

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR
THE YEAR ENDED
MAY 31, 2011

INCORPORATED VILLAGE OF GARDEN CITY, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED MAY 31, 2011



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, 2011
TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal1-5
 GFOA Certificate of Achievement7
 Organizational Chart8
 Listing of Village Officials9

FINANCIAL SECTION

Independent Auditors' Report..... 11-12
 Management's Discussion and Analysis 14-22
 Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Assets25
 Statement of Activities26-27
 Fund Financial Statements:
 Balance Sheet – Governmental Funds28
 Reconciliation of the Governmental Funds Balance Sheet to
 the Statement of Net Assets29
 Statement of Revenues, Expenditures, and Changes In Fund
 Balances – Governmental Funds30
 Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures, and Changes in Fund Balances to the Statement
 of Activities31
 Statement of Net Assets – Proprietary Funds32
 Statement of Revenues, Expenses, and Changes In
 Net Assets – Proprietary Funds33
 Statement of Cash Flows – Proprietary Funds.....34-35
 Statement of Assets and Liabilities – Fiduciary Fund36
 Notes to Financial Statements37-62
 Required Supplementary Information:
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund64-69
 Schedule of Funding Progress for Other Postemployment Benefits (OPEB).....70
 Other Supplementary Information:
 Statement of Changes in Agency Assets and Liabilities – Fiduciary Fund72

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED MAY 31, 2011
TABLE OF CONTENTS

STATISTICAL SECTION

Financial Trends:

Net Assets by Component	74-75
Changes in Net Assets	76-79
Fund Balances of Governmental Funds	80-81
Changes in Fund Balances of Governmental Funds	82-83

Revenue Capacity:

Assessed Value, State Equalization Rate, and Estimated Full Value of Real Property	84-85
Direct and Overlapping Property Tax Rates	86-87
Principal Property Taxpayers	88
Property Tax Levies and Collections	89

Debt Capacity:

Ratios Outstanding Debt by Type	90
Ratios of General Bonded Debt Outstanding	91
Direct and Overlapping Governmental Activities Debt	92
Debt Limit Margin Information	93

Demographic and Economic Information:

Demographic and Economic Statistics	94
Principal Employers	95

Operating Information:

Full-Time Equivalent Government Employees by Function	96
Operating Indicators by Function/Program	98-99
Capital Asset Indicators by Function/Program	100-101

MAYOR
DONALD T. BRUDIE

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

INCORPORATED
VILLAGE OF GARDEN CITY
351 STEWART AVENUE
GARDEN CITY, N.Y. 11530-4528

WEBSITE: GARDENCITYNY.NET

TELEPHONE (516) 465-4000

FAX (516) 742-5223



VILLAGE ADMINISTRATOR
ROBERT L. SCHOELLE, JR.

November 23, 2011

To Mayor Brudie, 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 (the "Village") for the 2010-2011 fiscal year which ended on May 31, 2011. It is the responsibility of the Village to ensure 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 Village and the results of operations for the year ended May 31, 2011. 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 (the "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*," as amended. 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 Village 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 Village is a suburban residential community with a population of approximately 22,400. 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'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 2011, projects involving sidewalk and curb restoration, road maintenance, and tree planting 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. Several major renovations of our central business district's parking areas were completed. Due to the favorable borrowing market and in an effort to reduce the immediate burden on taxpayers, these renovations will be financed through a future bond offering.

During the last 12 months, projects enhancing the Village's recreational facilities including new playground equipment with safety surfaces and fence replacements were completed.

Renovations to Village Hall consisting of an elevator, interior corridor and a communications tower are now complete. Water treatment facilities were constructed to ensure the safety of our water supply.

Future Years

The 2011-2012 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 future funding planned to be provided through appropriations, thereby avoiding bonding for continued maintenance items. An annual appropriation is also being maintained to fund sidewalk repair, curb replacement and tree replacement in an effort to keep our bonded debt at the lowest possible level.

For 2011-2012, appropriations for capital items include reductions in projects, the result of the Village Board of Trustees's response to the slow economic recovery designed to minimize the proposed tax rate.

Financial Information

Village finances are accounted for through its various funds. All property taxes and non-tax revenues are accounted for 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 controls through segregation of duties, enforcement of policy regulations, and periodic field audits.

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.

Financial Information (continued)

Internal Controls (continued)

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 300 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 was settled and expires on May 31, 2013. 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. This contract was settled as a result of an arbitrator's decision and expires on May 31, 2014. 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 Professional Firefighters Association of Nassau County and the Civil Service Employees Association Supervisory group.

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 for its comprehensive annual financial report for the year ended May 31, 2010. 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 accounting principles generally accepted in the United States of America and applicable reporting 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.

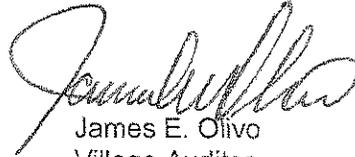
Acknowledgment

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

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, 2010

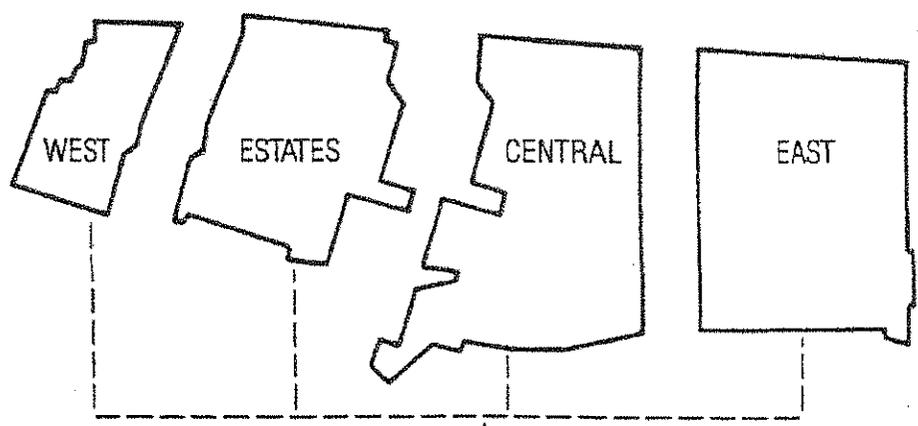
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

VOTERS



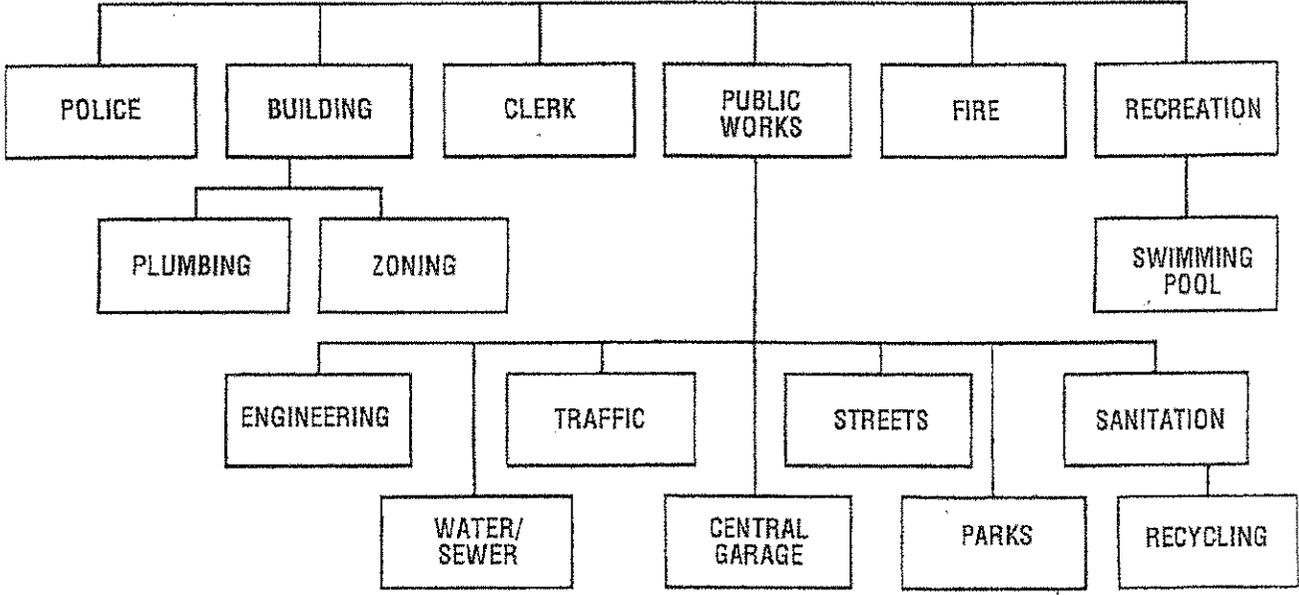
**Mayor &
Board of Trustees***

VILLAGE
JUSTICE*

BOARD &
COMMISSIONS

COUNSEL

VILLAGE
ADMINISTRATOR/
TREASURER



INCORPORATED VILLAGE OF GARDEN CITY, NEW YORK
 LISTING OF VILLAGE OFFICIALS
 MAY 31, 2011

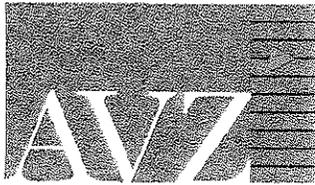
The Mayor and the seven member Board of Trustees are the governing body of the Incorporated Village of Garden City. The Mayor and the Board of Trustees appoint the Village Administrator who serves as the chief administrative officer and fiscal head of the Incorporated Village of Garden City's government 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

Donald T Brudie.....	Mayor
Nicholas P. Episcopia.....	Trustee
John J. Watras.....	Trustee
Andrew J. Cavanaugh.....	Trustee
Dennis C. Donnelly.....	Trustee
Laurence J. Quinn.....	Trustee
Brian C. Daughney.....	Trustee
John A. DeMaro.....	Trustee
Robert L. Schoelle, Jr.	Village Administrator and Treasurer
Ernest J. Cipullo.....	Commissioner of Police
Charles A. Cavarra.....	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

THIS PAGE INTENTIONALLY LEFT BLANK



CERTIFIED PUBLIC ACCOUNTANTS

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, 2011, 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 basic financial 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 the 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, 2011, 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 post-employment 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.

245 PARK AVENUE, 24TH FLOOR
NEW YORK, NY 10167
T: 212.792.4075

25 SUFFOLK COURT
HAUPPAUGE, NY 11788-3715
T: 631.434.9500 F: 631.434.9518



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, supplementary information and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary 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 Vignar, Zach & Company P.C.

Hauppauge, New York
November 23, 2011

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2011**

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, 2011. Please read it in conjunction with the financial statements, which immediately follow this section. Comparative data is available and presented in this 2011 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.

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.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Reporting the Village as a Whole (continued)

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. A complete financial statement can be obtained at the Library's administrative office: Garden City Public Library, 60 7th Street, Garden City, New York 11530.

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 may establish 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 following 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 type of proprietary fund) 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 (another type of proprietary fund) 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, 2011

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, 2011 and 2010 (In Millions)

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2011	2010	2011	2010	2011	2010
Assets						
Current and other assets	\$ 20.48	\$ 22.66	\$ 4.61	\$ 5.14	\$ 25.09	\$ 27.80
Capital assets	54.38	54.76	18.22	19.33	72.60	74.09
Total Assets	<u>74.86</u>	<u>77.42</u>	<u>22.83</u>	<u>24.47</u>	<u>97.69</u>	<u>101.89</u>
Liabilities						
Current and other liabilities	9.55	8.22	2.00	1.92	11.55	10.14
Long-term liabilities	38.91	33.50	10.14	10.77	49.05	44.27
Total Liabilities	<u>48.46</u>	<u>41.72</u>	<u>12.14</u>	<u>12.69</u>	<u>60.60</u>	<u>54.41</u>
Net assets						
Invested in capital assets, net of debt	45.26	45.28	8.51	9.01	53.77	54.29
Unrestricted	(18.86)	(9.58)	2.18	2.77	(16.68)	(6.81)
Total Net Assets	<u>\$ 26.40</u>	<u>\$ 35.70</u>	<u>\$ 10.69</u>	<u>\$ 11.78</u>	<u>\$ 37.09</u>	<u>\$ 47.48</u>

The net assets of the Village's governmental activities decreased by \$9.30 million, or 26.05%, from \$35.70 million to \$26.40 million. Of this net asset balance for governmental activities, \$45.26 million was invested in capital assets, net of related debt; while \$18.86 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 decreased by \$1.09 million, or 9.25%, from \$11.78 million to \$10.69 million. Of this net asset balance for business-type activities, \$8.51 million was invested in capital assets, net of related debt, while \$2.18 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.

Total net assets 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 \$6.46 million, bringing the unfunded liability at year end to \$18.31 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, 2011

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, 2011 and 2010 (In Millions)

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2011	2010	2011	2010	2011	2010
Program Revenues						
Charges for services	\$ 3.09	\$ 3.05	\$ 6.76	\$ 5.59	\$ 9.85	\$ 8.64
Operating grants and contributions	0.01	0.02			0.01	0.02
Capital grants and contributions	0.82	0.66			0.82	0.66
Total Program Revenues	3.92	3.73	6.76	5.59	10.68	9.32
General Revenues						
Real property taxes	44.33	44.31			44.33	44.31
Other real property tax items	0.65	0.60			0.65	0.60
Non-property tax items	1.09	0.96			1.09	0.96
Earnings on investments	0.15	0.20	0.04	0.03	0.19	0.23
Grants - unrestricted	0.80	0.89			0.80	0.89
Legal settlement			0.03	1.32	0.03	1.32
Other	0.44	1.38			0.44	1.38
Total General Revenues	47.46	48.34	0.07	1.35	47.53	49.69
Total Revenues	51.38	52.07	6.83	6.94	58.21	59.01
Program Expenses						
General government support	13.69	13.89			13.69	13.89
Public safety	22.20	20.60			22.20	20.60
Transportation	4.94	4.41			4.94	4.41
Economic assistance and opportunity	0.03	0.02			0.03	0.02
Culture and recreation	7.94	7.46			7.94	7.46
Home and community services	11.56	12.14			11.56	12.14
Interest on debt	0.32	0.31			0.32	0.31
Pool			1.16	1.12	1.16	1.12
Tennis			0.46	0.42	0.46	0.42
Water			6.30	5.37	6.30	5.37
Total Program Expenses	60.68	58.83	7.92	6.91	68.60	65.74
Change in Net Assets	(9.30)	(6.76)	(1.09)	0.03	(10.39)	(6.73)
Net Assets at Beginning of Year	35.70	42.46	11.78	11.75	47.48	54.21
Net Assets at End of Year	\$ 26.40	\$ 35.70	\$ 10.69	\$ 11.78	\$ 37.09	\$ 47.48

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2011**

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (continued)

During the year ended May 31, 2011, government-wide revenues decreased from the prior year by approximately \$790,000 while government-wide expenditures increased from the prior year by approximately \$2.86 million.

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

- Increase in water sales of \$1.17 million mainly due to a 5.00% increase in water rates and a decrease in precipitation with a corresponding increase in water consumption.
- Increase in capital grants and contributions of approximately \$164,000 due to increases in reimbursements from the Federal and State governments.
- Increase in non-property taxes items of approximately \$130,000 due to increases in Public Utility Gross Receipts Taxes and Franchise Fees.
- Decrease in water general revenues of \$1.29 million primarily due to the recognition of a methyl tertiary butyl ether products settlement in the prior year.
- Decrease in other general revenues of approximately \$945,000 due to the recognition of general liability and workers' compensation claim settlements in the prior year for which there was no corresponding current year activity.

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

- Increase in public safety of \$1.60 million or 7.77% from the prior year of \$20.60 million to \$22.20 million, primarily due to an increase in police department and fire department salaries and employee benefits.
- Increase in water fund expenditures of approximately \$930,000 or 17.32% from the prior year of \$5.37 million to \$6.30 million, primarily due to an increase in electricity expenditures as a result of an increase in gallons pumped, an increase in litigation costs due to an environmental cost recovery lawsuit and an increase in depreciation expense, bond interest and employee benefits.
- Increase in transportation of approximately \$530,000 or 12.02% from the prior year of \$4.41 million to \$4.94 million, primarily due to an increase in salaries and employee benefits.
- Increase in culture and recreation of approximately \$480,000 or 6.43% from the prior year of \$7.46 million to \$7.94 million, primarily due to an increase in employee benefits.
- Decrease in home and community of approximately \$580,000 or 4.78% from the prior year of \$12.14 million to \$11.56 million, primarily due to a decrease in salaries and a decrease in the contribution to the Garden City Public Library (component unit).

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
 May 31, 2011

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (continued)

Net Cost of Services

Governmental Activities

Year Ended May 31, 2011 (In Millions)

	Total Cost of Services	Program Revenues	Net Cost of Services
General government support	\$ 13.69	\$ 0.02	\$ 13.67
Public safety	22.20	1.83	20.37
Transportation	4.94	1.02	3.92
Economic assistance and opportunity	0.03		0.03
Culture and recreation	7.94	0.53	7.41
Home and community services	11.56	0.52	11.04
Interest on debt	0.32		0.32
	<u>\$ 60.68</u>	<u>\$ 3.92</u>	<u>\$ 56.76</u>

The cost of all governmental activities this year was \$60.68 million. As shown in the Statement of Activities, the amount that taxpayers financed for these activities through Village taxes was \$44.33 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

Variations between years for the governmental fund financial statements are not the same as variations 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 \$152,000 for the year ended May 31, 2011. Revenues increased from the prior year by approximately \$478,000, primarily due to an increase in sale of property and compensation for loss of approximately \$149,000, an increase in non-property tax items of approximately \$130,000, an increase in State and Federal aid of approximately \$89,000, an increase in fines and forfeitures of approximately \$80,000 and an increase in miscellaneous local sources of approximately \$28,000. Expenditures increased from the prior year by approximately \$640,000. This was primarily due to an increase in employee benefits expenditures of \$1.67 million, an increase in public safety expenditures of approximately \$378,000 and an increase in transportation expenditures of approximately \$355,000, which was offset by a decrease in general government support expenditures of approximately \$980,000, a decrease in culture and recreation expenditures of approximately \$558,000 and a decrease in home and community expenditures of approximately \$214,000.

The Capital Projects Fund's fund balance decreased by \$2.58 million for the year ended May 31, 2011 as a result of the Village utilizing prior year unspent bond proceeds and current year and prior year budgeted General Fund transfers to fund current year capital outlay expenditures. A portion of these expenditures will be reimbursed when general obligation bonds are issued in the year ending May 31, 2012.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
 May 31, 2011

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village appropriated expenditures in the original General Fund budget in excess of estimated revenues in the amount of \$2.68 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 \$547,000 from the original expenditure budget. The majority of this increase was for public safety related salaries.

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 approximately \$145,000, unbudgeted Federal aid in the amount of approximately \$202,000 and higher than budgeted insurance recoveries of approximately \$170,000. The effect of this was offset by lower than expected fines and forfeitures of approximately \$527,000. Overall, total expenditures, including operating transfers out, was \$2.76 million less than originally budgeted. This favorable expenditure variance was driven by lower refunds of real property taxes (tax certiorari settlements) and the implementation of tight 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, 2011 and 2010 (In Millions)

Governmental Activities:	2011	2010
Land	\$ 16.61	\$ 16.61
Buildings	22.16	21.47
Improvements other than buildings	7.02	6.93
Machinery and equipment	17.81	17.75
Infrastructure:		
Roads, curbs, and sidewalks	35.37	32.72
Drainage and sewer systems	10.74	10.70
Total capital assets	109.71	106.18
Less: accumulated depreciation	55.33	51.42
Total net governmental capital assets	\$ 54.38	\$ 54.76
Business-type Activities:		
Land	\$ 0.07	\$ 0.07
Construction in progress – water systems	0.06	2.24
Buildings	8.25	8.25
Improvements other than buildings	14.52	14.04
Machinery and equipment	13.05	11.05
Total capital assets	35.95	35.65
Less: accumulated depreciation	17.72	16.32
Total net business-type capital assets	\$ 18.23	\$ 19.33

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
 May 31, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

As of May 31, 2011, the Village's governmental activities had \$54.38 million in net capital assets, a decrease of approximately \$384,000 from prior year. The Village's business-type activities had \$18.23 million in net capital assets, a decrease of \$1.10 million 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 \$1.77 million.

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 maintained the Village's credit rating at "Aaa" during the year ended May 31, 2011.

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, 2011 was 1.68%.

Outstanding debt at May 31, 2011 and 2010 (In Millions)

Governmental Activities:	2011	2010
Capital loan payable	\$ 0.94	\$ 1.11
Special assessment bond payable with governmental commitment	1.37	1.61
General obligation bonds payable, exclusive of premium	6.80	7.69
Total outstanding debt, governmental activities	\$ 9.11	\$ 10.41
 Business-type Activities:		
General obligation bonds payable, exclusive of premium	\$ 9.70	\$ 10.30
Total outstanding debt, business-type activities	\$ 9.70	\$ 10.30

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2011**

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Debt Limit (continued)

The above does not include premiums related to general obligation bonds in the amount of \$14,500 and \$15,697 for the governmental activities and business-type activities, respectively as of May 31, 2011 and \$17,118 and \$18,487, respectively as of May 31, 2010.

Additional information on the Village's debt activity can be found in Note C.4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Property Tax

The Village has adopted a budget for the 2011-2012 fiscal year, which factors in inflation and other adjustments to revenues and expenditures as well as prior year positive and negative fund balances. The 2011-2012 budget includes an overall increase in real property tax revenues of approximately \$220,000, which is the result of an increase in the tax rate of 1.74% from the prior year.

In June 2011, New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2.00% property tax cap for municipalities. For fiscal years, beginning in 2012 and lasting through at least June 15, 2016, no local government is authorized to increase its property tax levy by more than 2.00% or the rate of inflation (whichever is less). Local governments can exceed the tax levy limit by a 60.00% vote of the governing body and annually adopting a local law. There are permitted exceptions and adjustments. The Village is currently evaluating the effect of the cap on future budgets.

State Aid and Local Assistance

The Village receives financial assistance from New York State and from Nassau County. During 2011, financial assistance included mortgage tax of approximately \$592,000, state aid – per capita of approximately \$212,000 and consolidated local street and highway improvement aid of approximately \$315,000. 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 2011-2012 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, 2012, the Village anticipates that assessment refunds will not exceed the budgeted allocation.

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

INCORPORATED VILLAGE OF GARDEN CITY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET ASSETS
 May 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash	\$ 18,602,799	\$ 3,726,293	\$ 22,329,092	\$ 472,201
Property taxes receivable	330,617		330,617	
Accounts receivable	367,476	771,978	1,139,454	49
Due from other governments	386,574		386,574	386
Internal balances	22,499	(22,499)	-0-	
Due from primary government			-0-	335
Inventory of material and supplies	767,083	134,836	901,919	
Total Current Assets	<u>20,477,048</u>	<u>4,610,608</u>	<u>25,087,656</u>	<u>472,971</u>
Noncurrent Assets:				
Non-depreciable capital assets	16,603,615	126,882	16,730,497	
Depreciable capital assets, net of depreciation	<u>37,773,404</u>	<u>18,097,829</u>	<u>55,871,233</u>	
Total Noncurrent Assets	<u>54,377,019</u>	<u>18,224,711</u>	<u>72,601,730</u>	<u>-0-</u>
Total Assets	<u>74,854,067</u>	<u>22,835,319</u>	<u>97,689,386</u>	<u>472,971</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and other current liabilities	2,581,819	336,906	2,918,725	128,283
Due to New York State retirement systems	584,474	39,339	623,813	45,260
Due to component unit	335		335	
Unearned revenues	90,809	521,138	611,947	
Noncurrent liabilities due within one year:				
Compensated absences	389,292	15,084	404,376	
Claims and judgments payable	1,570,055		1,570,055	
Tax certioraris payable	2,800,000		2,800,000	
Capital loan payable	175,820		175,820	
Special assessment bond payable with governmental commitment	240,000		240,000	
General obligation bonds payable	<u>1,113,118</u>	<u>1,082,790</u>	<u>2,195,908</u>	
Total Current Liabilities	<u>9,545,722</u>	<u>1,995,257</u>	<u>11,540,979</u>	<u>173,543</u>
Noncurrent Liabilities:				
Compensated absences	7,396,552	286,583	7,683,135	
Claims and judgments payable	6,839,379		6,839,379	
Other postemployment benefits payable	17,085,813	1,226,796	18,312,609	
Capital loan payable	762,191		762,191	
Special assessment bond payable with governmental commitment	1,130,000		1,130,000	
General obligation bonds payable	<u>5,696,882</u>	<u>8,627,907</u>	<u>14,324,789</u>	
Total Noncurrent Liabilities	<u>38,910,817</u>	<u>10,141,286</u>	<u>49,052,103</u>	<u>-0-</u>
Total Liabilities	<u>48,456,539</u>	<u>12,136,543</u>	<u>60,593,082</u>	<u>173,543</u>
NET ASSETS				
Invested in capital assets, net of related debt	45,259,008	8,514,014	53,773,022	
Unrestricted	<u>(18,861,480)</u>	<u>2,184,762</u>	<u>(16,676,718)</u>	<u>299,428</u>
Total Net Assets	<u>\$ 26,397,528</u>	<u>\$ 10,698,776</u>	<u>\$ 37,096,304</u>	<u>\$ 299,428</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended May 31, 2011

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Government Activities:				
General government support	\$ 13,691,507	\$ 24,710		
Public safety	22,205,619	1,826,918	\$ 4,374	
Transportation	4,939,638	450,732		\$ 568,725
Economic assistance and opportunity	30,676			
Culture and recreation	7,938,041	526,144	4,326	
Home and community services	11,559,197	265,089		249,935
Interest on debt	318,151			
Total Governmental Activities	<u>60,682,829</u>	<u>3,093,593</u>	<u>8,700</u>	<u>818,660</u>
Business-type Activities:				
Pool	1,164,447	1,092,315		
Tennis	458,895	352,000		
Water	6,292,376	5,320,417		
Total Business-type Activities	<u>7,915,718</u>	<u>6,764,732</u>	<u>-0-</u>	<u>-0-</u>
Total Primary Government	<u>\$ 68,598,547</u>	<u>\$ 9,858,325</u>	<u>\$ 8,700</u>	<u>\$ 818,660</u>
COMPONENT UNIT				
Garden City Public Library	\$ 3,510,278	\$ 79,715	\$ 1,098	
Total Component Unit	<u>\$ 3,510,278</u>	<u>\$ 79,715</u>	<u>\$ 1,098</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
\$ (13,666,797)		\$ (13,666,797)	
(20,374,327)		(20,374,327)	
(3,920,181)		(3,920,181)	
(30,676)		(30,676)	
(7,407,571)		(7,407,571)	
(11,044,173)		(11,044,173)	
(318,151)		(318,151)	
<u>(56,761,876)</u>	<u>\$ -0-</u>	<u>(56,761,876)</u>	
	(72,132)	(72,132)	
	(106,895)	(106,895)	
	(971,959)	(971,959)	
<u>-0-</u>	<u>(1,150,986)</u>	<u>(1,150,986)</u>	
<u>(56,761,876)</u>	<u>(1,150,986)</u>	<u>(57,912,862)</u>	
			<u>\$ (3,429,465)</u>
			<u>(3,429,465)</u>
44,328,042		44,328,042	
653,051		653,051	
1,088,762		1,088,762	
148,289	35,519	183,808	4,845
807,361		807,361	3,003,883
	29,392	29,392	
440,161		440,161	26,008
<u>47,465,666</u>	<u>64,911</u>	<u>47,530,577</u>	<u>3,034,736</u>
(9,296,210)	(1,086,075)	(10,382,285)	(394,729)
<u>35,693,738</u>	<u>11,784,851</u>	<u>47,478,589</u>	<u>694,157</u>
<u>\$ 26,397,528</u>	<u>\$ 10,698,776</u>	<u>\$ 37,096,304</u>	<u>\$ 299,428</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
May 31, 2011

ASSETS	Major Funds		
	General	Capital Projects	Totals
Cash	\$ 10,563,222	\$ 40,929	\$ 10,604,151
Property taxes receivable	330,617		330,617
Accounts receivable	367,476		367,476
Due from other funds	38,999		38,999
Due from component unit	22,746		22,746
Due from other governments	386,574		386,574
Inventory of materials and supplies	767,083		767,083
Total Assets	\$ 12,476,717	\$ 40,929	\$ 12,517,646
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 1,932,499	\$ 630,854	\$ 2,563,353
Due to New York State retirement systems	584,474		584,474
Due to other funds	33,835		33,835
Due to component unit	23,081		23,081
Deferred revenues	421,426		421,426
Advances from other funds	105,619		105,619
Total Liabilities	3,100,934	630,854	3,731,788
 Fund Balances (Deficit)			
Fund Balance - Reserved	5,087,946	1,769,305	6,857,251
Fund Balance - Unreserved:			
Designated for:			
Subsequent year's budget	1,913,685		1,913,685
Undesignated, reported in:			
General Fund	2,374,152		2,374,152
Capital Projects Fund		(2,359,230)	(2,359,230)
Total Fund Balances (Deficit)	9,375,783	(589,925)	8,785,858
Total Liabilities and Fund Balances (Deficit)	\$ 12,476,717	\$ 40,929	\$ 12,517,646

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, 2011

TOTAL FUND BALANCES- GOVERNMENTAL FUNDS **\$ 8,785,858**

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	93,100,217	
Accumulated depreciation	<u>(55,326,813)</u>	
		54,377,019

Internal Service Fund is used to account for the Village's risk retention and charges to individual funds		8,121,602
-----------------------------------------------------------------------------------------------------------	--	-----------

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	(7,785,844)	
Claims and judgments payable	(8,409,434)	
Tax certioraris payable	(2,800,000)	
Other postemployment benefits payable	(17,085,813)	
Capital loan payable	(938,011)	
Special assessment bond payable with governmental commitment	(1,370,000)	
General obligation bonds payable, inclusive of premium	<u>(6,810,000)</u>	
		(45,199,102)

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		(18,466)
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	----------

Other assets and liabilities not reported in the governmental funds		<u>330,617</u>
---------------------------------------------------------------------	--	----------------

NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 26,397,528**

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, 2011

	General	Capital Projects	Total Governmental Funds
REVENUES			
Real property taxes and tax items	\$ 44,319,271		\$ 44,319,271
Other real property tax items	653,051		653,051
Non-property tax items	1,088,762		1,088,762
Departmental income	1,720,136		1,720,136
Intergovernmental charges	21,335		21,335
Use of money and property	232,498		232,498
Licenses and permits	103,790		103,790
Fines and forfeitures	1,051,891		1,051,891
Special assessments	253,987		253,987
Sale of property and compensation for loss	359,219		359,219
Miscellaneous local sources	77,717		77,717
State and local aid	1,240,108		1,240,108
Federal aid	202,338		202,338
Total Revenues	51,324,103		51,324,103
EXPENDITURES			
Current:			
General government support	9,553,930		9,553,930
Public safety	13,379,418		13,379,418
Transportation	2,793,972		2,793,972
Economic assistance and opportunity	30,676		30,676
Culture and recreation	7,342,945		7,342,945
Home and community services	5,604,541		5,604,541
Employee benefits	9,685,429		9,685,429
Capital outlay		\$ 3,732,113	3,732,113
Debt service:			
Principal	1,309,271		1,309,271
Interest	323,623		323,623
Total Expenditures	50,023,805	3,732,113	53,755,918
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	1,300,298	(3,732,113)	(2,431,815)
OTHER FINANCING SOURCES (USES)			
Transfers in	144,791	1,293,430	1,438,221
Transfers out	(1,293,430)	(144,791)	(1,438,221)
Total Other Financing Sources (Uses)	(1,148,639)	1,148,639	-0-
Net Change in Fund Balances	151,659	(2,583,474)	(2,431,815)
Fund Balances at Beginning of Year	9,224,124	1,993,549	11,217,673
Fund Balances (Deficit) at End of Year	\$ 9,375,783	\$ (589,925)	\$ 8,785,858

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, 2011

NET CHANGE IN FUND BALANCES \$ (2,431,815)

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	\$	3,895,087	
Depreciation expense		(4,268,166)	
Loss on dispositions		(10,692)	
		(383,771)	(383,771)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 8,771

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		(287,070)	
Tax certioraris payable		(839,200)	
Other postemployment benefits payable		(5,965,220)	
Repayment of capital loan		174,271	
Repayment of special assessment bond with governmental commitment		240,000	
Repayment of bond principal		895,000	
Amortization of bond premiums		2,618	
Accrued interest costs		5,472	
		(5,774,129)	(5,774,129)

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		(780,164)	
Other change in net assets		64,898	
		(715,266)	(715,266)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (9,296,210)

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
 May 31, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	Pool	Tennis	Water	Total Enterprise Funds	Internal Service Fund
ASSETS					
Current Assets:					
Cash	\$ 133,480	\$ 295,220	\$ 3,297,593	\$ 3,726,293	\$ 7,998,648
Accounts receivable	2,005	397	769,576	771,978	
Due from other funds					33,835
Inventory of materials and supplies			134,836	134,836	
Total Current Assets	<u>135,485</u>	<u>295,617</u>	<u>4,202,005</u>	<u>4,633,107</u>	<u>8,032,483</u>
Noncurrent Assets:					
Advances to other funds					105,619
Non-depreciable capital assets			126,882	126,882	
Depreciable capital assets, net of depreciation	474,836	287,009	17,335,984	18,097,829	
Total Noncurrent Assets	<u>474,836</u>	<u>287,009</u>	<u>17,462,866</u>	<u>18,224,711</u>	<u>105,619</u>
Total Assets	<u>610,321</u>	<u>582,626</u>	<u>21,664,871</u>	<u>22,857,818</u>	<u>8,138,102</u>
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued liabilities	27,792	7,187	301,927	336,906	
Collections in advance- membership fees	448,843	72,295		521,138	
Due to New York State retirement systems	2,630	2,812	33,897	39,339	
Due to other funds	1,719	2,500	18,280	22,499	16,500
Compensated absences	927	564	13,593	15,084	
General obligation bonds payable	77,000	48,000	957,790	1,082,790	
Claims and judgments payable					1,570,055
Total Current Liabilities	<u>558,911</u>	<u>133,358</u>	<u>1,325,487</u>	<u>2,017,756</u>	<u>1,586,555</u>
Noncurrent Liabilities:					
Compensated absences	17,603	10,710	258,270	286,583	
Other postemployment benefits payable	88,185	45,392	1,093,219	1,226,796	
General obligation bonds payable	394,000	246,000	7,987,907	8,627,907	
Claims and judgments payable					6,839,379
Total Noncurrent Liabilities	<u>499,788</u>	<u>302,102</u>	<u>9,339,396</u>	<u>10,141,286</u>	<u>6,839,379</u>
Total Liabilities	<u>1,058,699</u>	<u>435,460</u>	<u>10,664,883</u>	<u>12,159,042</u>	<u>8,425,934</u>
NET ASSETS (DEFICIT)					
Investment in capital assets, net of related debt	3,836	(6,991)	8,517,169	8,514,014	
Unrestricted	(452,214)	154,157	2,482,819	2,184,762	(287,832)
Total Net Assets (Deficit)	<u>\$ (448,378)</u>	<u>\$ 147,166</u>	<u>\$ 10,999,988</u>	<u>\$ 10,698,776</u>	<u>\$ (287,832)</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, 2011

	<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>	
OPERATING REVENUES					
Charges for services:					
Water sales			\$ 4,447,427	\$ 4,447,427	
Public fire protection			564,377	564,377	
Water services for other governments			194,634	194,634	
Intergovernmental sales			67,157	67,157	
Membership and guest fees	\$ 991,966	\$ 350,797		1,342,763	
Other operating revenues	100,349	1,203	46,822	148,374	\$ 34,376
Premiums Charged for Risk Retention:					
General fund					3,157,096
Enterprise funds					235,956
Component unit- Garden City Public Library					145,000
Total Operating Revenues	<u>1,092,315</u>	<u>352,000</u>	<u>5,320,417</u>	<u>6,764,732</u>	<u>3,572,428</u>
OPERATING EXPENSES					
Pumping			1,194,177	1,194,177	
Transmission and distribution			745,664	745,664	
Purification			343,945	343,945	
Other operating expenses	816,974	307,143	1,291,725	2,415,842	
Administrative and general	177,713	65,597	1,251,158	1,494,468	16,500
Depreciation	145,467	70,954	1,176,232	1,392,653	
Excess insurance					1,603,182
Claims and judgments					647,825
Workers' compensation					2,047,632
Total Operating Expenses	<u>1,140,154</u>	<u>443,694</u>	<u>6,002,901</u>	<u>7,586,749</u>	<u>4,315,139</u>
Loss from Operations	<u>(47,839)</u>	<u>(91,694)</u>	<u>(682,484)</u>	<u>(822,017)</u>	<u>(742,711)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest on investments	750	1,081	33,688	35,519	27,445
Legal settlement			29,392	29,392	
Interest on debt	(24,293)	(15,201)	(289,475)	(328,969)	
Total Non-Operating Revenues (Expenses)	<u>(23,543)</u>	<u>(14,120)</u>	<u>(226,395)</u>	<u>(264,058)</u>	<u>27,445</u>
Changes in Net Assets	<u>(71,382)</u>	<u>(105,814)</u>	<u>(908,879)</u>	<u>(1,086,075)</u>	<u>(715,266)</u>
Total Net Assets (Deficit)					
at Beginning of Year	<u>(376,996)</u>	<u>252,980</u>	<u>11,908,867</u>	<u>11,784,851</u>	<u>427,434</u>
Total Net Assets (Deficit)					
at End of Year	<u>\$ (448,378)</u>	<u>\$ 147,166</u>	<u>\$ 10,999,988</u>	<u>\$ 10,698,776</u>	<u>\$ (287,832)</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended May 31, 2011

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	Pool	Tennis	Water	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Revenue Collected:					
Water sales			\$ 4,304,469	\$ 4,304,469	
Public fire protection			564,377	564,377	
Water services for other governments			194,634	194,634	
Intergovernmental sales			67,157	67,157	
Membership and guest fees	\$ 1,003,692	\$ 418,365		1,422,057	
Other receipts	100,349	1,203	46,822	148,374	\$ 34,376
Cash for interfund services provided					3,538,052
Payments for Expenses:					
Payments to suppliers	(314,572)	(126,925)	(2,366,676)	(2,808,173)	(3,534,975)
Compensation and related expenses	(601,728)	(215,243)	(1,827,707)	(2,644,678)	
Cash paid for internal services provided	(59,672)	(7,898)	(168,386)	(235,956)	
Net Cash Provided by Operating Activities	128,069	69,502	814,690	1,012,261	37,453
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from legal settlement			1,307,678	1,307,678	
Advances to other funds				-0-	34,863
Net Cash Provided by Noncapital and Related Financing Activities	-0-	-0-	1,307,678	1,307,678	34,863
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets			(291,311)	(291,311)	
Principal paid on capital debt	(61,000)	(39,000)	(1,002,790)	(1,102,790)	
Interest paid on capital debt	(24,293)	(15,201)	(289,475)	(328,969)	
Net Cash Used by Capital and Related Financing Activities	(85,293)	(54,201)	(1,583,576)	(1,723,070)	-0-
CASH FLOWS FROM INVESTING ACTIVITIES					
Due to other funds	1,719	2,500	18,280	22,499	16,500
Interest and earnings received	750	1,081	30,898	32,729	27,445
Net Cash Provided by investing Activities	2,469	3,581	49,178	55,228	43,945
Net Change in Cash	45,245	18,882	587,970	652,097	116,261
Cash at Beginning of Year	88,235	276,338	2,709,623	3,074,196	7,882,387
Cash at End of Year	\$ 133,480	\$ 295,220	\$ 3,297,593	\$ 3,726,293	\$ 7,998,648

(continued)

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended May 31, 2011

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:**

Loss from Operations	\$ (47,839)	\$ (91,694)	\$ (682,484)	\$ (822,017)	\$ (742,711)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Accounts receivable	(1,267)	(177)	(142,958)	(144,402)	
Inventory			30,541	30,541	
Depreciation expense	145,467	70,954	1,176,232	1,392,653	
Accounts payable and accrued liabilities	(14,959)	681	(485,768)	(500,046)	
Due to New York State retirement system	1,315	1,639	13,824	16,778	
Due to other funds					
Compensated absences	2,683	(427)	(39,753)	(37,497)	
Other postemployment benefits payable	29,676	20,781	945,056	995,513	
Collections in advance	12,993	67,745		80,738	
Claims and judgments payable					780,164
					780,164
Net Cash Provided by Operating Activities	\$ 128,069	\$ 69,502	\$ 814,690	\$ 1,012,261	\$ 37,453

NON CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Amortization of bond premiums			\$ 2,790	\$ 2,790	
Total Non Cash Investing, Capital and Financing Activities:	\$ -0-	\$ -0-	\$ 2,790	\$ 2,790	\$ -0-

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
 May 31, 2011

	Agency Fund
ASSETS	
Cash	\$ 2,968,107
Total Assets	\$ 2,968,107
 LIABILITIES	
Building fees and other deposits	\$ 2,385,440
Justice court fund	123,302
Other agency liabilities	459,365
Total Liabilities	\$ 2,968,107

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2011

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

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

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 Village; and (b) organizations for which the primary government is financially accountable. The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth in GASB Statement No. 14, "*The Financial Reporting Entity*," as amended, 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, 2011

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, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments", 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, 2011

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, 2011

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, 2011

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, 2011, the Village did not have any cash equivalents. 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. There were no unamortized bond issue costs remaining at May 31, 2011.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2011

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/unearned 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, 2011

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, 2011.
- 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, 2011, the maximum amount of taxes which could be levied by the Village based on the foregoing was \$134,385,685. The actual real property taxes levied by the Village for the year ended May 31, 2011 was \$44,317,329. The State Constitution limits the amount of revenue which the Village can raise from the real estate tax for operating purposes to 2.00% 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, 2011

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, 2011

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.

6. NEW PRONOUNCEMENTS

The Village has adopted the following pronouncements for the year ended May 31, 2011:

- GASB Statement No. 51, "*Accounting and Financial Reporting for Intangible Assets*". This statement establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies in reporting of these types of assets. The statement requires that all intangible property not specifically excluded by its scope and provisions be classified as capital assets.
- GASB Statement No. 53, "*Accounting and Financial Reporting for Derivative Instruments*". The statement addresses the recognition, measurement, and disclosure information regarding derivative instruments entered into by state and local governments.
- GASB Statement No. 58, "*Accounting and Financial Reporting for Chapter 9 Bankruptcies*". This statement provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United State Bankruptcy Code.

The Village's management has determined that these new accounting principles had no effect on these financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

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.

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, 2011 is as follows:

General Fund:	
Reserve for encumbrances	\$ 513,323
Inventory of materials and supplies	767,073
Reserve for Civil Practice Law Rules	26,369
Reserve for accrued employee benefit liability	<u>3,781,181</u>
Total General Fund	<u>\$ 5,087,946</u>
Capital Projects Fund:	
Reserve for encumbrances	<u>\$ 1,769,305</u>

FUND BALANCE DEFICIT

The Capital Projects Fund deficit of \$589,925 resulted from differences in timing between project expenditures and encumbrances and the recognition of corresponding financing sources. This deficit will be eliminated in the subsequent year when general obligation bonds are issued.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2011

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.

GASB Statement No. 40, "*Deposit and Investment Risk Disclosure-an amendment to GASB Statement No. 3*" directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

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

At May 31, 2011, the Village's cash book balance was \$25,295,349. This amount is inclusive of Fiduciary fund deposits of \$2,968,107 but exclusive of petty cash of \$1,850. The bank balance was \$25,752,883. Of the bank balance, \$870,172 was covered by Federal deposit insurance, and \$24,882,711 was covered by collateral held by the Village's agent, a third-party financial institution, in the Village's name.

At May 31, 2011, the Village's component unit's cash book and bank balance was \$471,901. This amount is exclusive of petty cash of \$300. Of the bank balance, \$70,277 was covered by Federal deposit insurance, the remaining bank balance of \$401,624 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.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

C. DETAIL NOTES ON ALL FUNDS (continued)

1. CASH (continued)

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, 2011, 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 balance for the Governmental Funds and interfund payable balances for the Business-type Funds at May 31, 2011 represent reimbursements of operating expenditures. The interfund receivable balance for the Business-type Funds and interfund payable balance for the Governmental Funds at May 31, 2011 represents the current portion of the principal balance for a loan made to provide a financing source for the purchase of equipment and is subject to a 2.00% interest rate. All interfund receivable and payable balances which will be reimbursed subsequent to year end are stated as follows:

	<u>Amount Receivable</u>		<u>Amount Payable</u>
Governmental Funds:			
General Fund	\$ 38,999	\$	33,835
Business-type Funds:			
Pool Fund			1,719
Tennis Fund			2,500
Water Fund			18,280
Internal Service Fund	33,835		16,500
Total	<u>\$ 72,834</u>	<u>\$</u>	<u>72,834</u>

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 year ending May 31, 2012 and is stated as follows:

	<u>Amount Receivable</u>		<u>Amount Payable</u>
General Fund		\$	105,619
Internal Service Fund	\$ 105,619		
Total	<u>\$ 105,619</u>	<u>\$</u>	<u>105,619</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

C. DETAIL NOTES ON ALL FUNDS (continued)

2. INTERFUND RECEIVABLE AND PAYABLE (continued)

The annual payment requirement including principal and interest for the short-term portion of the interfund loan and the associated long-term advance to/from other funds is as follows:

	Principal	Interest	Total Principal and Interest
Years ending May 31, 2012	\$ 33,835	\$ 2,789	\$ 36,624
2013	34,511	2,113	36,624
2014	35,202	1,422	36,624
2015	35,906	718	36,624
Total	\$ 139,454	\$ 7,042	\$ 146,496

3. CAPITAL ASSETS

A summary of changes within the governmental activities capital assets for the year ended May 31, 2011 is as follows:

	Balance June 1, 2010	Additions	Deletions	Balance May 31, 2011
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 16,603,615			\$ 16,603,615
Depreciable capital assets:				
Buildings	21,474,184	\$ 688,565		22,162,749
Improvements other than buildings	6,934,468	83,972	\$ 331	7,018,109
Machinery and equipment	17,754,678	429,974	375,438	17,809,214
Infrastructure:				
Roads, curbs and sidewalks	32,720,253	2,650,733		35,370,986
Drainage and sewer systems	10,697,316	41,843		10,739,159
Total depreciable capital assets	89,580,899	3,895,087	375,769	93,100,217
Less accumulated depreciation:				
Buildings	12,941,531	1,073,666		14,015,197
Improvements other than buildings	4,697,124	363,790	211	5,060,703
Machinery and equipment	12,780,260	1,021,435	364,866	13,436,829
Infrastructure:				
Roads, curbs and sidewalks	15,669,853	1,485,113		17,154,966
Drainage and sewer systems	5,334,956	324,162		5,659,118
Total accumulated depreciation	\$ 51,423,724	\$ 4,268,166	\$ 365,077	55,326,813
Total net depreciable capital assets				37,773,404
Total net capital assets				\$ 54,377,019

Depreciation expense was charged to governmental functions as follows:

General government support	\$ 903,270
Public safety	388,627
Transportation	1,186,745
Culture and recreation	1,156,241
Home and community services	633,283
Total governmental activities depreciation expense	\$ 4,268,166

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

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, 2011 is as follows:

	Balance June 1, 2010	Additions	Deletions	Balance May 31, 2011
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 69,212			\$ 69,212
Construction in progress	2,237,287	\$ 57,670	\$ 2,237,287	57,670
Total capital assets not being depreciated	2,306,499	57,670	2,237,287	126,882
Depreciable capital assets:				
Buildings	8,246,138			8,246,138
Improvements other than buildings	14,042,364	479,335		14,521,699
Machinery and equipment	11,053,739	1,991,593		13,045,332
Total depreciable capital assets	33,342,241	2,470,928	-0-	35,813,169
Less accumulated depreciation:				
Buildings	5,506,707	256,286		5,762,993
Improvements other than buildings	4,262,700	351,173		4,613,873
Machinery and equipment	6,553,280	785,194		7,338,474
Total accumulated depreciation	\$ 16,322,687	\$ 1,392,653	\$ -0-	17,715,340
Total net depreciable capital assets				18,097,829
Total net capital assets				\$ 18,224,711
Depreciation expense was charged to functions as follows:				
Culture and recreation				\$ 216,421
Home and community services				1,176,232
Total business-type activities depreciation expense				\$ 1,392,653

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, 2011.

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 \$15,000. At May 31, 2011, the principal balance on this loan was \$938,011.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

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 0.51%, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending May 31, 2012	\$ 175,820	\$ 4,349	\$ 180,169
2013	176,719	3,450	180,169
2014	177,622	2,546	180,168
2015	178,530	1,638	180,168
2016	179,443	726	180,169
2017	49,877	39	49,916
Total	<u>\$ 938,011</u>	<u>\$ 12,748</u>	<u>\$ 950,759</u>

Special Assessment Bond Payable

The Village has \$1,370,000 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, 2011, 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 five 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, 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	300,000	12,375	312,375
Total	<u>\$ 1,370,000</u>	<u>\$ 177,110</u>	<u>\$ 1,547,110</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

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, 2011, 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>
Governmental Activities:				
Sewer improvement serial bonds, 1992	\$ 1,175,000	2012	6.00%	\$ 60,000
Acquisition of St. Paul's land, 2003	3,345,695	2013	2.25% - 4.00%	385,000
Various purposes serial bonds, 2003	2,239,500	2013	2.25% - 4.00%	385,000
Sewer Pump, Cedar Valley, and Meadow, 2003	942,449	2013	2.25% - 4.00%	120,000
Building construction, 2006	950,000	2021	4.10% - 4.20%	710,000
Library reconstruction, 2008	1,005,000	2017	3.00% - 3.38%	725,000
Community Park improvements, 2008	2,350,000	2022	3.00% - 3.60%	1,855,000
Village Hall improvements, 2010	2,555,500	2025	1.50% - 3.50%	2,555,550
			Total Governmental Activities	<u>\$ 6,795,550</u>
Business-type Activities:				
Water Fund:				
Water system improvements, serial bonds, 1992	\$ 1,660,000	2012	6.00%	\$ 90,000
Water system improvements, serial bonds, 2006	1,585,000	2021	4.10% - 4.20%	1,195,000
Water system improvements, serial bonds, 2008	4,365,000	2022	3.00% - 3.60%	3,435,000
Water system improvements, serial bonds, 2010	4,210,000	2025	1.50% - 3.50%	4,210,000
Pool Fund:				
Pool reconstruction, 2002	950,000	2017	4.30% - 4.75%	471,000
Tennis Fund:				
Tennis structure, 2002	600,000	2017	4.30% - 4.75%	294,000
			Total Business-type Activities	<u>\$ 9,695,000</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

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, 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	580,000	114,383	694,383
2017 - 2021	2,180,000	341,346	2,521,346
2022 - 2025	755,000	53,988	808,988
Total	<u>\$ 6,795,500</u>	<u>\$ 1,188,736</u>	<u>\$ 7,984,236</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, 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	875,000	141,054	80,000	7,600	50,000	4,750	1,158,404
2017 - 2021	3,520,000	514,537	80,000	3,800	50,000	2,375	4,170,712
2022 - 2025	980,000	66,589					1,046,589
Total	<u>\$ 8,930,000</u>	<u>\$ 1,658,789</u>	<u>\$ 471,000</u>	<u>\$ 78,078</u>	<u>\$ 294,000</u>	<u>\$ 48,765</u>	<u>\$ 11,480,632</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

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, 2011 is as follows:

	Balance June 1, 2010	Increases	Reductions	Balance May 31, 2011	Noncurrent liabilities due within one year	Noncurrent liabilities
Governmental Activities:						
Compensated absences	\$ 7,498,774	\$ 643,310	\$ 356,240	\$ 7,785,844	\$ 389,292	\$ 7,396,552
Claims and judgments payable	7,629,270	7,725,974	6,945,810	8,409,434	1,570,055	6,839,379
Tax certioraris payable	3,200,000	1,972,224	2,372,224	2,800,000	2,800,000	
Other postemployment benefits payable	11,120,593	7,674,875	1,709,655	17,085,813		17,085,813
Capital loan payable	1,112,282		174,271	938,011	175,820	762,191
Special assessment bond payable with governmental commitment	1,610,000		240,000	1,370,000	240,000	1,130,000
General obligation bonds	7,690,500		895,000	6,795,500	1,110,500	5,685,000
Plus premiums on issuance	17,118		2,618	14,500	2,618	11,882
Total general obligation bonds	7,707,618	-0-	897,618	6,810,000	1,113,118	5,696,882
Business-type Activities:						
Compensated absences	\$ 339,164	\$ 22,641	\$ 60,138	\$ 301,667	\$ 15,084	\$ 286,583
Other postemployment benefits payable	734,073	573,243	80,520	1,226,796		1,226,796
General obligation bonds	10,295,000		600,000	9,695,000	1,080,000	8,615,000
Plus premiums on issuance	18,487		2,790	15,697	2,790	12,907
Total general obligation bonds	10,313,487	-0-	602,790	9,710,697	1,082,790	8,627,907

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

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

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 NYSLRS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the NYSLRS and for the custody and control of its funds. The NYSLRS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy

The NYSLRS are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3.00% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3.00% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSLRS' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100.00% of the contributions required, and were as follows:

	ERS	PFRS
2011	\$ 1,589,358	\$ 1,705,164
2010	965,184	1,175,779
2009	1,268,648	1,329,229

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for ten years in accordance with the following stipulations:

- For State fiscal year 2010 - 2011, the amount in excess of the graded rate of 9.50% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to 1.00% depending on the gap between the increase or decrease in the NYSLRS's average rate and the previous graded rate.
- For subsequent State fiscal years in which the NYSLRS's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

The law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the NYSLRS's fiscal years when the local employer opts to participate in the program. The Village did not participate in this program and therefore has no outstanding liability at May 31, 2011.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

C. DETAIL NOTES ON ALL FUNDS (continued)

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. 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 and commenced with the 2009 liability.

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 for those enrolling prior to January 1, 2010 and \$1,326 per year for those enrolling subsequent to January 1, 2010 and before January 1, 2011. 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, 2010, the effective date of the most recent OPEB valuation is as follows:

	Primary Government	Governmental Activities	Business-type Activities
Active employees	290	272	18
Retired employees	209	202	7
Total	<u>499</u>	<u>474</u>	<u>25</u>

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, 2011

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 Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" 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, 2011, the Village's annual other postemployment benefits cost (expense) was \$8,248,118 of which \$7,674,875 was related to governmental activities and \$573,243 was related to business-type activities. The annual expense, inclusive of current health insurance premiums, totaled \$1,790,175 for retirees and their beneficiaries, of which \$1,709,655 was related to governmental activities and \$80,520 was related to business-type activities. The result was an increase in the other postemployment benefits liability of \$6,457,943, of which \$5,965,220 was related to governmental activities and \$492,723 was related to business-type activities for the year ended May 31, 2011. 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	\$ 57,023,770	\$ 52,484,393	\$ 4,539,377
Retired employees	35,965,308	34,311,761	1,653,547
Total Actuarial Accrued Liability (AAL)	92,989,078	86,796,154	6,192,924
Actuarial value of plan assets	-0-	-0-	-0-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 92,989,078</u>	<u>\$ 86,796,154</u>	<u>\$ 6,192,924</u>
Funded Ratio	0.00%	0.00%	0.00%
Normal cost at the beginning of the year	2,937,094	2,719,310	217,784
Amortization cost at the beginning of the year	5,171,806	4,827,372	344,434
Annual covered payroll	24,991,040	n/a*	n/a*
UAAL as a percentage of covered payroll	372.09%	n/a*	n/a*

* Information was only available for the total primary government

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

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, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". 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	\$ 2,937,094	\$ 2,719,310	\$ 217,784
Amortization of unfunded actuarial liability (UAAL) over 30 years	5,171,806	4,827,372	344,434
Interest	324,356	301,867	22,489
Annual required contribution (ARC)	8,433,256	7,848,549	584,707
Interest on net OPEB obligation	474,187	444,824	29,363
Adjustment to ARC	(659,325)	(618,498)	(40,827)
OPEB Cost	8,248,118	7,674,875	573,243
Less: Contribution for year ended May 31, 2011	1,790,175	1,709,655	80,520
Increase in other postemployment benefits liability	6,457,943	5,965,220	492,723
Other postemployment benefits liability at May 31, 2010	11,854,666	11,120,593	734,073
Other postemployment benefits liability at May 31, 2011	<u>\$ 18,312,609</u>	<u>\$ 17,085,813</u>	<u>\$ 1,226,796</u>
Percent of annual OPEB cost contributed	21.70%	22.28%	14.05%

Funded Status and Funding Progress

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

	Annual OPEB Cost	Annual Contribution Made	Percentage Contributed	Net OPEB Obligation
May 31, 2011	\$ 8,248,118	\$ 1,790,175	21.70%	\$ 18,312,609
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

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

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, 2010 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	\$ 92,989,078	\$ -0-	\$ 92,989,078	0.00%	\$ 24,991,040	372.09%

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

Actuarial Methods and Assumptions

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

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

In the June 1, 2010 actuarial valuation, the liabilities were computed using the projected unit credit actuarial cost method and level dollar amortization method over an open 30 year amortization period to amortize the initial unfunded liability. The actuarial assumptions utilized a 4.0% interest rate and a 4.0% inflation rate. The valuation assumes an initial 8.5%-10.5% healthcare cost trend and post-retirement benefit increase (inclusive of the 4.0% inflation rate) for the year ended May 31, 2011 and reduced increments to a rate of 5.0% after ten years. The actuarial valuation does not incorporate an assumption for projected salary increases as the projected unit credit actuarial cost method does not include a salary component.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2011

C. DETAIL NOTES ON ALL FUNDS (continued)

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	\$ 144,791	\$ 1,293,430	
Capital Projects Fund	1,293,430	144,791	
Total	\$ 1,438,221	\$ 1,438,221	

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, 2011, the value of the Village's accumulated vacation time and sick leave for governmental and business-type activities was \$8,087,511, of which \$3,781,181 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 Internal Service 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 \$200,000 (\$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 \$400,000. 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 Internal Service 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, 2011

D. COMMITMENTS AND CONTINGENCIES (continued)

1. SELF-INSURANCE PROGRAM (continued)

At May 31, 2011, the Internal Service Fund had a deficit fund balance of \$287,832. This deficit is being addressed through an increase in future premiums. Premiums have been increased in each of the last two years and the increases are expected to continue indefinitely. The Enterprise Funds' portion of the Internal Service Fund's deficit is approximately \$19,000 and has been deemed to be too small to adjust and therefore no look-back adjustment has been recorded for the Business-type Activities in the Statement of Net Assets.

Net assets in the Internal Service 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, 2011 and 2010 is as follows:

	Workers' Compensation		General Liability	
	2011	2010	2011	2010
Unpaid Claims as of June 1,	\$ 5,409,251	\$ 5,811,275	\$ 2,220,019	\$1,875,547
Incurred Claims:				
Provision for insured events of the current fiscal year	1,291,943	1,417,824	569,056	566,551
Increase in net provision for insured events of prior fiscal years	<u>3,761,742</u>	<u>281,377</u>	<u>2,103,233</u>	<u>304,125</u>
Total Incurred Claims and Claim Adjustments	<u>5,053,685</u>	<u>1,699,201</u>	<u>2,672,289</u>	<u>870,676</u>
Payments of:				
Claims during the current year	<u>4,508,266</u>	<u>2,101,225</u>	<u>2,437,544</u>	<u>526,204</u>
Unpaid Claims as of May 31,	<u>\$ 5,954,670</u>	<u>\$ 5,409,251</u>	<u>\$ 2,454,764</u>	<u>\$ 2,220,019</u>

During the year ended May 31, 2011, charges to the operating funds were made as follows:

<u>Primary Government:</u>	
General Fund	\$ 3,157,096
Water Fund	168,386
Pool Fund	59,672
Tennis Fund	<u>7,898</u>
	3,393,052
 <u>Component Unit:</u>	
Garden City Public Library	<u>145,000</u>
Total Charges	<u>\$ 3,538,052</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2011

D. COMMITMENTS AND CONTINGENCIES (continued)

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 \$1,349,757 net of legal costs. The Village recognized \$1,320,365 of the settlement in the year ended May 31, 2010 and the remaining \$29,392 in the year ended May 31, 2011. These payments are recorded as a non-operating revenue in the Water Fund's Statement of Revenues, Expenses, and Changes in Net Assets.

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 \$2,372,224 for the year ended 2011.

4. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress commitments for equipment purchases and other capital acquisition commitments amounting to \$1,769,305 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. 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 this pronouncement.

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

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Real Property Taxes				
Real property taxes	\$ 44,361,279	\$ 44,361,279	\$ 44,319,271	\$ (42,008)
Total Real Property Taxes	44,361,279	44,361,279	44,319,271	(42,008)
Other Real Property Tax Items				
Payment in lieu of taxes	501,258	501,258	550,103	48,845
Interest and penalties on real property tax	105,050	105,050	102,948	(2,102)
Total Other Real Property Tax Items	606,308	606,308	653,051	46,743
Non-Property Tax Items				
Public utilities gross receipts tax	700,000	700,000	729,586	29,586
County sales tax			60,267	60,267
Franchise fees	215,000	215,000	298,909	83,909
Total Non-Property Tax Items	915,000	915,000	1,088,762	173,762
Departmental Income				
Charges for tax advertising	1,500	1,500	1,750	250
Safety inspection fees	562,500	562,500	586,354	23,854
Parking lots and garages	261,500	261,500	227,897	(33,603)
Zoning fees	30,000	30,000	50,235	20,235
Dump permits	1,250	1,250	7,085	5,835
Sewer charges	2,800	2,800		(2,800)
Refuse and garbage fees	242,840	242,840	148,030	(94,810)
Park and recreational charges	460,960	460,960	485,144	24,184
Public works service	225,000	225,000	182,991	(42,009)
Health fees	6,000	6,000	7,650	1,650
Planning commission fees	2,000	2,000	4,500	2,500
Architectural design review fees	10,000	10,000	18,500	8,500
Police impound fees	20,000	20,000		(20,000)
Utility permit fees	12,100	12,100		(12,100)
Total Departmental Income	1,838,450	1,838,450	1,720,136	(118,314)
Intergovernmental Charges				
Fire protection services			20,900	20,900
Sewer services	345	345	435	90
Total Intergovernmental Charges	345	345	21,335	20,990
Use of Money and Property				
Interest and earnings	140,000	140,000	118,226	(21,774)
Commissions	5,000	5,000		(5,000)
Rental real property	108,181	108,181	114,272	6,091
Total Use of Money and Property	253,181	253,181	232,498	(20,683)

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Licenses and Permits				
Business and occupational licenses	4,500	4,500	2,310	(2,190)
Dog license fund apportionment	3,500	3,500	4,796	1,296
Permits	100,165	100,165	96,684	(3,481)
Total Licenses and Permits	108,165	108,165	103,790	(4,375)
Fines and Forfeitures				
Fines and forfeited bail	1,566,000	1,566,000	1,038,722	(527,278)
Forfeiture of deposits	1,500	14,044	13,169	(875)
Total Fines and Forfeitures	1,567,500	1,580,044	1,051,891	(528,153)
Special Assessments				
Special assessment - parking lot	253,987	253,987	253,987	-0-
Total Special Assessments	253,987	253,987	253,987	-0-
Sales of Property and Compensation for Loss				
Minor sales - other	26,000	26,000	6,739	(19,261)
Sales of equipment	46,000	46,000	14,193	(31,807)
Insurance recoveries	110,000	110,000	280,145	170,145
Other compensation for losses	35,000	35,000	58,142	23,142
Total Sales of Property and Compensation for Loss	217,000	217,000	359,219	142,219
Miscellaneous Local Sources				
Refund of prior year expenses			35,164	35,164
Gifts and donations		4,555	9,055	4,500
Interfund revenues	20,000	20,000	20,000	-0-
Unclassified revenues	10,200	10,200	13,498	3,298
Total Miscellaneous Local Sources	30,200	34,755	77,717	42,962
State and Local Aid				
Per capita	214,037	214,037	211,683	(2,354)
Mortgage tax	650,000	650,000	591,913	(58,087)
Emergency disaster assistance			33,723	33,723
Youth programs	9,249	9,249	8,700	(549)
Consolidated local street and highway improvement aid	312,345	312,345	314,738	2,393
Special state grant			13,875	13,875
Other	58,035	73,675	65,476	(8,199)
Total State and Local Aid	1,243,666	1,259,306	1,240,108	(19,198)
Federal Aid				
Emergency Disaster Assistance			202,338	202,338
Total Federal Aid	-0-	-0-	202,338	202,338
Total Revenue	\$ 51,395,081	\$ 51,427,820	\$ 51,324,103	\$ (103,717)

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
General Government Support				
Board of Trustees:				
Other expenditures	\$ 28,000	\$ 26,789	\$ 22,872	\$ 3,917
Village Justice:				
Personal services	303,589	306,489	269,094	37,395
Equipment		5,195	629	4,566
Other expenditures	40,714	39,284	26,217	13,067
Clerk-Treasurer:				
Personal services	777,556	746,396	741,342	5,054
Equipment	70,288	70,288		70,288
Other expenditures	343,017	373,017	262,550	110,467
Purchasing:				
Personal services	273,677	276,106	275,733	373
Other expenditures	8,500	8,500	3,856	4,644
Assessment:				
Personal services	49,511	49,615	39,514	10,101
Other expenditures	5,000	5,000	3,397	1,603
Tax Advertising and Expense:				
Other expenditures	2,000	2,000	1,344	656
Discount on Taxes	21,000	29,305	29,305	-0-
Law:				
Other expenditures	701,000	701,000	575,179	125,821
Personnel:				
Personal services	101,767	103,278	102,221	1,057
Other expenditures	21,250	21,250	14,609	6,641
Engineer:				
Personal services	298,658	295,105	287,898	7,207
Equipment	15,500	15,500		15,500
Other expenditures	46,534	46,534	30,360	16,174
Elections:				
Personal services	725	2,160	2,160	-0-
Other expenditures	1,650	5,064	5,017	47
Buildings:				
Personal services	203,939	206,885	200,986	5,899
Equipment	50,492	50,492	36,430	14,062
Other expenditures	208,929	231,670	192,400	39,270
St. Paul School:				
Other expenditures	29,980	29,980	12,487	17,493
Central Garage:				
Personal services	234,012	302,103	292,300	9,803
Equipment	28,750	28,750	23,594	5,156
Other expenditures	203,866	203,866	180,212	23,654
Central Printing and Mailing:				
Other expenditures	26,000	26,000	21,230	4,770
Central Data Processing:				
Personal services	101,558	101,558	101,131	427
Other expenditures	253,900	253,900	171,419	82,481
Municipal Association Dues	22,718	22,718	22,394	324
Refunds of Real Property Taxes	3,205,000	3,205,000	2,372,224	832,776

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
General Government Support (continued)				
Insurance charges	3,157,096	3,157,096	3,157,096	-0-
MTA payroll tax	79,344	79,344	76,730	2,614
Contingency	1,611,308	197,592		197,592
Total General Government Support	<u>12,526,828</u>	<u>11,224,829</u>	<u>9,553,930</u>	<u>1,670,899</u>
Public Safety				
Police Department:				
Personal services	7,747,945	8,585,212	8,132,520	452,692
Equipment	10,508	10,508	600	9,908
Other expenditures	593,518	570,717	405,008	165,709
Fire Department:				
Personal services	3,286,493	3,341,617	3,340,400	1,217
Equipment	43,500	55,375	20,069	35,306
Other expenditures	1,024,231	1,024,676	865,648	159,028
Safety Inspection:				
Personal services	531,876	534,677	525,381	9,296
Other expenditures	92,113	92,113	89,792	2,321
Total Public Safety	<u>13,330,184</u>	<u>14,214,895</u>	<u>13,379,418</u>	<u>835,477</u>
Transportation				
Street Administration:				
Personal services	286,804	287,435	273,057	14,378
Equipment	2,319	2,319	1,000	1,319
Other expenditures	55,685	55,685	52,154	3,531
Street Maintenance:				
Personal services	746,646	783,383	755,603	27,780
Equipment	6,000	6,000	6,000	-0-
Other expenditures	312,562	343,499	341,459	2,040
Snow Removal:				
Personal services	246,394	278,445	275,226	3,219
Equipment	1,250	1,250	1,250	-0-
Other expenditures	149,400	226,240	225,976	264
Street Lighting:				
Personal services	121,551	132,097	132,095	2
Equipment	8,500	8,500	6,063	2,437
Other expenditures	682,518	735,007	724,089	10,918
Total Transportation	<u>2,619,629</u>	<u>2,859,860</u>	<u>2,793,972</u>	<u>65,888</u>
Economic Assistance and Opportunity				
Publicity:				
Other expenditures	39,000	39,000	30,676	8,324
Total Economic Assistance and Opportunity	<u>39,000</u>	<u>39,000</u>	<u>30,676</u>	<u>8,324</u>

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2011

<u>EXPENDITURES</u> (continued)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Culture and Recreation				
Parks:				
Personal services	1,278,908	1,312,475	1,312,340	135
Equipment	11,900	39,855	39,042	813
Other expenditures	303,111	299,711	284,305	15,406
Playgrounds and Recreation Centers:				
Personal services	1,963,948	2,026,770	1,961,410	65,360
Equipment	12,381	16,381	14,115	2,266
Other expenditures	792,302	788,302	724,941	63,361
Concerts:				
Other expenditures	11,500	11,500	2,579	8,921
Historian:				
Other expenditures	1,000	1,000	330	670
Library:				
Contribution to component unit	2,980,802	3,003,883	3,003,883	-0-
Total Culture and Recreation	<u>7,355,852</u>	<u>7,499,877</u>	<u>7,342,945</u>	<u>156,932</u>
Home and Community Services				
Planning:				
Other expenditures	33,030	13,030		13,030
Sanitary Sewers:				
Personal services	179,610	181,075	148,741	32,334
Equipment	45,000	45,000		45,000
Other expenditures	173,702	167,582	137,254	30,328
Storm Sewers:				
Personal services	211,045	243,290	210,555	32,735
Other expenditures	49,200	49,200	45,441	3,759
Refuse and Garbage:				
Personal services	1,979,363	2,034,333	2,029,150	5,183
Other expenditures	1,752,363	1,674,159	1,593,122	81,037
Street Cleaning:				
Personal services	526,287	511,896	501,430	10,466
Other expenditures	207,000	207,000	201,980	5,020
Other Sanitation:				
Personal services	302,290	379,428	379,208	220
Other expenditures	65,700	68,535	66,288	2,247
Shade Trees:				
Personal services	231,279	234,445	220,123	14,322
Other expenditures	131,078	131,078	71,249	59,829
Total Home and Community Services	<u>5,886,947</u>	<u>5,940,051</u>	<u>5,604,541</u>	<u>335,510</u>

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Employee Benefits				
State retirement	1,264,358	1,351,659	1,351,659	-0-
Police and fire retirement	1,643,043	1,761,930	1,761,930	-0-
Social security	1,548,084	1,573,261	1,528,013	45,248
Unemployment insurance	40,000	40,000	16,625	23,375
Hospital and medical insurance	5,007,005	5,029,558	5,027,202	2,356
Total Employee Benefits	<u>9,502,490</u>	<u>9,756,408</u>	<u>9,685,429</u>	<u>70,979</u>
Debt Service				
Principal	1,387,650	1,387,650	1,309,271	78,379
Interest	404,980	404,980	323,623	81,357
Total Debt Service	<u>1,792,630</u>	<u>1,792,630</u>	<u>1,632,894</u>	<u>159,736</u>
Total Expenditures	<u>53,053,560</u>	<u>53,327,550</u>	<u>50,023,805</u>	<u>3,303,745</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(1,658,479)	(1,899,730)	1,300,298	3,200,028
Other Financing Sources (Uses)				
Transfers in			144,791	144,791
Transfers out	(1,020,400)	(1,293,430)	(1,293,430)	-0-
Total Other Financing Uses	<u>(1,020,400)</u>	<u>(1,293,430)</u>	<u>(1,148,639)</u>	<u>144,791</u>
Total	<u>\$ (2,678,879)</u>	<u>\$ (3,193,160)</u>	151,659	<u>\$ 3,344,819</u>
Fund Balance at Beginning of Year			<u>9,224,124</u>	
Fund Balance at End of Year			<u>\$ 9,375,783</u>	

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
 May 31, 2011

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
2010	\$ -0-	\$ 92,989,078	\$ 92,989,078	0.00%	\$ 24,991,040	372.09%
2008	-0-	80,844,585	80,844,585	0.00%	25,511,693	316.89%

OTHER SUPPLEMENTARY INFORMATION

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES
FIDUCIARY FUND
Year Ended May 31, 2011

	<u>June 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>May 31, 2011</u>
ASSETS				
Cash	\$ 2,866,007	\$ 33,546,448	\$ 33,444,348	\$ 2,968,107
Total Assets	<u>\$ 2,866,007</u>	<u>\$ 33,546,448</u>	<u>\$ 33,444,348</u>	<u>\$ 2,968,107</u>
LIABILITIES				
Building fees and other deposits	\$ 2,282,267	\$ 1,240,710	\$ 1,137,537	\$ 2,385,440
Justice court fund	100,585	1,250,301	1,227,584	123,302
Other agency liabilities	483,155	31,055,437	31,079,227	459,365
Total Liabilities	<u>\$ 2,866,007</u>	<u>\$ 33,546,448</u>	<u>\$ 33,444,348</u>	<u>\$ 2,968,107</u>

STATISTICAL SECTION

This comprehensive statistical data for the Incorporated Village of Garden City (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'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 EIGHT FISCAL YEARS
(accrual basis of accounting)

Years Ended May 31,	2011	2010	2009	2008
Governmental activities				
Net assets				
Invested in capital assets, net of related debt	\$ 45,259,008	\$ 45,276,890	\$ 46,215,824	\$ 44,914,966
Unrestricted	<u>(18,861,480)</u>	<u>(9,583,152)</u>	<u>(3,759,618)</u>	<u>6,818,812</u>
Total governmental activities net assets	<u>\$ 26,397,528</u>	<u>\$ 35,693,738</u>	<u>\$ 42,456,206</u>	<u>\$ 51,733,778</u>
Business-type activities				
Net assets				
Invested in capital assets, net of related debt	\$ 8,514,014	\$ 9,012,566	\$ 12,677,218	\$ 10,473,725
Unrestricted	<u>2,184,762</u>	<u>2,772,285</u>	<u>(925,813)</u>	<u>2,565,864</u>
Total business-type activities net assets	<u>\$ 10,698,776</u>	<u>\$ 11,784,851</u>	<u>\$ 11,751,405</u>	<u>\$ 13,039,589</u>
Primary government				
Net assets				
Invested in capital assets, net of related debt	\$ 53,773,022	\$ 54,289,456	\$ 58,893,042	\$ 55,388,691
Unrestricted	<u>(16,676,718)</u>	<u>(6,810,867)</u>	<u>(4,685,431)</u>	<u>9,384,676</u>
Total primary government net assets	<u>\$ 37,096,304</u>	<u>\$ 47,478,589</u>	<u>\$ 54,207,611</u>	<u>\$ 64,773,367</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*.

2007	2006	2005	2004
\$ 44,215,174	\$ 44,278,935	\$ 39,966,579	\$ 41,738,527
11,791,831	10,444,052	13,318,975	14,251,024
<u>\$ 56,007,005</u>	<u>\$ 54,722,987</u>	<u>\$ 53,285,554</u>	<u>\$ 55,989,551</u>
\$ 12,769,879	\$ 12,759,053	\$ 11,876,497	\$ 11,078,145
638,961	804,059	1,477,752	2,402,109
<u>\$ 13,408,840</u>	<u>\$ 13,563,112</u>	<u>\$ 13,354,249</u>	<u>\$ 13,480,254</u>
\$ 56,985,053	\$ 57,037,988	\$ 51,843,076	\$ 52,816,672
12,430,792	11,248,111	14,796,727	16,653,133
<u>\$ 69,415,845</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 EIGHT FISCAL YEARS
 (accrual basis of accounting)

Years Ended May 31,	2011	2010	2009	2008
Expenses				
Governmental activities:				
General government support	\$ 13,691,507	\$ 13,889,435	\$ 12,003,819	\$ 12,840,280
Public safety	22,205,619	20,603,724	22,266,724	18,621,592
Transportation	4,939,638	4,409,301	4,298,667	3,815,348
Economic assistance and opportunity	30,676	21,703	65,111	60,562
Culture and recreation	7,938,041	7,457,643	7,435,850	6,720,021
Home and community services	11,559,197	12,142,467	12,259,179	11,991,164
Interest on debt	318,151	310,265	383,061	346,799
Total governmental activities expenses	<u>60,682,829</u>	<u>58,834,538</u>	<u>58,712,411</u>	<u>54,395,766</u>
Business-type activities:				
Pool	1,164,447	1,124,830	1,200,801	1,296,277
Tennis	458,895	415,233	437,469	418,049
Water	<u>6,292,376</u>	<u>5,373,095</u>	<u>5,669,124</u>	<u>4,524,140</u>
Total business-type activities expenses	<u>7,915,718</u>	<u>6,913,158</u>	<u>7,307,394</u>	<u>6,238,466</u>
Total primary government expenses	<u>\$ 68,598,547</u>	<u>\$ 65,747,696</u>	<u>\$ 66,019,805</u>	<u>\$ 60,634,232</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government support	\$ 24,710	\$ 28,535	\$ 28,830	\$ 26,560
Public safety	1,826,918	1,817,490	1,727,098	1,786,021
Transportation	450,732	428,554	542,060	393,814
Culture and recreation	526,144	456,385	431,066	355,182
Home and community services	265,089	320,694	113,345	84,129
Operating grants and contributions	8,700	19,361	12,240	66,575
Capital grants and contributions	<u>818,660</u>	<u>655,154</u>	<u>566,100</u>	<u>682,001</u>
Total governmental activities program revenues	<u>3,920,953</u>	<u>3,726,173</u>	<u>3,420,739</u>	<u>3,394,282</u>
Business-type activities:				
Charges for services:				
Pool	1,092,315	1,060,504	1,036,969	1,007,340
Tennis	352,000	387,764	401,736	412,778
Water	<u>5,320,417</u>	<u>4,148,020</u>	<u>4,509,246</u>	<u>4,371,697</u>
Total business-type activities program revenues	<u>6,764,732</u>	<u>5,596,288</u>	<u>5,947,951</u>	<u>5,791,815</u>
Total primary government program revenues	<u>\$ 10,685,685</u>	<u>\$ 9,322,461</u>	<u>\$ 9,368,690</u>	<u>\$ 9,186,097</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*.

	2007	2006	2005	2004
\$	12,025,225	\$ 9,496,353	\$ 12,575,608	\$ 9,490,854
	17,769,655	19,119,016	17,009,017	14,909,211
	3,720,959	3,639,415	3,508,639	3,255,118
	44,171	26,401	44,253	43,153
	5,672,581	5,550,758	5,060,933	4,527,859
	11,208,340	11,590,991	10,239,771	7,269,144
	309,874	216,235	246,548	278,650
	<u>50,750,805</u>	<u>49,639,169</u>	<u>48,684,769</u>	<u>39,773,989</u>
	1,157,748	1,230,164	1,189,250	1,136,454
	398,349	407,487	370,233	387,575
	<u>4,120,319</u>	<u>3,974,773</u>	<u>3,562,716</u>	<u>3,373,326</u>
	5,676,416	5,612,424	5,122,199	4,897,355
\$	<u>56,427,221</u>	<u>55,251,693</u>	<u>53,806,968</u>	<u>44,671,344</u>
\$	32,560	\$ 26,150	\$ 21,315	\$ 14,985
	2,253,254	1,612,545	1,675,604	1,545,919
	407,001	330,744	414,378	486,976
	399,018	353,291	321,320	264,412
	150,571	147,213	141,786	8,941
	87,621	637,010	235,821	329,119
	267,416			35,144
	<u>3,597,441</u>	<u>3,106,963</u>	<u>2,810,224</u>	<u>2,685,496</u>
	994,636	957,163	951,159	928,499
	399,998	429,259	375,193	367,967
	4,053,708	4,392,928	3,632,176	3,426,049
	<u>5,448,342</u>	<u>5,779,350</u>	<u>4,958,528</u>	<u>4,722,515</u>
\$	<u>9,045,783</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 EIGHT FISCAL YEARS
 (accrual basis of accounting)

(Continued)

Years Ended May 31,	2011	2010	2009	2008
Net (Expense)/Revenue				
Governmental activities	\$ (56,761,876)	\$ (55,108,365)	\$ (55,291,672)	\$ (51,001,484)
Business-type activities	(1,150,986)	(1,316,870)	(1,359,443)	(446,651)
Total primary government net expense	<u>\$ (57,912,862)</u>	<u>\$ (56,425,235)</u>	<u>\$ (56,651,115)</u>	<u>\$ (51,448,135)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities				
Real property taxes	\$ 44,328,042	\$ 44,312,262	\$ 42,579,108	\$ 41,579,104
Other real property tax items	653,051	603,744	553,785	540,415
Non-property tax items	1,088,762	959,073	1,066,187	992,944
Earnings on investments	148,289	202,686	500,597	1,475,783
Grants and contributions not restricted to specific programs	807,361	883,350	1,008,858	1,634,786
Other	440,161	1,384,782	305,565	505,225
Transfers				
Total governmental activities	<u>47,465,666</u>	<u>48,345,897</u>	<u>46,014,100</u>	<u>46,728,257</u>
Business-type activities:				
Earnings on investments	35,519	29,951	71,259	77,400
Legal settlement	29,392	1,320,365		
Other				
Total business-type activities	<u>64,911</u>	<u>1,350,316</u>	<u>71,259</u>	<u>77,400</u>
Total primary government	<u>\$ 47,530,577</u>	<u>\$ 49,696,213</u>	<u>\$ 46,085,359</u>	<u>\$ 46,805,657</u>
Change in Net Assets				
Governmental activities	\$ (9,296,210)	\$ (6,762,468)	\$ (9,277,572)	\$ (4,273,227)
Business-type activities	(1,086,075)	33,446	(1,288,184)	(369,251)
Total primary government	<u>\$ (10,382,285)</u>	<u>\$ (6,729,022)</u>	<u>\$ (10,565,756)</u>	<u>\$ (4,642,478)</u>

2007	2006	2005	2004
\$ (47,153,364)	\$ (46,532,216)	\$ (45,874,545)	\$ (37,088,493)
(228,074)	166,926	(163,671)	(174,840)
<u>\$ (47,381,438)</u>	<u>\$ (46,365,290)</u>	<u>\$ (46,038,216)</u>	<u>\$ (37,263,333)</u>
\$ 41,550,829	\$ 40,694,602	\$ 38,912,605	\$ 38,107,563
544,392	387,730	420,383	441,922
951,345	865,867	767,324	723,472
1,717,785	1,156,939	631,591	602,266
2,107,175	2,183,406	2,213,421	1,942,591
1,565,856	2,681,105	225,224	207,373
			(3,069,199)
<u>48,437,382</u>	<u>47,969,649</u>	<u>43,170,548</u>	<u>38,955,988</u>
73,802	41,937	37,666	48,250
			12,107
<u>73,802</u>	<u>41,937</u>	<u>37,666</u>	<u>60,357</u>
<u>\$ 48,511,184</u>	<u>\$ 48,011,586</u>	<u>\$ 43,208,214</u>	<u>\$ 39,016,345</u>
\$ 1,284,018	\$ 1,437,433	\$ (2,703,997)	\$ 1,867,495
(154,272)	208,863	(126,005)	(114,483)
<u>\$ 1,129,746</u>	<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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund					
Reserved*	\$ 5,087,946	\$ 5,474,157	\$ 5,563,794	\$ 6,521,608	\$ 8,042,475
Unreserved	<u>4,287,837</u>	<u>3,749,967</u>	<u>3,221,296</u>	<u>5,779,734</u>	<u>8,382,651</u>
Total General Fund	<u>\$ 9,375,783</u>	<u>\$ 9,224,124</u>	<u>\$ 8,785,090</u>	<u>\$ 12,301,342</u>	<u>\$ 16,425,126</u>
Capital Projects Fund					
Reserved*	\$ 1,769,305	\$ 579,679	\$ 2,523,238	\$ 1,177,787	\$ 4,013,729
Unreserved	<u>(2,359,230)</u>	<u>1,413,870</u>	<u>(467,315)</u>	<u>3,590,261</u>	<u>166,539</u>
Total Capital Projects Fund	<u>\$ (589,925)</u>	<u>\$ 1,993,549</u>	<u>\$ 2,055,923</u>	<u>\$ 4,768,048</u>	<u>\$ 4,180,268</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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 7,386,327	\$ 3,972,106	\$ 5,891,948	\$ 1,205,420	\$ 2,053,672
<u>6,383,592</u>	<u>6,244,484</u>	<u>3,207,016</u>	<u>6,014,747</u>	<u>4,170,662</u>
<u>\$ 13,769,919</u>	<u>\$ 10,216,590</u>	<u>\$ 9,098,964</u>	<u>\$ 7,220,167</u>	<u>\$ 6,224,334</u>
\$ 1,580,339	\$ 2,870,375	\$ 1,212,658	\$ 1,672,470	\$ 920,935
<u>(45,693)</u>	<u>803,702</u>	<u>1,998,162</u>	<u>2,607,964</u>	<u>4,023,215</u>
<u>\$ 1,534,646</u>	<u>\$ 3,674,077</u>	<u>\$ 3,210,820</u>	<u>\$ 4,280,434</u>	<u>\$ 4,944,150</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,	2011	2010	2009	2008	2007
Revenues					
Real property taxes and tax items	\$ 44,319,271	\$ 44,286,198	\$ 42,551,527	\$ 41,310,904	\$ 41,768,796
Other real property tax items	653,051	603,743	553,785	540,416	544,392
Non-property tax items	1,088,762	959,073	1,066,187	992,944	951,345
Departmental income	1,720,136	1,759,503	1,548,708	1,381,737	1,892,347
Intergovernmental charges	21,335	38,810	58,827	70,542	66,758
Use of money and property	232,498	265,821	518,630	1,314,458	1,567,175
License and permits	103,790	94,686	98,351	112,218	102,169
Fines and forfeitures	1,051,891	972,224	992,526	964,270	1,000,258
Special assessments	253,987	253,987	253,987	253,986	
Sale of property and compensation for loss	359,219	209,882	241,001	208,674	274,856
Miscellaneous local sources	77,717	49,354	115,569	51,063	30,612
State and local aid	1,240,108	1,362,043	1,333,212	2,129,376	2,462,212
Federal aid	202,338				
Total Revenues	<u>51,324,103</u>	<u>50,855,324</u>	<u>49,332,310</u>	<u>49,330,588</u>	<u>50,660,920</u>
Expenditures					
Current:					
General government support	9,553,930	10,534,079	10,653,702	10,720,015	6,318,783
Public safety	13,379,418	13,001,566	13,887,809	13,146,835	12,661,782
Transportation	2,793,972	2,439,092	2,424,676	2,147,288	2,291,229
Economic assistance and opportunity	30,676	21,703	65,111	60,562	64,972
Culture and recreation	7,342,945	7,901,184	7,809,030	4,546,528	4,126,301
Home and community services	5,604,541	5,819,008	6,122,787	9,659,050	8,798,470
Employee benefits	9,685,429	8,011,434	8,489,982	8,285,404	7,810,557
Capital outlay	3,732,113	3,650,813	3,994,271	6,076,086	6,087,016
Debt Service:					
Principal	1,309,271	1,343,107	1,691,431	1,340,298	1,055,627
Interest	323,623	312,178	421,888	309,116	308,416
Total Expenditures	<u>53,755,918</u>	<u>53,034,164</u>	<u>55,560,687</u>	<u>56,291,182</u>	<u>49,523,153</u>
Excess (Deficiency) of Revenues over Expenditures	(2,431,815)	(2,178,840)	(6,228,377)	(6,960,594)	1,137,767
Other Financing Sources (Uses)					
Capital loan					958,655
Transfers in	1,438,221	1,755,472	4,806,074	3,802,196	4,828,305
Transfers out	(1,438,221)	(1,755,472)	(4,806,074)	(3,802,196)	(4,828,305)
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
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>2,555,500</u>	<u>-0-</u>	<u>3,424,590</u>	<u>4,163,062</u>
Net Change in Fund Balances	<u>\$ (2,431,815)</u>	<u>\$ 376,660</u>	<u>\$ (6,228,377)</u>	<u>\$ (3,536,004)</u>	<u>\$ 5,300,829</u>
Debt Service as a Percentage of Noncapital Expenditures	3.27%	3.36%	4.12%	3.31%	3.23%

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.

2006	2005	2004	2003	2002
\$ 40,671,111	\$ 38,893,343	\$ 37,932,349	\$ 35,347,179	\$ 34,579,329
387,730	420,383	441,922	423,564	489,493
865,867	767,324	720,572	698,873	577,529
1,261,536	1,371,770	1,323,927	922,600	709,634
55,514	72,363	57,716	46,005	55,433
1,088,297	639,022	485,689	455,609	616,341
93,651	97,991	75,744	73,823	72,293
954,371	948,885	959,599	1,049,939	973,107
362,921	173,649	184,173	256,753	274,264
2,361,188	44,579	78,589	1,833,098	209,775
2,820,416	2,449,242	2,187,408	1,507,778	912,979
		84,300		53,058
<u>50,922,602</u>	<u>45,878,551</u>	<u>44,531,988</u>	<u>42,615,221</u>	<u>39,523,235</u>
6,663,418	6,076,050	7,680,786	8,395,820	7,032,123
12,520,040	11,733,794	11,184,238	10,825,565	10,431,665
2,096,025	2,266,279	1,936,882	1,938,744	1,567,199
26,401	20,896	28,262	25,275	16,881
4,005,659	3,678,240	3,462,734	3,204,242	3,099,469
8,895,716	8,368,928	5,182,428	4,854,772	4,747,264
7,732,649	7,331,390	5,480,714	4,906,107	3,768,283
6,906,441	3,545,522	4,344,863	3,938,217	4,069,111
1,030,000	1,025,000	1,070,000	1,095,662	1,045,000
221,444	251,569	282,706	316,651	531,262
<u>50,097,793</u>	<u>44,297,668</u>	<u>40,653,613</u>	<u>39,501,055</u>	<u>36,308,257</u>
824,809	1,580,883	3,878,375	3,114,166	3,214,978
589,089				
4,502,773	4,022,027	3,240,105	3,429,666	4,759,096
(4,502,773)	(4,022,027)	(3,240,105)	(3,429,666)	(4,759,096)
			6,705,662	
			(6,705,662)	
		(3,069,199)	(2,782,042)	(2,667,189)
<u>589,089</u>	<u>-0-</u>	<u>(3,069,199)</u>	<u>(2,782,042)</u>	<u>(2,667,189)</u>
<u>\$ 1,413,898</u>	<u>\$ 1,580,883</u>	<u>\$ 809,176</u>	<u>\$ 332,124</u>	<u>\$ 547,789</u>
2.91%	3.21%	3.67%	3.97%	4.89%

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
2011	\$ 84,351,913	\$ 2,341,705	\$ 1,837,477	\$ 525,000	\$ 717,250	\$ 1,387,700	\$ 1,133,283
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

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

(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)
\$ 13,499,452	\$ 105,793,780	\$ 47,921,748	\$ 153,715,528	1.66%	\$ 9,259,971,566	28.83
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

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
2011	\$ 9,259,971,566	1.66%	\$ 153,715,528	\$ 44,317,329	28.83
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

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
\$ 88,375,513	57.49	\$ 1,684,757	1.10	\$ 20,212,275	13.15	100.57
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

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

2011

Name	Type	Assessed Value	Percent of Assessed Value
Treeline Garden City Plaza	Office Building(s)	\$ 3,215,089	3.04%
Keyspan	Public Utility	2,115,079	2.00%
Cento Properties Co	Hotel	717,250	0.68%
Hamilton Garden Owners	Cooperative Apartments	577,850	0.55%
LT Propco	Retail Complex	570,000	0.54%
Sears Roebuck & Co.	Department Store	525,000	0.50%
Stewart & Clinton, LLC	Office Building(s)	426,859	0.40%
EB Franklin Avenue Realty LLC.	Office Building(s)	400,000	0.38%
Renaissance Development	Office Building(s)	355,000	0.34%
Cherry Valley Apartments	Cooperative Apartments	342,600	0.32%
Total Assessments and Percent of Total Assessment Roll		<u>\$ 9,244,727</u>	<u>(a) 8.74%</u>

(a) Represents 8.74% of the total taxable assessed valuation of the Village for 2011.

2002

Name	Type	Assessed Value	Percent of Assessed Value
Keyspan	Public Utility	\$ 2,614,653	2.25%
The Garden City Company Inc.	Office Building(s)	1,958,000	1.69%
Franklin Avenue Plaza LLC	Office Building(s)	1,956,900	1.69%
Treeline Garden City Plaza Assoc.	Office Building(s)	1,459,966	1.26%
Cento Properties Co	Hotel	1,404,000	1.21%
DDGC Properties	Office Building(s)	1,264,000	1.09%
Sears Roebuck & Co.	Department Store	1,142,500	0.98%
Stewart & Clinton, LLC	Office Building(s)	1,096,700	0.94%
Reckson Associates	Office Building(s)	729,600	0.63%
New York Telephone Co.	Public Utility	714,622	0.62%
Total Assessments and Percent of Total Assessment Roll		<u>\$ 14,340,941</u>	<u>(b) 12.36%</u>

(b) Represents 12.36% of the total taxable assessed valuation of the Village for 2002.

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>	<u>Percent of Levy Collected</u>
				(a)	
2011	\$ 44,317,329	\$ 390,132	\$ 44,707,461	\$ 44,683,034	99.95%
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%

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	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Loan Payable (b)	General Obligation Bonds			
2011	\$ 6,795,500	\$ 1,370,000	\$ 938,011	\$ 9,695,000	\$ 18,798,511	1.79%	\$ 399
2010	7,690,500	1,610,000	1,112,282	10,295,000	20,707,782	2.02%	438
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

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)			
2011	22,371	\$ 153,715,528	\$ 16,490,500	10.73%	\$ 737
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

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, 2011

<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	\$ 9,103,511	\$ -0-	\$ 9,103,511		\$ 9,103,511
Overlapping:					
County of Nassau	\$ 3,833,485,000	\$ 553,898,000	\$ 3,279,587,000	2.88%	\$ 94,452,106
Town of Hempstead	296,255,000	39,091,683	257,163,317	5.95%	15,301,217
Garden City School District	<u>49,345,000</u>	<u>-0-</u>	<u>49,345,000</u>	100%	<u>49,345,000</u>
Total overlapping debt	<u>4,179,085,000</u>	<u>592,989,683</u>	<u>3,586,095,317</u>		<u>159,098,323</u>
Total direct and overlapping debt	<u>\$ 4,188,188,511</u>	<u>\$ 592,989,683</u>	<u>\$ 3,595,198,828</u>		<u>\$ 168,201,834</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, 2011

Years Ended May 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2011	\$ 105,793,780	1.66%	\$ 6,373,119,277
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
Total Five Year Full Valuation			\$ 35,006,762,004
Average Five Year Full Valuation			7,001,352,401
Debt Limit - 7% of Average Full Valuation			490,094,668
Inclusions:			
Outstanding Bonds			17,860,500
Capital Loan Payable			938,011
Total Inclusions			18,798,511
Exclusions:			
Water Debt			8,930,000
Appropriations for Repayment of Outstanding Bonds and Capital Loan			1,651,320
Total Exclusions			10,581,320
Total Net Indebtedness Subject to the Debt Limit			8,217,191
Net Debt Contracting Margin			481,877,477
Percent of Debt Limit Exhausted			1.68%
Percent of Debt Limit Available			98.32%

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
2011	\$ 490,094,668	\$ 18,798,511	\$ 10,581,320	\$ 8,217,191	\$ 481,877,477	1.68%
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%

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
2011	22,371	\$ 1,053,082,981	\$ 47,074	6.70%	7,386	3.00	4,261
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

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 and 2010.

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

2011

Rank	Name of Employer	Type	Number of Employees
1	Adelphi University	Higher Education	1,100
2	Bookspan Incorporated	Catalog & Mail-order House	900
3	Garden City Hotel Incorporated	Hotel	475
4	Lord & Taylor	Department Store	275
5	Travelex America	Banking	218
6	Margolin, Winer & Evans, LLP	Accounting, Auditing & Bookkeeping	185
7	Metropolitan Diagnostic Imaging	Medical Doctors	140
8	Jaspan Schlesinger Hoffman, LLP	Legal Services	130
9	Visiting Nurse Association of Long Island	Medical Care Provider	129
10	L'abbate, Balkan, Colavita &Contini, LLP	Legal Services	125

2002*

Name of Employer	Type	Number of Employees
Adelphi University	Higher Education	A
Garden City Hotel Incorporated	Hotel	C
Bookspan Incorporated	Catalog & Mail-order House	C
Sears, Roebuck & Company	Department Store	C
Northwest Airlines	Travel	C
May Department Stores Company	Department Store	C
Esselte Corporation	Packaging Machinery	C
Bank of New York	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 2002 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,	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Function										
General government support	33	38	38	38	38	39	38	38	38	38
Public safety	104	103	111	111	112	113	110	109	109	109
Transportation	18	18	20	20	20	20	21	19	19	19
Economic assistance and opportunity	60	69	69	69	69	70	70	69	70	71
Culture and recreation	57	57	57	57	57	57	58	58	58	58
Home and community services	21	21	21	21	21	21	21	21	21	21
Total	<u>293</u>	<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>

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

Years Ended May 31,	2011	2010	2009	2008	2007
FUNCTION					
Public Safety					
Building					
Building permits issued	235	213	251	377	377
Police (calendar year)					
Physical arrests	318	348	286	351	324
Aided cases	1,572	1,536	1,503	1,511	1,421
Traffic violations	8,703	7,357	8,576	12,219	13,715
Parking violations	19,866	18,899	19,163	15,745	15,373
Fire (calendar year)					
Number of calls answered	1,188	1,078	1,098	1,265	1,091
Inspections	517	474	246	112	447
Mutual aid	15	5	12	12	14
Transportation					
Highway and streets					
Street resurfacing (miles)	1.52	1.42	1.15	2.00	1.25
Sidewalk repairs (sf)	23,307	22,244	17,379	41,365	32,460
Curb replacement (lf)	5,386	6,559	4,912	12,613	8,303
Snow plowing (days)	8	4	4	1	4
Ice control (days)	6	5	11	9	7
Culture and Recreation					
Parks & shade trees					
Flowers planted	28,000	28,000	29,000	30,000	30,000
Trees planted	128	116	159	236	451
Recreation					
Pool members	7,159	7,426	8,118	8,518	8,810
Tennis contracts (hours)	144.00	144.00	141.00	452.00	146.00
Tennis lessons (hours)	140.00	155.00	156.50	146.50	103.50
Home and Community Service					
Sanitation					
Refuse collected (tons)	15,267	15,741	15,974	16,980	17,400
Recyclables collected (tons)	2,515	2,520	3,135	4,016	2,928
Leaves composted (cu yds)	22,000	2,100	20,500	20,000	20,000
Sanitary sewers & storm drains					
Sewers refined	0	0	7,371	0	0
Water					
Water pumped (billion gallons)	1,715	1,425	1,536	1,591	1,800
Hydrants replaced	25	25	23	24	30
Water main breaks	16	16	12	10	3
Service taps	23	21	14	12	9

* Statistics not maintained.

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

2006	2005	2004	2003	2002
443	376	338	487	344
276	305	378	394	305
1,484	1,470	1,556	1,519	1,478
12,776	13,374	13,007	13,494	13,469
15,756	15,471	16,867	18,064	18,749
1,032	1,076	1,096	1,001	1,026
371	305	462	362	378
5	4	8	21	4
1.76	1.44	2.33	3.67	3.38
45,084	11,138	56,244	64,177	34,774
12,868	8,186	17,595	20,855	21,324
9	5	10	7	6
22	19	18	12	9
30,000	30,000	30,000	30,000	30,000
340	373	450	400	550
8,839	8,846	8,922	9,027	9,241
146.50	149.00	153.50	*	*
105.00	101.50	90.00	*	*
17,410	16,721	17,372	16,304	15,494
4,057	4,255	3,273	3,270	3,505
20,000	20,000	20,000	20,000	20,000
4,545	21,192	0	6,728	7,053
1,634	1,623	1,721	1,707	1,755
33	36	29	26	31
5	7	8	6	9
10	11	14	12	9

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

Years Ended May 31,	2011	2010	2009	2008	2007
Function					
General Government					
Municipal buildings	25	25	25	24	24
Public Safety					
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	15	14
Transportation					
Highways and streets					
Streets (miles)	73.7	73.7	73.7	73.7	73.7
Streetlights	2,568	2,563	2,563	2,555	2,550
Vehicles	31	31	31	32	32
Culture and Recreation					
Greenspace park acreage (approximate)	301.3	301.3	301.3	301.3	301.3
Street trees	17,077	17,077	17,084	16,998	16,825
Major parks	2	2	2	2	2
Neighborhood parks	6	6	6	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
Home and Community Services					
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	1,003	1,000	1,000
Water					
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.

2006	2005	2004	2003	2002
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
2,519	2,491	2,463	2,435	2,407
32	32	32	32	32
301.3	301.3	301.3	301.3	301.3
16,674	16,634	16,561	16,411	16,311
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