs and sidewalks	31,759,983	960,270		32,720,253
Drainage and sewer systems	10,564,229	133,087		10,697,316
Total depreciable capital assets	<u>86,123,043</u>	<u>3,725,414</u>	<u>267,558</u>	<u>89,580,899</u>
Less accumulated depreciation:				
Buildings	11,966,967	974,564		12,941,531
Improvements other than buildings	4,315,428	381,696		4,697,124
Machinery and equipment	11,858,023	1,175,077	252,840	12,780,260
Infrastructure:				
Roads, curbs and sidewalks	14,216,224	1,453,629		15,669,853
Drainage and sewer systems	5,014,199	320,757		5,334,956
Total accumulated depreciation	<u>\$ 47,370,841</u>	<u>\$ 4,305,723</u>	<u>\$ 252,840</u>	<u>51,423,724</u>
Total net depreciable capital assets				<u>38,157,175</u>
Total net capital assets				<u>\$ 54,760,790</u>

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 818,339
Public safety	478,763
Transportation	1,183,936
Culture and recreation	1,160,915
Home and community services	663,770
Total governmental activities depreciation expense	<u>\$ 4,305,723</u>

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**3. CAPITAL ASSETS (continued)**

A summary of changes within the business-type activities capital assets for the year ended May 31, 2010 is as follows:

	Balance June 1, 2009	Additions	Deletions	Balance May 31, 2010
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 69,212			\$ 69,212
Construction in progress	1,695,767	\$ 1,066,521	\$ 525,001	2,237,287
Total capital assets not being depreciated	<u>1,764,979</u>	<u>1,066,521</u>	<u>525,001</u>	<u>2,306,499</u>
Depreciable capital assets:				
Buildings	8,246,138			8,246,138
Improvements other than buildings	13,495,845	546,519		14,042,364
Machinery and equipment	10,991,119	62,620		11,053,739
Total depreciable capital assets	<u>32,733,102</u>	<u>609,139</u>	<u>-0-</u>	<u>33,342,241</u>
Less accumulated depreciation:				
Buildings	5,250,389	256,318		5,506,707
Improvements other than buildings	4,073,507	189,193		4,262,700
Machinery and equipment	5,798,425	754,855		6,553,280
Total accumulated depreciation	<u>\$ 15,122,321</u>	<u>\$ 1,200,366</u>	<u>\$ -0-</u>	<u>16,322,687</u>
Total net depreciable capital assets				<u>17,019,554</u>
Total net capital assets				<u>\$ 19,326,053</u>
Depreciation expense was charged to functions as follows:				
Culture and recreation				\$ 216,421
Home and community services				983,945
Total business-type activities depreciation expense				<u>\$ 1,200,366</u>

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. There has been no such impairment losses recorded during the year ended May 31, 2010.

**4. INDEBTEDNESS**

**LONG-TERM DEBT**

**Capital Loan Payable**

The Village executed a capital loan payable with an outside third party, New York Power Authority ("NYPA"), in the amount of \$1,547,744 to finance capital projects. This capital loan will mature in November 2016. The loan bears a variable interest rate and is being repaid in equal monthly installments of approximately \$15,110. At May 31, 2010, the principal balance on this loan was \$1,112,282.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

**LONG-TERM DEBT (continued)**

**Capital Loan Payable (continued)**

The payment requirement for the variable rate capital loan, utilizing the year end rate of 0.73%, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending May 31, 2011	\$ 173,782	\$ 7,538	\$ 181,320
2012	175,054	6,266	181,320
2013	176,337	4,983	181,320
2014	177,628	3,692	181,320
2015	178,929	2,391	181,320
2016 - 2017	<u>230,552</u>	<u>1,147</u>	<u>231,699</u>
Total	<u>\$ 1,112,282</u>	<u>\$ 26,017</u>	<u>\$ 1,138,299</u>

**Special Assessment Bond Payable**

The Village has \$1,610,000 of special assessment debt outstanding from an original issue of \$2,250,000 to provide funds for the improvement of a parking lot. Ninety percent (90%) of the resources to repay the debt will come from the amounts levied against the property owners directly benefiting from the capital project financed and ten percent (10%) 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, 2010, there were no unpaid or delinquent special assessments. The bond has interest rates ranging from 4.10% to 4.13% and are payable over the next six years.

The annual debt service requirements including principal and interest for the special assessment bond is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending May 31, 2011	\$ 240,000	\$ 66,293	\$ 306,293
2012	240,000	56,453	296,453
2013	240,000	46,613	286,613
2014	285,000	36,713	321,713
2015	305,000	24,956	329,956
2016	<u>300,000</u>	<u>12,375</u>	<u>312,375</u>
Total	<u>\$ 1,610,000</u>	<u>\$ 243,403</u>	<u>\$ 1,853,403</u>

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

**LONG-TERM DEBT (continued)**

**General Obligation Bonds Payable**

The Village, like most municipalities, borrows money in order to construct improvements, acquire land, or purchase buildings and equipment. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are the full faith and credit debt of the Village, are recorded as governmental and business-type activities.

At May 31, 2010, bonds payable consisted of the following individual issues:

<u>Description of Issue</u>	<u>Original Debt</u>	<u>Year Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
<b>Governmental Activities:</b>				
Sewer improvement serial bonds, 1992	\$ 1,175,000	2012	6.00%	\$ 120,000
Acquisition of St. Paul's land, 2003	3,345,695	2013	2.25% - 4.00%	630,000
Various purposes serial bonds, 2003	2,239,500	2013	2.25% - 4.00%	580,000
Sewer Pump, Cedar Valley, and Meadow, 2003	942,449	2013	2.25% - 4.00%	180,000
Building construction, 2006	950,000	2021	4.10% - 4.20%	770,000
Library reconstruction, 2008	1,005,000	2017	3.00% - 3.38%	835,000
Community Park improvements, 2008	2,350,000	2022	3.00% - 3.60%	2,020,000
Village Hall improvements, 2010	2,555,500	2025	1.50% - 3.50%	2,555,500
		<b>Total Governmental Activities</b>		<b>\$ 7,690,500</b>
<b>Business-type Activities:</b>				
<b>Water Fund:</b>				
Water system improvements, serial bonds, 1992	\$ 1,660,000	2012	6.00%	\$ 180,000
Water system improvements, serial bonds, 2006	1,585,000	2021	4.10% - 4.20%	1,295,000
Water system improvements, serial bonds, 2008	4,365,000	2022	3.00% - 3.60%	3,745,000
Water system improvements, serial bonds, 2010	4,210,000	2025	1.50% - 3.50%	4,210,000
<b>Pool Fund:</b>				
Pool reconstruction, 2002	950,000	2017	4.30% - 4.75%	532,000
<b>Tennis Fund:</b>				
Tennis structure, 2002	600,000	2017	4.30% - 4.75%	333,000
		<b>Total Business-type Activities</b>		<b>\$ 10,295,000</b>

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

**LONG-TERM DEBT (continued)**

**General Obligation Bonds Payable (continued)**

The annual debt service requirements including principal and interest of governmental activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending May 31, 2011	\$ 895,000	\$ 248,055	\$ 1,143,055
2012	1,110,500	218,006	1,328,506
2013	1,010,000	181,865	1,191,865
2014	580,000	147,971	727,971
2015	580,000	131,177	711,177
2016 - 2020	2,345,000	416,011	2,761,011
2021 - 2025	1,170,000	93,706	1,263,706
Total	<u>\$ 7,690,500</u>	<u>\$ 1,436,791</u>	<u>\$ 9,127,291</u>

The annual debt service requirements including principal and interest of business-type activities are as follows:

	<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, 2011	\$ 500,000	\$ 287,746	\$ 61,000	\$ 24,636	\$ 39,000	\$ 15,420	\$ 927,802
2012	955,000	272,035	77,000	21,891	48,000	13,665	1,387,591
2013	865,000	245,248	77,000	18,426	48,000	11,505	1,265,179
2014	865,000	221,560	77,000	14,961	48,000	9,345	1,235,866
2015	870,000	197,766	80,000	11,400	50,000	7,125	1,216,291
2016 - 2020	3,780,000	600,770	160,000	11,400	100,000	7,125	4,659,295
2021 - 2025	1,595,000	121,410					1,716,410
Total	<u>\$ 9,430,000</u>	<u>\$ 1,946,535</u>	<u>\$ 532,000</u>	<u>\$ 102,714</u>	<u>\$ 333,000</u>	<u>\$ 64,185</u>	<u>\$ 12,408,434</u>

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**4. INDEBTEDNESS (continued)**

**LONG-TERM DEBT (continued)**

A summary of changes in long-term debt transactions for the year ended May 31, 2010 is as follows:

	Balance June 1, 2009	Increases	Reductions	Balance May 31, 2010	Noncurrent liabilities due within one year	Noncurrent liabilities
<b>Governmental Activities:</b>						
Compensated absences	\$ 7,437,742	\$ 599,650	\$ 538,618	\$ 7,498,774	\$ 374,939	\$ 7,123,835
Claims and judgments payable	7,686,822	2,569,877	2,627,429	7,629,270	1,487,266	6,142,004
Tax certioraris payable	2,500,000	4,005,859	3,305,859	3,200,000	3,200,000	
Other postemployment benefits payable	5,764,800	6,977,345	1,621,552	11,120,593		11,120,593
Capital loan payable	1,280,389		168,107	1,112,282	173,782	938,500
Special assessment bond payable with governmental commitment	1,825,000		215,000	1,610,000	240,000	1,370,000
General obligation bonds	6,095,000	2,555,500	960,000	7,690,500	895,000	6,795,500
Plus premiums on issuance	19,736		2,618	17,118	2,618	14,500
Total general obligation bonds	6,114,736	2,555,500	962,618	7,707,618	897,618	6,810,000
<b>Business-type Activities:</b>						
Compensated absences	\$ 324,845	\$ 49,763	\$ 35,444	\$ 339,164	\$ 16,958	\$ 322,206
Other postemployment benefits payable	377,115	429,488	72,530	734,073		734,073
General obligation bonds	6,685,000	4,210,000	600,000	10,295,000	600,000	9,695,000
Plus premiums on issuance	21,277		2,790	18,487	2,790	15,697
Total general obligation bonds	6,706,277	4,210,000	602,790	10,313,487	602,790	9,710,697

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 loan payable and the special assessment bond payable will be liquidated through the General Fund.

**5. RETIREMENT SYSTEM**

Plan Description

The Incorporated Village of Garden City participates in the New York State Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), collectively referred to herein as the Systems. These Systems 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, 2010

**C. DETAIL NOTES ON ALL FUNDS** (continued)

**5. RETIREMENT SYSTEM** (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 (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 obtained by writing to the New York State and Local Retirement Systems, Governor Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 and who have less than ten years of membership and less than ten years of credited service with a retirement system under the provisions of article fourteen or fifteen of the NYSRSSL, who contribute 3% of their salary. Prior to October 1, 2000, all employees who joined the System after July 27, 1976 were required to contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Village is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	ERS		PFRS
2010	\$ 965,184		\$ 1,175,779
2009	1,268,648		1,329,229
2008	1,183,815		1,461,579

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

**6. OTHER POSTEMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE)**

In the government-wide and proprietary fund financial statements, the cost of other postemployment benefits (OPEB), like the cost of pension benefits, generally should be associated with the period in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended May 31, 2009, the Village recognizes the costs of other postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Village's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**6. OTHER POSTEMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE)**  
 (continued)

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 reimbursement in the amount of \$1,157 per year. 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 reimbursement.

The number of participants as of June 1, 2008, the effective date of the most recent OPEB valuation is as follows:

	Primary Government	Governmental Activities	Business-type Activities
Active employees	307	287	20
Retired employees	197	190	7
Total	504	477	27

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

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

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**6. OTHER POSTEMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE)**  
 (continued)

Funding Policy

The Village currently pays for other postemployment benefits on a pay-as-you-go basis. GASB No. 45 does not require that the unfunded liability actually be amortized nor that it be funded, only that the unfunded accrued liability is accounted for and in compliance in meeting its Annual Required Contribution (ARC). However, if the liability is funded, assets must be transferred to a qualifying irrevocable trust or equivalent arrangement for the exclusive benefit of plan members and must be protected from creditors. At this time, there is no New York State statute providing local governments with the requisite authority for establishing an other postemployment benefits trust. Therefore, these financial statements are presented on a pay-as-you-go basis until a funding mechanism is authorized for municipalities by New York State statute.

Annual Other Postemployment Benefit Cost and Net Obligation

For the year ended May 31, 2010, the Village's annual other postemployment benefits cost (expense) was \$7,406,833 of which \$6,977,345 was related to governmental activities and \$429,488 was related to business-type activities. The annual expense, inclusive of current health insurance premiums, totaled \$1,694,082 for retirees and their beneficiaries, of which \$1,621,552 was related to governmental activities and \$72,530 was related to business-type activities. The result was an increase in the other postemployment benefits liability of \$5,712,751, of which \$5,355,793 was related to governmental activities and \$356,958 was related to business-type activities for the year ended May 31, 2010. The active and retired employees of the Village's discretely presented component unit are included in governmental activities portion of the OPEB liability.

Benefit Obligations and Normal Cost

	<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Actuarial Accrued Liability (AAL)			
Active employees	\$ 50,693,134	\$ 47,514,297	\$ 3,178,837
Retired employees	30,151,451	28,774,686	1,376,765
Total Actuarial Accrued Liability (AAL)	80,844,585	76,288,983	4,555,602
Actuarial value of plan assets	-0-	-0-	-0-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 80,844,585</u>	<u>\$ 76,288,983</u>	<u>\$ 4,555,602</u>
Funded Ratio	0.00%	0.00%	0.00%
Normal cost at the beginning of the year	2,717,824	2,552,562	165,262
Amortization cost at the beginning of the year	4,496,362	4,242,991	253,371
Annual covered payroll	25,511,693	n/a*	n/a*
UAAL as a percentage of covered payroll	316.89%	n/a*	n/a*

\* Information was only available for the total primary government

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**6. OTHER POSTEMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE)**  
 (continued)

Annual Other Postemployment Benefit Cost and Net Obligation (continued)

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 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	\$ 2,717,824	\$ 2,552,562	\$ 165,262
Amortization of unfunded actuarial liability (UAAL) over 30 years	4,496,362	4,242,991	253,371
Interest	288,567	271,822	16,745
Annual required contribution (ARC)	7,502,753	7,067,375	435,378
Interest on net OPEB obligation	245,677	230,592	15,085
Adjustment to ARC	(341,597)	(320,622)	(20,975)
OPEB Cost	7,406,833	6,977,345	429,488
Less: Contribution for year ended May 31, 2010	1,694,082	1,621,552	72,530
Increase in other postemployment benefits liability	5,712,751	5,355,793	356,958
Other postemployment benefits liability at May 31, 2009	6,141,915	5,764,800	377,115
Other postemployment benefits liability at May 31, 2010	\$ 11,854,666	\$ 11,120,593	\$ 734,073
Percent of annual OPEB cost contributed	22.87%	23.24%	16.89%

Funded Status and Funding Progress

The percentage contributed, as it relates to the Incorporated Village of Garden City, for the current year was:

	Annual OPEB Cost	Annual Contribution Made	Percentage Contributed	Net OPEB Obligation
May 31, 2010	\$ 7,406,833	\$ 1,694,082	22.87%	\$ 11,854,666
May 31, 2009	7,502,753	1,360,838	18.14%	6,141,915

The schedule of funding progress 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.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**6. OTHER POSTEMPLOYMENT BENEFITS (OBLIGATIONS FOR HEALTH INSURANCE)**  
 (continued)

Funded Status and Funding Progress (continued)

The funded status of the plan as of June 1, 2008 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	\$ 80,844,585	\$ -0-	\$ 80,844,585	0.00%	\$ 25,511,693	316.89%

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, 2008 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% discount rate. The valuation assumes an initial 8.5%-10.5% healthcare cost trend increase for the fiscal year ended May 31, 2010 and reduced increments to a rate of 5.0% after eleven years.

**7. INTERFUND TRANSFERS**

Transfers are used to move unrestricted General Fund revenues to finance various programs that the Village must account for in other funds in accordance with budgetary authorizations and to transfer residual equity from the Capital Projects Fund to close out completed capital projects.

	Transfers In	Transfers Out
General Fund	\$ 365,655	\$ 1,389,817
Capital Projects Fund	1,389,817	365,655
<b>Total</b>	<b>\$ 1,755,472</b>	<b>\$ 1,755,472</b>

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**C. DETAIL NOTES ON ALL FUNDS (continued)**

**8. COMPENSATED ABSENCES**

Village employees are granted vacation and sick leave and earn compensatory absences in varying amounts, the terms of which must comply with the current collective bargaining agreements. Generally, employees are entitled to a percentage of their sick leave and all accrued vacation leave upon termination. Estimated vacation, sick leave, and compensatory absences accumulated by governmental fund type employees have been recorded in the Statements of Net Assets. 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, 2010, the value of the Village's accumulated vacation time and sick leave for governmental and business-type activities was \$7,837,938, of which \$4,253,653 was reserved for in the General Fund.

**D. COMMITMENTS AND CONTINGENCIES**

**1. SELF-INSURANCE PROGRAM**

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 which is accounted for in the Risk Retention Fund. With respect to those insurance needs which are being self insured, the Village has umbrella policies which provide for (1) \$30,000,000 of coverage per year for general liability for claims which on a case by case basis are more than \$150,000 (\$10,000,000 in the aggregate) and (2) \$2,000,000 of coverage per year for workers' compensation claims which, on a case by case basis, are more than \$350,000. 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 Risk Retention Fund liabilities are reported 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. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of the claims, and other economic and social factors. The Village's discretely presented component unit is included in the Village's self-insurance risk management program for both workers' compensation and general liability claims.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
 May 31, 2010

**D. COMMITMENTS AND CONTINGENCIES (continued)**

**1. SELF-INSURANCE PROGRAM (continued)**

Net assets in the Risk Retention Fund are reserved for future catastrophic losses and are not available for other uses. Changes in the liability for claims and judgments for the years ended May 31, 2010 and 2009 is as follows:

	<u>Workers'</u> <u>Compensation</u>		<u>General</u> <u>Liability</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Unpaid Claims as of June 1,	\$ 5,811,275	\$ 5,753,021	\$ 1,875,547	\$ 1,422,988
Incurred Claims:				
Provision for insured events of the current fiscal year	1,417,824	1,168,802	566,551	568,791
Increase in net provision for insured events of prior fiscal years	<u>281,377</u>	<u>341,474</u>	<u>304,125</u>	<u>204,023</u>
Total Incurred Claims and Claim Adjustments	<u>1,699,201</u>	<u>1,510,276</u>	<u>870,676</u>	<u>772,814</u>
Payments of:				
Claims during the current year	<u>2,101,225</u>	<u>1,452,022</u>	<u>526,204</u>	<u>320,255</u>
Unpaid Claims as of May 31,	<u>\$ 5,409,251</u>	<u>\$ 5,811,275</u>	<u>\$ 2,220,019</u>	<u>\$ 1,875,547</u>

During the year ended May 31, 2010, charges to the operating funds were made as follows:

Primary Government:

General Fund	\$ 3,040,737
Water Fund	160,367
Pool Fund	56,829
Tennis Fund	<u>7,521</u>
	<u>3,265,454</u>

Component Unit:

Garden City Public Library	<u>140,496</u>
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Total Charges	<u>\$ 3,405,950</u>
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**2. LEGAL SETTLEMENT**

The Village was a member of the plaintiff class in a class action lawsuit against a majority of the major petroleum companies for contamination of the Village's water supply with methyl tertiary butyl ether. This lawsuit was settled in April 2010 and the Village's portion was \$1,320,365 net of legal costs. The Village received a partial payment of \$42,079 in May 2010 and the remaining payment of \$1,278,286 was received in August 2010. These payments are recorded as a non-operating revenue in the Water Fund's Statement of Revenues, Expenses and Changes in Net Assets.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
May 31, 2010

**D. COMMITMENTS AND CONTINGENCIES** (continued)

**3. 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 \$3,305,859 for the year ended 2010.

**4. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS**

Construction in progress commitments for equipment purchases and other capital acquisition commitments amounting to \$579,679 are recorded as encumbrances in the Capital Projects Fund.

**5. OTHER CONTINGENCIES**

The Village is a party to various legal proceedings arising principally in the normal course of operations. In the opinion of the management of the Village, the outcome of these legal proceedings is not likely to have a material adverse effect on the affected funds of the Village.

**E. NEW PRONOUNCEMENTS**

The GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement established accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this statement become effective for the Village for the year ended May 31, 2011.

The GASB has issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." This statement addressed the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The requirements of this statement become effective for the Village for the year ended May 31, 2011.

The GASB has issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The requirements of this statement become effective for the Village for the year ended May 31, 2012.

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

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

**Detailed Schedule of Revenues and Other Financing Sources –  
Budget and Actual General Fund**

**Detailed Schedule of Expenditures and Other Financing Uses –  
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**  
**DETAILED SCHEDULE OF REVENUES AND**  
**OTHER FINANCING SOURCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
Year Ended May 31, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b><u>REVENUES</u></b>				
<b>Real Property Taxes</b>				
Real property taxes	\$ 44,298,657	\$ 44,298,657	\$ 44,286,198	\$ (12,459)
Total Real Property Taxes	44,298,657	44,298,657	44,286,198	(12,459)
<b>Other Real Property Tax Items</b>				
Payment in lieu of taxes	498,576	498,576	498,576	-0-
Interest and penalties on real property tax	105,050	105,050	105,167	117
Total Other Real Property Tax Items	603,626	603,626	603,743	117
<b>Non-Property Tax Items</b>				
Public utilities gross receipts tax	700,000	700,000	714,156	14,156
County sales tax			60,267	60,267
Franchise fees	215,000	215,000	184,650	(30,350)
Total Non-Property Tax Items	915,000	915,000	959,073	44,073
<b>Departmental Income</b>				
Charges for tax advertising	1,500	1,500	2,775	1,275
Safety inspection fees	512,500	512,500	640,272	127,772
Parking lots and garages	225,000	225,000	218,000	(7,000)
Zoning fees	71,000	71,000	40,750	(30,250)
Dump permits	1,250	1,250	1,195	(55)
Sewer charges	2,800	2,800	2,676	(124)
Refuse and garbage fees	286,500	286,500	221,531	(64,969)
Park and recreational charges	424,900	424,900	416,385	(8,515)
Public works service	225,000	225,000	186,389	(38,611)
Health fees	6,000	6,000	6,180	180
Planning commission fees	8,500	8,500	3,000	(5,500)
Architectural design review fees	41,500	41,500	20,350	(21,150)
Police impound fees	20,000	20,000		(20,000)
Utility permit fees	12,100	12,100		(12,100)
Total Departmental Income	1,838,550	1,838,550	1,759,503	(79,047)
<b>Intergovernmental Charges</b>				
Fire protection services			38,375	38,375
Sewer services	345	345	435	90
Total Intergovernmental Charges	345	345	38,810	38,465
<b>Use of Money and Property</b>				
Interest and earnings	360,000	360,000	157,720	(202,280)
Commissions	5,000	5,000		(5,000)
Rental real property	106,181	106,181	108,101	1,920
Total Use of Money and Property	471,181	471,181	265,821	(205,360)

(Continued)

**INCORPORATED VILLAGE OF GARDEN CITY**  
**DETAILED SCHEDULE OF REVENUES AND**  
**OTHER FINANCING SOURCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
Year Ended May 31, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b> (continued)				
<b>Licenses and Permits</b>				
Business and occupational licenses	4,500	4,500	3,600	(900)
Dog license fund apportionment	3,500	3,500	2,663	(837)
Permits	142,665	142,665	88,423	(54,242)
Total Licenses and Permits	150,665	150,665	94,686	(55,979)
<b>Fines and Forfeitures</b>				
Fines and forfeited bail	1,026,000	1,026,000	958,395	(67,605)
Forfeiture of deposits	1,500	1,500	13,829	12,329
Total Fines and Forfeitures	1,027,500	1,027,500	972,224	(55,276)
<b>Special Assessments</b>				
Special assessment - parking lot	253,986	253,986	253,987	1
Total Special Assessments	253,986	253,986	253,987	1
<b>Sales of Property and Compensation for Loss</b>				
Minor sales - other	26,000	26,000	10,825	(15,175)
Sales of equipment	46,000	46,000	16,900	(29,100)
Insurance recoveries	110,000	110,000	151,180	41,180
Other compensation for losses	35,000	35,000	30,977	(4,023)
Total Sales of Property and Compensation for Loss	217,000	217,000	209,882	(7,118)
<b>Miscellaneous Local Sources</b>				
Gifts and donations		11,269	15,869	4,600
Interfund revenues	20,000	20,000	20,000	-0-
Unclassified revenues	10,200	10,200	13,485	3,285
Total Miscellaneous Local Sources	30,200	41,469	49,354	7,885
<b>State and Local Aid</b>				
Per capita	225,302	225,302	225,302	-0-
Mortgage tax	975,000	975,000	655,082	(319,918)
Youth programs	6,010	6,010	10,584	4,574
Consolidated local street and highway improvement aid	186,623	186,623	312,346	125,723
Special state grant			88,822	88,822
Other	57,550	57,550	61,130	3,580
Total State and Local Aid	1,450,485	1,450,485	1,353,266	(97,219)
<b>Other Financing Sources</b>				
Transfer from Capital Projects Fund			365,655	365,655
Total Other Financing Sources	-0-	-0-	365,655	365,655
Total Revenue and Other Financing Sources	\$ 51,257,195	\$ 51,268,464	\$ 51,212,202	\$ (56,262)

**INCORPORATED VILLAGE OF GARDEN CITY**  
**DETAILED SCHEDULE OF EXPENDITURES AND**  
**OTHER FINANCING USES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
Year Ended May 31, 2010

<u>EXPENDITURES</u>	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>General Government Support</b>				
Board of Trustees:				
Other expenditures	\$ 28,000	\$ 59,842	\$ 59,764	\$ 78
Village Justice:				
Personal services	349,755	349,755	274,881	74,874
Other expenditures	39,350	39,350	25,797	13,553
Clerk-Treasurer:				
Personal services	755,870	794,421	781,939	12,482
Equipment	71,183	71,183	877	70,306
Other expenditures	370,315	368,018	265,869	102,149
Purchasing:				
Personal services	261,748	266,104	265,546	558
Other expenditures	9,500	9,500	5,768	3,732
Assessment:				
Personal services	48,094	50,710	42,697	8,013
Other expenditures	8,000	8,000	3,146	4,854
Tax Advertising and Expense:				
Other expenditures	2,000	2,000	1,147	853
Discount on Taxes	18,000	20,010	20,008	2
Law:				
Other expenditures	537,000	679,568	675,314	4,254
Personnel:				
Personal services	100,974	100,974	98,314	2,660
Other expenditures	23,750	23,750	10,992	12,758
Engineer:				
Personal services	328,052	328,052	299,984	28,068
Equipment	64	64	64	64
Other expenditures	48,563	48,563	24,950	23,613
Elections:				
Personal services	725	725	565	160
Other expenditures	1,650	1,650	1,190	460
Buildings:				
Personal services	225,754	225,754	220,550	5,204
Equipment	54,592	54,592	4,875	49,717
Other expenditures	205,500	205,500	169,179	36,321
St. Paul School:				
Other expenditures	52,782	52,782	37,153	15,629
Central Garage:				
Personal services	293,302	297,302	296,969	333
Equipment	36,350	36,350	3,261	33,089
Other expenditures	196,356	196,356	151,294	45,062
Central Printing and Mailing:				
Other expenditures	26,000	26,000	25,904	96
Central Data Processing:				
Personal services	102,971	102,971	99,264	3,707
Other expenditures	216,671	216,671	202,073	14,598
Municipal Association Dues	22,500	22,500	20,523	1,977
Refunds of Real Property Taxes	2,708,389	3,311,389	3,305,859	5,530

(Continued)

**INCORPORATED VILLAGE OF GARDEN CITY**  
**DETAILED SCHEDULE OF EXPENDITURES AND**  
**OTHER FINANCING USES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
Year Ended May 31, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b><u>EXPENDITURES</u></b> (continued)				
<b>General Government Support</b> (continued)				
Insurance charges	3,040,737	3,040,737	3,040,737	-0-
MTA payroll tax		115,000	97,690	17,310
Contingency	1,017,714	264,824		264,824
Total General Government Support	11,202,211	11,390,967	10,534,079	856,888
<b>Public Safety</b>				
Police Department:				
Personal services	7,910,372	7,994,153	7,854,319	139,834
Equipment	8,000	8,000	1,721	6,279
Other expenditures	618,993	569,692	390,075	179,617
Fire Department:				
Personal services	3,141,570	3,292,818	3,281,106	11,712
Equipment	49,000	44,969	18,189	26,780
Other expenditures	1,033,519	968,819	860,804	108,015
Safety Inspection:				
Personal services	514,882	527,291	527,029	262
Other expenditures	99,305	99,305	68,323	30,982
Total Public Safety	13,375,641	13,505,047	13,001,566	503,481
<b>Transportation</b>				
Street Administration:				
Personal services	285,923	300,100	297,538	2,562
Equipment	2,350	2,350		2,350
Other expenditures	54,990	54,990	39,794	15,196
Street Maintenance:				
Personal services	727,229	686,229	663,923	22,306
Equipment	4,000	4,000		4,000
Other expenditures	322,000	322,000	288,724	33,276
Snow Removal:				
Personal services	239,134	255,934	255,340	594
Other expenditures	149,400	168,782	168,291	491
Street Lighting:				
Personal services	127,703	127,703	116,789	10,914
Equipment	8,000	8,000		8,000
Other expenditures	711,343	711,343	608,693	102,650
Total Transportation	2,632,072	2,641,431	2,439,092	202,339
<b>Economic Assistance and Opportunity</b>				
Publicity:				
Other expenditures	41,000	41,000	21,703	19,297
Total Economic Assistance and Opportunity	41,000	41,000	21,703	19,297

(Continued)

**INCORPORATED VILLAGE OF GARDEN CITY**  
**DETAILED SCHEDULE OF EXPENDITURES AND**  
**OTHER FINANCING USES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
Year Ended May 31, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b><u>EXPENDITURES</u></b> (continued)				
<b>Culture and Recreation</b>				
Parks:				
Personal services	1,292,326	1,289,326	1,253,283	36,043
Equipment	10,000	10,000	8,987	1,013
Other expenditures	329,750	329,750	297,456	32,294
Playgrounds and Recreation Centers:				
Personal services	2,088,287	2,098,014	2,065,444	32,570
Equipment	23,617	23,617	17,522	6,095
Other expenditures	862,384	862,384	761,174	101,210
Concerts:				
Other expenditures	11,500	11,500	7,948	3,552
Historian:				
Other expenditures	1,000	1,000		1,000
Library:				
Contribution to component unit	3,489,370	3,489,370	3,489,370	-0-
Total Culture and Recreation	<u>8,108,234</u>	<u>8,114,961</u>	<u>7,901,184</u>	<u>213,777</u>
<b>Home and Community Services</b>				
Planning:				
Other expenditures	36,009	36,009	4,228	31,781
Sanitary Sewers:				
Personal services	254,815	257,815	253,635	4,180
Equipment	45,000	45,000	7,000	38,000
Other expenditures	169,500	169,500	106,368	63,132
Storm Sewers:				
Personal services	206,435	206,435	202,364	4,071
Other expenditures	44,200	46,700	44,910	1,790
Refuse and Garbage:				
Personal services	1,974,119	1,976,119	1,975,932	187
Other expenditures	2,006,462	1,996,962	1,790,395	206,567
Street Cleaning:				
Personal services	507,748	523,748	518,963	4,785
Other expenditures	211,500	211,500	172,380	39,120
Other Sanitation:				
Personal services	301,745	315,745	314,896	849
Other expenditures	54,700	58,700	55,889	2,811
Shade Trees:				
Personal services	298,147	298,147	294,641	3,506
Other expenditures	170,775	170,775	77,407	93,368
Total Home and Community Services	<u>6,281,155</u>	<u>6,313,155</u>	<u>5,819,008</u>	<u>494,147</u>

(Continued)

**INCORPORATED VILLAGE OF GARDEN CITY**  
**DETAILED SCHEDULE OF EXPENDITURES AND**  
**OTHER FINANCING USES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
Year Ended May 31, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b> (continued)				
<b>Employee Benefits</b>				
State retirement	938,088	946,260	692,065	254,195
Police and fire retirement	1,414,495	1,423,023	1,134,728	288,295
Social security	1,557,799	1,568,422	1,528,732	39,690
Unemployment insurance	25,000	47,000	31,527	15,473
Hospital and medical insurance	4,773,351	4,751,351	4,624,382	126,969
Total Employee Benefits	<u>8,708,733</u>	<u>8,736,056</u>	<u>8,011,434</u>	<u>724,622</u>
<b>Debt Service</b>				
Principal	1,175,000	1,343,740	1,343,107	633
Interest	607,546	438,806	312,178	126,628
Total Debt Service	<u>1,782,546</u>	<u>1,782,546</u>	<u>1,655,285</u>	<u>127,261</u>
<b>Other Financing Uses</b>				
Operating transfers out	1,215,500	1,389,817	1,389,817	-0-
Total Other Financing Uses	<u>1,215,500</u>	<u>1,389,817</u>	<u>1,389,817</u>	<u>-0-</u>
Total	<u>\$ 53,347,092</u>	<u>\$ 53,914,980</u>	<u>\$ 50,773,168</u>	<u>\$ 3,141,812</u>

**INCORPORATED VILLAGE OF GARDEN CITY**  
**SCHEDULE OF FUNDING PROGRESS**  
**FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)**  
 May 31, 2010

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
2008	\$ -0-	\$ 80,844,585	\$ 80,844,585	0.00%	\$ 25,511,693	316.89%

**OTHER SUPPLEMENTARY INFORMATION**

**INCORPORATED VILLAGE OF GARDEN CITY**  
**STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**Year Ended May 31, 2010**

	<u>June 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>May 31, 2010</u>
<b>ASSETS</b>				
Cash	\$ 2,731,316	\$ 34,058,668	\$ 33,923,977	\$ 2,866,007
<b>Total Assets</b>	<u>\$ 2,731,316</u>	<u>\$ 34,058,668</u>	<u>\$ 33,923,977</u>	<u>\$ 2,866,007</u>
<b>LIABILITIES</b>				
Building fees and other deposits	\$ 2,158,660	\$ 1,297,575	\$ 1,173,968	\$ 2,282,267
Justice court fund	109,830	1,096,810	1,106,055	100,585
Other agency liabilities	462,826	31,664,283	31,643,954	483,155
<b>Total Liabilities</b>	<u>\$ 2,731,316</u>	<u>\$ 34,058,668</u>	<u>\$ 33,923,977</u>	<u>\$ 2,866,007</u>

## STATISTICAL SECTION

This comprehensive statistical data for the Village includes, in some cases, statistical information for the town and school districts, which are not part of the Village's reporting entity. It is intended to provide readers of this report with a broader and more complete understanding of the Village and its financial affairs than is possible from the financial statements and schedules included in the Financial Section. Many tables in this section cover several years for comparison purposes, and many present data from outside of the Village's accounting records. This part of the Village of Garden City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Page

### **Financial Trends**

These schedules contain information to help the reader understand how the government's financial performance and well-being have change over time. 74-83

### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 84-89

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. 90-93

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 94-95

### **Operating Information**

These schedules contain service and capital asset data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 96-101

**INCORPORATED VILLAGE OF GARDEN CITY**  
**NET ASSETS BY COMPONENT**  
**LAST SEVEN FISCAL YEARS**  
(accrual basis of accounting)

Years Ended May 31,	2010	2009	2008	2007
<b>Governmental activities</b>				
Net assets				
Invested in capital assets, net of related debt	\$ 45,276,890	\$ 46,215,824	\$ 44,914,966	\$ 44,215,174
Unrestricted	<u>(9,583,152)</u>	<u>(3,759,618)</u>	<u>6,818,812</u>	<u>11,791,831</u>
Total governmental activities net assets	<u>\$ 35,693,738</u>	<u>\$ 42,456,206</u>	<u>\$ 51,733,778</u>	<u>\$ 56,007,005</u>
<b>Business-type activities</b>				
Net assets				
Invested in capital assets, net of related debt	\$ 9,012,566	\$ 12,677,218	\$ 10,473,725	\$ 12,769,879
Unrestricted	<u>2,772,285</u>	<u>(925,813)</u>	<u>2,565,864</u>	<u>638,961</u>
Total business-type activities net assets	<u>\$ 11,784,851</u>	<u>\$ 11,751,405</u>	<u>\$ 13,039,589</u>	<u>\$ 13,408,840</u>
<b>Primary government</b>				
Net assets				
Invested in capital assets, net of related debt	\$ 54,289,456	\$ 58,893,042	\$ 55,388,691	\$ 56,985,053
Unrestricted	<u>(6,810,867)</u>	<u>(4,685,431)</u>	<u>9,384,676</u>	<u>12,430,792</u>
Total primary government net assets	<u>\$ 47,478,589</u>	<u>\$ 54,207,611</u>	<u>\$ 64,773,367</u>	<u>\$ 69,415,845</u>

Source: Office of the Village Auditor and the audited financial statements of the Incorporated Village of Garden City.

Note: Data not available prior to fiscal 2004 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 44,278,935	\$ 39,966,579	\$ 41,738,527
<u>10,444,052</u>	<u>13,318,975</u>	<u>14,251,024</u>
<u>\$ 54,722,987</u>	<u>\$ 53,285,554</u>	<u>\$ 55,989,551</u>
\$ 12,759,053	\$ 11,876,497	\$ 11,078,145
<u>804,059</u>	<u>1,477,752</u>	<u>2,402,109</u>
<u>\$ 13,563,112</u>	<u>\$ 13,354,249</u>	<u>\$ 13,480,254</u>
\$ 57,037,988	\$ 51,843,076	\$ 52,816,672
<u>11,248,111</u>	<u>14,796,727</u>	<u>16,653,133</u>
<u>\$ 68,286,099</u>	<u>\$ 66,639,803</u>	<u>\$ 69,469,805</u>

**INCORPORATED VILLAGE OF GARDEN CITY**

**CHANGES IN NET ASSETS  
LAST SEVEN FISCAL YEARS  
(accrual basis of accounting)**

Years Ended May 31,	2010	2009	2008	2007
<b>Expenses</b>				
Governmental activities:				
General government support	\$ 13,889,435	\$ 12,003,819	\$ 12,840,280	\$ 12,025,225
Public safety	20,603,724	22,266,724	18,621,592	17,769,655
Transportation	4,409,301	4,298,667	3,815,348	3,720,959
Economic assistance and opportunity	21,703	65,111	60,562	44,171
Culture and recreation	7,457,643	7,435,850	6,720,021	5,672,581
Home and community services	12,142,467	12,259,179	11,991,164	11,208,340
Interest on debt	310,265	383,061	346,799	309,874
Total governmental activities expenses	<u>58,834,538</u>	<u>58,712,411</u>	<u>54,395,766</u>	<u>50,750,805</u>
Business-type activities:				
Pool	1,124,830	1,200,801	1,296,277	1,157,748
Tennis	415,233	437,469	418,049	398,349
Water	5,373,095	5,669,124	4,524,140	4,120,319
Total business-type activities expenses	<u>6,913,158</u>	<u>7,307,394</u>	<u>6,238,466</u>	<u>5,676,416</u>
Total primary government expenses	<u>\$ 65,747,696</u>	<u>\$ 66,019,805</u>	<u>\$ 60,634,232</u>	<u>\$ 56,427,221</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government support	\$ 28,535	\$ 28,830	\$ 26,560	\$ 32,560
Public safety	1,817,490	1,727,098	1,786,021	2,253,254
Transportation	428,554	542,060	393,814	407,001
Culture and recreation	456,385	431,066	355,182	399,018
Home and community services	320,694	113,345	84,129	150,571
Operating grants and contributions	19,361	12,240	66,575	87,621
Capital grants and contributions	655,154	566,100	682,001	267,416
Total governmental activities program revenues	<u>3,726,173</u>	<u>3,420,739</u>	<u>3,394,282</u>	<u>3,597,441</u>
Business-type activities:				
Charges for services:				
Pool	1,060,504	1,036,969	1,007,340	994,636
Tennis	387,764	401,736	412,778	399,998
Water	4,148,020	4,509,246	4,371,697	4,053,708
Total business-type activities program revenues	<u>5,596,288</u>	<u>5,947,951</u>	<u>5,791,815</u>	<u>5,448,342</u>
Total primary government program revenues	<u>\$ 9,322,461</u>	<u>\$ 9,368,690</u>	<u>\$ 9,186,097</u>	<u>\$ 9,045,783</u>

Source: Office of the Village Auditor and the audited financial statements of the Incorporated Village of Garden City.

Note: Data not available prior to fiscal 2004 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

2006	2005	2004
\$ 9,496,353	\$ 12,575,608	\$ 9,490,854
19,119,016	17,009,017	14,909,211
3,639,415	3,508,639	3,255,118
26,401	44,253	43,153
5,550,758	5,060,933	4,527,859
11,590,991	10,239,771	7,269,144
216,235	246,548	278,650
<u>49,639,169</u>	<u>48,684,769</u>	<u>39,773,989</u>
1,230,164	1,189,250	1,136,454
407,487	370,233	387,575
3,974,773	3,562,716	3,373,326
<u>5,612,424</u>	<u>5,122,199</u>	<u>4,897,355</u>
<u>\$ 55,251,593</u>	<u>\$ 53,806,968</u>	<u>\$ 44,671,344</u>
\$ 26,150	\$ 21,315	\$ 14,985
1,612,545	1,675,604	1,545,919
330,744	414,378	486,976
353,291	321,320	264,412
147,213	141,786	8,941
637,010	235,821	329,119
		35,144
<u>3,106,953</u>	<u>2,810,224</u>	<u>2,685,496</u>
957,163	951,159	928,499
429,259	375,193	367,967
4,392,928	3,632,176	3,426,049
<u>5,779,350</u>	<u>4,958,528</u>	<u>4,722,515</u>
<u>\$ 8,886,303</u>	<u>\$ 7,768,752</u>	<u>\$ 7,408,011</u>

(Continued)

**INCORPORATED VILLAGE OF GARDEN CITY**  
**CHANGES IN NET ASSETS (CONTINUED)**  
**LAST SEVEN FISCAL YEARS**  
 (accrual basis of accounting)

(Continued)

Years Ended May 31,	2010	2009	2008	2007
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (55,108,365)	\$ (55,291,672)	\$ (51,001,484)	\$ (47,153,364)
Business-type activities	(1,316,870)	(1,359,443)	(446,651)	(228,074)
Total primary government net expense	<u>\$ (56,425,235)</u>	<u>\$ (56,651,115)</u>	<u>\$ (51,448,135)</u>	<u>\$ (47,381,438)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities				
Real property taxes	\$ 44,312,262	\$ 42,579,108	\$ 41,579,104	\$ 41,550,829
Other real property tax items	603,744	553,785	540,415	544,392
Non-property tax items	959,073	1,066,187	992,944	951,345
Earnings on investments	202,686	500,597	1,475,783	1,717,785
Grants and contributions not restricted to specific programs	883,350	1,008,858	1,634,786	2,107,175
Other	1,384,782	305,565	505,225	1,565,856
Transfers				
Total governmental activities	<u>48,345,897</u>	<u>46,014,100</u>	<u>46,728,257</u>	<u>48,437,382</u>
Business-type activities:				
Earnings on investments	29,951	71,259	77,400	73,802
Legal settlement	1,320,365			
Other				
Total business-type activities	<u>1,350,316</u>	<u>71,259</u>	<u>77,400</u>	<u>73,802</u>
Total primary government	<u>\$ 49,696,213</u>	<u>\$ 46,085,359</u>	<u>\$ 46,805,657</u>	<u>\$ 48,511,184</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ (6,762,468)	\$ (9,277,572)	\$ (4,273,227)	\$ 1,284,018
Business-type activities	33,446	(1,288,184)	(369,251)	(154,272)
Total primary government	<u>\$ (6,729,022)</u>	<u>\$ (10,565,756)</u>	<u>\$ (4,642,478)</u>	<u>\$ 1,129,746</u>

2006	2005	2004
\$ (46,532,216)	\$ (45,874,545)	\$ (37,088,493)
166,926	(163,671)	(174,840)
<u>\$ (46,365,290)</u>	<u>\$ (46,038,216)</u>	<u>\$ (37,263,333)</u>
\$ 40,694,602	\$ 38,912,605	\$ 38,107,563
387,730	420,383	441,922
865,867	767,324	723,472
1,156,939	631,591	602,266
2,183,406	2,213,421	1,942,591
2,681,105	225,224	207,373
		(3,069,199)
<u>47,969,649</u>	<u>43,170,548</u>	<u>38,955,988</u>
41,937	37,666	48,250
		12,107
<u>41,937</u>	<u>37,666</u>	<u>60,357</u>
<u>\$ 48,011,586</u>	<u>\$ 43,208,214</u>	<u>\$ 39,016,345</u>
\$ 1,437,433	\$ (2,703,997)	\$ 1,867,495
208,863	(126,005)	(114,483)
<u>\$ 1,646,296</u>	<u>\$ (2,830,002)</u>	<u>\$ 1,753,012</u>

**INCORPORATED VILLAGE OF GARDEN CITY**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

<u>Years Ended May 31,</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund					
Reserved*	\$ 5,474,157	\$ 5,563,794	\$ 6,521,608	\$ 8,042,475	\$ 7,386,327
Unreserved	<u>3,749,967</u>	<u>3,221,296</u>	<u>5,779,734</u>	<u>8,382,651</u>	<u>6,383,592</u>
Total General Fund	<u>\$ 9,224,124</u>	<u>\$ 8,785,090</u>	<u>\$ 12,301,342</u>	<u>\$ 16,425,126</u>	<u>\$ 13,769,919</u>
Capital Projects Fund					
Reserved*	\$ 579,679	\$ 2,523,238	\$ 1,177,787	\$ 4,013,729	\$ 1,580,339
Unreserved	<u>1,413,870</u>	<u>(467,315)</u>	<u>3,590,261</u>	<u>166,539</u>	<u>(45,693)</u>
Total Capital Projects Fund	<u>\$ 1,993,549</u>	<u>\$ 2,055,923</u>	<u>\$ 4,768,048</u>	<u>\$ 4,180,268</u>	<u>\$ 1,534,646</u>

Source: Office of the Village Auditor and the audited financial statements of the Incorporated Village of Garden City.

Note: \* Includes encumbrances, inventory, civil practice law rules and employee benefit reserves.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 3,972,106	\$ 5,891,948	\$ 1,205,420	\$ 2,053,672	\$ 1,465,995
<u>6,244,484</u>	<u>3,207,016</u>	<u>6,014,747</u>	<u>4,170,662</u>	<u>3,929,933</u>
<u>\$ 10,216,590</u>	<u>\$ 9,098,964</u>	<u>\$ 7,220,167</u>	<u>\$ 6,224,334</u>	<u>\$ 5,395,928</u>
\$ 2,870,375	\$ 1,212,658	\$ 1,672,470	\$ 920,935	\$ 1,592,511
<u>803,702</u>	<u>1,998,162</u>	<u>2,607,964</u>	<u>4,023,215</u>	<u>3,632,256</u>
<u>\$ 3,674,077</u>	<u>\$ 3,210,820</u>	<u>\$ 4,280,434</u>	<u>\$ 4,944,150</u>	<u>\$ 5,224,767</u>

**INCORPORATED VILLAGE OF GARDEN CITY**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis in accounting)

Years Ended May 31,	2010	2009	2008	2007	2006
<b>Revenues</b>					
Real property taxes and tax items	\$ 44,286,198	\$ 42,551,527	\$ 41,310,904	\$ 41,768,796	\$ 40,671,111
Other real property tax items	603,743	553,785	540,416	544,392	387,730
Non-property tax items	959,073	1,066,187	992,944	951,345	865,867
Departmental income	1,759,503	1,548,708	1,381,737	1,892,347	1,261,536
Intergovernmental charges	38,810	58,827	70,542	66,758	55,514
Use of money and property	265,821	518,630	1,314,458	1,567,175	1,088,297
License and permits	94,686	98,351	112,218	102,169	93,651
Fines and forfeitures	972,224	992,526	964,270	1,000,258	954,371
Special assessments	253,987	253,987	253,986		
Sale of property and compensation for loss	209,882	241,001	208,674	274,856	362,921
Miscellaneous local sources	49,354	115,569	51,063	30,612	2,361,188
State and local aid	1,362,043	1,333,212	2,129,376	2,462,212	2,820,416
Federal aid					
<b>Total Revenues</b>	<b>50,855,324</b>	<b>49,332,310</b>	<b>49,330,588</b>	<b>50,660,920</b>	<b>50,922,602</b>
<b>Expenditures</b>					
Current:					
General government support	10,534,079	10,653,702	10,720,015	6,318,783	6,663,418
Public safety	13,001,566	13,887,809	13,146,835	12,661,782	12,520,040
Transportation	2,439,092	2,424,676	2,147,288	2,291,229	2,096,025
Economic assistance and opportunity	21,703	65,111	60,562	64,972	26,401
Culture and recreation	7,901,184	7,809,030	4,546,528	4,126,301	4,005,659
Home and community services	5,819,008	6,122,787	9,659,050	8,798,470	8,895,716
Employee benefits	8,011,434	8,489,982	8,285,404	7,810,557	7,732,649
Capital outlay	3,650,813	3,994,271	6,076,086	6,087,016	6,906,441
Debt Service:					
Principal	1,343,107	1,691,431	1,340,298	1,055,627	1,030,000
Interest	312,178	421,888	309,116	308,416	221,444
<b>Total Expenditures</b>	<b>53,034,164</b>	<b>55,560,687</b>	<b>56,291,182</b>	<b>49,523,153</b>	<b>50,097,793</b>
Excess (Deficiency) of Revenues over Expenditures	(2,178,840)	(6,228,377)	(6,960,594)	1,137,767	824,809
<b>Other Financing Sources (Uses)</b>					
Capital loan				958,655	589,089
Transfers in	1,755,472	4,806,074	3,802,196	4,828,305	4,502,773
Transfers out	(1,755,472)	(4,806,074)	(3,802,196)	(4,828,305)	(4,502,773)
Proceeds of refunding bonds					
Payments to refund bond escrow agent					
Transfer to component unit					
Premium on obligations			19,590	4,407	
Debt proceeds	2,555,500		3,405,000	3,200,000	
<b>Total Other Financing Sources (Uses)</b>	<b>2,555,500</b>	<b>-0-</b>	<b>3,424,590</b>	<b>4,163,062</b>	<b>589,089</b>
<b>Net Change in Fund Balances</b>	<b>\$ 376,660</b>	<b>\$ (6,228,377)</b>	<b>\$ (3,536,004)</b>	<b>\$ 5,300,829</b>	<b>\$ 1,413,898</b>
Debt Service as a Percentage of Noncapital Expenditures	3.36%	4.12%	3.31%	3.23%	2.91%

Source: Office of the Village Auditor and the audited financial statements of the Incorporated Village of Garden City.

Note: Debt service as a percentage of noncapital expenditures was presented by reducing total expenditures by capital outlay per the "Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities" for the last five years as data is not available prior to fiscal 2004 implementation of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

2005	2004	2003	2002	2001
\$ 38,893,343	\$ 37,932,349	\$ 35,347,179	\$ 34,579,329	\$ 33,341,758
420,383	441,922	423,564	489,493	470,057
767,324	720,572	698,873	577,529	536,700
1,371,770	1,323,927	922,600	709,634	728,022
72,363	57,716	46,005	55,433	61,157
639,022	485,689	455,609	616,341	1,248,444
97,991	75,744	73,823	72,293	59,778
948,885	959,599	1,049,939	973,107	978,373
173,649	184,173	256,753	274,264	222,742
44,579	78,589	1,833,098	209,775	145,351
2,449,242	2,187,408	1,507,778	912,979	1,220,970
	84,300		53,058	
<u>45,878,551</u>	<u>44,531,988</u>	<u>42,615,221</u>	<u>39,523,235</u>	<u>39,013,352</u>
6,076,050	7,680,786	8,395,820	7,032,123	7,393,674
11,733,794	11,184,238	10,825,565	10,431,665	9,951,844
2,266,279	1,936,882	1,938,744	1,567,199	1,696,863
20,896	28,262	25,275	16,881	58,403
3,678,240	3,462,734	3,204,242	3,099,469	3,068,173
8,368,928	5,182,428	4,854,772	4,747,264	4,634,611
7,331,390	5,480,714	4,906,107	3,768,283	4,102,397
3,545,522	4,344,863	3,938,217	4,069,111	3,434,435
1,025,000	1,070,000	1,095,662	1,045,000	1,105,000
251,569	282,706	316,651	531,262	588,411
<u>44,297,668</u>	<u>40,653,613</u>	<u>39,501,055</u>	<u>36,308,257</u>	<u>36,033,811</u>
1,580,883	3,878,375	3,114,166	3,214,978	2,979,541
4,022,027	3,240,105	3,429,666	4,759,096	4,264,500
(4,022,027)	(3,240,105)	(3,429,666)	(4,759,096)	(4,264,500)
		6,705,662		
		(6,705,662)		
	(3,069,199)	(2,782,042)	(2,667,189)	(2,463,399)
<u>-0-</u>	<u>(3,069,199)</u>	<u>(2,782,042)</u>	<u>(2,667,189)</u>	<u>(2,463,399)</u>
<u>\$ 1,580,883</u>	<u>\$ 809,176</u>	<u>\$ 332,124</u>	<u>\$ 547,789</u>	<u>\$ 516,142</u>
3.21%	3.67%	3.97%	4.89%	5.19%

**INCORPORATED VILLAGE OF GARDEN CITY**  
**ASSESSED VALUE, STATE EQUALIZATION RATE, AND ESTIMATED FULL VALUE OF REAL PROPERTY**  
**LAST TEN FISCAL YEARS**

Years Ended May 31,	Single Family Dwellings	Condominiums	Apartments	Golf Courses	Hotel	Utilities	Special Franchise
2010	\$ 84,752,561	\$ 2,360,947	\$ 1,837,477	\$ 525,000	\$ 717,250	\$ 1,387,700	\$ 1,106,725
2009	85,495,752	2,133,085	2,010,925	732,900	1,404,000	1,387,700	1,118,529
2008	85,584,548	2,843,766	2,071,347	985,100	1,404,000	1,387,700	1,106,503
2007	85,635,018	2,877,357	2,070,459	1,239,940	1,404,000	1,387,700	1,077,666
2006	85,249,948	2,660,097	2,280,225	1,202,340	1,404,000	1,569,350	1,159,779
2005	84,524,461	2,660,358	2,444,383	1,202,340	1,404,000	1,569,350	1,203,390
2004	84,340,074	2,654,725	2,468,750	1,202,340	1,404,000	1,569,350	1,369,826
2003	84,050,417	2,658,324	2,573,180	1,202,340	1,404,000	1,950,500	1,522,451
2002	83,722,641	2,664,840	2,645,950	1,189,840	1,404,000	1,965,500	1,630,345
2001	83,428,264	2,683,941	2,645,650	1,189,840	1,404,000	1,965,500	1,535,568

(Note: Value of property as of January 1st each year. Assessment to be used for subsequent fiscal year tax levy.)

\* Tentative State Equalization Rate established 5/20/2010.

(a) This column includes tax-exempt property.

Source: Incorporated Village of Garden City Assessment Roll

Commercial	Total Assessed Valuation Taxable	Exemptions	Total Gross Assessed Valuation	State Equalization Rate	Estimated Actual Taxable Value (a)	Total Direct Tax Rate (a)
\$ 14,359,027	\$ 107,046,687	\$ 47,921,748	\$ 154,968,435	1.51% *	\$ 10,262,810,265	28.58
15,089,155	109,372,046	47,921,748	157,293,794	1.51%	10,416,807,550	27.05
15,895,435	111,278,399	47,921,748	159,200,147	1.52%	10,473,693,882	25.94
15,993,124	111,685,264	47,921,748	159,607,012	1.60%	9,975,438,250	26.15
17,341,515	112,867,254	49,554,813	162,422,067	1.80%	9,023,448,167	25.03
18,365,755	113,374,037	49,690,311	163,064,348	1.96%	8,319,609,592	23.91
20,219,602	115,228,667	49,617,611	164,846,278	2.14%	7,703,097,103	23.00
20,280,602	115,641,814	49,615,852	165,257,666	2.69%	6,143,407,658	21.38
20,841,386	116,064,502	50,289,681	166,354,183	3.08%	5,401,109,838	20.78
21,679,611	116,532,374	49,751,723	166,284,097	3.44%	4,833,840,029	20.03

**INCORPORATED VILLAGE OF GARDEN CITY**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

Years Ended May 31,	Village Direct Rates				
	Full Valuation	State Equalization Rate	Total Assessed Value	Tax Levy Village	Total Village Direct Tax Rate
2010	\$ 10,262,810,265	1.51%	\$ 154,968,435	\$ 44,295,682	28.58
2009	10,416,807,550	1.51%	157,293,794	42,552,860	27.05
2008	10,473,693,882	1.52%	159,200,147	41,301,210	25.94
2007	9,975,438,250	1.60%	159,607,012	41,740,531	26.15
2006	9,023,448,167	1.80%	162,422,067	40,655,930	25.03
2005	8,319,609,592	1.96%	163,064,348	38,993,380	23.91
2004	7,703,097,103	2.14%	164,846,278	37,907,386	23.00
2003	6,143,407,658	2.69%	165,257,666	35,330,034	21.38
2002	5,401,109,838	3.08%	166,354,183	34,563,502	20.78
2001	4,833,840,029	3.44%	166,284,097	33,312,618	20.03

Source: County of Nassau and Incorporated Village of Garden City Assessment Roll.

Overlapping Rates

Tax Levy School	Total School Direct Tax Rate	Tax Levy Town	Total Town Direct Tax Rate	Tax Levy County	Total County Direct Tax Rate	Total Direct & Overlapping Rate
\$ 85,022,296	54.86	\$ 1,131,599	0.73	\$ 18,943,139	12.22	96.39
83,705,109	53.22	1,088,208	0.69	18,065,080	11.48	92.44
79,811,700	50.13	1,097,096	0.69	18,136,211	11.39	88.15
76,673,601	48.04	1,106,731	0.69	17,383,673	10.89	85.77
73,047,315	44.97	1,099,484	0.68	18,113,121	11.15	81.83
69,198,930	42.44	1,059,307	0.65	18,295,728	11.22	78.22
65,306,161	39.62	1,002,161	0.61	16,311,488	9.89	73.12
61,713,710	37.34	1,009,480	0.61	15,069,882	9.12	68.45
53,549,543	32.19	1,008,991	0.61	13,974,500	8.40	61.98
47,788,575	28.74	1,010,091	0.61	11,245,943	6.76	56.14

**INCORPORATED VILLAGE OF GARDEN CITY**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT AND NINE YEARS AGO**

2010			
Name	Type	Assessed Value	Percent of Assessed Value
Treeline Garden City Plaza	Office Building(s)	\$ 3,224,846	3.01%
Keyspan	Public Utility	2,074,942	1.94%
Cento Properties Company	Hotel	717,250	0.67%
Hamilton Garden Owners	Cooperative Apartments	577,850	0.54%
LT Propco	Retail Complex	570,000	0.53%
Sears Roebuck & Company	Department Store	525,000	0.49%
Garden City Center Associates	Office Building(s)	520,000	0.49%
Automobile Club of New York	Office Building(s)	460,100	0.43%
Stewart & Clinton, LLC	Office Building(s)	426,859	0.40%
EB Franklin Avenue Realty, LLC	Office Building(s)	400,000	0.37%
Total Assessments and Percent of Total Assessment Roll		\$ 9,496,847	(a) 8.87%

(a) Represents 8.87% of the total taxable assessed valuation of the Village for 2010.

2001			
Name	Type	Assessed Value	Percent of Assessed Value
Keyspan	Public Utility	\$ 2,635,561	2.26%
The Garden City Company, Inc.	Office Building(s)	2,182,800	1.87%
Franklin Avenue Plaza, LLC	Office Building(s)	1,956,000	1.68%
Treeline Garden City Plaza Assoc.	Office Building(s)	1,459,966	1.25%
Cento Properties Company	Hotel	1,404,000	1.20%
Sears Roebuck & Company	Department Store	1,142,500	0.98%
DDGC Properties	Office Building(s)	1,097,100	0.94%
Stewart & Clinton, LLC	Office Building(s)	1,096,700	0.94%
Lord & Taylor	Department Store	782,000	0.67%
Reckson Associates	Office Building(s)	729,600	0.63%
Total Assessments and Percent of Total Assessment Roll		\$ 14,486,227	(b) 12.43%

(b) Represents 12.43% of the total taxable assessed valuation of the Village for 2001.

Source: Incorporated Village of Garden City Assessment Roll.

**INCORPORATED VILLAGE OF GARDEN CITY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<u>Years Ended May 31,</u>	<u>Tax Levy per Tax Roll</u>	<u>Other Items on Tax Roll</u>	<u>Total Tax Levy</u>	<u>Tax Levy Collected</u> (a)	<u>Percent of Levy Collected</u>
2010	\$ 44,295,682	\$ 405,488	\$ 44,701,170	\$ 44,676,262	99.94%
2009	42,552,860	382,636	42,935,496	42,910,815	99.94%
2008	41,301,210	384,907	41,686,117	41,660,912	99.94%
2007	41,740,531	72,389	41,812,920	41,790,695	99.95%
2006	40,655,930	98,733	40,754,663	40,733,382	99.95%
2005	38,993,380	106,212	39,099,592	39,079,610	99.95%
2004	37,907,386	124,844	38,032,230	38,010,137	99.94%
2003	35,330,032	87,514	35,417,546	35,393,259	99.93%
2002	34,563,503	190,937	34,754,440	34,742,955	99.97%
2001	33,312,618	221,846	33,534,464	33,515,767	99.94%

Source: Incorporated Village of Garden City Assessment Roll.

(a) Collected during the year of levy.

Note: Tax collections received subsequent to year end are not significant and therefore were not included in the above schedule. The Village has a tax sale on an annual basis.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**RATIOS OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Years Ended May 31,	Governmental Activities			Business-type	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Special Assessment Bonds	Capital Loan Payable (b)	General Obligation Bonds			
2010	\$ 7,690,500	\$ 1,610,000	\$ 1,112,282	\$ 10,295,000	\$ 20,707,782	2.08%	\$ 451
2009	6,095,000	1,825,000	1,280,389	6,685,000	15,885,389	1.60%	346
2008	7,415,000	2,040,000	1,436,819	7,495,000	18,386,819	1.85%	400
2007	5,070,000	2,250,000	1,501,339	3,620,000	12,441,339	1.31%	283
2006	5,135,000	- 0 -	589,089	2,440,000	8,164,089	0.89%	192
2005	6,165,000	- 0 -	- 0 -	2,845,000	9,010,000	1.02%	220
2004	7,190,000	- 0 -	- 0 -	3,395,000	10,585,000	1.24%	269
2003	8,260,000	- 0 -	- 0 -	3,935,000	12,195,000	1.48%	320
2002	9,065,000	- 0 -	- 0 -	4,335,000	13,400,000	1.66%	360
2001	10,110,000	- 0 -	- 0 -	3,190,000	13,300,000	1.67%	363

Source: Office of the Village Auditor, Official Statements and the audited financial statements of the Incorporated Village of Garden City.

Note: Details regarding the outstanding debt can be found in the Incorporated Village of Garden City notes to the financial statements.

- (a) See the schedule of Demographic and Economic Statistics for personal income and population.
- (b) The Village received a capital loan from the New York Power authority to finance various projects.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Years Ended May 31,	Population	Taxable Assessed Valuation	General Obligation Bonds	Percentage of General Obligation Bonds to Assessed Value	Net Bonded Debt Per Capita
		(a)			
2010	21,672	\$ 154,968,435	\$ 17,985,500	11.61%	\$ 830
2009	21,672	157,293,794	12,780,000	8.12%	590
2008	21,672	159,200,147	14,910,000	9.37%	688
2007	21,672	159,607,012	8,690,000	5.44%	401
2006	21,672	162,422,067	7,575,000	4.66%	350
2005	21,672	163,064,348	9,010,000	5.53%	416
2004	21,672	164,846,278	10,585,000	6.42%	488
2003	21,672	165,257,666	12,195,000	7.38%	563
2002	21,672	166,354,183	13,400,000	8.06%	618
2001	21,672	166,284,097	13,300,000	8.00%	614

Source: Office of the Village Auditor and the Official Statements of the Incorporated Village of Garden City.

(a) Included tax-exempt values for the prior calendar year.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
As of May 31, 2010

<u>Governmental Unit</u>	<u>Outstanding Indebtedness</u>	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Percentage Applicable</u> (a)	<u>Estimated Share of Overlapping Debt</u>
Direct:					
Village of Garden City	\$ 10,412,782	\$ -0-	\$ 10,412,782		\$ 10,412,782
Overlapping:					
County of Nassau	\$ 3,832,236,000	\$ 578,382,000	\$ 3,253,854,000	2.88%	\$ 93,710,995
Town of Hempstead	293,370,002	38,809,061	254,560,941	5.95%	15,146,376
Garden City School District	<u>29,970,000</u>	<u>-0-</u>	<u>29,970,000</u>	100%	<u>29,970,000</u>
Total overlapping debt	<u>4,155,576,002</u>	<u>617,191,061</u>	<u>3,538,384,941</u>		<u>138,827,371</u>
Total direct and overlapping debt	<u>\$ 4,165,988,784</u>	<u>\$ 617,191,061</u>	<u>\$ 3,548,797,723</u>		<u>\$ 149,240,153</u>

Source: Office of the Village Auditor for the Incorporated Village of Garden City.

(a) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**INCORPORATED VILLAGE OF GARDEN CITY**

**DEBT LIMIT MARGIN INFORMATION**

May 31, 2010

Years Ended May 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2010	\$ 107,046,687	1.51%	\$ 7,089,184,570
2009	109,372,046	1.51%	7,243,181,854
2008	111,278,399	1.52%	7,320,947,303
2007	111,685,264	1.60%	6,980,329,000
2006	112,867,254	1.80%	6,270,403,000
Total Five Year Full Valuation			<u>\$ 34,904,045,727</u>
Average Five Year Full Valuation			<u>6,980,809,145</u>
Debt Limit - 7% of Average Full Valuation			<u>488,656,640</u>
Inclusions:			
Outstanding Bonds			19,595,500
Capital Loan Payable			<u>1,112,282</u>
Total Inclusions			<u>20,707,782</u>
Exclusions:			
Water Debt			9,430,000
Appropriations for Repayment of Outstanding Bonds and Capital Loan			<u>1,411,400</u>
Total Exclusions			<u>10,841,400</u>
Total Net Indebtedness Subject to the Debt Limit			<u>9,866,382</u>
Net Debt Contracting Margin			<u>478,790,258</u>
Percent of Debt Limit Exhausted			2.02%
Percent of Debt Limit Available			97.98%

Last Ten Fiscal Years

Years Ended May 31,	Constitutional Debt Limit	Outstanding Indebtedness May 31,	Less: Exclusions	Indebtedness Subject to Debt Limit	Net Debt Contracting Margin	Percent of Net Debt Contracting Margin Available
2010	\$ 488,656,640	\$ 20,707,782	\$ 10,841,400	\$ 9,866,382	\$ 478,790,258	2.02%
2009	439,761,724	15,885,389	7,163,288	8,722,101	431,039,623	1.98%
2008	402,060,274	18,386,819	8,220,035	10,166,784	391,893,490	2.53%
2007	355,638,965	12,441,339	5,765,991	6,675,348	348,963,617	1.88%
2006	316,732,584	8,164,089	2,170,000	5,994,089	310,738,495	1.89%
2005	278,616,238	9,010,000	2,425,000	6,585,000	272,031,238	2.36%
2004	241,207,052	10,585,000	2,805,000	7,780,000	233,427,052	3.23%
2003	219,106,619	12,195,000	3,080,000	9,115,000	209,991,619	4.16%
2002	203,256,072	13,400,000	3,360,000	10,040,000	193,216,072	4.94%
2001	192,241,693	13,300,000	3,775,000	9,525,000	182,716,693	4.95%

Source: Office of the Village Auditor for the Incorporated Village of Garden City.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

Years Ended May 31,	Population (a)	Personal Income	Per Capita Income	Unemployment Rate (b)	Year-Round Households Estimate (a)	Average Household Size Estimates	Population Density Per Square Mile
2010	21,672	\$ 1,025,186,688	\$ 47,305	6.70%	7,386	2.90	4,128
2009	21,672	995,326,882	45,927	7.40%	7,386	2.90	4,128
2008	21,672	995,924,436	45,954	5.50%	7,386	2.90	4,128
2007	21,672	953,037,738	43,976	4.50%	7,386	2.90	4,128
2006	21,672	919,298,490	42,419	3.10%	7,386	2.90	4,128
2005	21,672	885,559,242	40,862	3.40%	7,386	2.90	4,128
2004	21,672	852,314,856	39,328	3.80%	7,386	2.90	4,128
2003	21,672	826,692,822	38,146	3.90%	7,386	2.90	4,128
2002	21,672	807,311,958	37,251	3.90%	7,386	2.90	4,128
2001	21,672	794,600,652	36,665	3.10%	7,386	2.90	4,128

Sources:

(a) U.S. Census Bureau

(b) This data was provided by the NYS Dept of Labor using the census share methodology with current LAUS data and special tabulations of rounded household-only data from Census 2000. The data prior to 2000 is not comparable since a different method was used. The data used prior to January 2000 was produced using the census share methodology with published LAUS data and census share ratios derived from 1990 Census labor force data for Nassau County and Garden City Village.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**PRINCIPAL EMPLOYERS**  
**CURRENT AND NINE YEARS AGO**

**2010**

Rank	Name of Employer	Type	Number of Employees
1	Adelphi University	Higher Education	1,100
2	Bookspan Inc.	Catalog & Mail-order House	900
3	Garden City Hotel Inc.	Hotel	475
4	Travelex America	Banking	218
5	G3 Worldwide	Direct Mail Advertising Services	200
6	Wallace Packaging Co.	Setup Paperboard Boxes	200
7	Margolin Winer & Evans LLP	Accounting Auditing & Bookkeeping	185
8	Metropolitan Diagnostic Imaging	Medical Doctors	140
9	Jaspan Schlesinger Hoffman LLP	Legal Services	130
10	Visiting Nurse Association of Long Island	Medical Care Provider	129

**2001\***

Name of Employer	Type	Number of Employees
Adelphi University	Higher Education	A
Garden City Hotel Inc.	Hotel	C
Doubleday Direct Incorporated	Catalog & Mail-order House	C
Automobile Club of America	Auto Club	C
Sears, Roebuck & Co.	Department Store	C
Northwest Airlines	Travel	C
May Department Stores	Department Store	C
Esselte Corporation	Packaging & Machinery	C
TR Financial Corporation	Savings Institution	D
Roslyn Bancorp.	Savings Institution	D
Marketspan Corporation	Electrical Services	D

Employment Code	Approximate Number of Employees
A	More than 1000
B	500- 1000
C	250- 499
D	200- 249

Source: The Incorporated Village of Garden City Assessment Roll.

\*Information for the rank of principal employers in 2001 and the percentage of the Village's total employment was not available.

**INCORPORATED VILLAGE OF GARDEN CITY**  
**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Full-Time Equivalent Employees as of May 31,	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Function</b>										
General government support	38	38	38	38	39	38	38	38	38	38
Public safety	103	111	111	112	113	110	109	109	109	107
Transportation	18	20	20	20	20	21	19	19	19	19
Economic assistance and opportunity	69	69	69	69	70	70	69	70	71	71
Culture and recreation	57	57	57	57	57	58	58	58	58	58
Home and community services	21	21	21	21	21	21	21	21	21	21
<b>Total</b>	<u>306</u>	<u>316</u>	<u>316</u>	<u>317</u>	<u>320</u>	<u>318</u>	<u>314</u>	<u>315</u>	<u>316</u>	<u>314</u>

Source: Office of Village Auditor and Official Statements of the Incorporated Village of Garden City.

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**INCORPORATED VILLAGE OF GARDEN CITY**  
**OPERATING INDICATORS BY FUNCTION/ PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Years Ended May 31,</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>FUNCTION</b>					
<b>Public Safety</b>					
Building					
Building permits issued	213	251	377	377	443
Police (calendar year)					
Physical arrests	348	286	351	324	276
Aided cases	1,536	1,503	1,511	1,421	1,484
Traffic violations	7,357	8,576	12,219	13,715	12,776
Parking violations	18,899	19,163	15,745	15,373	15,756
Fire (calendar year)					
Number of calls answered	1,078	1,098	1,265	1,091	1,032
Inspections	474	246	112	447	371
Mutual aid	5	12	12	14	5
<b>Transportation</b>					
Highway and streets					
Street resurfacing (miles)	1.42	1.15	2.00	1.25	1.76
Sidewalk repairs (sf)	22,244	17,379	41,365	32,460	45,084
Curb replacement (lf)	6,559	4,912	12,613	8,303	12,868
Snow plowing (days)	4	4	1	4	9
Ice control (days)	5	11	9	7	22
<b>Culture and Recreation</b>					
Parks & shade trees					
Flowers planted	28,000	29,000	30,000	30,000	30,000
Trees planted	116	159	236	451	340
Recreation					
Pool members	7,426	8,118	8,518	8,810	8,839
Tennis contracts (hours)	144.00	141.00	452.00	146.00	146.50
Tennis lessons (hours)	155.00	156.50	146.50	103.50	105.00
<b>Home and Community Service</b>					
Sanitation					
Refuse collected (tons)	15,741	15,974	16,980	17,400	17,410
Recyclables collected (tons)	2,520	3,135	4,016	2,928	4,057
Leaves composted (cu yds)	2,100	20,500	20,000	20,000	20,000
Sanitary sewers & storm drains					
Sewers relined	0	7,371	0	0	4,545
<b>Water</b>					
Water pumped (billion gallons)	1,425	1,536	1,591	1,800	1,634
Hydrants replaced	25	23	24	30	33
Water main breaks	16	12	10	3	5
Service taps	21	14	12	9	10

\* Statistics not maintained.

Source: Various departments of the Incorporated Village of Garden City.

2005	2004	2003	2002	2001
376	338	487	344	319
305	378	394	305	345
1,470	1,556	1,519	1,478	1,444
13,374	13,007	13,494	13,469	14,239
15,471	16,867	18,064	18,749	19,316
1,076	1,096	1,001	1,026	1,045
305	462	362	378	364
4	8	21	4	10
1.44	2.33	3.67	3.38	4.24
11,138	56,244	64,177	34,774	16,495
8,186	17,595	20,855	21,324	14,210
5	10	7	6	*
19	18	12	9	13
30,000	30,000	30,000	30,000	16,000
373	450	400	550	273
8,846	8,922	9,027	9,241	9,332
149.00	153.50	*	*	*
101.50	90.00	*	*	*
16,721	17,372	16,304	15,494	15,785
4,255	3,273	3,270	3,505	3,596
20,000	20,000	20,000	20,000	20,795
21,192	0	6,728	7,053	2,155
1,623	1,721	1,707	1,755	1,753
36	29	26	31	32
7	8	6	9	7
11	14	12	9	9

**INCORPORATED VILLAGE OF GARDEN CITY**  
**CAPITAL ASSET INDICATORS BY FUNCTION/ PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Years Ended May 31,</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Function					
<b>General Government</b>					
Municipal buildings	25	25	24	24	24
<b>Public Safety</b>					
Police stations	1	1	1	1	1
Police vehicles	25	25	25	25	25
Fire stations	3	3	3	3	3
Fire apparatus	15	15	15	14	14
<b>Transportation</b>					
Highways and streets					
Streets (miles)	73.7	73.7	73.7	73.7	73.7
Streetlights	2,563	2,563	2,555	2,550	2,519
Vehicles	31	31	32	32	32
<b>Culture and Recreation</b>					
Greenspace park acreage (approximate)	301.3	301.3	301.3	301.3	301.3
Street trees	17,077	17,084	16,998	16,825	16,674
Major parks	2	2	2	2	2
Neighborhood parks	6	6	5	5	5
Recreational fields & parks (acres)	98.7	98.7	98.7	98.7	98.7
Swimming pools	3	3	3	3	3
Senior centers	2	2	2	2	2
Vehicles (parks)	19	19	19	19	19
Vehicles (recreation)	15	15	15	15	15
<b>Home and Community Services</b>					
Sanitation					
Transfer stations	1	1	1	1	1
Vehicles	19	19	19	19	19
Sanitary sewers					
Pumping stations	2	2	2	2	2
Sewer mains	68.3	68.3	68.3	68.3	68.3
Storm drains					
Catch basins	1,003	1,003	1,000	1,000	1,000
<b>Water</b>					
Water wells	10	10	10	10	10
Water storage tanks	5	5	5	5	5
Vehicles	15	15	15	15	15

Source: Various departments of the Incorporated Village of Garden City.

2005	2004	2003	2002	2001
24	24	24	24	24
1	1	1	1	1
25	25	25	25	25
3	3	3	3	3
14	14	14	14	14
73.7	73.7	73.7	73.7	73.7
2,491	2,463	2,435	2,407	2,379
32	32	32	32	32
301.3	301.3	301.3	301.3	301.3
16,634	16,561	16,411	16,311	16,061
2	2	2	2	2
5	5	5	5	5
98.7	98.7	98.7	98.7	98.7
3	3	3	3	3
2	2	2	2	2
19	19	19	19	19
15	15	15	15	15
1	1	1	1	1
19	19	19	19	19
2	2	2	2	2
68.3	68.3	68.3	68.3	68.3
1,000	1,000	1,000	1,000	1,000
10	10	10	10	10
5	5	5	5	5
15	15	15	15	15