INCORPORATED VILLAGE OF GARDEN CITY, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
MAY 31, 2012

INCORPORATED VILLAGE OF GARDEN CITY, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MAY 31, 2012

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, 2012
TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal 1-5

GFOA Certificate of Achievement 7

Organizational Chart 8

Listing of Village Officials 9

FINANCIAL SECTION

Independent Auditors' Report 11-12

Management's Discussion and Analysis 14-27

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Assets 31

Statement of Activities 32-33

Fund Financial Statements:

Balance Sheet – Governmental Funds 34

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 35

Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds 36

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities 37

Statement of Net Assets – Proprietary Funds 38

Statement of Revenues, Expenses, and Changes In Net Assets – Proprietary Funds 39

Statement of Cash Flows – Proprietary Funds 40-41

Statement of Assets and Liabilities – Fiduciary Fund 42

Notes to Financial Statements 43-72

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund 74-80

Schedule of Funding Progress for Other Postemployment Benefits (OPEB) 81

Other Supplementary Information:

Statement of Changes in Agency Assets and Liabilities – Fiduciary Fund 84

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED MAY 31, 2012
TABLE OF CONTENTS

STATISTICAL SECTION

Financial Trends:

Net Assets by Component 86-87

Changes in Net Assets 88-91

Fund Balances of Governmental Funds 92-93

Changes in Fund Balances of Governmental Funds 94-95

Revenue Capacity:

Assessed Value, State Equalization Rate, and Estimated Full Value of Real Property 96-97

Direct and Overlapping Property Tax Rates 98-99

Principal Property Taxpayers 100

Property Tax Levies and Collections 101

Debt Capacity:

Ratios Outstanding Debt by Type 102

Ratios of General Bonded Debt Outstanding 103

Direct and Overlapping Governmental Activities Debt 104

Debt Limit Margin Information 105

Demographic and Economic Information:

Demographic and Economic Statistics 106

Principal Employers 107

Operating Information:

Full-Time Equivalent Government Employees by Function 108

Operating Indicators by Function/Program 110-111

Capital Asset Indicators by Function/Program 112-113

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

VILLAGE ADMINISTRATOR
ROBERT L. SCHOELLE, JR.

INCORPORATED

VILLAGE OF GARDEN CITY

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November 28, 2012

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 2011-2012 fiscal year which ended on May 31, 2012. 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, 2012. 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. Several of these existing buildings have been leased to Winthrop University hospital for use by it's physicians as medical offices. 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 Investors 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 2012, projects involving sidewalk and curb restoration, road maintenance, and tree planting were all 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. This financing was completed in March 2012. The Village is pleased that our Moody's Investors Service credit rating was upheld at Aaa.

In the current year, the renovation of our Police Headquarters, financed by previously issued bonds, was completed. In addition, major improvements to the Village's Swimming Pool facility, consisting of a renovation of the filtration systems, a children's water play area and new playground equipment with safety surfaces and shade structures, were completed.

Water treatment facilities, an area where continual investment is necessary to ensure the safety of our water supply, were again maintained and updated.

Future Years

The 2012-2013 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 2012-2013, appropriations for capital items have been increased in an effort to return to the pay as you go financing philosophy which served the Village so well for so long.

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.

Financial Information (continued)

Internal Controls (continued)

In addition, the Village maintains controls in order to ensure compliance with the budgetary provisions embodied in the annual appropriated budgets approved by the Board of Trustees. The Village operates in an automated data processing environment making strict budgetary controls possible. Once the Village Board of Trustees has adopted a budget, line item control is enforced through a computerized purchase requisition system. This prevents the over expenditure of any line item by denying the requisition unless there are sufficient funds in the budget for that item. Activities of all funds, except the Capital Projects and Agency Funds, are appropriated through this annual budget process and controlled through the purchase requisition system.

The Capital Projects Fund does not adopt an annual budget since the revenues and expenditures recorded in this fund span more than a single fiscal year. The Capital Projects Fund is approved through resolutions authorizing individual projects which remain in effect for the life of the project.

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

In addition, the New York State Comptroller's Office periodically audits the Village to ensure compliance with State Laws regulating Villages and Municipalities. That State audit includes a review of the report of the Independent Auditors 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, 2011. 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.

Awards (continued)

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

Acknowledgment

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

Respectfully submitted,

Robert L. Schoelle, Jr.
Village Administrator

James E. Olivo
Village Auditor

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

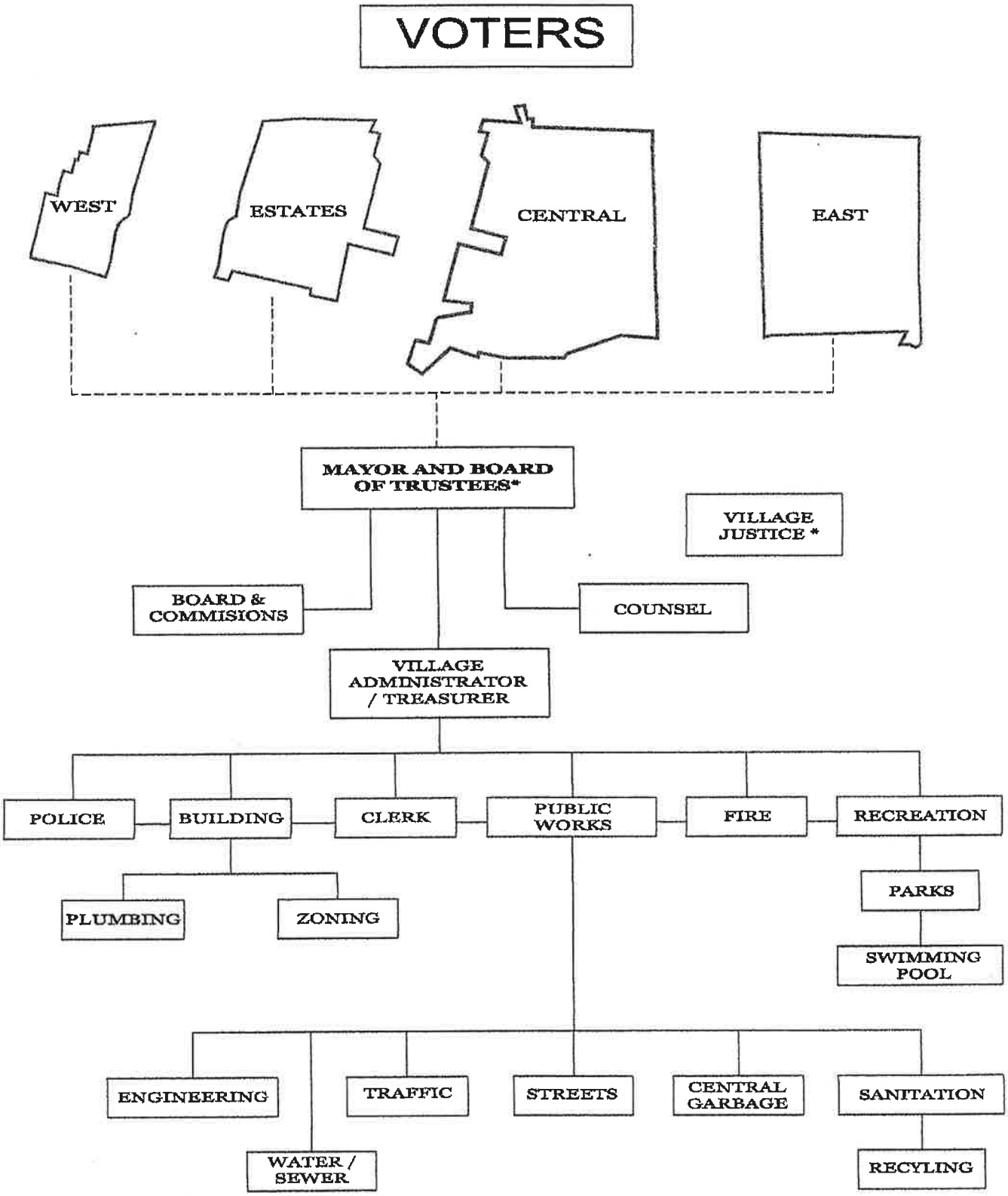
Incorporated Village of Garden City, New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
May 31, 2011

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
WEST
ESTATES
CENTRAL
EAST
MAYOR AND BOARD OF TRUSTEES*
VILLAGE JUSTICE *
BOARD & COMMISIONS
COUNSEL
VILLAGE ADMINISTRATOR / TREASURER
POLICE
BUILDING
CLERK
PUBLIC WORKS
FIRE
RECREATION
PLUMBING
ZONING
PARKS
SWIMMING POOL
ENGINEERING
TRAFFIC
STREETS
CENTRAL GARBAGE
SANITATION
WATER / SEWER
RECYLING

INCORPORATED VILLAGE OF GARDEN CITY, NEW YORK
LISTING OF VILLAGE OFFICIALS
MAY 31, 2012

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

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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, 2012, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit and each major fund of the Incorporated Village of Garden City, New York, as of May 31, 2012, 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.

As described in Note 1.H to the basic financial statements, the Incorporated Village of Garden City, New York adopted the provisions of Governmental Accounting Standards Board No. 54, *"Fund Balance Reporting and Governmental Fund Definitions"* as of and for the year ended May 31, 2012.

PERSONAL SERVICE. TRUSTED ADVICE.

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

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NEW YORK, NY 10167
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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, scheduling of funding progress for other postemployment benefits healthcare costs and the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Incorporated Village of Garden City, New York's basic financial statements as a whole. The introductory section, other supplementary information and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.

Albert, Vajjin, Zarb & Company P.C.

Hauppauge, New York
November 28, 2012

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

As management of the Incorporated Village of Garden City, New York (the "Village"), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended May 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal of this report.

FINANCIAL HIGHLIGHTS

- The combined assets of the Village exceeded its liabilities by $27,808,688 (net assets) at May 31, 2012.

- The Village's total combined net assets decreased by $9,287,616 of which $7,806,456 was related to governmental activities and $1,481,160 was related to business-type activities. The most notable factor contributing to this decrease is the ongoing recognition of other postemployment benefit costs.

- As of May 31, 2012, the Village's governmental funds reported combined ending fund balances of $10,168,127. Of this amount, $806,595 is not in spendable form or is required to remain intact. The remaining $9,361,532 or approximately 92% of total fund balances is in spendable form with various levels of spending constraint: restricted, assigned, or unassigned making them available for spending at the Village's discretion (in compliance with *Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions)* see Note 2.B.

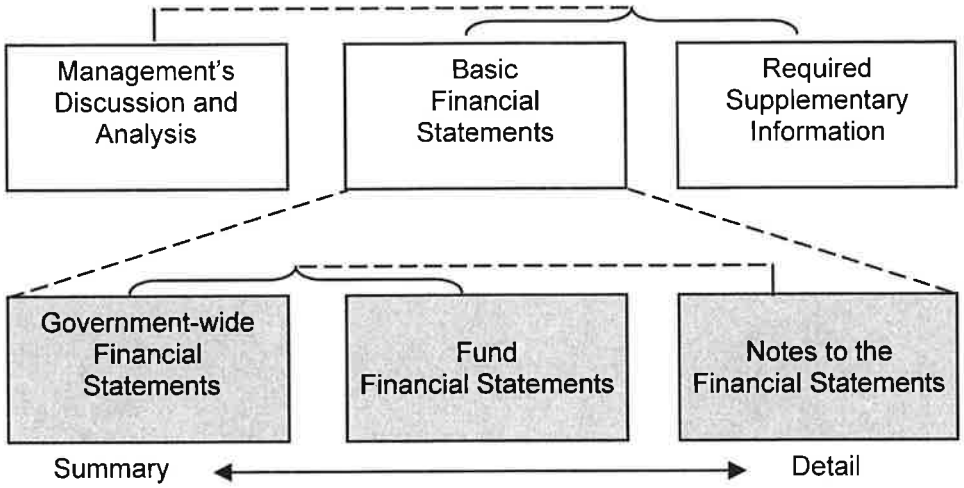
- At year end, the Village's total fund balance for the General Fund was $9,075,878, a slight decrease of $299,905 from the prior year. The assigned and unassigned (GASB Statement No. 54) fund balance for the General Fund was $8,269,283.

- The Village's total bonded debt (inclusive of general obligation bonds and a special assessment bond) was $21,440,000, of which $10,690,000 relates to governmental activities and $10,750,000 relates to business-type activities. There was an increase in bonded debt in the amount of $3,579,500, a result of a general obligation bond issued during the year in the amount of $6,010,000 for various road, lighting, pool improvements, and resurfacing of parking fields, which was offset by principal payments in the amount of $2,430,500.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

COMPONENTS OF
THE ANNUAL FINANICAL REPORT



Government-wide Financial Statements

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

The Statement of Net Assets presents financial information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. This combines and consolidates the Village's current financial resources with capital assets and long-term obligations. The purpose of this statement is to give the reader an understanding of the Village's total net worth. Over time, increases or decreases in the Village's net 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 presents information showing how the Village's net assets changed during the most recent year. Revenues and expenses are reported by activity to give the reader an understanding of how each of the Village's activities is being supported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. This method is known as the accrual basis of accounting and is different from the modified accrual basis of accounting used in the Village's fund financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Government-wide Financial Statements (continued)

The Village's government-wide financial statements includes both the governmental and business-type activities of the Village itself (known as the primary government) and of its legally separate component unit for which the Village is financially accountable. Financial information for the component unit is reported separately (discretely presented) from the financial information presented for the primary government.

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

Governmental Activities - The Village's basic services are reported here, including: general government support; public safety; transportation; economic assistance and opportunity; culture and recreation and home and community services. Property taxes, mortgage taxes, franchise fees, fines, and state and federal grants finance these activities. The Village also charges fees to customers to help it cover the cost of certain services it provides.

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 - Component units are legally separate organizations for which the Village is either financially accountable, or the nature and significance of their relationship with the Village is such that exclusion would cause the Village's financial statements to be misleading or incomplete. The Garden City Public Library is reported in a separate column in the government-wide statements, as a discretely presented component unit. Although legally separate, this "component unit" is important because the Village is financially accountable for this entity.

Information on the separately issued financial statement is shown in Note 1.A to the financial statements.

Fund Financial Statements

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

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Governmental Funds

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

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

The Village maintains two individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and Capital Project Funds.

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

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

Proprietary Fund

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, pool, tennis and internal service funds since all are considered to be major funds of the Village. The proprietary fund financial statements can be found in the "Basic Financial Statements" section of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by $27,808,688 at the close of the most recent year.

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

Condensed Statement of Net Assets
as of May 31, 2012 and 2011

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Assets						
Current and other assets	$ 21,638,086	$ 20,477,048	$ 3,585,160	$ 4,610,608	$ 25,223,246	$ 25,087,656
Capital assets	53,482,691	54,377,019	19,853,431	18,224,711	73,336,122	72,601,730
Total Assets	75,120,777	74,854,067	23,438,591	22,835,319	98,559,368	97,689,386
Liabilities						
Current and other liabilities	9,182,605	9,545,722	2,411,595	1,995,257	11,594,200	11,540,979
Long-term liabilities	47,347,100	38,910,817	11,809,380	10,141,286	59,156,480	49,052,103
Total Liabilities	56,529,705	48,456,539	14,220,975	12,136,543	70,750,680	60,593,082
Net assets						
Invested in capital assets, net of debt	41,851,325	45,259,008	9,026,069	8,514,014	50,877,394	53,773,022
Unrestricted	(23,260,253)	(18,861,480)	191,547	2,184,762	(23,068,706)	(16,676,718)
Total Net Assets	$ 18,591,072	$ 26,397,528	$ 9,217,616	$ 10,698,776	$ 27,808,688	$ 37,096,304

Total assets of the Village's governmental activities, as of May 31, 2012, were $75,120,777, an increase of $266,710. Total liabilities as of May 31, 2012 were $56,529,705, an increase of $8,073,166. This resulted in a net asset balance of $18,591,072 for 2012, a decrease of $7,806,456.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Of the Village's governmental activities net asset balance, $41,851,325 were invested in capital assets, net of related debt; leaving $23,260,253 in the unrestricted deficit category.

The largest portion of the governmental activities net assets, $41,851,325, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.

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

Total assets of the Village's business-type activities, as of May 31, 2012, were $23,438,591, an increase of $603,372. Total liabilities as of May 31, 2012 were $14,220,975, an increase of $2,084,432. This resulted in a net asset balance of $9,217,616 for 2012, a decrease of $1,481,160. Of the Village's business-type activities net asset balance, $9,026,069 were invested in capital assets, net of related debt; and leaving $191,547 in the unrestricted balance. The Pool and Tennis Funds reported a negative investment in capital assets, net of related debt. This is a result of the Village's assets depreciating at a faster rate than the corresponding debt is being amortized (i.e. paid down), which is a result of the Village's debt being issued at a later date compared to the date the asset is placed into service.

The Village's combined net assets were again decreased in the current year and will continue to decrease in subsequent years due to the ongoing recognition of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB). The unfunded liability for postemployment benefits healthcare costs related to the primary government increased by $6,140,493 in the current year, bringing the unfunded liability at year end to $24,453,102. Additional information on other postemployment benefits can be found in Note 3.F to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

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

Changes in Net Assets

For the years ended May 31, 2012 and 2011

	Governmental Activities		Business-type Activities Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Program Revenues						
Charges for services	$ 3,086,466	$ 3,093,593	$ 6,241,016	$ 6,764,732	$ 9,327,482	$ 9,858,325
Operating grants and contributions	424,011	244,761			424,011	244,761
Capital grants and contributions	568,821	582,599			568,821	582,599
Total Program Revenues	4,079,298	3,920,953	6,241,016	6,764,732	10,320,314	10,685,685
General Revenues						
Real property taxes	44,593,160	44,328,042			44,593,160	44,328,042
Other real property tax items	718,361	653,051			718,361	653,051
Non-property tax items	995,737	1,088,762			995,737	1,088,762
Earnings on investments	127,090	148,289	43,432	35,519	170,522	183,808
Grants - unrestricted	752,983	807,361			752,983	807,361
Legal settlement			22,279	29,392	22,279	29,392
Other	419,625	440,161			419,625	440,161
Total General Revenues	47,606,956	47,465,666	65,711	64,911	47,672,667	47,530,577
Total Revenues	51,686,254	51,386,619	6,306,727	6,829,643	57,992,981	58,216,262
Program Expenses						
General government support	11,572,522	13,691,507			11,572,522	13,691,507
Public safety	23,283,535	22,205,619			23,283,535	22,205,619
Transportation	4,690,515	4,939,638			4,690,515	4,939,638
Economic assistance and opportunity	7,784	30,676			7,784	30,676
Culture and recreation	11,247,553	10,941,924			11,247,553	10,941,924
Home and community services	8,391,920	8,555,314			8,391,920	8,555,314
Interest on debt	298,881	318,151			298,881	318,151
Pool			1,139,389	1,164,447	1,139,389	1,164,447
Tennis			451,771	458,895	451,771	458,895
Water			6,196,727	6,292,376	6,196,727	6,292,376
Total Program Expenses	59,492,710	60,682,829	7,787,887	7,915,718	67,280,597	68,598,547
Change in Net Assets	(7,806,456)	(9,296,210)	(1,481,160)	(1,086,075)	(9,287,616)	(10,382,285)
Net Assets at Beginning of Year	26,397,528	35,693,738	10,698,776	11,784,851	37,096,304	47,478,589
Net Assets at End of Year	$ 18,591,072	$ 26,397,528	$ 9,217,616	$ 10,698,776	$ 27,808,688	$ 37,096,304

Certain amounts in the 2011 schedule of changes in net assets have been reclassified to conform to the current year presentation.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

During the year ended May 31, 2012, government-wide revenues decreased from the prior year by $223,281 while government-wide expenses decreased from the prior year by $1,317,950.

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

- Decrease in the charges for services related to the business-type activities, primarily related to a decrease in water sales in the amount of approximately $583,000. This is mainly due to the change in weather conditions. In the current fiscal year, the temperatures were cooler and there were higher amounts of precipitation compared to the prior year, which resulted in a decrease in water consumption.

- Increase in operating grants and contributions of approximately $179,000 primarily due to the federal and state aid received for costs associated with the cleanup from the effects of Hurricane Irene.

- Increase in real property taxes of approximately $265,000 due to a minimal increase in the tax rate of the General Fund.

- Decrease in non-property taxes items of approximately $93,000 due to decreases in public utility gross receipts taxes and franchise fees.

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

- Decrease in general government support expenses of approximately $2,119,000 primarily due to a significant decrease in tax certioraris settlements against the Village in the current year as compared to prior year.

- Increase in public safety expenses of $1,078,000 primarily due to an increase in police department salaries, compensated absences payouts and employee benefits (i.e. NYS retirement system contributions).

- Decrease in transportation expenses of approximately $249,000 primarily due to a decrease in salaries paid and materials and supplies needed for snow removal and street maintenance as the current year's winter was milder with minimal snow and icy conditions compared to prior year.

- Increase in culture and recreation expenses of approximately $306,000 due to an increase in employee benefit costs and an increase in the contribution to the Garden City Public Library (component unit).

- Decrease in home and community expenses of approximately $163,000 primarily due to a decrease in salaries and compensated absences payouts in the current year.

- Decrease in Water Fund expenses of approximately $96,000 primarily due to a significant decrease in litigation costs as the Village's environmental cost recovery lawsuits are close to being resolved and therefore less costs were incurred in the current year and a decrease in salaries for water pumpage. This was offset by a reallocation of certain employees from other funds to perform special projects required by Nassau County, which resulted in an increase in salaries and employee benefits costs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Net Cost of Services
Governmental Activities
For Years Ended May 31, 2012 and 2011

	Total Costs of Services		Program Revenues		Net Cost of Services	
	2012	2011	2012	2011	2012	2011
General government support	$ 11,572,522	$ 13,691,507	$ 26,140	$ 24,710	$ 11,546,382	$ 13,666,797
Public safety	23,283,535	22,205,619	1,862,348	1,831,292	21,421,187	20,374,327
Transportation	4,690,515	4,939,638	963,618	1,019,457	3,726,897	3,920,181
Economic assistance and opportunity	7,784	30,676			7,784	30,676
Culture and recreation	11,247,553	10,941,924	554,137	530,470	10,693,416	10,411,454
Home and community services	8,391,920	8,555,314	673,055	515,024	7,718,865	8,040,290
Interest on debt	298,881	318,151			298,881	318,151
	$ 59,492,710	$ 60,682,829	$ 4,079,298	$ 3,920,953	$ 55,413,412	$ 56,761,876

The cost of the governmental activities this year was $59,492,710. The net cost of these services after being subsidized by program revenues of $4,079,298 was $55,413,412.

Net Cost of Services
Business-Type Activities
For Years Ended May 31, 2012 and 2011

	Total Costs of Services		Program Revenues		Net Cost of Services	
	2012	2011	2012	2011	2012	2011
Pool	$ 1,139,389	$ 1,164,447	$ 1,111,211	$ 1,092,315	$ 28,178	$ 72,132
Tennis	451,771	458,895	392,371	352,000	59,400	106,895
Water	6,196,727	6,292,376	4,737,434	5,320,417	1,459,293	971,959
	$ 7,787,887	$ 7,915,718	$ 6,241,016	$ 6,764,732	$ 1,546,871	$ 1,150,986

The cost of the business-type activities this year was $7,787,887. The net cost of these services after being subsidized by program revenues of $6,241,016 was $1,546,871.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

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

The Village has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions. As a result of this implementation, the fund balance section of the balance sheets of the governmental funds has been modified. The change has been made in order for the Village's new fund balance components to focus on "the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent". Previously, the fund balance section focused on whether these resources were available for appropriation. It also distinguished the unreserved fund balance from the reserved fund balance. In order to show compliance with GASB Statement No. 54, however, the components of the new fund balance include the following line items:

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)

- **Nonspendable fund balance** - $806,595 (inherently non spendable) includes the portion of net resources that cannot be spent because they are not in spendable form, cannot be converted to cash in the current period or are legally or contractually required to remain intact.
- **Restricted fund balance** - $16,751 (externally enforceable limitations on use) include amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- **Assigned fund balance** - $7,733,797 (limitation resulting from intended use) consists of amounts where the intended specific purpose is established by the Village Board of Trustees, but do not meet the criteria to be classified as restricted or committed.
- **Unassigned fund balance** - $1,610,984 (residual net resources) is the remaining fund balance in the General Fund in excess of nonspendable, restricted and assigned fund balance.

The implementation of these new components is intended to increase clarity and help service the need of the financial statement users. See Note 2.B for more information.

At May 31, 2012 the Village's governmental funds reported total ending fund balances of $10,168,127 an increase of $1,382,269 in comparison with the prior year.

General Fund

The General Fund is the chief operating fund of the Village. At the end of the current year, the total fund balance of the General Fund was $9,075,878, decreasing by $299,905 from the prior year. Of this amount, $806,595 is not in spendable form (inventory of material and supplies) and the remaining $8,269,283 is in spendable form as follows: $2,964,244 has be assigned by the Village Board for the subsequent year's budget, $435,221 has be assigned for purchase orders by the Village Auditor, $3,235,200 has been assigned by the Village Board for future employee benefit payments, $23,634 has been assigned for miscellaneous designations, and the remaining $1,610,984 represents spendable, unassigned fund balance.

The key elements of the fund balance decrease of $299,905 are as follows:

- There was a planned fund balance reduction of $1,913,685, a result of an appropriation in the current year's original budget.
- Revenues were higher than the final budget primarily due to federal aid received for assistance with the cleanup costs of Hurricane Irene in the amount of $312,649. Overall, actual revenues increased from prior year by $303,304 due to a minimal increase in the real property taxes assessed and the increase in federal grants.
- General government support expenditures were under the Village's final budget by $1,401,707, as there were less tax certiorari cases settled against the Village than anticipated and an overall reduction of spending. The actual general government support expenditures decreased by $849,981 as compared to prior year, a result of a decrease in premiums paid to the Internal Service Fund for risk management and less refunds of real property taxes (tax certioraris).

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)

General Fund (continued)

- Actual public safety expenditures increased by $884,143 compared to prior year, a result of increased salaries and compensated absences pay outs during the year. Public safety expenditures were under the final budget by $350,993 due to an overall reduction of spending in the police and fire departments.
- Actual transportation expenditures decreased by $424,348 compared to prior year, a result of less costs for snow removal. The transportation expenditures were under the final budget by $123,175 as the Village did not need to purchase material and supplies or incur costs for the maintenance of snow removal equipment as anticipated.
- Expenditures related to employee benefits increased by $1,090,072 compared to prior year, a result higher contributions to the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System and an increase health insurance costs as compared to the prior year. These costs were under final budget by $239,428.
- Overall debt service expenditures were higher than prior year by $175,826 due to the payments made on bonds issued in the prior years. These debt service expenditures exceeded the final budget by $213,914.

Capital Projects Fund

At the end of the current year, the Capital Projects Fund had a total fund balance of $1,092,249, an increase of $1,682,174 from the prior year. Of this amount $16,751 was restricted to specific capital project expenditures and $1,075,498 is assigned for capital project purposes.

The fund balance increase in the Capital Projects Fund by of $1,682,174 from the prior year is a result of timing differences between project expenditures and the recognition of corresponding permanent financing. The Village received bond proceeds in the amount of $3,875,000 in the current year which was used to finance prior year and current year capital projects.

Proprietary Funds

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

As of May 31, 2012, the Pool Fund's net deficit was $446,712. This net deficit was greater than the prior year in the amount of $1,666. The Tennis Fund's net assets at year end were $92,111, a decrease of $55,055 from the prior year. The overall deficit of the Pool Fund and the decrease in the Tennis net assets is primarily a result of recognizing depreciation and other postemployment benefit costs (OPEB).

The Water Fund's net assets were $9,678,853 a decrease of $1,321,135 from the prior year. As discussed in the analysis of government-wide financial statements, this is a result of less sales in the current year due to weather conditions and the reallocation of salaries for special projects and the related employee benefits costs, including OPEB costs.

The Internal Service Fund's net deficit at May 31, 2012 was $1,504,866. This net deficit was greater than prior year in the amount of $1,217,034. This is mainly a result of an increase in costs in the current year related to workers' compensation liability as the Village is fully insured as of August 1, 2011 and decrease premiums received from the participating funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village appropriated expenditures in the original General Fund budget in excess of estimated revenues in the amount of $2,427,008, by designating unreserved fund balance from the prior year and reappropriating prior year encumbrances in the amount of $513,323. 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 $612,825 from the original expenditure budget. The majority of this increase was for public safety related salaries and compensated absence payment to retirees.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities as of May 31, 2012, amounts to $53,482,691 and $19,853,431, respectively. This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, curbs, sidewalks, drainage, sewer and water systems, and construction in progress.

During the fiscal year ended May 31, 2012, the Village's major capital expenditures were as follows:

Pool improvements	$ 2,089,558
Parking areas- Central Business District	1,189,495
Village Hall building extension	699,297
Road repairs	336,000
Sidewalk repairs	261,711

Capital Assets at May 31, 2012 and 2011
(Net of Depreciation)

	Governmental Activities		Business-type Activities	
	2012	2011	2012	2011
Land	$ 16,603,615	$ 16,603,615	$ 69,212	$ 69,212
Construction in progress			2,251,670	57,670
Buildings	23,064,156	22,162,749	8,246,138	8,246,138
Improvements other than buildings	6,848,542	7,018,109	15,163,099	14,521,699
Machinery and equipment	18,072,889	17,809,214	13,231,915	13,045,332
Infrastructure:				
Roads, curbs, and sidewalks	37,582,557	35,370,986		
Drainage and sewer systems	10,739,159	10,739,159		
Total capital assets	112,910,918	109,703,832	38,962,034	35,940,051
Less: accumulated depreciation	59,428,227	55,326,813	19,108,603	17,715,340
Total net capital assets	$ 53,482,691	$ 54,377,019	$ 19,853,431	$ 18,224,711

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Debt Administration

At the end of the current year, the Village had total long-term bonded debt outstanding of $10,690,000 and $10,750,000 for its governmental and business-type activities, respectively. The entire debt is backed by the full faith and credit of the Village. The Village also has $762,809 outstanding in capital loans payable.

Outstanding Debt at May 31, 2012 and 2011

	2012	2011
Governmental Activities:		
Capital loans payable	$ 762,809	$ 938,011
Special assessment bond payable with governmental commitment	1,130,000	1,370,000
General obligation bonds payable, exclusive of premium	9,560,000	6,795,500
Total outstanding debt, governmental activities	$ 11,452,809	$ 9,103,511
Business-type Activities:		
General obligation bonds payable, exclusive of premium	$ 10,750,000	$ 9,695,000
Total outstanding debt, business-type activities	$ 10,750,000	$ 9,695,000

The above does not include premiums related to general obligation bonds in the amount of $72,569 and $46,675 for the governmental activities and business-type activities, respectively, as of May 31, 2012 and $14,500 and $15,697 respectively, as of May 31, 2011.

During the current fiscal year, the Village's debt, inclusive of bonded debt and capital loans, increased by $3,404,298 or 18.00%, which is a net change in the debt retired and new borrowings.

Moody's Investment Services maintained the Village's credit rating at "Aaa" during the year ended May 31, 2012.

Debt Limit

The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed 7.00% of the average full valuation of taxable real estate of the Village, and is subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service.

The constitutional method for determining full valuation is calculated by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Board of Equalization and Assessment. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five. The percentage of debt contracting power exhausted at May 31, 2012 was 2.72%.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Property Tax

The Village has adopted a budget for the 2012-2013 fiscal year, which factors in inflation and other adjustments to revenues and expenditures as well as prior year positive and negative fund balances. The 2012-2013 budget includes an overall increase in real property tax revenues of approximately $478,443, which is the result of an increase in the tax rate of 1.71% 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 did not exceed the 2% cap, inclusive of allowable exclusion in the 2012-2013 budget.

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 reduced 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.

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BASIC FINANCIAL STATEMENTS

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INCORPORATED VILLAGE OF GARDEN CITY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET ASSETS
May 31, 2012

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Current Assets:				
Cash	$ 19,407,244	$ 2,792,663	$ 22,199,907	$ 301,123
Accounts receivable	317,587	723,539	1,041,126	186
Due from other governments	642,978		642,978	386
Internal balances	106,636	(106,636)	-0-	
Tax sale certificates	357,046		357,046	
Inventory of material and supplies	806,595	175,594	982,189	
Total Current Assets	21,638,086	3,585,160	25,223,246	301,695
Noncurrent Assets:				
Non-depreciable capital assets	16,603,615	2,320,882	18,924,497	
Depreciable capital assets, net of depreciation	36,879,076	17,532,549	54,411,625	
Total Noncurrent Assets	53,482,691	19,853,431	73,336,122	-0-
Total Assets	75,120,777	23,438,591	98,559,368	301,695
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	1,999,700	749,620	2,749,320	78,992
Due to New York State retirement systems	741,068	55,189	796,257	46,953
Unearned revenues	150,558	595,657	746,215	
Noncurrent liabilities due within one year:				
Compensated absences	385,392	16,088	401,480	
Claims and judgments payable	1,570,452		1,570,452	
Tax certioraris payable	2,903,000		2,903,000	
Capital loans payable	175,771		175,771	
Special assessment bond payable with governmental commitment	240,000		240,000	
General obligation bonds payable	1,016,664	995,041	2,011,705	
Total Current Liabilities	9,182,605	2,411,595	11,594,200	125,945
Noncurrent Liabilities:				
Compensated absences	7,322,441	305,665	7,628,106	
Claims and judgments payable	7,180,695		7,180,695	
Other postemployment benefits payable	22,751,021	1,702,081	24,453,102	
Capital loans payable	587,038		587,038	
Special assessment bond payable with governmental commitment	890,000		890,000	
General obligation bonds payable	8,615,905	9,801,634	18,417,539	
Total Noncurrent Liabilities	47,347,100	11,809,380	59,156,480	-0-
Total Liabilities	56,529,705	14,220,975	70,750,680	125,945
NET ASSETS				
Invested in capital assets, net of related debt	41,851,325	9,026,069	50,877,394	
Unrestricted	(23,260,253)	191,547	(23,068,706)	175,750
Total Net Assets	$ 18,591,072	$ 9,217,616	$ 27,808,688	$ 175,750

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended May 31, 2012

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Government Activities:				
General government support	$ 11,572,522	$ 26,140		
Public safety	23,283,535	1,858,976	$ 3,372	
Transportation	4,690,515	404,797		$ 558,821
Economic assistance and opportunity	7,784			
Culture and recreation	11,247,553	550,364	3,773	
Home and community services	8,391,920	246,189	416,866	10,000
Interest on debt	298,881			
Total Governmental Activities	59,492,710	3,086,466	424,011	568,821
Business-type Activities:				
Pool	1,139,389	1,111,211		
Tennis	451,771	392,371		
Water	6,196,727	4,737,434		
Total Business-type Activities	7,787,887	6,241,016	-0-	-0-
Total Primary Government	$ 67,280,597	$ 9,327,482	$ 424,011	$ 568,821
COMPONENT UNIT				
Garden City Public Library	$ 3,282,082	$ 74,864	$ 5,258	
Total Component Unit	$ 3,282,082	$ 74,864	$ 5,258	$ -0-

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
$ (11,546,382)		$ (11,546,382)	
(21,421,187)		(21,421,187)	
(3,726,897)		(3,726,897)	
(7,784)		(7,784)	
(10,693,416)		(10,693,416)	
(7,718,865)		(7,718,865)	
(298,881)		(298,881)	
(55,413,412)	$ -0-	(55,413,412)	
	(28,178)	(28,178)	
	(59,400)	(59,400)	
	(1,459,293)	(1,459,293)	
-0-	(1,546,871)	(1,546,871)	
(55,413,412)	(1,546,871)	(56,960,283)	
			$ (3,201,960)
			(3,201,960)
44,593,160		44,593,160	
718,361		718,361	
995,737		995,737	
127,090	43,432	170,522	3,617
752,983		752,983	3,050,000
	22,279	22,279	
419,625		419,625	24,665
47,606,956	65,711	47,672,667	3,078,282
(7,806,456)	(1,481,160)	(9,287,616)	(123,678)
26,397,528	10,698,776	37,096,304	299,428
$ 18,591,072	$ 9,217,616	$ 27,808,688	$ 175,750

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
May 31, 2012

	Major Funds		
	General	Capital Projects	Totals
ASSETS			
Cash	$ 11,051,594	$ 1,214,988	$ 12,266,582
Accounts receivable	317,587		317,587
Due from other governments	642,978		642,978
Tax sale certificates	357,046		357,046
Inventory of materials and supplies	806,595		806,595
Total Assets	$ 13,175,800	$ 1,214,988	$ 14,390,788
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	$ 1,842,631	$ 122,739	$ 1,965,370
Tax certioraris payable	903,000		903,000
Due to New York State retirement systems	741,068		741,068
Due to other funds	34,511		34,511
Deferred revenues	507,604		507,604
Advances from other funds	71,108		71,108
Total Liabilities	4,099,922	122,739	4,222,661
Fund Balances			
Nonspendable	806,595		806,595
Restricted		16,751	16,751
Assigned	6,658,299	1,075,498	7,733,797
Unassigned	1,610,984		1,610,984
Total Fund Balances	9,075,878	1,092,249	10,168,127
Total Liabilities and Fund Balances	$ 13,175,800	$ 1,214,988	$ 14,390,788

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, 2012

TOTAL FUND BALANCES- GOVERNMENTAL FUNDS		$ 10,168,127
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	96,307,303	
Accumulated depreciation	(59,428,227)	
		53,482,691
Internal Service Fund is used to account for the Village's risk retention and the charges to individual funds. Total assets of the Internal Service Fund inclusive of an internal receivable (a result of the net deficit), due from the business-type activities, reported on the Statement of Net Assets:		7,352,917
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	(7,707,833)	
Claims and judgments payable	(8,751,147)	
Tax certioraris payable	(2,000,000)	
Other postemployment benefits payable	(22,751,021)	
Capital loans payable	(762,809)	
Special assessment bond payable with governmental commitment	(1,130,000)	
General obligation bonds payable, inclusive of premium	(9,632,569)	
		(52,735,379)
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		(34,329)
Other assets and liabilities not reported in the governmental funds		357,045
NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 18,591,072

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, 2012

	General	Capital Projects	Total Governmental Funds
REVENUES			
Real property taxes and tax items	$ 44,566,731		$ 44,566,731
Other real property tax items	718,361		718,361
Non-property tax items	995,736		995,736
Departmental income	1,640,421		1,640,421
Intergovernmental charges	17,685		17,685
Use of money and property	219,986		219,986
Licenses and permits	127,083		127,083
Fines and forfeitures	1,131,920		1,131,920
Special assessments	239,733		239,733
Sale of property and compensation for loss	337,639		337,639
Miscellaneous local sources	90,329		90,329
State and local aid	1,229,134		1,229,134
Federal aid	312,649		312,649
Total Revenues	51,627,407		51,627,407
EXPENDITURES			
Current:			
General government support	8,703,949		8,703,949
Public safety	14,263,561		14,263,561
Transportation	2,369,624		2,369,624
Economic assistance and opportunity	7,784		7,784
Culture and recreation	7,385,371		7,385,371
Home and community services	5,525,517		5,525,517
Employee benefits	10,775,501		10,775,501
Capital outlay		$ 3,340,798	3,340,798
Debt service:			
Principal	1,525,702		1,525,702
Interest	283,018		283,018
Total Expenditures	50,840,027	3,340,798	54,180,825
Excess (Deficiency) of Revenues Over (Under) Expenditures	787,380	(3,340,798)	(2,553,418)
OTHER FINANCING SOURCES (USES)			
Principal amount of bond issuance		3,875,000	3,875,000
Premium on bonds	60,687		60,687
Transfers in	1,271	1,149,243	1,150,514
Transfers out	(1,149,243)	(1,271)	(1,150,514)
Total Other Financing Sources (Uses)	(1,087,285)	5,022,972	3,935,687
Net Change in Fund Balances	(299,905)	1,682,174	1,382,269
Fund Balances (Deficit) at Beginning of Year	9,375,783	(589,925)	8,785,858
Fund Balances at End of Year	$ 9,075,878	$ 1,092,249	$ 10,168,127

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, 2012

NET CHANGE IN FUND BALANCES		$ 1,382,269
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	$ 3,431,320	
Depreciation expense	(4,312,014)	
Loss on dispositions	(13,634)	
		(894,328)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		26,429
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	78,011	
Tax certioraris payable	800,000	
Other postemployment benefits payable	(5,665,208)	
Repayment of capital loans	175,202	
Bonds issued	(3,875,000)	
Premium on bonds issued	(60,687)	
Repayment of special assessment bond with governmental commitment	240,000	
Repayment of bond principal	1,110,500	
Amortization of bond premiums	2,618	
Accrued interest costs	(15,863)	
		(7,210,427)
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	(341,713)	
Workers' compensation premium and other Internal Service Fund changes in activity	(768,686)	
		(1,110,399)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ (7,806,456)

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
May 31, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	Pool	Tennis	Water	Total Enterprise Funds	Internal Service Fund
ASSETS					
Current Assets:					
Cash	$ 786,049	$ 301,374	$ 1,705,240	$ 2,792,663	$ 7,140,662
Accounts receivable	2,155	220	721,164	723,539	
Due from other funds					34,511
Inventory of materials and supplies			175,594	175,594	
Total Current Assets	788,204	301,594	2,601,998	3,691,796	7,175,173
Noncurrent Assets:					
Advances to other funds					71,108
Non-depreciable capital assets	2,089,558		231,324	2,320,882	
Depreciable capital assets, net of depreciation	357,453	216,055	16,959,041	17,532,549	
Total Noncurrent Assets	2,447,011	216,055	17,190,365	19,853,431	71,108
Total Assets	3,235,215	517,649	19,792,363	23,545,227	7,246,281
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued liabilities	466,376	15,072	268,172	749,620	
Collections in advance-membership fees	512,183	83,474		595,657	
Due to New York State retirement systems	3,693	3,154	48,342	55,189	
Compensated absences	980	600	14,508	16,088	
General obligation bonds payable	79,251	48,000	867,790	995,041	
Claims and judgments payable					1,487,127
Total Current Liabilities	1,062,483	150,300	1,198,812	2,411,595	1,487,127
Noncurrent Liabilities:					
Compensated absences	18,616	11,391	275,658	305,665	
Other postemployment benefits payable	117,311	65,847	1,518,923	1,702,081	
General obligation bonds payable	2,483,517	198,000	7,120,117	9,801,634	
Claims and judgments payable					7,264,020
Total Noncurrent Liabilities	2,619,444	275,238	8,914,698	11,809,380	7,264,020
Total Liabilities	3,681,927	425,538	10,113,510	14,220,975	8,751,147
NET ASSETS (DEFICIT)					
Investment in capital assets, net of related debt	(70,315)	(29,945)	9,126,329	9,026,069	
Unrestricted	(376,397)	122,056	552,524	298,183	(1,504,866)
Total Net Assets (Deficit)	$ (446,712)	$ 92,111	$ 9,678,853	$ 9,324,252	$ (1,504,866)
Adjustment to report the internal balance for the net effect of the activity between the internal service fund and the enterprise funds				$ (106,636)	
Net Assets of business-type activities				$ 9,217,616	

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, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	Pool	Tennis	Water	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES					
Charges for services:					
Water sales			$ 3,933,145	$ 3,933,145	
Public fire protection			545,199	545,199	
Water services for other governments			152,482	152,482	
Intergovernmental sales			84,627	84,627	
Membership and guest fees	$ 1,012,097	$ 391,604		1,403,701	
Other operating revenues	99,114	767	21,981	121,862	$ 21,293
Premiums Charged for Risk Retention:					
General fund					2,957,096
Enterprise funds					235,956
Component unit- Garden City Public Library					136,800
Total Operating Revenues	1,111,211	392,371	4,737,434	6,241,016	3,351,145
OPERATING EXPENSES					
Pumping			1,114,607	1,114,607	
Transmission and distribution			954,820	954,820	
Purification			279,533	279,533	
Other operating expenses	784,155	293,458	964,679	2,042,292	
Administrative and general	177,854	70,395	1,332,089	1,580,338	16,800
Depreciation	117,383	70,954	1,204,926	1,393,263	
Excess insurance					1,257,254
Claims and judgments					732,680
Workers' compensation					2,583,584
Total Operating Expenses	1,079,392	434,807	5,850,654	7,364,853	4,590,318
Income (Loss) from Operations	31,819	(42,436)	(1,113,220)	(1,123,837)	(1,239,173)
NON-OPERATING REVENUES (EXPENSES)					
Interest on investments	2,876	776	39,780	43,432	22,139
Legal settlement			22,279	22,279	
Interest on debt	(33,029)	(13,395)	(269,974)	(316,398)	
Total Non-Operating Revenues (Expenses)	(30,153)	(12,619)	(207,915)	(250,687)	22,139
Changes in Net Assets	1,666	(55,055)	(1,321,135)	(1,374,524)	(1,217,034)
Total Net Assets (Deficit) at Beginning of Year	(448,378)	147,166	10,999,988		(287,832)
Total Net Assets (Deficit) at End of Year	$ (446,712)	$ 92,111	$ 9,678,853		$ (1,504,866)
Adjustment for the net effect of the current year activity between the internal service fund and enterprise funds				(106,636)	
Changes in Net Assets of business-type activities				$ (1,481,160)	

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended May 31, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	Pool	Tennis	Water	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Revenue Collected:					
Water sales			$ 3,981,557	$ 3,981,557	
Public fire protection			545,199	545,199	
Water services for other governments			152,482	152,482	
Intergovernmental sales			84,627	84,627	
Membership and guest fees	$ 1,075,287	$ 402,960		1,478,247	
Other receipts	99,114	767	21,981	121,862	$ 21,293
Cash for interfund services provided					3,329,852
Payments for Expenses:					
Payments to suppliers	(241,413)	(104,847)	(1,728,093)	(2,074,353)	(4,248,605)
Compensation and related expenses	(599,727)	(221,709)	(2,441,439)	(3,262,875)	
Cash paid for internal services provided	(59,672)	(7,898)	(168,386)	(235,956)	
Net Cash Provided (Used) by Operating Activities	273,589	69,273	447,928	790,790	(897,460)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from legal settlement			22,279	22,279	
Due to other funds	(1,719)	(2,500)	(18,280)	(22,499)	(16,500)
Advances to other funds					33,835
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(1,719)	(2,500)	3,999	(220)	17,335
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(1,680,916)		(856,296)	(2,537,212)	
Proceeds from capital debt	2,135,000			2,135,000	
Premium from capital debt	33,768			33,768	
Principal paid on capital debt	(77,000)	(48,000)	(955,000)	(1,080,000)	
Interest paid on capital debt	(33,029)	(13,395)	(269,974)	(316,398)	
Net Cash Provided (Used) by Capital and Related Financing Activities	377,823	(61,395)	(2,081,270)	(1,764,842)	-0-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and earnings received	2,876	776	36,990	40,642	22,139
Net Cash Provided by Investing Activities	2,876	776	36,990	40,642	22,139
Net Change in Cash	652,569	6,154	(1,592,353)	(933,630)	(857,986)
Cash at Beginning of Year	133,480	295,220	3,297,593	3,726,293	7,998,648
Cash at End of Year	$ 786,049	$ 301,374	$ 1,705,240	$ 2,792,663	$ 7,140,662

(continued)

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended May 31, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	Pool	Tennis	Water	Total Enterprise Funds	Internal Service Fund
(continued)					
RECONCILIATION OF THE INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Income (Loss) from Operations	$ 31,819	$ (42,436)	$ (1,113,220)	$ (1,123,837)	$ (1,239,173)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Accounts receivable	(150)	177	48,412	48,439	
Inventory			(40,758)	(40,758)	
Depreciation expense	117,383	70,954	1,204,926	1,393,263	
Accounts payable and accrued liabilities	29,942	7,885	(109,884)	(72,057)	
Due to New York State retirement system	1,063	342	14,445	15,850	
Due to other funds					
Compensated absences	1,066	717	18,303	20,086	
Other postemployment benefits payable	29,126	20,455	425,704	475,285	
Collections in advance	63,340	11,179		74,519	
Claims and judgments payable					341,713
Net Cash Provided (Used) by Operating Activities	$ 273,589	$ 69,273	$ 447,928	$ 790,790	$ (897,460)
NON CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Amortization of bond premiums			$ 2,790	$ 2,790	
Accounts payable and accrued liabilities related to capital assets	$ 315,213		76,129	391,342	
Total Non Cash Investing, Capital and Financing Activities:	$ 315,213	$ -0-	$ 78,919	$ 394,132	$ -0-

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
May 31, 2012

		Agency Fund
ASSETS		
Cash		$ 2,792,673
Due from others		102,885
	Total Assets	$ 2,895,558
LIABILITIES		
Building fees and other deposits		$ 2,202,955
Justice court fund		141,140
Other agency liabilities		551,463
	Total Liabilities	$ 2,895,558

See notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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 by GASB Statement No. 39, including legal standing, dependency and financial accountability.

Based on the application of these criteria, the following is a summary of the entity that is accounted for as a discretely presented component unit in the Village's basic financial statements:

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.

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Village as a whole with separate columns for the primary governmental activities and business-type activities as well as the discretely presented component unit. For the most part, the effect of interfund activity has been eliminated from the government-wide financial statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

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

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

Fund Financial Statements

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

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

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

Capital Projects Fund – is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed by proprietary funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

Proprietary Funds - Proprietary funds are used to account for ongoing activities which are similar to those often found in the private sector. Proprietary fund financial statements include a Statement of Net 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.

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.

The Village reports the following major proprietary funds:

Enterprise Funds – used to account for the following operations:

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

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

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

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.

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.

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

The Internal Service Fund includes the following fund:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

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

The Village has reported the following fiduciary fund:

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

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus refers to what is being measured whereas the basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village generally considers revenues to be available if they are collected within sixty (60) days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, tax certioraris, pollution remediation obligations, capital loans, and other postemployment benefits are recorded when payment is due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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.

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

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. CASH AND CASH EQUIVALENTS

Cash consists of funds deposited in demand accounts and time deposit accounts. For purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with a maturity when purchased of three months or less to be cash equivalents. At May 31, 2012, the Village did not have any cash equivalents. The Statement of Cash Flows presented uses the direct method of reporting cash flows.

State statutes govern the Village's investment policies. The Village has its own written investment policy stating that Village money must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of the New York State or its localities. All demand accounts and time deposits accounts are carried at cost. The Village had no investments as of May 31, 2012.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (continued)

1. CASH AND CASH EQUIVALENTS (continued)

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

2. RECEIVABLES AND PAYABLES

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

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

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

a) Interfund Revenues

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

b) Transfers

Transfers represent payments between the General Fund and Capital Projects Fund for residual equity transfers to close out completed capital projects as well as transfers to fund certain capital projects.

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

3. INVENTORIES

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (continued)

4. CAPITAL ASSETS

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

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

Infrastructure assets consisting of 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.

5. 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.

6. LONG-TERM OBLIGATIONS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (continued)

6. LONG-TERM OBLIGATIONS (continued)

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Bond issuance costs that are immaterial are charged as an operating expense. Premiums that are immaterial will not be amortized.

7. NET ASSETS AND FUND 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. Accounts payable that are related to capital projects are used in the calculation of invested in capital assets, net of related debt.

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.

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."

Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Definitions*" (GASB Statement No. 54) has been implemented. GASB Statement No. 54 changed the terminology and classification of fund balance to reflect spending constraints on resources rather than availability for appropriation. The fund balance section of the governmental funds balance sheets have been modified accordingly. Not all of the Village's funds will necessarily have all of the components of fund balance available to that fund. The implementation of these new components is intended to increase clarity and help serve the needs of the financial statements users.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (continued)

7. NET ASSETS AND FUND EQUITY CLASSIFICATIONS (continued)

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

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

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

2) Restricted fund balance reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

3) Committed fund balance reflects amounts that can only be used for specific purposes by a government using its highest and most binding level of decision making authority. The Village's highest decision making authority is the Board of Trustees, who by adoption of a Village ordinance prior to year end, can commit fund balance. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action imposing the commitment. At May 31, 2012, the Village did not have any committed fund balance.

4) Assigned fund balance reflects the amounts constrained by the Village's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Trustees has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

5) Unassigned fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. REVENUES AND EXPENDITURES/ EXPENSES

1. REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES

The Village's property taxes are levied and become a lien on June 1st, each fiscal year. Taxes are levied based upon the taxable value of all real property located within the Village. Taxes are recorded as a receivable on June 1st, and are payable one-half by July 1st, and one-half by December 31st, each year. Current year delinquent property taxes not collected by March 31st are placed on tax sale. 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, 2012, the maximum amount of taxes which could be levied by the Village based on the foregoing was $139,620,189. The actual real property taxes levied by the Village for the year ended May 31, 2012 was $44,560,340. 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.

2. OTHER POSTEMPLOYMENT BENEFITS

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

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

The Village recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. The Village's union contracts and ordinances require that it provide its eligible enrollees with the Empire Plan benefit coverage, or if another provider is utilized, the equivalent coverage. Under the provisions of the Empire Plan, premiums are adjusted on a prospective basis for any losses experienced by the Empire Plan. The Village has the option to terminate its participation in the Empire Plan at any time without liability for its respective share of any previously incurred loss. The liability for other postemployment benefits is recorded as a noncurrent liability in the government-wide and proprietary fund statements in accordance with GASB Statement No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions."*

3. COMPENSATED ABSENCES

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. REVENUE AND EXPENDITURES/EXPENSES (continued)

3. COMPENSATED ABSENCES (continued)

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

4. RISK MANAGEMENT

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

F. ENCUMBRANCES

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

G. USE OF ESTIMATES

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

H. NEW PRONOUNCEMENTS

The Village has adopted all of the current statements of the Governmental Accounting Standards Board that are applicable. During the year ended May 31, 2012, the Village has adopted GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions.*"

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. SUBSEQUENT EVENTS

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budget Policies

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

a) Approximately four months prior to May 31st, the Village Administrator will submit a proposed operating budget for the General Fund for the fiscal year commencing June 1st. The operating budget includes proposed expenditures and the means of financing them.

b) Public hearings are conducted to obtain the public's comments on the proposed budget. On or before May 1st, the proposed budget is officially adopted by the Board of Trustees and tax rates are established.

c) Revenues are budgeted by source. Expenditures are budgeted by department and character (personal services, equipment and capital outlay, contractual expenditures, etc.) which constitutes the legal level of control. Expenditures and encumbrances may not exceed appropriations at this level. All budget revisions at this level are subject to final approval of the Board of Trustees. Within these control levels, the Village Auditor is authorized to make transfer appropriations without Board approval.

d) Appropriations lapse at the close of the year to the extent that they have not been expended or encumbered. Activities of all funds, except the Capital Projects 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.

e) 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.

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. 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); however, local governments can exceed the tax levy limit by a 60% vote of the governing body and annually adopting a local law.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

B. FUND BALANCE

In order to comply with GASB Statement No. 54, the fund balance section of the balance sheets of the governmental funds has been modified. The change has been made in order for the Village's new fund balance components to focus on "the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent" (GASB Statement No. 54 paragraph 54). Previously, the fund balance section focused on whether these resources were available for appropriation. It also distinguished the unreserved fund balance from the reserved fund balance. In order to show compliance with GASB Statement No. 54 however, the components of the new fund balance include the following items, as needed: 1) nonspendable, 2) restricted 3) committed, 4) assigned, or 5) unassigned.

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

	General Fund	Capital Projects Fund	Total
Fund Balances:			
Nonspendable:			
Inventory	$ 806,595		$ 806,595
Total Nonspendable	806,595	$ -0-	806,595
Restricted for:			
Capital projects		16,751	16,751
Total Restricted	-0-	16,751	16,751
Assigned to:			
Subsequent year's budget	2,964,244		2,964,244
Purchases on order	435,221	179,072	614,293
Capital projects and contractual obligations		896,426	896,426
Compensated absences	3,235,200		3,235,200
Other assignments	23,634		23,634
Total Assigned	6,658,299	1,075,498	7,733,797
Unassigned, reported in:			
General Fund	1,610,984		1,610,984
Total Unassigned	1,610,984	-0-	1,610,984
Total Fund Balances	$ 9,075,878	$ 1,092,249	$ 10,168,127

3. DETAIL NOTES ON ALL FUNDS

A. CASH AND CASH EQUIVALENTS

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

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

- Uncollateralized,
- Collateralized 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, 2012, the Village's cash book balance was $24,990,730. This amount is inclusive of Fiduciary Fund deposits of $2,792,673 but exclusive of petty cash of $1,850. The bank balance was $25,453,918. Of the bank balance, $1,135,295 was covered by Federal deposit insurance, and $24,318,623 was covered by collateral held by the Village's agent, a third-party financial institution, in the Village's name.

At May 31, 2012, the Village's component unit's cash book and bank balance was $300,823. This amount is exclusive of petty cash of $300. Of the bank balance, $70,371 was covered by Federal deposit insurance, the remaining bank balance of $230,452 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, as mentioned above.

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

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

Concentration of Credit Risk – Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5% or more in securities of a single issuer.

As of May 31, 2012, the Village of Garden City did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

3. DETAIL NOTES ON ALL FUNDS (continued)

B. INTERFUND RECEIVABLE AND PAYABLE

The interfund receivable balance for the business-type funds and interfund payable balance for the governmental funds at May 31, 2012 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:

	Amount Receivable	Amount Payable
Governmental Fund:		
General Fund		$ 34,511
Proprietary Fund:		
Internal Service Fund	$ 34,511	
Total	$ 34,511	$ 34,511

The noncurrent portion of the principal balance referred to as advances to/from other funds will be reimbursed over a two year period beginning with the Village's year ending May 31, 2013 and is stated as follows:

	Amount Receivable	Amount Payable
Governmental Fund:		
General Fund		$ 71,108
Proprietary Fund:		
Internal Service Fund	$ 71,108	
Total	$ 71,108	$ 71,108

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,	2013	$ 34,511	$ 2,113	$ 36,624
	2014	35,202	1,422	36,624
	2015	35,906	718	36,624
	Total	$ 105,619	$ 4,253	$ 109,872

3. DETAIL NOTES ON ALL FUNDS (continued)

C. CAPITAL ASSETS

Capital asset activities for the year ended May 31, 2012 are as follows:

Governmental activities:	Balance June 1, 2011	Additions	Deletions	Balance May 31, 2012
Capital assets not being depreciated:				
Land	$ 16,603,615			$ 16,603,615
Depreciable capital assets:				
Buildings	22,162,749	$ 901,407		23,064,156
Improvements other than buildings	7,018,109	54,667	$ 224,234	6,848,542
Machinery and equipment	17,809,214	263,675		18,072,889
Infrastructure:				
Roads, curbs and sidewalks	35,370,986	2,211,571		37,582,557
Drainage and sewer systems	10,739,159			10,739,159
Total depreciable capital assets	93,100,217	3,431,320	224,234	96,307,303
Less accumulated depreciation:				
Buildings	14,015,197	1,151,956		15,167,153
Improvements other than buildings	5,060,703	337,180		5,397,883
Machinery and equipment	13,436,829	880,678	210,600	14,106,907
Infrastructure:				
Roads, curbs and sidewalks	17,154,966	1,617,340		18,772,306
Drainage and sewer systems	5,659,118	324,860		5,983,978
Total accumulated depreciation	$ 55,326,813	$ 4,312,014	$ 210,600	59,428,227
Total net depreciable capital assets				36,879,076
Total net capital assets				$ 53,482,691

Depreciation expense was charged to governmental functions as follows:

General government support	$ 960,549
Public safety	320,026
Transportation	1,276,166
Culture and recreation	1,136,661
Home and community services	618,612
Total depreciation expense - governmental activities	$ 4,312,014

3. DETAIL NOTES ON ALL FUNDS (continued)

C. CAPITAL ASSETS (continued)

A summary of changes within the business-type activities capital assets for the year ended May 31, 2012 is as follows:

Business-type activities:	Balance June 1, 2011	Additions	Deletions	Balance May 31, 2012
Capital assets not being depreciated:				
Land	$ 69,212			$ 69,212
Construction in progress	57,670	$ 2,796,413	$ 602,413	2,251,670
Total capital assets not being depreciated	126,882	2,796,413	602,413	2,320,882
Depreciable capital assets:				
Buildings	8,246,138			8,246,138
Improvements other than buildings	14,521,699	641,400		15,163,099
Machinery and equipment	13,045,332	186,583		13,231,915
Total depreciable capital assets	35,813,169	827,983	-0-	36,641,152
Less accumulated depreciation:				
Buildings	5,762,993	230,635		5,993,628
Improvements other than buildings	4,613,873	357,600		4,971,473
Machinery and equipment	7,338,474	805,028		8,143,502
Total accumulated depreciation	$ 17,715,340	$ 1,393,263	$ -0-	19,108,603
Total net depreciable capital assets				17,532,549
Total net capital assets				$ 19,853,431

Depreciation expense was charged to functions as follows:	
Culture and recreation	$ 188,338
Home and community services	1,204,925
Total depreciation expense - business-type activities	$ 1,393,263

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

The Village evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Village's policy is to record an impairment loss in the period when the Village determines that the carrying amount of the asset will not be recoverable. At May 31, 2012, the Village has not recorded any such impairment losses.

D. INDEBTEDNESS

LONG-TERM DEBT

Capital Loans Payable

The Village's capital loans payable consists of two loans, of which the borrowings were used to finance capital projects, due to an outside third party, New York Power Authority ("NYPA"). The capital loans bear interest at a variable rate and will mature during fiscal year ending 2017. At May 31, 2012, the principal balance on these loans was $762,809.

3. DETAIL NOTES ON ALL FUNDS (continued)

D. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

Capital Loan Payable (continued)

The future principal and interest payments, utilizing the year end variable rate of 0.88%, for the capital loans are as follows:

		Principal	Interest	Total Principal and Interest
Years ending May 31,	2013	$ 175,771	$ 6,005	$ 181,776
	2014	177,324	4,452	181,776
	2015	178,891	2,885	181,776
	2016	180,472	1,304	181,776
	2017	50,351	81	50,432
	Total	$ 762,809	$ 14,727	$ 777,536

Special Assessment Bond Payable

The Village has $1,130,000 of special assessment debt outstanding from an original issue of $2,250,000 to provide funds for the improvement of a parking lot. The Village receives 84.949% of the resources to repay the debt from amounts levied against the property owners directly benefiting from the capital project financed. The remaining 15.051% of the debt service requirements is funded by 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, 2012, 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 four years.

The future principal and interest payments for the special assessment bond is as follows:

		Principal	Interest	Total Principal and Interest
Years ending May 31,	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	$ 1,130,000	$ 120,657	$ 1,250,657

3. DETAIL NOTES ON ALL FUNDS (continued)

D. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

General Obligation Bonds Payable

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

At May 31, 2012, bonds payable consisted of the following individual issues:

Governmental Activities:

Description of Issue and Purpose	Original Debt	Year of Final Maturity	Interest Rate	Outstanding Balance
Acquisition of St. Paul's land, 2003	$ 3,345,695	2013	2.250% - 4.000%	$ 185,000
Various purposes serial bonds, 2003	2,239,500	2013	2.250% - 4.000%	190,000
Sewer Pump, Cedar Valley, and Meadow, 2003	942,449	2013	2.250% - 4.000%	50,000
Building construction, 2006	950,000	2021	4.100% - 4.200%	650,000
Library reconstruction, 2008	1,005,000	2017	3.000% - 3.380%	605,000
Community Park improvements, 2008	2,350,000	2022	3.000% - 3.600%	1,690,000
Village Hall improvements, 2010	2,555,500	2025	1.500% - 3.500%	2,315,000
Various road and lighting improvements, resurfacing of parking fields, 2012	3,875,000	2027	2.000% - 2.625%	3,875,000
			Total Governmental Activities	$ 9,560,000

Business-type Activities:

Description of Issue and Purpose	Original Debt	Year of Final Maturity	Interest Rate	Outstanding Balance
Water Fund:				
Water system improvements, serial bonds, 2006	$ 1,585,000	2021	4.100% - 4.200%	$ 1,095,000
Water system improvements, serial bonds, 2008	4,365,000	2022	3.000% - 3.600%	3,125,000
Water system improvements, serial bonds, 2010	4,210,000	2025	1.500% - 3.500%	3,755,000
Pool Fund:				
Pool reconstruction, 2002	950,000	2017	4.300% - 4.750%	394,000
Pool improvements, 2012	2,135,000	2027	2.000% - 2.625%	2,135,000
Tennis Fund:				
Tennis structure, 2002	600,000	2017	4.300% - 4.750%	246,000
			Total Business-type Activities	$ 10,750,000

3. DETAIL NOTES ON ALL FUNDS (continued)

D. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

General Obligation Bonds Payable (continued)

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

Governmental Activities:

	Principal	Interest	Total Principal and Interest
Years ending May 31, 2013	$ 1,010,000	$ 259,541	$ 1,269,541
2014	1,005,000	228,790	1,233,790
2015	1,015,000	203,496	1,218,496
2016	1,015,000	178,002	1,193,002
2017	955,000	152,509	1,107,509
2018 - 2022	3,835,000	427,258	4,262,258
2023 - 2027	725,000	51,508	776,508
Total	$ 9,560,000	$ 1,501,104	$ 11,061,104

Business-type Activities:

	Water Fund		Pool Fund		Tennis Fund		Total Principal and Interest
	Principal	Interest	Principal	Interest	Principal	Interest	
Years ending May 31, 2013	$ 865,000	$ 245,248	$ 77,000	$ 64,710	$ 48,000	$ 11,505	$ 1,311,463
2014	865,000	221,560	207,000	63,118	48,000	9,345	1,414,023
2015	870,000	197,766	210,000	56,956	50,000	7,125	1,391,847
2016	875,000	141,054	210,000	50,556	50,000	4,750	1,331,360
2017	725,000	149,560	210,000	44,156	50,000	2,375	1,181,091
2018 - 2022	3,280,000	398,153	660,000	162,618			4,500,771
2023 - 2027	495,000	33,413	955,000	72,795			1,556,208
Total	$ 7,975,000	$ 1,386,754	$ 2,529,000	$ 514,909	$ 246,000	$ 35,100	$ 12,686,763

3. DETAIL NOTES ON ALL FUNDS (continued)

D. INDEBTEDNESS (continued)

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activities for the year ended May 31, 2012 are as follows:

	Balance June 1, 2011	Increases	Reductions	Balance May 31, 2012	Noncurrent liabilities due within one year	Noncurrent liabilities
Governmental Activities:						
General obligation bonds	$ 6,795,500	$ 3,875,000	$ 1,110,500	$ 9,560,000	$ 1,010,000	$ 8,550,000
Plus premiums on issuance	14,500	60,687	2,618	72,569	6,664	65,905
Total general obligation bonds	6,810,000	3,935,687	1,113,118	9,632,569	1,016,664	8,615,905
Compensated absences	7,785,844	707,076	785,087	7,707,833	385,392	7,322,441
Claims and judgments payable	8,409,434	1,712,872	1,371,159	8,751,147	1,570,452	7,180,695
Tax certioraris payable	2,800,000	1,847,662	1,744,662	2,903,000	2,903,000	
Other postemployment benefits payable	17,085,813	7,581,713	1,916,505	22,751,021		22,751,021
Capital loans payable	938,011		175,202	762,809	175,771	587,038
Special assessment bond payable with governmental commitment	1,370,000		240,000	1,130,000	240,000	890,000
Governmental activities long-term activities	$ 45,199,102	$ 15,785,010	$ 7,345,733	$ 53,638,379	$ 6,291,279	$ 47,347,100
Business-type Activities:						
General obligation bonds	$ 9,695,000	$ 2,135,000	$ 1,080,000	$ 10,750,000	$ 990,000	$ 9,760,000
Plus premiums on issuance	15,697	33,768	2,790	46,675	5,041	41,634
Total general obligation bonds	9,710,697	2,168,768	1,082,790	10,796,675	995,041	9,801,634
Compensated absences	301,667	41,253	21,167	321,753	16,088	305,665
Other postemployment benefits payable	1,226,796	565,548	90,263	1,702,081		1,702,081
Business-type activities long-term activities	$ 11,239,160	$ 2,775,569	$ 1,194,220	$ 12,820,509	$ 1,011,129	$ 11,809,380

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

E. RETIREMENT SYSTEMS

Plan Description

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

3. DETAIL NOTES ON ALL FUNDS (continued)

E. RETIREMENT SYSTEMS (continued)

Plan Description (continued)

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

Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System 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 expressed as proportions of payroll members, used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

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

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

Annual Required Contribution - ERS

	Amount	Credits & Miscellaneous Adjustments	Prepayment Discount	Total Payment
2012	$ 2,304,222	$ 25,099	$ (20,973)	$ 2,308,348
2011	1,651,185	(46,463)	(15,364)	1,589,358
2010	1,035,916	(61,402)	(9,330)	965,184

Annual Required Contribution - PFRS

	Amount	Credits & Miscellaneous Adjustments	Prepayment Discount	Total Payment
2012	$ 2,089,278	$ (80,701)	$ (18,029)	$ 1,990,548
2011	1,704,572	62,511	(16,919)	1,750,164
2010	1,314,345	(127,746)	(10,820)	1,175,779

3. DETAIL NOTES ON ALL FUNDS (continued)

E. RETIREMENT SYSTEMS (continued)

Funding Policy (continued)

Amounts due to New York State Retirement Systems reported in the governmental fund and business-type activities represent the approximate contribution to the ERS and PFRS for the months of April and May 2012.

F. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

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

All retirees are eligible for Medicare reimbursement in the amount of $1,157 per year for those enrolling prior to January 1, 2010, $1,326 per year for those enrolling from January 12, 2010 and before January 1, 2011, $1,385 per year for those enrolling subsequent to January 1, 2011 and before January 1, 2012 and $1,199 per year for those enrolling on January 1, 2012 and after. 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.

GASB 45 allows plan sponsors to utilize the results of an actuarial valuation for multiple years if no significant changes have occurred since the prior valuation was performed Accordingly, the Village's OPEB valuation for the fiscal year ending May 31, 2012 is based on the employee data, plan provisions, methods and assumptions described in the actuarial valuation for the year ending May 31, 2010.

3. DETAIL NOTES ON ALL FUNDS (continued)

F. OTHER POSTEMPLOYMENT BENEFITS (continued)

Plan Description (continued)

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

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	499	474	25

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

Funding Policy

The Village currently pays for other postemployment benefits (OPEB) on a pay-as-you-go basis. GASB Statement No. 45 does not require that the unfunded liability actually be amortized nor that it be funded, only that the unfunded accrued liability is accounted for and in compliance in meeting its Annual Required Contribution (ARC). However, if the liability is funded, assets must be transferred to a qualifying irrevocable trust or equivalent arrangement for the exclusive benefit of plan members and must be protected from creditors. At this time, there is no New York State statute providing local governments with the requisite authority for establishing another 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, 2012, the Village's annual other postemployment benefits cost (expense) was $8,147,261 of which $7,581,713 was related to governmental activities and $565,548 was related to business-type activities. The annual expense, inclusive of current health insurance premiums, totaled $2,006,768 for retirees and their beneficiaries, of which $1,916,505 was related to governmental activities and $90,263 was related to business-type activities. The result was an increase in the other postemployment benefits liability of $6,140,493, of which $5,665,208 was related to governmental activities and $475,285 was related to business-type activities for the year ended May 31, 2012. The active and retired employees of the Village's discretely presented component unit are included in governmental activities portion of the OPEB liability.

3. DETAIL NOTES ON ALL FUNDS (continued)

F. OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual Other Postemployment Benefit Cost and Net Obligation (continued)

Benefit Obligations and Normal Cost

	Primary Government	Governmental Activities	Business-type Activities
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)	$ 92,989,078	$ 86,796,154	$ 6,192,924
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

The Village's annual other postemployment benefit cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded actuarial accrued liability for the Village for the year ended May 31, 2012 amounted to $92,989,078.

3. DETAIL NOTES ON ALL FUNDS (continued)

F. OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual Other Postemployment Benefit Cost and Net Obligation (continued)

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

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

	Primary Government	Governmental Activities	Business-type Activities
Normal cost	$ 2,937,094	$ 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	732,504	683,432	49,072
Adjustment to ARC	(1,018,499)	(950,268)	(68,231)
OPEB Cost	8,147,261	7,581,713	565,548
Less: Contribution for year ended May 31, 2012	2,006,768	1,916,505	90,263
Increase in other postemployment benefits liability	6,140,493	5,665,208	475,285
Other postemployment benefits liability at May 31, 2011	18,312,609	17,085,813	1,226,796
Other postemployment benefits liability at May 31, 2012	$ 24,453,102	$ 22,751,021	$ 1,702,081
Percent of annual OPEB cost contributed	24.63%	25.28%	15.96%

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, 2012	$ 8,147,261	$ 2,006,768	24.63%	$ 24,453,102
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

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%

3. DETAIL NOTES ON ALL FUNDS (continued)

F. OTHER POSTEMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress (continued)

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) 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.

G. COMPENSATED ABSENCES

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

Estimated vacation, sick leave, and compensatory absences accumulated by governmental fund type employees have been recorded in the Statements of Net Assets. Vested vacation, personal leave and sick leave accumulated by business type employees have been recorded in proprietary funds as a liability and expense. Payment of vacation time and sick leave is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave, and compensatory absences when such payments become due. As of May 31, 2012, the value of the Village's accumulated vacation time and sick leave for governmental and business-type activities was $8,029,586, of which $3,235,200 was included in the assigned fund balance of the General Fund.

4. COMMITMENTS AND CONTINGENCIES

A. RISK MANAGEMENT

In common with other municipalities, the Village receives numerous notices of claims. The Village established a self-insurance risk management program for general liability and workers' compensation claims which is accounted for in the Internal Service Fund. With respect to those insurance needs which are being self-insured, the Village has umbrella policies which provide for (1) $30,000,000 of coverage per year for general liability claims which on a case by case basis are more than $200,000 ($3,000,000 in the aggregate) and (2) $2,000,000 of coverage per year for workers' compensation claims filed prior to August 1, 2011 which, on a case by case basis, are more than $400,000. During the year, the Village purchased an insurance policy which covers all workers' compensation claims incurred after August 1, 2011. There have been no significant reductions in insurance coverage as compared to the prior year, and there were no settlements in excess of insurance coverage over the last three years.

The actuarially determined Internal Service Fund liabilities are reported 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 risk management program for both workers' compensation and general liability claims.

At May 31, 2012, the Internal Service Fund had a deficit fund balance of $1,504,866. This deficit is being addressed through an increase in future premiums. The Enterprise Funds' portion of the Internal Service Fund's deficit is approximately $106,600 and has been reported as an internal balance in the government-wide financial Statement of Net Assets of Net Assets.

B. SELF-INSURANCE PROGRAM

The schedule below presents the changes in claim reserves for general liability and workers' compensation for the years ended May 31, 2012 and 2011:

	Workers' Compensation		General Liability	
	2012	2011	2012	2011
Unpaid claims as of June 1,	$ 5,954,670	$ 5,409,251	$ 2,454,764	$2,220,019
Incurred claims:				
Provision for insured events of the current fiscal year	-0-*	1,291,943	606,630	569,056
Increase/ (decrease) in net provision for insured events of prior fiscal years	1,120,994	1,010,931	(14,572)	1,371,639
Total incurred claims and claim adjustments	1,120,994	2,302,874	591,878	1,940,695
Payments:				
Claims during the current year	874,223	1,757,455	496,963	1,705,950
Unpaid claims as of May 31,	$ 6,201,441	$ 5,954,670	$ 2,549,706	$ 2,454,764

*The Village purchased a workers' compensation insurance policy during the fiscal year ended May 31, 2012, which will provide coverage for workers' compensation claims occurring after August 1, 2011. Therefore, there is no provision for self-insured workers' compensation events in the current fiscal year.

4. COMMITMENTS AND CONTINGENCIES (continued)

B. SELF-INSURANCE PROGRAM (continued)

During the year ended May 31, 2012, the Internal Service Fund charged the following premiums:

Primary Government:	
General Fund	$ 2,957,096
Water Fund	168,386
Pool Fund	59,672
Tennis Fund	7,898
	3,193,052
Component Unit:	
Garden City Public Library	136,800
Total Premiums	$ 3,329,852

C. 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 $1,372,036 net of legal costs. The Village recognized $1,349,757 of the settlement in prior years and the remaining $22,279 in the year ended May 31, 2012. These payments are recorded as a non-operating revenue in the Water Fund's Statement of Revenues, Expenses, and Changes in Net Assets.

D. GENERAL LITIGATION

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

E. TAX CERTIORARI PROCEEDINGS

From time to time, the Village is involved in tax certiorari proceedings under which taxpayers seek reduction in the assessed value of property upon which taxes are measured. A reduction in assessed valuation may result in a refund of real property taxes previously paid by the claimant. The amount refunded to Village taxpayers as a result of tax certiorari proceedings was $1,744,662 for the year ended 2012.

F. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress commitments for equipment purchases and other capital acquisition commitments amounting to $195,823 are restricted or assigned in the Capital Projects Fund.

5. SUBSEQUENT EVENT

On October 29, 2012, Hurricane Sandy made landfall on Long Island, affecting the Incorporated Village of Garden City. As of the date of this report, the Village's capital assets do not appear to be severely damaged or impaired, however there were additional expenditures which were incurred and will continue to be incurred, relating to the clean-up and the maintaining of public safety conditions in the Village. Management is not able to quantify the total costs of this storm at this time, however the Village will apply for Federal and/or State aid, as available, to assist with these costs. Based on past experience, aid has been made available to the Village for similar storm costs.

6. NEW PRONOUNCEMENTS

The GASB has issued Statement No. 61 "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34". This statement modifies certain requirements for inclusion of component units in the financial reporting entity. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2012.

The GASB has issued Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". This statement is for presentation purposes only. The requirements of the new statement become effective for fiscal periods beginning after December 15, 2011.

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

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Real Property Taxes				
Real property taxes	$ 44,580,340	$ 44,580,340	$ 44,566,731	$ (13,609)
Total Real Property Taxes	44,580,340	44,580,340	44,566,731	(13,609)
Other Real Property Tax Items				
Payment in lieu of taxes	610,080	610,080	604,268	(5,812)
Interest and penalties on real property tax	105,050	105,050	114,093	9,043
Total Other Real Property Tax Items	715,130	715,130	718,361	3,231
Non-Property Tax Items				
Public utilities gross receipts tax	700,000	700,000	671,424	(28,576)
County sales tax	60,267	60,267	62,159	1,892
Franchise fees	240,000	240,000	262,153	22,153
Total Non-Property Tax Items	1,000,267	1,000,267	995,736	(4,531)
Departmental Income				
Charges for tax advertising	2,500	2,500	1,675	(825)
Safety inspection fees	562,500	562,500	546,460	(16,040)
Parking lots and garages	220,000	220,000	178,896	(41,104)
Zoning fees	30,000	30,000	34,750	4,750
Dump permits	1,250	1,250	4,920	3,670
Sewer charges	2,800	2,800	10	(2,790)
Refuse and garbage fees	220,000	220,000	130,380	(89,620)
Park and recreational charges	478,760	478,760	508,364	29,604
Public works service	225,000	225,000	195,776	(29,224)
Health fees	6,000	6,000	6,690	690
Planning commission fees	2,000	2,000	3,500	1,500
Architectural design review fees	10,000	10,000	29,000	19,000
Utility permit fees	12,100	12,100		(12,100)
Total Departmental Income	1,772,910	1,772,910	1,640,421	(132,489)
Intergovernmental Charges				
Fire protection services	25,000	25,000	17,250	(7,750)
Sewer services	345	345	435	90
Total Intergovernmental Charges	25,345	25,345	17,685	(7,660)
Use of Money and Property				
Interest and earnings	140,000	140,000	102,333	(37,667)
Commissions	5,000	5,000	3,788	(1,212)
Rental real property	108,375	108,375	113,865	5,490
Total Use of Money and Property	253,375	253,375	219,986	(33,389)

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES (continued)				
Licenses and Permits				
Business and occupational licenses	4,500	4,500	4,080	(420)
Dog license fund apportionment	3,500	3,500	8,022	4,522
Permits	117,325	117,325	114,981	(2,344)
Total Licenses and Permits	125,325	125,325	127,083	1,758
Fines and Forfeitures				
Fines and forfeited bail	1,300,000	1,300,000	1,129,920	(170,080)
Forfeiture of deposits	1,500	2,228	2,000	(228)
Total Fines and Forfeitures	1,301,500	1,302,228	1,131,920	(170,308)
Special Assessments				
Special assessment - parking lot	253,986	253,986	239,733	(14,253)
Total Special Assessments	253,986	253,986	239,733	(14,253)
Sales of Property and Compensation for Loss				
Minor sales - other	13,000	13,000	14,095	1,095
Sales of equipment	20,000	20,000	10,568	(9,432)
Insurance recoveries	150,000	150,000	262,005	112,005
Other compensation for losses	35,000	35,000	50,971	15,971
Total Sales of Property and Compensation for Loss	218,000	218,000	337,639	119,639
Miscellaneous Local Sources				
Refund of prior year expenses			52,989	52,989
Gifts and donations		6,500	10,250	3,750
Interfund revenues	20,000	20,000	20,000	
Unclassified revenues	10,200	10,200	7,090	(3,110)
Total Miscellaneous Local Sources	30,200	36,700	90,329	53,629
State and Local Aid				
Per capita	214,037	214,037	207,449	(6,588)
Mortgage tax	550,000	550,000	539,182	(10,818)
Emergency disaster assistance	4,875		104,216	104,216
Youth programs	4,374	9,249	7,145	(2,104)
Consolidated local street and highway improvement aid	312,345	312,345	319,088	6,743
Special state grant			10,000	10,000
Other	58,035	64,387	42,054	(22,333)
Total State and Local Aid	1,143,666	1,150,018	1,229,134	79,116

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES (continued)				
Federal Aid				
Emergency Disaster Assistance			312,649	312,649
Total Federal Aid	-0-	-0-	312,649	312,649
Total Revenue	$ 51,420,044	$ 51,433,624	$ 51,627,407	$ 193,783

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
(continued)				
EXPENDITURES				
General Government Support				
Board of Trustees:				
Other expenditures	$ 8,402	$ 10,102	$ 8,473	$ 1,629
Village Justice:				
Personal services	288,346	288,346	253,224	35,122
Equipment	4,559	10,911	10,911	
Other expenditures	38,150	38,150	30,382	7,768
Clerk-Treasurer:				
Personal services	768,727	848,727	841,128	7,599
Equipment	70,288	70,288		70,288
Other expenditures	381,354	379,654	261,490	118,164
Purchasing:				
Personal services	279,760	279,760	279,215	545
Other expenditures	7,850	7,850	3,762	4,088
Assessment:				
Personal services	47,924	44,424	37,687	6,737
Other expenditures	5,000	8,500	6,642	1,858
Tax Advertising and Expense:				
Other expenditures	2,000	2,000	1,090	910
Discount on Taxes	21,000	22,380	22,380	
Law:				
Other expenditures	670,000	670,000	583,681	86,319
Personnel:				
Personal services	108,396	108,396	107,767	629
Other expenditures	15,000	15,000	7,297	7,703
Engineer:				
Personal services	194,493	196,093	196,034	59
Other expenditures	18,805	21,305	16,400	4,905
Elections:				
Personal services	725	895	895	
Other expenditures	1,650	1,480	1,433	47
Buildings:				
Personal services	210,602	202,202	200,505	1,697
Other expenditures	194,004	191,504	164,032	27,472
St. Paul School:				
Other expenditures	26,955	26,955	6,971	19,984
Central Garage:				
Personal services	284,966	322,766	322,752	14
Equipment	9,000	8,280	8,270	10
Other expenditures	200,585	227,305	214,835	12,470
Central Printing and Mailing:				
Other expenditures	26,000	26,000	25,993	7
Central Data Processing:				
Personal services	102,552	102,552	102,041	511
Other expenditures	217,241	217,241	189,319	27,922
Municipal Association Dues	22,500	22,500	20,933	1,567
Refunds of Real Property Taxes	2,828,506	2,685,919	1,744,662	941,257

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
General Government Support (continued)				
Insurance charges	2,957,096	2,957,096	2,957,096	
MTA payroll tax	79,344	79,344	76,649	2,695
Contingency	1,470,000	11,731		11,731
Total General Government Support	11,561,780	10,105,656	8,703,949	1,401,707
Public Safety				
Police Department:				
Personal services	7,559,085	8,939,035	8,887,373	51,662
Equipment	15,007	31,007	30,931	76
Other expenditures	601,469	579,105	442,905	136,200
Fire Department:				
Personal services	3,197,618	3,257,205	3,245,805	11,400
Equipment	35,224	46,831	11,307	35,524
Other expenditures	1,093,393	1,117,786	1,012,629	105,157
Safety Inspection:				
Personal services	541,126	541,126	532,494	8,632
Other expenditures	88,459	102,459	100,117	2,342
Total Public Safety	13,131,381	14,614,554	14,263,561	350,993
Transportation				
Street Administration:				
Personal services	290,171	290,171	287,892	2,279
Equipment	1,319	1,319		1,319
Other expenditures	54,996	54,996	52,770	2,226
Street Maintenance:				
Personal services	731,518	706,268	704,887	1,381
Equipment	5,000	5,000	2,074	2,926
Other expenditures	307,360	307,360	306,723	637
Snow Removal:				
Personal services	254,523	171,190	171,113	77
Equipment	1,250	1,250		1,250
Other expenditures	149,100	134,700	61,420	73,280
Street Lighting:				
Personal services	134,300	123,300	122,512	788
Equipment	5,500	5,500	2,837	2,663
Other expenditures	713,081	691,745	657,396	34,349
Total Transportation	2,648,118	2,492,799	2,369,624	123,175
Economic Assistance and Opportunity				
Publicity:				
Other expenditures	16,000	16,000	7,784	8,216
Total Economic Assistance and Opportunity	16,000	16,000	7,784	8,216

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
Culture and Recreation				
Parks:				
Personal services	1,305,571	1,316,954	1,316,436	518
Equipment	11,900	11,900	10,287	1,613
Other expenditures	287,493	301,242	296,747	4,495
Playgrounds and Recreation Centers:				
Personal services	1,964,129	1,976,129	1,950,089	26,040
Equipment	14,485	14,485	12,577	1,908
Other expenditures	737,255	737,255	746,764	(9,509)
Concerts:				
Other expenditures	3,000	3,000	2,471	529
Historian:				
Other expenditures	1,000	1,000		1,000
Library:				
Contribution to component unit	3,050,000	3,050,000	3,050,000	-0-
Total Culture and Recreation	7,374,833	7,411,965	7,385,371	26,594
Home and Community Services				
Sanitary Sewers:				
Personal services	169,656	162,006	158,389	3,617
Equipment	25,000	25,000		25,000
Other expenditures	152,355	152,355	114,544	37,811
Storm Sewers:				
Personal services	165,776	196,776	190,566	6,210
Other expenditures	48,095	48,095	45,488	2,607
Refuse and Garbage:				
Personal services	1,821,057	1,942,481	1,942,334	147
Other expenditures	1,650,439	1,593,575	1,578,936	14,639
Street Cleaning:				
Personal services	473,345	502,653	498,315	4,338
Other expenditures	199,500	205,042	202,595	2,447
Other Sanitation:				
Personal services	236,869	244,879	244,854	25
Other expenditures	67,674	71,814	68,516	3,298
Shade Trees:				
Personal services	232,254	283,654	281,044	2,610
Other expenditures	151,267	203,842	199,936	3,906
Total Home and Community Services	5,393,287	5,632,172	5,525,517	106,655

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2012

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
Employee Benefits				
State retirement	1,644,042	1,702,657	1,702,657	-0-
Police and fire retirement	2,054,224	2,267,998	2,197,287	70,711
Social security	1,503,417	1,607,606	1,528,352	79,254
Unemployment insurance	40,000	40,000	22,081	17,919
Hospital and medical insurance	5,396,668	5,396,668	5,325,124	71,544
Total Employee Benefits	10,638,351	11,014,929	10,775,501	239,428
Debt Service				
Principal	1,525,500	1,525,627	1,525,702	(75)
Interest	497,059	496,932	283,018	213,914
Total Debt Service	2,022,559	2,022,559	1,808,720	213,839
Total Expenditures	52,786,309	53,310,634	50,840,027	2,470,607
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,366,265)	(1,877,010)	787,380	2,664,390
Other Financing Sources (Uses)				
Premium on bonds			60,687	60,687
Transfers in			1,271	1,271
Transfers out	(1,060,743)	(1,149,243)	(1,149,243)	-0-
Total Other Financing Uses	(1,060,743)	(1,149,243)	(1,087,285)	61,958
Net Change in Fund Balance	$ (2,427,008)	$ (3,026,253)	(299,905)	$ 2,726,348
Fund Balance at Beginning of Year			9,375,783	
Fund Balance at End of Year			$ 9,075,878	

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
May 31, 2012

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%

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OTHER SUPPLEMENTARY INFORMATION

INCORPORATED VILLAGE OF GARDEN CITY

STATEMENT OF CHANGES IN AGENCY ASSETS AND LIABILITIES

FIDUCIARY FUND

Year Ended May 31, 2012

	June 1, 2011	Additions	Deductions	May 31, 2012
ASSETS				
Cash	$ 2,968,107	$ 34,339,307	$ 34,514,741	$ 2,792,673
Due from others	-0-	471,644	368,759	102,885
Total Assets	$ 2,968,107	$ 34,810,951	$ 34,883,500	$ 2,895,558
LIABILITIES				
Building fees and other deposits	$ 2,385,440	$ 1,015,322	$ 1,197,807	$ 2,202,955
Justice court fund	123,302	1,269,079	1,251,241	141,140
Other agency liabilities	459,365	32,526,550	32,434,452	551,463
Total Liabilities	$ 2,968,107	$ 34,810,951	$ 34,883,500	$ 2,895,558

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.	86-95
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	96-101
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.	102-105
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.	106-107
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.	108-113

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

Years Ended May 31,	2012	2011	2010	2009
Governmental activities				
Net assets				
Invested in capital assets, net of related debt	$ 41,851,325	$ 45,259,008	$ 45,276,890	$ 46,215,824
Unrestricted	(23,260,253)	(18,861,480)	(9,583,152)	(3,759,618)
Total governmental activities net assets	$ 18,591,072	$ 26,397,528	$ 35,693,738	$ 42,456,206
Business-type activities				
Net assets				
Invested in capital assets, net of related debt	$ 9,026,069	$ 8,514,014	$ 9,012,566	$ 12,677,218
Unrestricted	191,547	2,184,762	2,772,285	(925,813)
Total business-type activities net assets	$ 9,217,616	$ 10,698,776	$ 11,784,851	$ 11,751,405
Primary government				
Net assets				
Invested in capital assets, net of related debt	$ 50,877,394	$ 53,773,022	$ 54,289,456	$ 58,893,042
Unrestricted	(23,068,706)	(16,676,718)	(6,810,867)	(4,685,431)
Total primary government net assets	$ 27,808,688	$ 37,096,304	$ 47,478,589	$ 54,207,611

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.*

2008	2007	2006	2005	2004
$ 44,914,966	$ 44,215,174	$ 44,278,935	$ 39,966,579	$ 41,738,527
6,818,812	11,791,831	10,444,052	13,318,975	14,251,024
$ 51,733,778	$ 56,007,005	$ 54,722,987	$ 53,285,554	$ 55,989,551
$ 10,473,725	$ 12,769,879	$ 12,759,053	$ 11,876,497	$ 11,078,145
2,565,864	638,961	804,059	1,477,752	2,402,109
$ 13,039,589	$ 13,408,840	$ 13,563,112	$ 13,354,249	$ 13,480,254
$ 55,388,691	$ 56,985,053	$ 57,037,988	$ 51,843,076	$ 52,816,672
9,384,676	12,430,792	11,248,111	14,796,727	16,653,133
$ 64,773,367	$ 69,415,845	$ 68,286,099	$ 66,639,803	$ 69,469,805

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

Years Ended May 31,	2012	2011	2010	2009
Expenses				
Governmental activities:				
General government support	$ 11,572,522	$ 13,691,507	$ 13,889,435	$ 12,003,819
Public safety	23,283,535	22,205,619	20,603,724	22,266,724
Transportation	4,690,515	4,939,638	4,409,301	4,298,667
Economic assistance and opportunity	7,784	30,676	21,703	65,111
Culture and recreation	11,247,553	10,941,924	10,947,013	7,435,850
Home and community services	8,391,920	8,555,314	8,653,097	12,259,179
Interest on debt	298,881	318,151	310,265	383,061
Total governmental activities expenses	59,492,710	60,682,829	58,834,538	58,712,411
Business-type activities:				
Pool	1,139,389	1,164,447	1,124,830	1,200,801
Tennis	451,771	458,895	415,233	437,469
Water	6,196,727	6,292,376	5,373,095	5,669,124
Total business-type activities expenses	7,787,887	7,915,718	6,913,158	7,307,394
Total primary government expenses	$ 67,280,597	$ 68,598,547	$ 65,747,696	$ 66,019,805
Program Revenues				
Governmental activities:				
Charges for services:				
General government support	$ 26,140	$ 24,710	$ 28,535	$ 28,830
Public safety	1,858,976	1,826,918	1,817,490	1,727,098
Transportation	404,797	450,732	428,554	542,060
Culture and recreation	550,364	526,144	456,385	431,066
Home and community services	246,189	265,089	320,694	113,345
Operating grants and contributions	424,011	8,700	19,361	12,240
Capital grants and contributions	568,821	818,660	655,154	566,100
Total governmental activities program revenues	4,079,298	3,920,953	3,726,173	3,420,739
Business-type activities:				
Charges for services:				
Pool	1,111,211	1,092,315	1,060,504	1,036,969
Tennis	392,371	352,000	387,764	401,736
Water	4,737,434	5,320,417	4,148,020	4,509,246
Total business-type activities program revenues	6,241,016	6,764,732	5,596,288	5,947,951
Total primary government program revenues	$ 10,320,314	$ 10,685,685	$ 9,322,461	$ 9,368,690

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

Notes: 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.*

Beginning with the year ended May 31, 2010, the Village reports the Library contribution as a culture and recreation expense. Previously, this expense was reported as a home and community services expense.

2008	2007	2006	2005	2004
$ 12,840,280	$ 12,025,225	$ 9,496,353	$ 12,575,608	$ 9,490,854
18,621,592	17,769,655	19,119,016	17,009,017	14,909,211
3,815,348	3,720,959	3,639,415	3,508,639	3,255,118
60,562	44,171	26,401	44,253	43,153
6,720,021	5,672,581	5,550,758	5,060,933	4,527,859
11,991,164	11,208,340	11,590,991	10,239,771	7,269,144
346,799	309,874	216,235	246,548	278,650
54,395,766	50,750,805	49,639,169	48,684,769	39,773,989
1,296,277	1,157,748	1,230,164	1,189,250	1,136,454
418,049	398,349	407,487	370,233	387,575
4,524,140	4,120,319	3,974,773	3,562,716	3,373,326
6,238,466	5,676,416	5,612,424	5,122,199	4,897,355
$ 60,634,232	$ 56,427,221	$ 55,251,593	$ 53,806,968	$ 44,671,344
$ 26,560	$ 32,560	$ 26,150	$ 21,315	$ 14,985
1,786,021	2,253,254	1,612,545	1,675,604	1,545,919
393,814	407,001	330,744	414,378	486,976
355,182	399,018	353,291	321,320	264,412
84,129	150,571	147,213	141,786	8,941
66,575	87,621	637,010	235,821	329,119
682,001	267,416			35,144
3,394,282	3,597,441	3,106,953	2,810,224	2,685,496
1,007,340	994,636	957,163	951,159	928,499
412,778	399,998	429,259	375,193	367,967
4,371,697	4,053,708	4,392,928	3,632,176	3,426,049
5,791,815	5,448,342	5,779,350	4,958,528	4,722,515
$ 9,186,097	$ 9,045,783	$ 8,886,303	$ 7,768,752	$ 7,408,011

(Continued)

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

(Continued)

Years Ended May 31,	2012	2011	2010	2009
Net (Expense)/Revenue				
Governmental activities	$ (55,413,412)	$ (56,761,876)	$ (55,108,365)	$ (55,291,672)
Business-type activities	(1,546,871)	(1,150,986)	(1,316,870)	(1,359,443)
Total primary government net expense	$ (56,960,283)	$ (57,912,862)	$ (56,425,235)	$ (56,651,115)
General Revenues and Other Changes in Net Assets				
Governmental activities				
Real property taxes	$ 44,593,160	$ 44,328,042	$ 44,312,262	$ 42,579,108
Other real property tax items	718,361	653,051	603,744	553,785
Non-property tax items	995,737	1,088,762	959,073	1,066,187
Earnings on investments	127,090	148,289	202,686	500,597
Grants and contributions not restricted to specific programs	752,983	807,361	883,350	1,008,858
Other	419,625	440,161	1,384,782	305,565
Transfers				
Total governmental activities	47,606,956	47,465,666	48,345,897	46,014,100
Business-type activities:				
Earnings on investments	43,432	35,519	29,951	71,259
Legal settlement	22,279	29,392	1,320,365	
Other				
Total business-type activities	65,711	64,911	1,350,316	71,259
Total primary government	$ 47,672,667	$ 47,530,577	$ 49,696,213	$ 46,085,359
Change in Net Assets				
Governmental activities	$ (7,806,456)	$ (9,296,210)	$ (6,762,468)	$ (9,277,572)
Business-type activities	(1,481,160)	(1,086,075)	33,446	(1,288,184)
Total primary government	$ (9,287,616)	$ (10,382,285)	$ (6,729,022)	$ (10,565,756)

2008	2007	2006	2005	2004
$ (51,001,484)	$ (47,153,364)	$ (46,532,216)	$ (45,874,545)	$ (37,088,493)
(446,651)	(228,074)	166,926	(163,671)	(174,840)
$ (51,448,135)	$ (47,381,438)	$ (46,365,290)	$ (46,038,216)	$ (37,263,333)
$ 41,579,104	$ 41,550,829	$ 40,694,602	$ 38,912,605	$ 38,107,563
540,415	544,392	387,730	420,383	441,922
992,944	951,345	865,867	767,324	723,472
1,475,783	1,717,785	1,156,939	631,591	602,266
1,634,786	2,107,175	2,183,406	2,213,421	1,942,591
505,225	1,565,856	2,681,105	225,224	207,373
				(3,069,199)
46,728,257	48,437,382	47,969,649	43,170,548	38,955,988
77,400	73,802	41,937	37,666	48,250
				12,107
77,400	73,802	41,937	37,666	60,357
$ 46,805,657	$ 48,511,184	$ 48,011,586	$ 43,208,214	$ 39,016,345
$ (4,273,227)	$ 1,284,018	$ 1,437,433	$ (2,703,997)	$ 1,867,495
(369,251)	(154,272)	208,863	(126,005)	(114,483)
$ (4,642,478)	$ 1,129,746	$ 1,646,296	$ (2,830,002)	$ 1,753,012

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

Years Ended May 31,	2012	2011	2010	2009	2008
	Note 1				
General Fund					
Reserved*		$ 5,087,946	$ 5,474,157	$ 5,563,794	$ 6,521,608
Unreserved		4,287,837	3,749,967	3,221,296	5,779,734
Nonspendable	$ 806,595				
Assigned	6,658,299				
Unassigned	1,610,984				
Total General Fund	$ 9,075,878	$ 9,375,783	$ 9,224,124	$ 8,785,090	$ 12,301,342
Capital Projects Fund					
Reserved*		$ 1,769,305	$ 579,679	$ 2,523,238	$ 1,177,787
Unreserved		(2,359,230)	1,413,870	(467,315)	3,590,261
Restricted	$ 16,751				
Assigned	1,075,498				
Total Capital Projects Fund	$ 1,092,249	$ (589,925)	$ 1,993,549	$ 2,055,923	$ 4,768,048

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

Note 1: Components of fund balance reclassified in accordance with Governmental Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

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

2007	2006	2005	2004	2003
$ 8,042,475	$ 7,386,327	$ 3,972,106	$ 5,891,948	$ 1,205,420
8,382,651	6,383,592	6,244,484	3,207,016	6,014,747
$ 16,425,126	$ 13,769,919	$ 10,216,590	$ 9,098,964	$ 7,220,167
$ 4,013,729	$ 1,580,339	$ 2,870,375	$ 1,212,658	$ 1,672,470
166,539	(45,693)	803,702	1,998,162	2,607,964
$ 4,180,268	$ 1,534,646	$ 3,674,077	$ 3,210,820	$ 4,280,434

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,	2012	2011	2010	2009	2008
Revenues					
Real property taxes and tax items	$ 44,566,731	$ 44,319,271	$ 44,286,198	$ 42,551,527	$ 41,310,904
Other real property tax items	718,361	653,051	603,743	553,785	540,416
Non-property tax items	995,736	1,088,762	959,073	1,066,187	992,944
Departmental income	1,640,421	1,720,136	1,759,503	1,548,708	1,381,737
Intergovernmental charges	17,685	21,335	38,810	58,827	70,542
Use of money and property	219,986	232,498	265,821	518,630	1,314,458
License and permits	127,083	103,790	94,686	98,351	112,218
Fines and forfeitures	1,131,920	1,051,891	972,224	992,526	964,270
Special assessments	239,733	253,987	253,987	253,987	253,986
Sale of property and compensation for loss	337,639	359,219	209,882	241,001	208,674
Miscellaneous local sources	90,329	77,717	49,354	115,569	51,063
State and local aid	1,229,134	1,240,108	1,362,043	1,333,212	2,129,376
Federal aid	312,649	202,338			
Total Revenues	51,627,407	51,324,103	50,855,324	49,332,310	49,330,588
Expenditures					
Current:					
General government support	8,703,949	9,553,930	10,534,079	10,653,702	10,720,015
Public safety	14,263,561	13,379,418	13,001,566	13,887,809	13,146,835
Transportation	2,369,624	2,793,972	2,439,092	2,424,676	2,147,288
Economic assistance and opportunity	7,784	30,676	21,703	65,111	60,562
Culture and recreation	7,385,371	7,342,945	7,901,184	7,809,030	4,546,528
Home and community services	5,525,517	5,604,541	5,819,008	6,122,787	9,659,050
Employee benefits	10,775,501	9,685,429	8,011,434	8,489,982	8,285,404
Capital outlay	3,340,798	3,732,113	3,650,813	3,994,271	6,076,086
Debt Service:					
Principal	1,525,702	1,309,271	1,343,107	1,691,431	1,340,298
Interest	283,018	323,623	312,178	421,888	309,116
Total Expenditures	54,180,825	53,755,918	53,034,164	55,560,687	56,291,182
Excess (Deficiency) of Revenues over Expenditures	(2,553,418)	(2,431,815)	(2,178,840)	(6,228,377)	(6,960,594)
Other Financing Sources (Uses)					
Capital loan					
Transfers in	1,150,514	1,438,221	1,755,472	4,806,074	3,802,196
Transfers out	(1,150,514)	(1,438,221)	(1,755,472)	(4,806,074)	(3,802,196)
Proceeds of refunding bonds					
Payments to refund bond escrow agent					
Transfer to component unit					
Premium on obligations	60,687				19,590
Debt proceeds	3,875,000		2,555,500		3,405,000
Total Other Financing Sources (Uses)	3,935,687	-0-	2,555,500	-0-	3,424,590
Net Change in Fund Balances	$ 1,382,269	$ (2,431,815)	$ 376,660	$ (6,228,377)	$ (3,536,004)
Debt Service as a Percentage of Noncapital Expenditures	3.56%	3.27%	3.36%	4.12%	3.31%

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 nine 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.

2007	2006	2005	2004	2003
$ 41,768,796	$ 40,671,111	$ 38,893,343	$ 37,932,349	$ 35,347,179
544,392	387,730	420,383	441,922	423,564
951,345	865,867	767,324	720,572	698,873
1,892,347	1,261,536	1,371,770	1,323,927	922,600
66,758	55,514	72,363	57,716	46,005
1,567,175	1,088,297	639,022	485,689	455,609
102,169	93,651	97,991	75,744	73,823
1,000,258	954,371	948,885	959,599	1,049,939
274,856	362,921	173,649	184,173	256,753
30,612	2,361,188	44,579	78,589	1,833,098
2,462,212	2,820,416	2,449,242	2,187,408	1,507,778
			84,300	
50,660,920	50,922,602	45,878,551	44,531,988	42,615,221
6,318,783	6,663,418	6,076,050	7,680,786	8,395,820
12,661,782	12,520,040	11,733,794	11,184,238	10,825,565
2,291,229	2,096,025	2,266,279	1,936,882	1,938,744
64,972	26,401	20,896	28,262	25,275
4,126,301	4,005,659	3,678,240	3,462,734	3,204,242
8,798,470	8,895,716	8,368,928	5,182,428	4,854,772
7,810,557	7,732,649	7,331,390	5,480,714	4,906,107
6,087,016	6,906,441	3,545,522	4,344,863	3,938,217
1,055,627	1,030,000	1,025,000	1,070,000	1,095,662
308,416	221,444	251,569	282,706	316,651
49,523,153	50,097,793	44,297,668	40,653,613	39,501,055
1,137,767	824,809	1,580,883	3,878,375	3,114,166
958,655	589,089			
4,828,305	4,502,773	4,022,027	3,240,105	3,429,666
(4,828,305)	(4,502,773)	(4,022,027)	(3,240,105)	(3,429,666)
				6,705,662
				(6,705,662)
			(3,069,199)	(2,782,042)
4,407				
3,200,000				
4,163,062	589,089	-0-	(3,069,199)	(2,782,042)
$ 5,300,829	$ 1,413,898	$ 1,580,883	$ 809,176	$ 332,124
3.23%	2.91%	3.21%	3.67%	3.97%

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
2012	$ 84,260,005	$ 2,332,225	$ 1,839,553	$ 525,000	$ 717,250	$ 1,387,700	$ 1,133,447
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

(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)
$ 12,937,323	$ 105,132,503	$ 47,921,748	$ 153,054,251	1.66%	$ 9,220,135,602	29.11
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

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

	Village Direct Rates				
Years Ended May 31,	Full Valuation	State Equalization Rate	Total Assessed Value	Tax Levy Village	Total Village Direct Tax Rate
2012	$ 9,220,135,602	1.66%	$ 153,054,251	$ 44,560,340	29.11
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

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
$ 90,654,014	59.23	$ 1,747,700	1.14	$ 23,338,119	15.25	104.73
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

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

2012

Name	Type	Assessed Value		Percent of Assessed Value
The Treeline Companies	Office Building(s)	$ 3,215,089		3.06%
Keyspan	Public Utility	2,117,963		2.01%
Cento Properties Co.	Hotel	717,250		0.68%
Hamilton Garden Owners	Cooperative Apartments	577,850		0.55%
Sears Roebuck & Co.	Department Store	525,000		0.50%
Stewart & Clinton, LLC	Office Building(s)	426,859		0.41%
EB Franklin Avenue Realty, LLC	Office Building(s)	400,000		0.38%
Cherry Valley Apartments	Cooperative Apartments	342,600		0.33%
520 Franklin AvenueAssociates, LLC	Office Building(s)	328,500		0.31%
1001 Realty, LLC	Office Building(s)	320,000		0.30%
Total Assessments and Percent of Total Assessment Roll		$ 8,971,111	(a)	8.53%

(a) Represents 8.53% of the total taxable assessed valuation of the Village for 2012.

2003

Name	Type	Assessed Value		Percent of Assessed Value
Keyspan	Public Utility	$ 3,439,349		2.97%
Franklin Avenue Plaza, LLC	Office Building(s)	1,956,000		1.69%
Treeline Garden City Plaza Associates	Office Building(s)	1,428,000		1.23%
Cento Properties Co.	Hotel	1,404,000		1.21%
Sears Roebuck & Co.	Department Store	1,142,500		0.99%
DDGC Pproperties	Office Building(s)	1,097,100		0.95%
Stewart & Clinton, LLC	Office Building(s)	1,096,700		0.95%
Garden City Company	Office Building(s)	1,003,040		0.87%
Reckson Associates	Office Building(s)	729,600		0.63%
New York Telephone Co.	Public Utility	457,747		0.40%
Total Assessments and Percent of Total Assessment Roll		$ 13,754,036	(b)	11.89%

(b) Represents 11.89% of the total taxable assessed valuation of the Village for 2003.

Source: Incorporated Village of Garden City Assessment Roll.

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

Years Ended May 31,	Tax Levy per Tax Roll	Other Items on Tax Roll	Total Tax Levy	Tax Levy Collected (a)	Percent of Levy Collected
2012	$ 44,560,340	$ 492,799	$ 45,053,139	$ 45,027,762	99.94%
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	35,330,034	87,514	35,417,548	35,393,259	99.93%

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

	Governmental Activities			Business-type Activities			
Years Ended May 31,	General Obligation Bonds	Special Assessment Bonds	Capital Loan Payable (b)	General Obligation Bonds	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2012	$ 9,560,000	$ 1,130,000	$ 762,809	$ 10,750,000	$ 22,202,809	2.05%	$ 458
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

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 (a)	General Obligation Bonds	Percentage of General Obligation Bonds to Assessed Value	Net Bonded Debt Per Capita
2012	22,371	$ 153,054,251	$ 20,310,000	13.27%	$ 908
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

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

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

INCORPORATED VILLAGE OF GARDEN CITY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of May 31, 2012

Governmental Unit	Outstanding Indebtedness	Exclusions	Net Indebtedness	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Direct:					
Village of Garden City	$ 11,452,809	$ -0-	$ 11,452,809		$ 11,452,809
Overlapping:					
County of Nassau	$ 3,667,105,000	$ 516,532,000	$ 3,150,573,000	2.88%	$ 90,736,502
Town of Hempstead	$ 297,575,000	$ 31,366,119	266,208,881	5.95%	15,839,428
Garden City School District	$ 43,460,000	-0-	43,460,000	100%	43,460,000
Total overlapping debt	4,008,140,000	547,898,119	3,460,241,881		150,035,931
Total direct and overlapping debt	$ 4,019,592,809	$ 547,898,119	$ 3,471,694,690		$ 161,488,740

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, 2012

Years Ended May 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2012	$ 105,132,503	1.66%	$ 6,333,283,313
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

Total Five Year Full Valuation	$ 34,359,716,317
Average Five Year Full Valuation	6,871,943,263
Debt Limit - 7% of Average Full Valuation	481,036,028
Inclusions:	
Outstanding Bonds	21,440,000
Capital Loan Payable	762,809
Total Inclusions	22,202,809
Exclusions:	
Water Debt	7,975,000
Appropriations for Repayment of Outstanding Bonds and Capital Loan	1,135,000
Total Exclusions	9,110,000
Total Net Indebtedness Subject to the Debt Limit	13,092,809
Net Debt Contracting Margin	467,943,219
Percent of Debt Limit Exhausted	2.72%
Percent of Debt Limit Available	97.28%

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
2012	$ 481,036,028	$ 22,202,809	$ 9,110,000	$ 13,092,809	$ 467,943,219	2.72%
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%

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
2012	22,371	$ 1,084,675,470	48,486	6.60%	7,366	3.00	4,261
2011	22,371	1,053,082,981	47,074	6.70%	7,366	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

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

2012

Rank	Name of Employer	Type	Number of Employees
1	Adelphi University	Higher Education	1,100
2	Bookspan Inc.	Catalog & Mail-order House	900
3	Garden City Hotel Inc.	Hotel	475
4	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

2003*

Name of Employer	Type	Number of Employees
Adelphi University	Higher education	A
Garden City Hotel Inc.	Hotel	C
Bookspan Inc.	Catalog & Mail-Order House	C
Sears, Roebuck & Co.	Department Store	C
Northwest Airlines	Travel	C
May Department Stores Co.	Department Store	C
Esselte Corporation	Packaging Machinery	C
Bank of New York	Savings Institution	D
Roslyn Bankcorp.	Savings Institution	D
Saks & Company	Department Store	D
Merrill Lynch Pierce Fenner & Smith, Inc.	Security Brokers & Dealers	D

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

Source: Dun & Bradstreet Regional Business Directory (2011 edition)

*Information for the rank of principal employers in 2003 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,	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Function										
General government support	33	33	38	38	38	38	39	38	38	38
Public safety	107	104	103	111	111	112	113	110	109	109
Transportation	18	18	18	20	20	20	20	21	19	19
Economic assistance and opportunity	60	60	69	69	69	69	70	70	69	70
Culture and recreation	57	57	57	57	57	57	57	58	58	58
Home and community services	21	21	21	21	21	21	21	21	21	21
Total	296	293	306	316	316	317	320	318	314	315

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

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

Years Ended May 31,	2012	2011	2010	2009	2008
FUNCTION					
Public Safety					
Building					
Building permits issued	234	235	213	251	377
Police (calendar year)					
Physical arrests	289	318	348	286	351
Aided cases	1,593	1,572	1,536	1,503	1,511
Traffic violations	10,113	8,703	7,357	8,576	12,219
Parking violations	18,182	19,866	18,899	19,163	15,745
Fire (calendar year)					
Number of calls answered	1,299	1,188	1,078	1,098	1,265
Inspections	345	517	474	246	112
Mutual aid	16	15	5	12	12
Transportation					
Highway and streets					
Street resurfacing (miles)	1.28	1.52	1.42	1.15	2.00
Sidewalk repairs (sf)	28,375	23,307	22,244	17,379	41,365
Curb replacement (lf)	5,420	5,386	6,559	4,912	12,613
Snow plowing (days)	1	8	4	4	1
Ice control (days)	1	6	5	11	9
Culture and Recreation					
Parks & shade trees					
Flowers planted	27,000	28,000	28,000	29,000	30,000
Trees planted	297	128	116	159	236
Recreation					
Pool members	7,052	7,159	7,426	8,118	8,518
Tennis contracts (hours)	137.50	144.00	144.00	141.00	452.00
Tennis lessons (hours)	137.00	140.00	155.00	156.50	146.50
Home and Community Service					
Sanitation					
Refuse collected (tons)	14,935	15,267	15,741	15,974	16,980
Recyclables collected (tons)	2,255	2,515	2,520	3,135	4,016
Leaves composted (cu yds)	20,600	22,000	2,100	20,500	20,000
Sanitary sewers & storm drains					
Sewers relined	0	0	0	7,371	0
Water					
Water pumped (billion gallons)	1,612	1,715	1,425	1,536	1,591
Hydrants replaced	23	25	25	23	24
Water main breaks	18	16	16	12	10
Service taps	16	23	21	14	12

* Statistics not maintained.
Source: Various departments of the Incorporated Village of Garden City.

2007	2006	2005	2004	2003
377	443	376	338	487
324	276	305	378	394
1,421	1,484	1,470	1,556	1,519
13,715	12,776	13,374	13,007	13,494
15,373	15,756	15,471	16,867	18,064
1,091	1,032	1,076	1,096	1,001
447	371	305	462	362
14	5	4	8	21
1.25	1.76	1.44	2.33	3.67
32,460	45,084	11,138	56,244	64,177
8,303	12,868	8,186	17,595	20,855
4	9	5	10	7
7	22	19	18	12
30,000	30,000	30,000	30,000	30,000
451	340	373	450	400
8,810	8,839	8,846	8,922	9,027
146.00	146.50	149.00	153.50	*
103.50	105.00	101.50	90.00	*
17,400	17,410	16,721	17,372	16,304
2,928	4,057	4,255	3,273	3,270
20,000	20,000	20,000	20,000	20,000
0	4,545	21,192	0	6,728
1,800	1,634	1,623	1,721	1,707
30	33	36	29	26
3	5	7	8	6
9	10	11	14	12

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

Years Ended May 31,	2012	2011	2010	2009	2008
Function					
General Government					
Municipal buildings	25	25	25	25	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	15
Transportation					
Highways and streets					
Streets (miles)	73.7	73.7	73.7	73.7	73.7
Streetlights	2,568	2,568	2,563	2,563	2,555
Vehicles	31	31	31	31	32
Culture and Recreation					
Greenspace park acreage (approximate)	301.3	301.3	301.3	301.3	301.3
Street trees	17,142	17,077	17,077	17,084	16,998
Major parks	2	2	2	2	2
Neighborhood parks	6	6	6	6	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	1,003	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.

2007	2006	2005	2004	2003
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
2,550	2,519	2,491	2,463	2,435
32	32	32	32	32
301.3	301.3	301.3	301.3	301.3
16,825	16,674	16,634	16,561	16,411
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