

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
MAY 31, 2013**

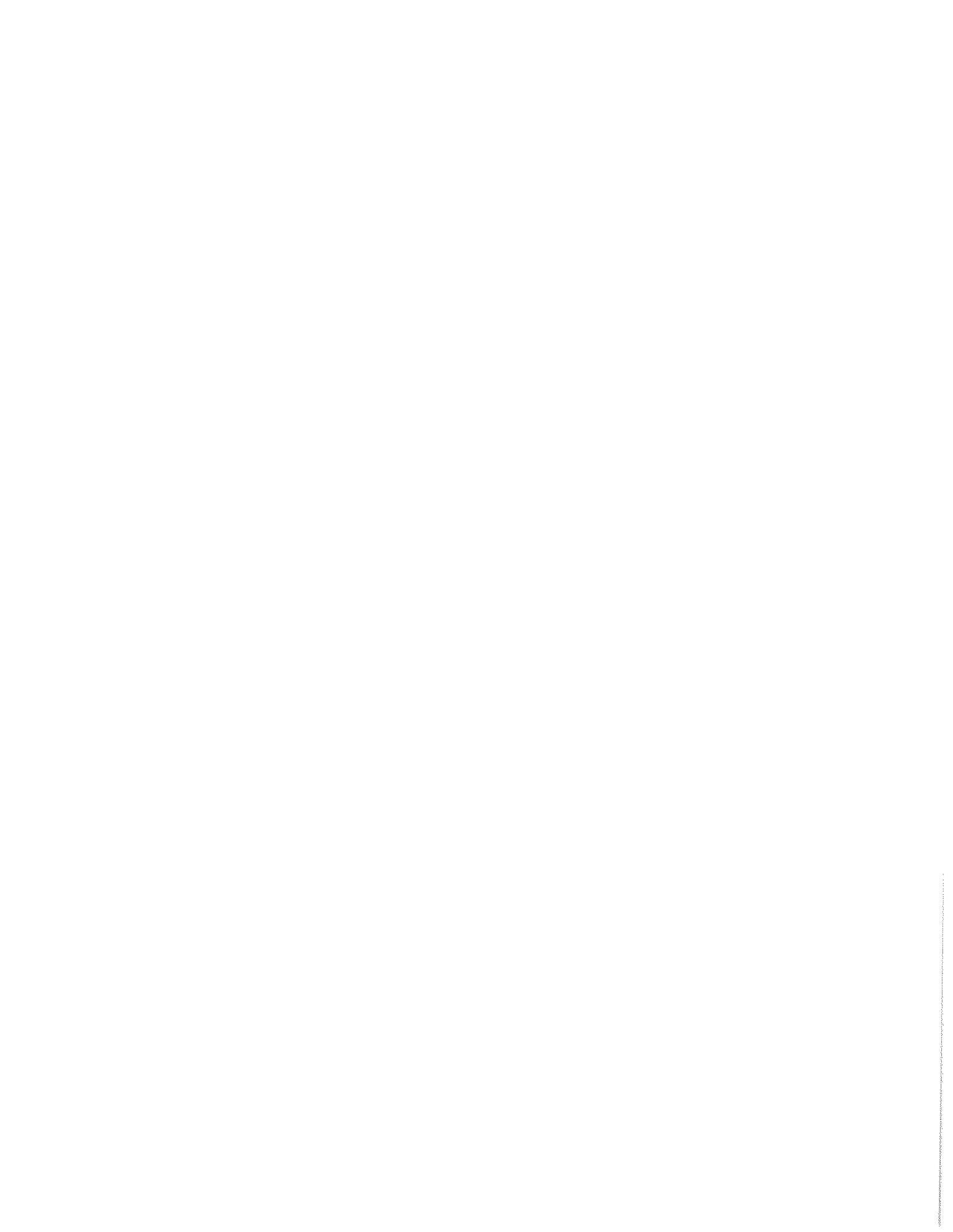
INCORPORATED VILLAGE OF GARDEN CITY, NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED MAY 31, 2013



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, 2013
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INCORPORATED

VILLAGE OF GARDEN CITY

351 STEWART AVENUE

GARDEN CITY, N.Y. 11530-4528

WEBSITE: GARDENCITYNY.NET

TELEPHONE (516) 465-4000

FAX (516) 742-5223



MAYOR
JOHN J. WATRAS

TRUSTEES
NICHOLAS P. EPISCOPIA
ANDREW J. CAVANAUGH
DENNIS C. DONNELLY
BRIAN C. DAUGHNEY
JOHN A. DEMARO
ROBERT A. BOLEBRUCH
RICHARD V. SILVER

VILLAGE ADMINISTRATOR
ROBERT L. SCHOELLE, JR.

January 30, 2014

To Mayor Watras, 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 2012-2013 fiscal year which ended on May 31, 2013. 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, 2013. All disclosures necessary to gain a full and complete understanding of the Village's financial activities have been included.

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 trended upward, reflecting a slight decrease in property values during the past year.

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 residential assessment ratio has dropped from 1.59% to 1.50%, reflecting rising sales prices on homes.

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 its 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 2013, 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.

Major Initiatives (continued)

Current Year (continued)

In the current year, capital spending was reduced in order to hold the tax rate down and to comply with the State mandated real property tax levy cap. The year also saw significant damage to certain fully depreciated infrastructure, consisting of uprooted trees and attendant damage to electrical systems that supply street lighting as a result of Hurricane Sandy. The repairs are underway and are expected to be reimbursed by the Federal Emergency Management Administration Disaster Grant.

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 2013-2014 Capital Plan has continued the existing road maintenance program at a one and a half miles per year resurfacing schedule. Equipment purchases in this Capital Plan have been increased, with new Fire Department equipment expected to be acquired with the proceeds from a various purpose bond issue. Additional projects that are to be funded with this issue include generators at several locations, heating and cooling systems at Village Hall and the Village Central Garage, building repairs at the Library and Fire Headquarters. 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.

Financial Information

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

Internal Controls

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

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

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.

Financial Information (continued)

Internal Controls (continued)

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 expired May 31, 2013. Negotiations are underway. 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. Binding arbitration with the Professional Firefighters Association of Nassau County is in process, and the Civil Service Employees Association Supervisory group is at impasse and awaiting fact-finding.

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, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable reporting requirements.

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

Acknowledgment

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

Respectfully submitted,



Robert L. Schoelle, Jr.
Village Administrator



James E. Olivo
Village Auditor

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

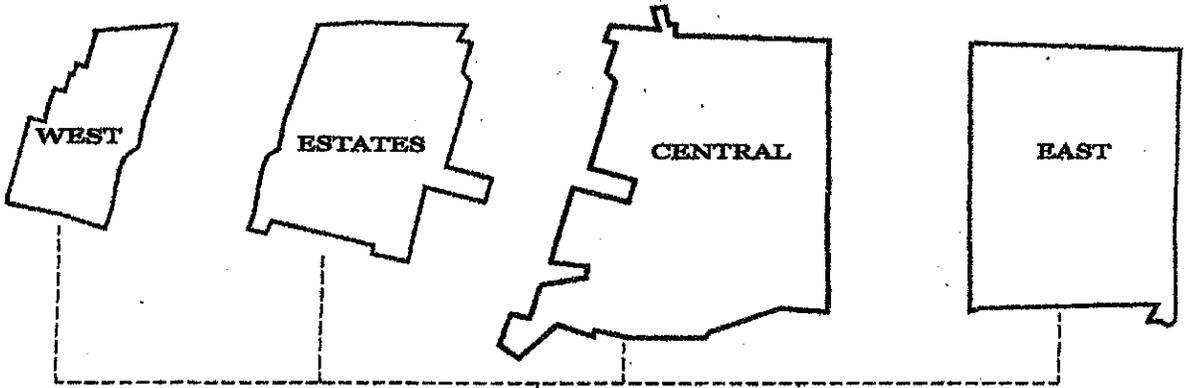
**Incorporated Village
of Garden City
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

May 31, 2012

Executive Director/CEO

VOTERS



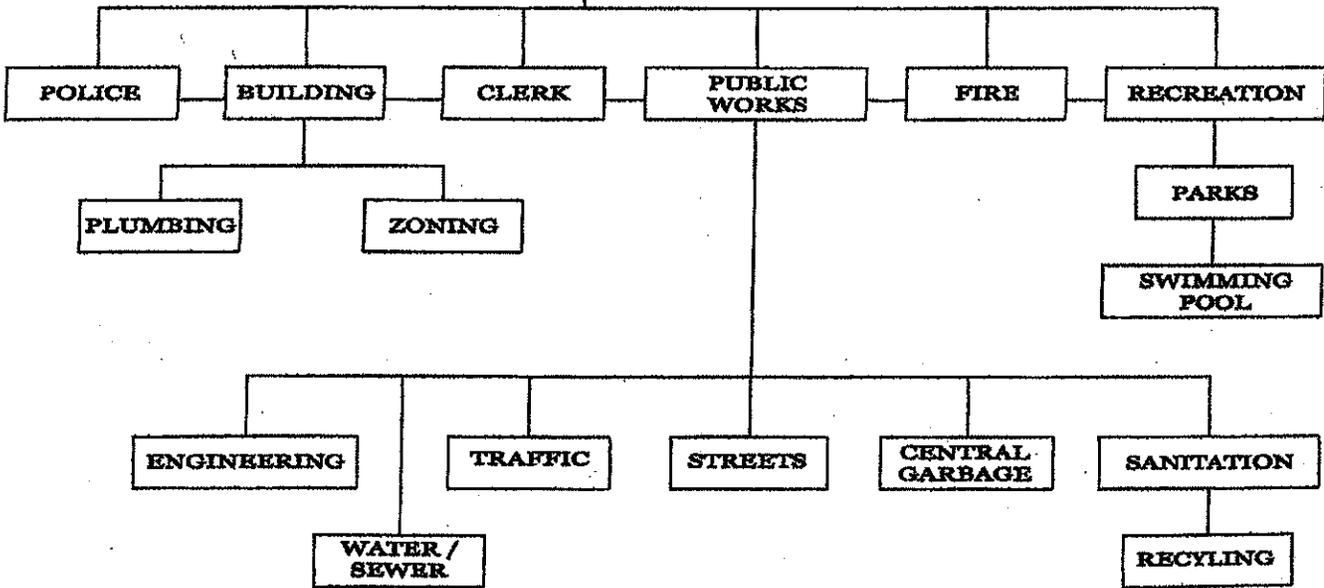
MAYOR AND BOARD OF TRUSTEES*

VILLAGE JUSTICE *

BOARD & COMMISSIONS

COUNSEL

VILLAGE ADMINISTRATOR / TREASURER



INCORPORATED VILLAGE OF GARDEN CITY, NEW YORK
LISTING OF VILLAGE OFFICIALS
MAY 31, 2013

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

John J. Watras	Mayor
Nicholas P. Episcopia.....	Trustee
Andrew J. Cavanaugh.....	Trustee
Dennis C. Donnelly.....	Trustee
Brian C. Daughney.....	Trustee
John A. DeMaro.....	Trustee
Robert A. Bolebruch.....	Trustee
Richard V. Silver.....	Trustee
Robert L. Schoelle, Jr.	Village Administrator and Treasurer
Kenneth Jackson.....	Commissioner of Police
William Castoro.....	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, each major fund, and the aggregate remaining fund information of the Incorporated Village of Garden City, New York, (the "Village") as of and for the year ended May 31, 2013 and the related notes to the financial statements, which collectively comprise the Incorporated Village of Garden City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

PERSONAL SERVICE. TRUSTED ADVICE. 

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

245 PARK AVENUE, 39TH FLOOR
NEW YORK, NY 10167

25 SUFFOLK COURT
HAUPPAUGE, NY 11788-3715

T: 212.792.4075 T: 631.434.9500 F: 631.434.9518

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Incorporated Village of Garden City, New York, as of May 31, 2013, 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.

Emphasis of Matter

New Accounting Guidance

As described in Note 1.H to the basic financial statements, the Incorporated Village of Garden City, New York adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 61, *The Financial Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No. 34*, as of and for the year ended May 31, 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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.

Other Information

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. The introductory section, other supplementary information and statistical section 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, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matters (continued)

Other Information (continued)

The introductory, other supplementary information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2014, on our consideration of the Incorporated Village of Garden City, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Incorporated Village of Garden City, New York's internal control over financial reporting and compliance.

Alvin, Vijay, Zuber & Company P.C.

Hauppauge, New York
January 30, 2014

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REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013

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, 2013. 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

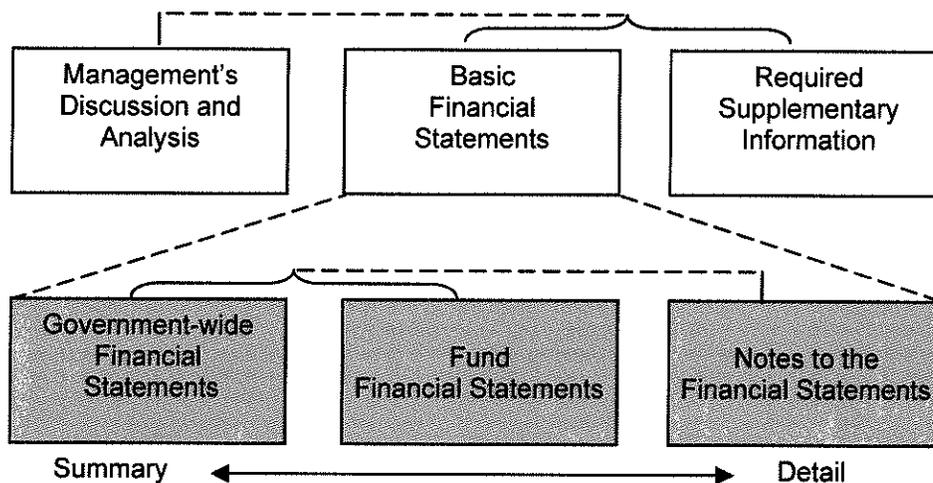
- The combined assets of the Village exceeded its liabilities by \$19,572,333 (net position) at May 31, 2013.
- The Village's total combined net position decreased by \$8,412,105 of which \$7,504,129 was related to governmental activities and \$907,976 was related to business-type activities. The most notable factor contributing to this decrease is the ongoing recognition of other postemployment benefit costs.
- As of May 31, 2013, the Village's governmental funds reported combined ending fund balances of \$8,671,834. Of this amount, \$801,619 is not in spendable form or is required to remain intact. The remaining \$7,870,215 or approximately 91% of total fund balances is in spendable form with various levels of spending constraint: restricted, assigned, or unassigned making them available for spending at the Village's discretion (see Note 2.B).
- At year end, the Village's total fund balance for the General Fund was \$7,571,778, a decrease of \$1,504,100 from the prior year. The assigned and unassigned fund balance for the General Fund was \$6,770,159.
- The Village's total bonded debt (inclusive of general obligation bonds and a special assessment bond) was \$19,200,000, of which \$9,440,000 relates to governmental activities and \$9,760,000 relates to business-type activities. There was a decrease in bonded debt in the amount of \$2,240,000, a result of principal payments made in the current year.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**COMPONENTS OF
THE ANNUAL FINANCIAL REPORT**



Government-wide Financial Statements

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

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

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

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Government-wide Financial Statements (continued)

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

The Village's government-wide financial statements 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 has been blended with that of the primary government.

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

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, although legally separate, functions for all practical purposes as a department of the Village and therefore has been included as an integral part of the primary government (blended presentation with the primary government).

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.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013

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 Library Fund is considered a nonmajor governmental fund, and is presented as such in the governmental fund financial statements.

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

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

Proprietary Fund

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

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013**

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 position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$19,572,333 at the close of the most recent year.

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

**Condensed Statement of Net Position
as of May 31, 2013 and 2012***

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 19,573,246	\$ 21,939,781	\$ 2,669,239	\$ 3,585,160	\$ 22,242,485	\$ 25,524,941
Capital assets	51,952,710	53,482,691	18,817,055	19,853,431	70,769,765	73,336,122
Other noncurrent assets	352,499				352,499	-0-
Total Assets	71,878,455	75,422,472	21,486,294	23,438,591	93,364,749	98,861,063
Liabilities						
Current and other liabilities	8,957,668	9,308,550	2,129,551	2,411,595	11,087,219	11,720,145
Long-term liabilities	51,658,094	47,347,100	11,047,103	11,809,380	62,705,197	59,156,480
Total Liabilities	60,615,762	56,655,650	13,176,654	14,220,975	73,792,416	70,876,625
Net Position						
Net investment in capital assets	41,708,787	41,851,325	9,015,421	9,026,069	50,724,208	50,877,394
Restricted	70,441	70,370			70,441	70,370
Unrestricted	(30,516,535)	(23,154,873)	(705,781)	191,547	(31,222,316)	(22,963,326)
Total Net Position	\$ 11,262,693	\$ 18,766,822	\$ 8,309,640	\$ 9,217,616	\$ 19,572,333	\$ 27,984,438

*May 31, 2012 amounts were restated to include the Library Fund in the governmental activities, a result of the Village adopting GASB No. 61, *The Financial Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No. 34* in the current year.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Total assets of the Village's governmental activities, as of May 31, 2013, were \$71,878,455, a decrease of \$3,544,017. Total liabilities as of May 31, 2013 were \$60,615,762, an increase of \$3,960,112. This resulted in a net position balance of \$11,262,693 for 2013, a decrease of \$7,504,129.

Of the Village's governmental activities net position balance, \$41,708,787 was the net investment in capital assets, while \$70,441 was restricted by grantors for a specific purpose, leaving a deficit of \$30,516,535 in the unrestricted net position category.

The largest portion of the governmental activities net position, \$41,708,787, 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 position does not necessarily indicate fiscal stress. The deficit balance in unrestricted net position arose primarily due to long-term liabilities which include other postemployment benefits, compensated absences, claims and judgments and tax certiorari costs that will be funded through future budgetary appropriations when they become payable in future periods.

Total assets of the Village's business-type activities, as of May 31, 2013, were \$21,486,294, a decrease of \$1,952,297. Total liabilities as of May 31, 2013 were \$13,176,654, a decrease of \$1,044,321. This resulted in a net position balance of \$8,309,640 for 2013, a decrease of \$907,976. Of the Village's business-type activities net position balance, \$9,015,421 was the net investment in capital assets, leaving a deficit of \$705,781 in the unrestricted net position category. The Pool and Tennis Funds reported a negative net investment in capital assets. This is a result of the Village's assets depreciating at a faster rate than the corresponding debt is being amortized (i.e. paid down), which is a result of the Village's debt being issued at a later date compared to the date the asset is placed into service.

The Village's combined net position was again decreased in the current year and will continue to decrease in subsequent years due to the ongoing recognition of other postemployment benefits (OPEB). The unfunded liability for postemployment benefit healthcare costs related to the primary government increased by \$5,526,296 in the current year, bringing the unfunded liability at year end to \$29,979,398. Additional information on other postemployment benefits can be found in Note 3.G to the financial statements.

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

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

Changes in Net Position

For the years ended May 31, 2013 and 2012*

	Governmental Activities		Business-type Activities Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Program Revenues						
Charges for services	\$ 3,052,724	\$ 3,161,330	\$ 6,720,520	\$ 6,241,016	\$ 9,773,244	\$ 9,402,346
Operating grants and contributions	6,021,912	429,269			6,021,912	429,269
Capital grants and contributions	1,283,026	568,821			1,283,026	568,821
Total Program Revenues	10,357,662	4,159,420	6,720,520	6,241,016	17,078,182	10,400,436
General Revenues						
Real property taxes	45,064,361	44,593,160			45,064,361	44,593,160
Other real property tax items	777,563	718,361			777,563	718,361
Non-property tax items	986,368	995,737			986,368	995,737
Earnings on investments	103,843	130,707	36,392	43,432	140,235	174,139
Sale of property and compensation for loss	287,285	327,793			287,285	327,793
Grants - unrestricted	843,766	752,983			843,766	752,983
Legal settlement				22,279	-0-	22,279
Other	56,812	116,497			56,812	116,497
Total General Revenues	48,119,998	47,635,238	36,392	65,711	48,156,390	47,700,949
Total Revenues	58,477,660	51,794,658	6,756,912	6,306,727	65,234,572	58,101,385
Program Expenses						
General government support	11,341,377	11,572,522			11,341,377	11,572,522
Public safety	23,633,882	23,283,535			23,633,882	23,283,535
Transportation	5,014,381	4,690,515			5,014,381	4,690,515
Economic assistance and opportunity	11,303	7,784			11,303	7,784
Culture and recreation	11,887,578	11,479,635			11,887,578	11,479,635
Home and community services	13,782,626	8,391,920			13,782,626	8,391,920
Interest on debt	310,642	298,881			310,642	298,881
Pool			1,375,682	1,139,389	1,375,682	1,139,389
Tennis			434,453	451,771	434,453	451,771
Water			5,854,753	6,196,727	5,854,753	6,196,727
Total Program Expenses	65,981,789	59,724,792	7,664,888	7,787,887	73,646,677	67,512,679
Change in Net Position	(7,504,129)	(7,930,134)	(907,976)	(1,481,160)	(8,412,105)	(9,411,294)
Net Position at Beginning of Year	18,766,822	26,696,956	9,217,616	10,698,776	27,984,438	37,395,732
Net Position at End of Year	\$ 11,262,693	\$ 18,766,822	\$ 8,309,640	\$ 9,217,616	\$ 19,572,333	\$ 27,984,438

*May 31, 2012 amounts were restated to include the Library Fund in the governmental activities, a result of the Village adopting GASB No. 61, *The Financial Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No. 34*, in the current year.

Certain amounts in the 2012 schedule of changes in net position presented above have been reclassified to conform to the current year presentation.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

During the year ended May 31, 2013, government-wide revenues increased from the prior year by \$7,133,187 while government-wide expenses increased from the prior year by \$6,133,998.

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

- Increase in the charges for services related to the business-type activities, primarily due to an increase in water sales of approximately \$441,000. This increase is mainly due to a water rate increase of five percent that was effective in the beginning of the current fiscal year and the change in weather conditions. In the current fiscal year, temperatures were warmer and there were lower amounts of precipitation as compared to the prior year, which resulted in an increase in water consumption by residents.
- Increase in operating grants and contributions of approximately \$5,593,000, primarily due to an increase in the amount of federal aid recognized as revenue in the current year for the reimbursement of cleanup costs associated with Hurricane Sandy.
- Increase in capital grants and contributions of approximately \$714,000 due to an increase in the amount of federal aid recognized as revenue in the current year for the reimbursement of various sidewalk and street light capital expenses for repairs of damage caused by Hurricane Sandy.
- Increase in real property taxes of approximately \$471,000 due to a minimal increase in the tax rate of the General Fund.

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

- Increase in public safety expenses of approximately \$350,000 primarily due to an increase in police and fire expenses for employee benefits (i.e. NYS retirement system contributions), which was offset by a decrease in salaries and a decrease in the actuarially determined other postemployment benefit expense for the current year.
- Increase in transportation expenses of approximately \$324,000 due to an increase in salaries, materials and supplies needed for snow removal and street maintenance a result of several winter storms and an increase in street light expenses for repairs of the damage caused by Hurricane Sandy.
- Increase in culture and recreation expenses of approximately \$408,000 due to the Village Board's budgetary decision to reallocate the shade trees department's (home and community function) salaries and the related employee benefit costs to the parks department (culture and recreation function) in the current year.
- Increase in home and community expenses of approximately \$5,391,000 primarily due to an increase in salaries and contractual expenses for debris removal costs related to Hurricane Sandy, which was partially offset by the reallocation of the shade trees department to culture and recreation departments in the current year.
- Decrease in water activity expenses of approximately \$342,000 primarily due to a decrease in the other postemployment benefit expense and a decrease in litigation costs. The Village's environmental cost recovery lawsuits are pending and therefore fewer costs were incurred during the current year. In addition, depreciation expense decreased in the current year, as a result of a portion of the Water Fund's capital assets becoming fully depreciated.

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

**Net Cost of Services
Governmental Activities
For Years Ended May 31, 2013 and 2012***

	Total Costs of Services		Program Revenues		Net Cost of Services	
	2013	2012	2013	2012	2013	2012
General government support	\$ 11,341,377	\$ 11,572,522	\$ 24,660	\$ 26,140	\$ 11,316,717	\$ 11,546,382
Public safety	23,633,882	23,283,535	1,911,815	1,862,348	21,722,067	21,421,187
Transportation	5,014,381	4,690,515	1,170,516	963,618	3,843,865	3,726,897
Economic assistance and opportunity	11,303	7,784			11,303	7,784
Culture and recreation	11,887,578	11,479,635	621,325	634,259	11,266,253	10,845,376
Home and community services	13,782,626	8,391,920	6,629,346	673,055	7,153,280	7,718,865
Interest on debt	310,642	298,881			310,642	298,881
	<u>\$ 65,981,789</u>	<u>\$ 59,724,792</u>	<u>\$ 10,357,662</u>	<u>\$ 4,159,420</u>	<u>\$ 55,624,127</u>	<u>\$ 55,565,372</u>

*May 31, 2012 amounts were restated to include the Library Fund in the governmental activities, a result of the Village adopting GASB No. 61, *The Financial Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No. 34* in the current year.

The cost of the governmental activities this year was \$65,981,789. The net cost of these services after being subsidized by program revenues of \$10,357,662 was \$55,624,127.

**Net Cost of Services
Business-Type Activities
For Years Ended May 31, 2013 and 2012**

	Total Costs of Services		Program Revenues		Net Cost of Services	
	2013	2012	2013	2012	2013	2012
Pool	\$ 1,375,682	\$ 1,139,389	\$ 1,189,075	\$ 1,111,211	\$ 186,607	\$ 28,178
Tennis	434,453	451,771	342,318	392,371	92,135	59,400
Water	5,854,753	6,196,727	5,189,127	4,737,434	665,626	1,459,293
	<u>\$ 7,664,888</u>	<u>\$ 7,787,887</u>	<u>\$ 6,720,520</u>	<u>\$ 6,241,016</u>	<u>\$ 944,368</u>	<u>\$ 1,546,871</u>

The cost of the business-type activities this year was \$7,664,888. The net cost of these services after being subsidized by program revenues of \$6,720,520 was \$944,368.

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.

At May 31, 2013, the Village's governmental funds reported total ending fund balance of \$8,671,834 a decrease of \$1,672,043 in comparison to the prior year. The category breakdown is as follows:

- **Nonspendable fund balance** - \$801,619 (inherently nonspendable) includes the portion of net resources that cannot be spent because they are not in spendable form, cannot be converted to cash in the current period or are legally or contractually required to remain intact.
- **Restricted fund balance** - \$70,441 (externally enforceable limitations on use) include amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)

Governmental Funds (continued)

- **Assigned fund balance** - \$5,058,060 (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** - \$2,741,714 (residual net resources) is the remaining fund balance in the General Fund in excess of nonspendable, restricted and assigned fund balance.

General Fund

The General Fund is the chief operating fund of the Village. At the end of the current year, the total fund balance of the General Fund was \$7,571,778, a decreased of \$1,504,100 from the prior year. Of this amount, \$801,619 is not in spendable form (inventory of material and supplies) and the remaining \$6,770,159 is in spendable form as follows: \$265,194 has been assigned by the Village Board for the subsequent year's budget, \$514,064 has been assigned for purchase orders by the Village Auditor, \$3,244,506 has been assigned by the Village Board for future employee benefit payments, \$4,681 has been assigned for miscellaneous designations, and the remaining \$2,741,714 represents spendable, unassigned fund balance.

The key elements of the fund balance decrease of \$1,504,100 are as follows:

- There was a planned fund balance reduction of \$2,964,244, a result of an appropriation in the current year's original budget. During the year, the Village appropriated an additional \$6,159,833 of fund balance for expenditures related to Hurricane Sandy.
- Actual revenues were higher than the final budget primarily due to federal aid recognized for the reimbursement of the cleanup costs and repair work, a result of Hurricane Sandy, in the amount of \$6,364,997.
- Overall, actual revenues increased from the prior year by \$6,316,388, also a result of the increase in federal aid reported in the current year as compared to the prior year and a minimal increase in the property taxes assessed, partially offset by a decrease in departmental income.
- Actual expenditures were less than Village's final budget by \$1,695,695, primarily a result of an overall reduction in spending throughout various departments in the Village.
- Overall, actual expenditures increased from the prior year by \$6,064,963, primarily a result of additional salaries and contractual costs for debris removal and repair work, as a result of Hurricane Sandy. In addition, expenditures related to employee benefits increased compared to prior year, the result of higher required contributions to the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System, as well as an increase in health insurance costs as compared to the prior year. These costs were offset by decreases in the amount paid to the Internal Service Fund for risk management, less refunds of real property taxes (tax certioraris) paid and a reduction in regular salaries paid to the police department due to less compensated absences payouts in the current year.

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (continued)

Capital Projects Fund

At the end of the current year, the Capital Projects Fund had a total fund balance of \$898,116, a decrease of \$194,133 from the prior year, all of which is assigned for capital project purposes.

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

Library Fund

At the end of the current year, the total fund balance of the Library Fund, a nonmajor fund of the Village, was \$201,940, an increase of \$26,190 from the prior year. Of this amount, \$70,441 is restricted for specific purposes defined by grantors and donors, and \$131,499 is assigned for Library Fund purposes.

Proprietary Funds

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

The Pool Fund's deficit net position at year end was \$620,229. This deficit net position was greater than the prior year by \$173,517, a result of a significant amount of depreciation expense being recognized in the current year as new assets were placed in service during the current year and an increase in the actuarially determined other postemployment benefit costs (OPEB) expense.

The Tennis Fund's net position at year end was \$4,904, a decrease of \$87,207 from the prior year, primarily a result of a decrease in revenues from tennis programs in the current year as compared to the prior year.

The Water Fund's net position at year end was \$9,124,273, a decrease of a \$544,580 from the prior year. As discussed in the analysis of government-wide financial statements, although the Village was able to increase water sales revenues and reduce expenses in the current year, there was still an overall decrease in net position since the water sales earned did not exceed the expenses of the Water Fund for the current year.

The Internal Service Fund's deficit net position at May 31, 2013 was \$2,548,691. This deficit net position was greater than prior year in the amount of \$1,043,825. There was a decrease in premiums received from the participating funds which was partially offset by a reduction in the amount of general liability and workers compensation claims incurred in the current year as compared to the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village appropriated expenditures in the original General Fund budget in excess of estimated revenues in the amount of \$3,399,465, by designating unreserved fund balance from the prior year in the amount of \$2,964,244 and reappropriating prior year encumbrances in the amount of \$435,221. Over the course of the year, the Board of Trustees revised the budget as needed so that expenditures do not exceed appropriations. In the General Fund, various transfers between appropriations, as well as expenditures appropriated from fund balance, were approved for this purpose. The final expenditure budget was increased by \$6,159,833 from the original expenditure budget. The majority of this increase was for expenditures related to Hurricane Sandy.

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

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013**

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, 2013, amounts to \$51,952,710 and \$18,817,055, 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, 2013, the Village's major capital expenditures were as follows:

Sidewalk repairs	\$ 729,160
Recreation- Roller Hockey	541,731
Road repairs	662,311
Public Works equipment	254,590

Capital Assets at May 31, 2013 and 2012
(Net of Depreciation)

	Governmental Activities		Business-type Activities	
	2013	2012	2013	2012
Land	\$ 16,603,615	\$ 16,603,615	\$ 69,212	\$ 69,212
Construction in progress			264,193	2,251,670
Buildings	23,240,570	23,064,156	10,451,971	8,246,138
Improvements other than buildings	7,578,755	7,072,776	15,184,520	15,163,099
Machinery and equipment	18,461,326	17,848,655	13,380,467	13,231,915
Infrastructure:				
Roads, curbs, and sidewalks	39,002,326	37,582,557		
Drainage and sewer systems	10,794,690	10,739,159		
Total capital assets	115,681,282	112,910,918	39,350,363	38,962,034
Less: accumulated depreciation	63,728,572	59,428,227	20,533,308	19,108,603
Total net capital assets	<u>\$ 51,952,710</u>	<u>\$ 53,482,691</u>	<u>\$ 18,817,055</u>	<u>\$ 19,853,431</u>

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

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

Debt Administration

At the end of the current year, the Village had total long-term bonded debt outstanding of \$9,440,000 and \$9,760,000 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 \$587,010 outstanding in capital loans payable.

**INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013**

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Debt Administration (continued)

Outstanding Debt at May 31, 2013 and 2012

	2013	2012
Governmental Activities:		
Capital loans payable	\$ 587,010	\$ 762,809
Special assessment bond payable with governmental commitment	890,000	1,130,000
General obligation bonds payable, exclusive of premium	8,550,000	9,560,000
Total outstanding debt, governmental activities	\$ 10,027,010	\$ 11,452,809
Business-type Activities:		
General obligation bonds payable, exclusive of premium	\$ 9,760,000	\$ 10,750,000
Total outstanding debt, business-type activities	\$ 9,760,000	\$ 10,750,000

The above does not include premiums related to general obligation bonds in the amount of \$65,905 and \$41,634 for the governmental activities and business-type activities, respectively, as of May 31, 2013 and \$72,569 and \$46,675 respectively, as of May 31, 2012.

During the current fiscal year, the Village's debt, inclusive of bonded debt and capital loans, decreased by \$2,415,799 or 10.88%, a result of principal payments made in the current year.

Moody's Investment Services maintained the Village's credit rating at "Aaa" during the year ended May 31, 2013.

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, 2013 was 2.16%.

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

INCORPORATED VILLAGE OF GARDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
May 31, 2013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Property Tax

The Village has adopted a budget for the 2013-2014 fiscal year, which factors in inflation and other adjustments to revenues and expenditures as well as prior year positive fund balances. The 2013-2014 budget includes an overall increase in real property tax revenues of approximately \$1,512,347, which is the result of an increase in the tax rate of 3.97% from the current 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% 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% or the rate of inflation (whichever is less). Local governments can exceed the tax levy limit by a 60% vote of the governing body and annually adopting a local law. There are permitted exceptions and adjustments. The Village did not exceed the 2% cap, inclusive of allowable exclusion in the 2013-2014 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, 2014, the Village anticipates that assessment refunds will not exceed the reduced budgeted allocation.

SUBSEQUENT EVENT

On December 6, 2013, there was a Court ruling against the Village in a zoning discrimination lawsuit. The Village is not responsible for monetary damages; but in their proposed judgment filed with the Court (Remediation Plan), the plaintiffs are seeking \$1,500,000 to fund the various components of the injunctive relief sought in the Remediation Plan. The plaintiffs may also be entitled to recover attorneys' fees. The Village fully intends on filing an appeal. In the event that the Village is liable for the attorneys' fees, the Village believes it has insurance to cover any potential loss related to this case. As of the date of this report, the insurance carrier has reserved rights regarding coverage issues, however the Village intends on legally pursuing this matter, if denied coverage. Based on these circumstances, the liability to the Village, if any, cannot be determined at this time.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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INCORPORATED VILLAGE OF GARDEN CITY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF NET POSITION
 May 31, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 11,358,108	\$ 1,850,975	\$ 13,209,083
Accounts receivable	298,726	798,562	1,097,288
Due from other governments, net of noncurrent portion	6,459,474		6,459,474
Internal balances	199,308	(199,308)	-0-
Restricted cash	70,441		70,441
Tax sale certificates	385,570		385,570
Inventory of material and supplies	801,619	219,010	1,020,629
Total Current Assets	<u>19,573,246</u>	<u>2,669,239</u>	<u>22,242,485</u>
Noncurrent Assets:			
Due from other governments, noncurrent portion	352,499		352,499
Non-depreciable capital assets	16,603,615	333,405	16,937,020
Depreciable capital assets, net of depreciation	35,349,095	18,483,650	53,832,745
Total Noncurrent Assets	<u>52,305,209</u>	<u>18,817,055</u>	<u>71,122,264</u>
Total Assets	<u>71,878,455</u>	<u>21,486,294</u>	<u>93,364,749</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	2,145,078	450,039	2,595,117
Due to New York State retirement systems	944,262	61,418	1,005,680
Unearned revenues	142,592	477,536	620,128
Noncurrent liabilities due within one year:			
Compensated absences	411,158	15,517	426,675
Claims and judgments payable	1,458,996		1,458,996
Tax certioraris payable	2,381,562		2,381,562
Capital loans payable	177,356		177,356
Special assessment bond payable with governmental commitment	285,000		285,000
General obligation bonds payable	1,011,664	1,125,041	2,136,705
Total Current Liabilities	<u>8,957,668</u>	<u>2,129,551</u>	<u>11,087,219</u>
Noncurrent Liabilities:			
Compensated absences	7,812,000	294,812	8,106,812
Claims and judgments payable	7,323,499		7,323,499
Other postemployment benefits payable	27,903,700	2,075,698	29,979,398
Capital loans payable	409,654		409,654
Special assessment bond payable with governmental commitment	605,000		605,000
General obligation bonds payable	7,604,241	8,676,593	16,280,834
Total Noncurrent Liabilities	<u>51,658,094</u>	<u>11,047,103</u>	<u>62,705,197</u>
Total Liabilities	<u>60,615,762</u>	<u>13,176,654</u>	<u>73,792,416</u>
NET POSITION			
Net investment in capital assets	41,708,787	9,015,421	50,724,208
Restricted for culture and recreation	70,441		70,441
Unrestricted	(30,516,535)	(705,781)	(31,222,316)
Total Net Position	<u>\$ 11,262,693</u>	<u>\$ 8,309,640</u>	<u>\$ 19,572,333</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
GOVERNMENT-WIDE FINANCIAL STATEMENT
STATEMENT OF ACTIVITIES
Year Ended May 31, 2013

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Government Activities:				
General government support	\$ 11,341,377	\$ 24,660		
Public safety	23,633,882	1,780,106	\$ 131,709	
Transportation	5,014,381	403,576		\$ 766,940
Economic assistance and opportunity	11,303			
Culture and recreation	11,887,578	594,938	26,387	
Home and community services	13,782,626	249,444	5,863,816	516,086
Interest on debt	310,642			
Total Governmental Activities	<u>65,981,789</u>	<u>3,052,724</u>	<u>6,021,912</u>	<u>1,283,026</u>
Business-type Activities:				
Pool	1,375,682	1,189,075		
Tennis	434,453	342,318		
Water	5,854,753	5,189,127		
Total Business-type Activities	<u>7,664,888</u>	<u>6,720,520</u>	<u>-0-</u>	<u>-0-</u>
Total Primary Government	<u>\$ 73,646,677</u>	<u>\$ 9,773,244</u>	<u>\$ 6,021,912</u>	<u>\$ 1,283,026</u>

GENERAL REVENUES:

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

Total General Revenues

Change in Net Position

Net Position at Beginning of Year, as restated

Net Position at End of Year

See notes to the financial statements.

Net (Expenses) Revenues and Change in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (11,316,717)		\$ (11,316,717)
(21,722,067)		(21,722,067)
(3,843,865)		(3,843,865)
(11,303)		(11,303)
(11,266,253)		(11,266,253)
(7,153,280)		(7,153,280)
(310,642)		(310,642)
<u>(55,624,127)</u>	\$ -0-	<u>(55,624,127)</u>
	(186,607)	(186,607)
	(92,135)	(92,135)
	<u>(665,626)</u>	<u>(665,626)</u>
-0-	<u>(944,368)</u>	<u>(944,368)</u>
<u>(55,624,127)</u>	<u>(944,368)</u>	<u>(56,568,495)</u>
45,064,361		45,064,361
777,563		777,563
986,368		986,368
103,843	36,392	140,235
287,285		287,285
843,766		843,766
56,812		56,812
<u>48,119,998</u>	<u>36,392</u>	<u>48,156,390</u>
(7,504,129)	(907,976)	(8,412,105)
<u>18,766,822</u>	<u>9,217,616</u>	<u>27,984,438</u>
<u>\$ 11,262,693</u>	<u>\$ 8,309,640</u>	<u>\$ 19,572,333</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
 May 31, 2013

ASSETS	Major Funds		Nonmajor Fund	Totals
	General	Capital Projects	Library	
Cash	\$ 3,801,393	\$ 1,049,124	\$ 344,894	\$ 5,195,411
Accounts receivable	298,603		123	298,726
Due from other governments	6,459,088		386	6,459,474
Restricted cash			70,441	70,441
Tax sale certificates	385,570			385,570
Inventory of materials and supplies	801,619			801,619
Total Assets	<u>\$ 11,746,273</u>	<u>\$ 1,049,124</u>	<u>\$ 415,844</u>	<u>\$ 13,211,241</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,813,490	\$ 151,008	\$ 149,816	\$ 2,114,314
Tax certioraris payable	881,562			881,562
Due to New York State retirement systems	890,174		54,088	944,262
Due to other funds	35,202			35,202
Deferred revenues	518,162		10,000	528,162
Advances from other funds	35,905			35,905
Total Liabilities	<u>4,174,495</u>	<u>151,008</u>	<u>213,904</u>	<u>4,539,407</u>
 Fund Balances				
Nonspendable	801,619			801,619
Restricted			70,441	70,441
Assigned	4,028,445	898,116	131,499	5,058,060
Unassigned	2,741,714			2,741,714
Total Fund Balances	<u>7,571,778</u>	<u>898,116</u>	<u>201,940</u>	<u>8,671,834</u>
Total Liabilities and Fund Balances	<u>\$ 11,746,273</u>	<u>\$ 1,049,124</u>	<u>\$ 415,844</u>	<u>\$ 13,211,241</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
 May 31, 2013

TOTAL FUND BALANCES- GOVERNMENTAL FUNDS \$ 8,671,834

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

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

Capital assets - non-depreciable	\$ 16,603,615	
Capital assets - depreciable	99,077,667	
Accumulated depreciation	<u>(63,728,572)</u>	
		51,952,710

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 Position 6,433,112

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

Compensated absences	(8,223,158)	
Claims and judgments payable	(8,782,495)	
Tax certioraris payable	(1,500,000)	
Other postemployment benefits payable	(27,903,700)	
Capital loans payable	(587,010)	
Special assessment bond payable with governmental commitment	(890,000)	
General obligation bonds payable, inclusive of premium	<u>(8,615,905)</u>	
		(56,502,268)

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 Position (30,764)

Other assets and liabilities not reported in the governmental funds 738,069

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 11,262,693

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, 2013

	Major Funds		Nonmajor Fund	Total Governmental Funds
	General	Capital Projects	Library	
REVENUES				
Real property taxes and tax items	\$ 45,035,836			\$ 45,035,836
Other real property tax items	777,563			777,563
Non-property tax items	986,368			986,368
Departmental income	1,504,661			1,504,661
Intergovernmental charges	11,710			11,710
Use of money and property	197,914		\$ 2,269	200,183
Licenses and permits	101,043			101,043
Fines and forfeitures	1,193,961		38,651	1,232,612
Special assessments	239,733			239,733
Sale of property and compensation for loss	287,747			287,747
Fees and services			35,172	35,172
Miscellaneous local sources	45,170		27,353	72,523
State and local aid	1,185,502	\$ 11,250	11,975	1,208,727
Federal aid	6,376,587			6,376,587
Total Revenues	<u>57,943,795</u>	<u>11,250</u>	<u>115,420</u>	<u>58,070,465</u>
EXPENDITURES				
Current:				
General government support	8,334,881			8,334,881
Public safety	14,027,144			14,027,144
Transportation	2,736,701			2,736,701
Economic assistance and opportunity	11,303			11,303
Culture and recreation	4,644,432		3,272,355	7,916,787
Home and community services	10,562,112			10,562,112
Employee benefits	11,798,413			11,798,413
Capital outlay		2,615,161		2,615,161
Debt service:				
Principal	1,425,799			1,425,799
Interest	314,207			314,207
Total Expenditures	<u>53,854,992</u>	<u>2,615,161</u>	<u>3,272,355</u>	<u>59,742,508</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,088,803</u>	<u>(2,603,911)</u>	<u>(3,156,935)</u>	<u>(1,672,043)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	71,095	2,480,873	3,183,125	5,735,093
Transfers out	<u>(5,663,998)</u>	<u>(71,095)</u>		<u>(5,735,093)</u>
Total Other Financing Sources (Uses)	<u>(5,592,903)</u>	<u>2,409,778</u>	<u>3,183,125</u>	<u>-0-</u>
Net Change in Fund Balances	(1,504,100)	(194,133)	26,190	(1,672,043)
Fund Balances at				
Beginning of Year, as restated	<u>9,075,878</u>	<u>1,092,249</u>	<u>175,750</u>	<u>10,343,877</u>
Fund Balances at End of Year	<u>\$ 7,571,778</u>	<u>\$ 898,116</u>	<u>\$ 201,940</u>	<u>\$ 8,671,834</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 Year Ended May 31, 2013

NET CHANGE IN FUND BALANCES \$ (1,672,043)

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	\$ 2,813,851	
Depreciation expense	(4,343,189)	
Loss on dispositions	<u>(643)</u>	(1,529,981)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 381,024

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

Compensated absences	(515,325)	
Tax certioraris payable	500,000	
Other postemployment benefits payable	(5,152,679)	
Repayment of capital loans	175,799	
Repayment of special assessment bond with governmental commitment	240,000	
Repayment of bond principal	1,010,000	
Amortization of bond premiums	6,664	
Accrued interest costs	<u>3,565</u>	(3,731,976)

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	(31,348)	
Workers' compensation premium and other Internal Service Fund changes in activity	<u>(919,805)</u>	<u>(951,153)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (7,504,129)

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 May 31, 2013

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				
	<u>Pool</u>	<u>Tennis</u>	<u>Water</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
ASSETS					
Current Assets:					
Cash	\$ 283,414	\$ 204,274	\$ 1,363,287	\$ 1,850,975	\$ 6,162,697
Accounts receivable	2,970	220	795,372	798,562	
Due from other funds					35,202
Inventory of materials and supplies			219,010	219,010	
Total Current Assets	<u>286,384</u>	<u>204,494</u>	<u>2,377,669</u>	<u>2,868,547</u>	<u>6,197,899</u>
Noncurrent Assets:					
Advances to other funds					35,905
Non-depreciable capital assets			333,405	333,405	
Depreciable capital assets, net of depreciation	2,288,344	145,100	16,050,206	18,483,650	
Total Noncurrent Assets	<u>2,288,344</u>	<u>145,100</u>	<u>16,383,611</u>	<u>18,817,055</u>	<u>35,905</u>
Total Assets	<u>2,574,728</u>	<u>349,594</u>	<u>18,761,280</u>	<u>21,685,602</u>	<u>6,233,804</u>
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued liabilities	97,834	18,577	333,628	450,039	
Collections in advance- membership fees	448,125	29,411		477,536	
Due to New York State retirement systems	3,615	3,885	53,918	61,418	
Compensated absences	965	709	13,843	15,517	
General obligation bonds payable	209,251	48,000	867,790	1,125,041	
Claims and judgments payable					1,458,996
Total Current Liabilities	<u>759,790</u>	<u>100,582</u>	<u>1,269,179</u>	<u>2,129,551</u>	<u>1,458,996</u>
Noncurrent Liabilities:					
Compensated absences	18,334	13,465	263,013	294,812	
Other postemployment benefits payable	142,567	80,643	1,852,488	2,075,698	
General obligation bonds payable	2,274,266	150,000	6,252,327	8,676,593	
Claims and judgments payable					7,323,499
Total Noncurrent Liabilities	<u>2,435,167</u>	<u>244,108</u>	<u>8,367,828</u>	<u>11,047,103</u>	<u>7,323,499</u>
Total Liabilities	<u>3,194,957</u>	<u>344,690</u>	<u>9,637,007</u>	<u>13,176,654</u>	<u>8,782,495</u>
NET POSITION					
Net investment in capital assets	(195,173)	(52,900)	9,263,494	9,015,421	
Unrestricted	(425,056)	57,804	(139,221)	(506,473)	(2,548,691)
Total Net Position	<u>\$ (620,229)</u>	<u>\$ 4,904</u>	<u>\$ 9,124,273</u>	<u>8,508,948</u>	<u>\$ (2,548,691)</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the Internal Service Fund and the Enterprise Funds over time				(199,308)	
Net Position of business-type activities				<u>\$ 8,309,640</u>	

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended May 31, 2013

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				Internal Service Fund
	Pool	Tennis	Water	Total Enterprise Funds	
OPERATING REVENUES					
Charges for services:					
Water sales			\$ 4,373,669	\$ 4,373,669	
Public fire protection			585,136	585,136	
Water services for other governments			159,056	159,056	
Intergovernmental sales			67,227	67,227	
Membership and guest fees	\$ 1,084,308	\$ 336,259		1,420,567	
Other operating revenues	104,767	6,059	4,039	114,865	\$ 3,299
Premiums Charged for Risk Retention:					
General fund					2,657,096
Enterprise funds					235,956
Component unit - Garden City					
Public Library					136,800
Total Operating Revenues	<u>1,189,075</u>	<u>342,318</u>	<u>5,189,127</u>	<u>6,720,520</u>	<u>3,033,151</u>
OPERATING EXPENSES					
Pumping			1,099,251	1,099,251	
Transmission and distribution			916,904	916,904	
Purification			306,510	306,510	
Other operating expenses	834,242	282,844	867,991	1,985,077	
Administrative and general	205,715	65,088	1,249,542	1,520,345	17,102
Depreciation	260,992	70,954	1,092,758	1,424,704	
Excess insurance					1,255,038
Claims and judgments					504,345
Workers' compensation					2,317,341
Total Operating Expenses	<u>1,300,949</u>	<u>418,886</u>	<u>5,532,956</u>	<u>7,252,791</u>	<u>4,093,826</u>
Income (Loss) from Operations	<u>(111,874)</u>	<u>(76,568)</u>	<u>(343,829)</u>	<u>(532,271)</u>	<u>(1,060,675)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest on investments	3,102	596	32,694	36,392	16,850
Interest on debt	(64,745)	(11,235)	(243,445)	(319,425)	
Total Non-Operating Revenues (Expenses)	<u>(61,643)</u>	<u>(10,639)</u>	<u>(210,751)</u>	<u>(283,033)</u>	<u>16,850</u>
Changes in Net Position	(173,517)	(87,207)	(554,580)	(815,304)	(1,043,825)
Total Net Position at Beginning of Year	<u>(446,712)</u>	<u>92,111</u>	<u>9,678,853</u>		<u>(1,504,866)</u>
Total Net Position at End of Year	<u>\$ (620,229)</u>	<u>\$ 4,904</u>	<u>\$ 9,124,273</u>		<u>\$ (2,548,691)</u>
Adjustment for the net effect of the current year activity between the Internal Service Fund and Enterprise Funds				<u>(92,672)</u>	
Changes in Net Position of business-type activities				<u>\$ (907,976)</u>	

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended May 31, 2013

<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>					
	<u>Pool</u>	<u>Tennis</u>	<u>Water</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Revenue Collected:					
Water sales			\$ 4,299,461	\$ 4,299,461	
Public fire protection			585,136	585,136	
Water services for other governments			159,056	159,056	
Intergovernmental sales			67,227	67,227	
Membership and guest fees	\$ 1,019,435	\$ 282,197		1,301,632	
Other receipts	104,767	6,059	4,039	114,865	\$ 3,299
Cash for interfund services provided					3,029,852
Payments for Expenses:					
Payments to suppliers	(650,409)	(118,241)	(1,428,481)	(2,197,131)	(4,062,478)
Compensation and related expenses	(673,537)	(200,578)	(2,495,460)	(3,369,575)	
Cash paid for internal services provided	(59,672)	(7,898)	(168,386)	(235,956)	
Net Cash Provided (Used) by Operating Activities	(259,416)	(38,461)	1,022,592	724,715	(1,029,327)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Advances to other funds					34,512
Net Cash Provided by Noncapital and Related Financing Activities	-0-	-0-	-0-	-0-	34,512
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(102,325)		(286,004)	(388,329)	
Principal paid on capital debt	(77,000)	(48,000)	(865,000)	(990,000)	
Interest paid on capital debt	(64,745)	(11,235)	(243,445)	(319,425)	
Net Cash Provided (Used) by Capital and Related Financing Activities	(244,070)	(59,235)	(1,394,449)	(1,697,754)	-0-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and earnings received	851	596	29,904	31,351	16,850
Net Cash Provided by Investing Activities	851	596	29,904	31,351	16,850
Net Change in Cash	(502,635)	(97,100)	(341,953)	(941,688)	(977,965)
Cash at Beginning of Year	786,049	301,374	1,705,240	2,792,663	7,140,662
Cash at End of Year	\$ 283,414	\$ 204,274	\$ 1,363,287	\$ 1,850,975	\$ 6,162,697

(continued)

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended May 31, 2013

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	\$ (111,874)	\$ (76,568)	\$ (343,829)	\$ (532,271)	\$ (1,060,675)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Accounts receivable	(815)		(74,208)	(75,023)	
Inventory			(43,416)	(43,416)	
Depreciation expense	260,992	70,954	1,092,758	1,424,704	
Accounts payable and accrued liabilities	(368,542)	3,505	65,456	(299,581)	
Due to New York State retirement system	(78)	731	5,576	6,229	
Compensated absences	(297)	2,183	(13,310)	(11,424)	
Other postemployment benefits payable	25,256	14,796	333,565	373,617	
Collections in advance	(64,058)	(54,062)		(118,120)	
Claims and judgments payable					31,348
					31,348
Net Cash Provided (Used) by Operating Activities	\$ (259,416)	\$ (38,461)	\$ 1,022,592	\$ 724,715	\$ (1,029,327)

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Amortization of bond premiums	\$ 2,251		\$ 2,790	\$ 5,041	
Total Non Cash Investing, Capital and Financing Activities	\$ 2,251	\$ -0-	\$ 2,790	\$ 5,041	\$ -0-

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
May 31, 2013

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 2,745,291
Due from others	<u>53,204</u>
Total Assets	<u>\$ 2,798,495</u>
LIABILITIES	
Building fees and other deposits	\$ 2,161,146
Justice court fund	132,697
Other agency liabilities	<u>504,652</u>
Total Liabilities	<u>\$ 2,798,495</u>

See notes to the financial statements.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

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

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, 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. Governmental funds are further classified as major and nonmajor funds.

The Village reports the following major governmental funds:

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

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

Governmental Funds (continued)

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

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

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

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

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

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

The Village reports the following major proprietary funds:

Enterprise Funds – used to account for the following operations:

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

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

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

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

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements (continued)

Proprietary Funds (continued)

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

The Internal Service Fund includes the following fund:

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

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

The Village has reported the following fiduciary fund:

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

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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 POSITION/ FUND BALANCE

1. CASH AND CASH EQUIVALENTS

Cash consists of funds deposited in demand accounts and time deposit accounts. For purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with a maturity when purchased of three months or less to be cash equivalents. At May 31, 2013, the Village did not have any cash equivalents. The Statement of Cash Flows presented uses the direct method of reporting cash flows.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION/ FUND BALANCE (continued)

1. CASH AND CASH EQUIVALENTS (continued)

State statutes govern the Village's investment policies. The Village has its own written investment policy stating that Village money must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Village is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of the New York State or its localities. All demand accounts and time deposits accounts are carried at cost. The Village had no investments as of May 31, 2013.

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, PAYABLES AND TRANSFERS

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

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

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

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

a) Interfund Revenues

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

b) Transfers

Transfers represent payments to the Library Fund and the Capital Projects Fund from the General Fund to support operations and to fund various capital projects per the Board adopted budget as modified. Other transfers represent residual equity transfers to close out completed capital projects.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION/ FUND BALANCE (continued)

2. RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Internal balances reported in the government-wide Statement of Net Position, represent the portion of the net 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.

4. CAPITAL ASSETS

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

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

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

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

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

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

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION/ FUND BALANCE (continued)

5. DEFERRED REVENUE/UNEARNED REVENUE

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

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 Position.

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 POSITION AND FUND BALANCE CLASSIFICATIONS

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

- a) Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Accounts payable that are related to capital projects are used in the calculation of net investment in capital assets.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION/ FUND BALANCE (continued)

7. NET POSITION AND FUND BALANCE CLASSIFICATIONS (continued)

- b) Restricted net position – consists of net position 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 position – remaining net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

- 2) Restricted fund balance reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- 3) Committed fund balance reflects amounts that can only be used for specific purposes by a government using its highest and most binding level of decision making authority. The Village’s highest decision making authority is the Board of Trustees, who by adoption of a Village ordinance prior to year end, can commit fund balance. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action imposing the commitment. At May 31, 2013, 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.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND NET POSITION/ FUND BALANCE (continued)

8. NET POSITION AND FUND BALANCE FLOW ASSUMPTIONS

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

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

9. FUND BALANCE POLICY

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

E. REVENUES AND EXPENDITURES/ EXPENSES

1. REAL PROPERTY TAX ASSESSMENT AND COLLECTION PROCEDURES

The Village's property taxes are levied and become a lien on June 1st, each fiscal year. Taxes are levied based upon the taxable value of all real property located within the Village. Taxes are recorded as a receivable on June 1st, and are payable one-half by July 1st, and one-half by December 31st, each year. Current year delinquent property taxes not collected by March 31st are placed on tax sale. 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, 2013, the maximum amount of taxes which could be levied by the Village based on the foregoing was \$140,031,240. The actual real property taxes levied by the Village for the year ended May 31, 2013 was \$45,038,783. 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.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. REVENUE AND EXPENDITURES/EXPENSES (continued)

2. OTHER POSTEMPLOYMENT BENEFITS (continued)

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

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

3. COMPENSATED ABSENCES

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

The amount that is expected to be liquidated with expendable available financial resources is reported as a liability in the 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. 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.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the Statements of the Governmental Accounting Standards Board (GASB) that are applicable. During the year ended May 31, 2013, the Village adopted:

- a) GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*.
- b) GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No. 34*. The Village implemented GASB Statement No. 61 earlier than the requirement of year ended May 31, 2014.
- c) GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- d) GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.

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.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. BUDGETARY INFORMATION (continued)

Budget Policies (continued)

- 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.

B. FUND BALANCE

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

	General Fund	Capital Projects Fund	Library Fund	Total
Fund Balances:				
Nonspendable:				
Inventory	\$ 801,619			\$ 801,619
Total Nonspendable	<u>801,619</u>	\$ -0-	\$ -0-	<u>801,619</u>
Restricted for:				
Grantor and donor restrictions			70,441	70,441
Total Restricted	<u>-0-</u>	<u>-0-</u>	<u>70,441</u>	<u>70,441</u>
Assigned to:				
Subsequent year's budget	265,194		39,070	304,264
Purchases on order	514,064	295,356	59,509	868,929
Library - blended component unit			32,920	32,920
Capital projects and contractual obligations		602,760		602,760
Compensated absences	3,244,506			3,244,506
Other assignments	4,681			4,681
Total Assigned	<u>4,028,445</u>	<u>898,116</u>	<u>131,499</u>	<u>5,058,060</u>
Unassigned, reported in:				
General Fund	2,741,714			2,741,714
Total Unassigned	<u>2,741,714</u>	<u>-0-</u>	<u>-0-</u>	<u>2,741,714</u>
Total Fund Balances	<u>\$ 7,571,778</u>	<u>\$ 898,116</u>	<u>\$ 201,940</u>	<u>\$ 8,671,834</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

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.

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

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

At May 31, 2013, the Village's cash book balance was \$16,021,665. This amount is inclusive of Fiduciary Fund deposits of \$2,745,291 and restricted cash of \$70,441 but exclusive of petty cash of \$3,150. The bank balance was \$16,326,114. Of the bank balance, \$814,741 was covered by Federal deposit insurance, and \$15,511,373 was covered by collateral held by the Village's agent, a third-party financial institution, in the Village's name.

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

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

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

As of May 31, 2013, the Village of Garden City did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

The Library Fund's cash includes amounts received from donors in previous years that may only be used for specific purposes. Accordingly, the amount of \$70,441 is shown as restricted cash on the Balance Sheet and Statement of Net Position.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

3. DETAIL NOTES ON ALL FUNDS (continued)

B. INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The interfund receivable balance for the business-type funds and interfund payable balance for the governmental funds at May 31, 2013 represents the current portion of the principal balance for a loan made to provide a financing source for the purchase of equipment and is subject to a 2.00% interest rate. All interfund receivable and payable balances which will be reimbursed subsequent to year end are stated as follows:

	<u>Amount Receivable</u>	<u>Amount Payable</u>
Governmental Fund:		
General Fund		\$ 35,202
Proprietary Fund:		
Internal Service Fund	\$ 35,202	
Total	\$ 35,202	\$ 35,202

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:

	<u>Amount Receivable</u>	<u>Amount Payable</u>
Governmental Fund:		
General Fund		\$ 35,905
Proprietary Fund:		
Internal Service Fund	\$ 35,905	
Total	\$ 35,905	\$ 35,905

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:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending May 31, 2014	\$ 35,202	\$ 1,422	\$ 36,624
2015	35,905	718	36,623
Total	\$ 71,107	\$ 2,140	\$ 73,247

For the year ended May 31, 2013, transfers were used to move General Fund resources to the Library Fund for operations and the Capital Project Fund for capital improvements. In addition, the Capital Project Fund transferred any residual equity from the close out of completed projects to the General Fund.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

3. DETAIL NOTES ON ALL FUNDS (continued)

B. INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (continued)

The composition of interfund transfers for the year ended May 31, 2013 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 71,095	\$ 5,663,998
Capital Projects Fund	2,480,873	71,095
Nonmajor Fund:		
Library Fund	3,183,125	
Total	<u>\$ 5,735,093</u>	<u>\$ 5,735,093</u>

C. CAPITAL ASSETS

A summary of changes within the governmental activities capital assets for the year ended May 31, 2013 is as follows:

	Balance June 1, 2012	Additions	Deletions	Balance May 31, 2013
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 16,603,615			\$ 16,603,615
Depreciable capital assets:				
Buildings	23,064,156	\$ 176,414		23,240,570
Improvements other than buildings	7,072,776	505,979		7,578,755
Machinery and equipment	17,848,655	656,158	\$ 43,487	18,461,326
Infrastructure:				
Roads, curbs and sidewalks	37,582,557	1,419,769		39,002,326
Drainage and sewer systems	10,739,159	55,531		10,794,690
Total depreciable capital assets	<u>96,307,303</u>	<u>2,813,851</u>	<u>43,487</u>	<u>99,077,667</u>
Less accumulated depreciation:				
Buildings	15,167,153	1,193,506		16,360,659
Improvements other than buildings	5,397,883	350,912		5,748,795
Machinery and equipment	14,106,907	813,437	42,844	14,877,500
Infrastructure:				
Roads, curbs and sidewalks	18,772,306	1,658,758		20,431,064
Drainage and sewer systems	5,983,978	326,576		6,310,554
Total accumulated depreciation	<u>\$ 59,428,227</u>	<u>\$ 4,343,189</u>	<u>\$ 42,844</u>	<u>63,728,572</u>
Total net depreciable capital assets				<u>35,349,095</u>
Total net capital assets				<u>\$ 51,952,710</u>
Depreciation expense was charged to governmental functions as follows:				
General government support				\$ 979,930
Public safety				290,472
Transportation				1,311,928
Culture and recreation				1,131,821
Home and community services				629,038
Total depreciation expense - governmental activities				<u>\$ 4,343,189</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

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, 2013 is as follows:

	Balance June 1, 2012	Additions	Deletions	Balance May 31, 2013
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 69,212			\$ 69,212
Construction in progress	2,251,670	\$ 204,699	\$ 2,192,176	264,193
Total capital assets not being depreciated	<u>2,320,882</u>	<u>204,699</u>	<u>2,192,176</u>	<u>333,405</u>
Depreciable capital assets:				
Buildings	8,246,138	2,205,833		10,451,971
Improvements other than buildings	15,163,099	21,421		15,184,520
Machinery and equipment	13,231,915	148,552		13,380,467
Total depreciable capital assets	<u>36,641,152</u>	<u>2,375,806</u>	<u>-0-</u>	<u>39,016,958</u>
Less accumulated depreciation:				
Buildings	5,993,628	371,718		6,365,346
Improvements other than buildings	4,971,473	316,772		5,288,245
Machinery and equipment	8,143,502	736,215		8,879,717
Total accumulated depreciation	<u>\$ 19,108,603</u>	<u>\$ 1,424,705</u>	<u>\$ -0-</u>	<u>20,533,308</u>
Total net depreciable capital assets				<u>18,483,650</u>
Total net capital assets				<u>\$ 18,817,055</u>
Depreciation expense was charged to functions as follows:				
Culture and recreation				\$ 331,947
Home and community services				1,092,758
Total depreciation expense - business-type activities				<u>\$ 1,424,705</u>

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

The Village evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Village's policy is to record an impairment loss in the period when the Village determines that the carrying amount of the asset will not be recoverable. No such impairment losses have been recorded during the year ended May 31, 2013.

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, 2013, the total principal balance on these loans was \$587,010.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

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 0.86%, for the capital loans are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending May 31, 2014	\$ 177,356	\$ 4,350	\$ 181,706
2015	178,887	2,819	181,706
2016	180,432	1,274	181,706
2017	50,335	79	50,414
Total	<u>\$ 587,010</u>	<u>\$ 8,522</u>	<u>\$ 595,532</u>

Special Assessment Bond Payable

The Village has \$890,000 of special assessment debt outstanding from an original issue of \$2,250,000 to provide funds for the improvement of a parking lot. The Village will receive 84.949% of the resources to repay the debt from amounts levied against the property owners directly benefiting from the capital project financed. The remaining 15.051% of the debt service requirements will come from the Village's general revenues. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the Village must provide resources to cover the deficiency until other resources are received. As of May 31, 2013, 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 three years.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending May 31, 2014	\$ 285,000	\$ 36,713	\$ 321,713
2015	305,000	24,956	329,956
2016	300,000	12,375	312,375
Total	<u>\$ 890,000</u>	<u>\$ 74,044</u>	<u>\$ 964,044</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

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, 2013, bonds payable consisted of the following individual issues:

Governmental Activities:

Description of Issue and Purpose	Original Debt	Year of Final Maturity	Interest Rate	Outstanding Balance
Building construction, 2006	\$ 950,000	2021	4.100% - 4.200%	\$ 590,000
Library reconstruction, 2008	1,005,000	2017	3.000% - 3.380%	485,000
Community Park improvements, 2008	2,350,000	2022	3.000% - 3.600%	1,525,000
Village Hall improvements, 2010	2,555,500	2025	1.500% - 3.500%	2,075,000
Various road and lighting improvements, resurfacing of parking fields, 2012	3,875,000	2027	2.000% - 2.625%	3,875,000
		Total Governmental Activities		<u>\$ 8,550,000</u>

Business-type Activities:

Description of Issue and Purpose	Original Debt	Year of Final Maturity	Interest Rate	Outstanding Balance
Water Fund:				
Water system improvements, serial bonds, 2006	\$ 1,585,000	2021	4.100% - 4.200%	\$ 995,000
Water system improvements, serial bonds, 2008	4,365,000	2022	3.000% - 3.600%	2,815,000
Water system improvements, serial bonds, 2010	4,210,000	2025	1.500% - 3.500%	3,300,000
Pool Fund:				
Pool reconstruction, 2002	950,000	2017	4.300% - 4.750%	317,000
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%	198,000
		Total Business-type Activities		<u>\$ 9,760,000</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

3. DETAIL NOTES ON ALL FUNDS (continued)

D. INDEBTEDNESS (continued)

LONG-TERM DEBT (continued)

General Obligation Bonds Payable (continued)

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

Governmental Activities:

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
Years ending May 31, 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	740,000	127,281	867,281
2019 - 2023	3,300,000	321,683	3,621,683
2024 - 2027	520,000	29,802	549,802
Total	<u>\$ 8,550,000</u>	<u>\$ 1,241,563</u>	<u>\$ 9,791,563</u>

Business-type Activities:

	<u>Water Fund</u>		<u>Pool Fund</u>		<u>Tennis Fund</u>		<u>Total Principal and Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
Years ending May 31, 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	725,000	126,869	130,000	37,756			1,019,625
2019 - 2023	2,720,000	287,784	725,000	148,731			3,881,515
2024 - 2027	330,000	16,913	760,000	48,926			1,155,839
Total	<u>\$ 7,110,000</u>	<u>\$ 1,141,506</u>	<u>\$ 2,452,000</u>	<u>\$ 450,199</u>	<u>\$ 198,000</u>	<u>\$ 23,595</u>	<u>\$ 11,375,300</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

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, 2013 are as follows:

	Balance June 1, 2012	Increases	Reductions	Balance May 31, 2013	Noncurrent liabilities due within one year	Noncurrent liabilities
Governmental Activities:						
General obligation bonds	\$ 9,560,000		\$ 1,010,000	\$ 8,550,000	\$ 1,005,000	\$ 7,545,000
Plus premiums on issuance	72,569		6,664	65,905	6,664	59,241
Total general obligation bonds	9,632,569	-0-	1,016,664	8,615,905	1,011,664	7,604,241
Compensated absences	7,707,833	762,541	247,216	8,223,158	411,158	7,812,000
Claims and judgments payable	8,751,147	1,137,043	1,105,695	8,782,495	1,458,996	7,323,499
Tax certioraris payable	2,903,000	921,965	1,443,403	2,381,562	2,381,562	-0-
Other postemployment benefits payable	22,751,021	7,068,907	1,916,228	27,903,700		27,903,700
Capital loans payable	762,809		175,799	587,010	177,356	409,654
Special assessment bond payable with governmental commitment	1,130,000		240,000	890,000	285,000	605,000
Governmental activities long-term activities	<u>\$ 53,638,379</u>	<u>\$ 9,890,456</u>	<u>\$ 6,145,005</u>	<u>\$ 57,383,830</u>	<u>\$ 5,725,736</u>	<u>\$ 51,658,094</u>
Business-type Activities:						
General obligation bonds	\$ 10,750,000		\$ 990,000	\$ 9,760,000	\$ 1,120,000	\$ 8,640,000
Plus premiums on issuance	46,675		5,041	41,634	5,041	36,593
Total general obligation bonds	10,796,675	-0-	995,041	9,801,634	1,125,041	8,676,593
Compensated absences	321,753	54,673	66,097	310,329	15,517	294,812
Other postemployment benefits payable	1,702,081	497,665	124,048	2,075,698		2,075,698
Business-type activities long-term activities	<u>\$ 12,820,509</u>	<u>\$ 552,338</u>	<u>\$ 1,185,186</u>	<u>\$ 12,187,661</u>	<u>\$ 1,140,558</u>	<u>\$ 11,047,103</u>

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

E. RETIREMENT SYSTEMS

Plan Description

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

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

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:

<u>Annual Required Contribution - ERS</u>				
	<u>Amount</u>	<u>Credits & Miscellaneous Adjustments</u>	<u>Prepayment Discount</u>	<u>Total Payment</u>
2013	\$ 2,592,884	\$ (97,951)	\$ (23,334)	\$ 2,471,599
2012	2,304,222	25,099	(20,973)	2,308,348
2011	1,651,185	(46,463)	(15,364)	1,589,358

<u>Annual Required Contribution - PFRS</u>				
	<u>Amount</u>	<u>Credits & Miscellaneous Adjustments</u>	<u>Prepayment Discount</u>	<u>Total Payment</u>
2013	\$ 2,631,372	\$ 92,522	\$ (23,680)	\$ 2,700,214
2012	2,089,278	(80,701)	(18,029)	1,990,548
2011	1,704,572	62,511	(16,919)	1,750,164

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

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 2013.

F. DEFERRED COMPENSATION PLAN

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

Each year, participants may contribute a minimum of \$260 and up to 100% of includible compensation for the plan year, as defined in the Plan. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. An additional catch-up is allowed for previous missed contributions for participants who are within three years of retirement. Participants may also contribute amounts representing distributions from other qualified plans. Each participant's account is credited with the participant's contribution and allocation of the Plan's earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants are immediately vested in their contributions plus actual earnings thereon. The amount of participant contributions, including amounts rolled over from other qualified plans, was \$1,406,088 for the Plan year ended December 31, 2012.

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

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

G. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

3. DETAIL NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS (continued)

Plan Description (continued)

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

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

All retirees are eligible for Medicare Part B reimbursement in the amount of \$1,259, based on the 2013 rate, if they are over the age of sixty-five. Upon death of a retiree, the Village will cease to pay any portion of the health insurance premium for the surviving spouse, however the spouse is still eligible for Medicare Part B reimbursement.

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

The number of participants as of June 1, 2012, the effective date of the most recent OPEB valuation, is as follows:

	<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Active employees	300	280	20
Retired employees	<u>199</u>	<u>189</u>	<u>10</u>
Total	<u><u>499</u></u>	<u><u>469</u></u>	<u><u>30</u></u>

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.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

3. DETAIL NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual Other Postemployment Benefit Cost and Net Obligation

For the year ended May 31, 2013, the Village's annual other postemployment benefits cost (expense) was \$7,566,572 of which \$7,068,907 was related to governmental activities and \$497,665 was related to business-type activities. The annual expense, inclusive of current health insurance premiums, totaled \$2,040,276 for retirees and their beneficiaries, of which \$1,916,228 was related to governmental activities and \$124,048 was related to business-type activities. The result was an increase in the other postemployment benefits liability of \$5,526,296, of which \$5,152,679 was related to governmental activities and \$373,616 was related to business-type activities for the year ended May 31, 2013.

Benefit Obligations and Normal Cost

	<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Actuarial Accrued Liability (AAL)			
Active employees	\$ 55,060,270	\$ 51,836,396	\$ 3,223,874
Retired employees	40,483,713	37,749,846	2,733,867
Total Actuarial Accrued Liability (AAL)	95,543,983	89,586,242	5,957,741
Actuarial value of plan assets	-0-	-0-	-0-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 95,543,983</u>	<u>\$ 89,586,242</u>	<u>\$ 5,957,741</u>
Funded Ratio	0.00%	0.00%	0.00%
Normal cost at the beginning of the year	\$ 2,328,851	\$ 2,156,121	\$ 172,730
Amortization cost at the beginning of the year	\$ 5,313,903	\$ 4,982,550	\$ 331,353
Annual covered payroll	\$ 24,690,996	n/a*	n/a*
UAAL as a percentage of covered payroll	386.96%	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, 2013 amounted to \$95,543,983.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

3. DETAIL NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual Other Postemployment Benefit Cost and Net Obligation (continued)

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

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

	Primary Government	Governmental Activities	Business-type Activities
Normal cost	\$ 2,328,851	\$ 2,156,121	\$ 172,730
Amortization of unfunded actuarial liability (UAAL) over 30 years	5,313,903	4,982,550	331,353
Interest	305,710	285,547	20,163
Annual required contribution (ARC)	7,948,464	7,424,218	524,246
Interest on net OPEB obligation	978,124	910,041	68,083
Adjustment to ARC	(1,360,016)	(1,265,352)	(94,664)
OPEB Cost	7,566,572	7,068,907	497,665
Less: Contribution for year ended May 31, 2013	2,040,276	1,916,228	124,048
Increase in other postemployment benefits liability	5,526,296	5,152,679	373,617
Other postemployment benefits liability at May 31, 2012	24,453,102	22,751,021	1,702,081
Other postemployment benefits liability at May 31, 2013	\$ 29,979,398	\$ 27,903,700	\$ 2,075,698
Percent of annual OPEB cost contributed	26.96%	27.11%	24.93%

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, 2013	\$ 7,566,572	\$ 2,040,276	26.96%	\$ 29,979,398
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

The projected funded status of the plan as of June 1, 2012 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	\$ 95,543,983	\$ -0-	\$ 95,543,983	0.00%	\$ 24,690,996	386.96%

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

3. DETAIL NOTES ON ALL FUNDS (continued)

G. OTHER POSTEMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress (continued)

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

Actuarial Methods and Assumptions

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

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

In the June 1, 2012 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 8.0%-10.0% healthcare cost trend and post-retirement benefit increase (inclusive of the 4.0% inflation rate) and reduced increments to a rate of 5.0% after ten years. The actuarial valuation does not incorporate an assumption for projected salary increases as the projected unit credit actuarial cost method does not include a salary component.

H. COMPENSATED ABSENCES

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

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, 2013, the value of the Village's accumulated vacation time and sick leave for governmental and business-type activities was \$8,533,487, of which \$3,244,506 was included in the assigned fund balance of the General Fund.

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
 May 31, 2013

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

At May 31, 2013, the Internal Service Fund had a deficit fund balance of \$2,548,691. This deficit is being addressed through an increase in future premiums. The Enterprise Funds' portion of the Internal Service Fund's deficit is approximately \$109,300 and has been reported as an internal balance in the government-wide financial Statement of Net Position.

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, 2013 and 2012:

	Workers' Compensation		General Liability	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Unpaid Claims as of June 1 st	\$ 6,201,441	\$ 5,954,670	\$ 2,549,706	\$ 2,454,764
Incurred Claims:				
Provision for insured events of the current fiscal year	-0-*	-0-*	601,944	606,630
Increase/(Decrease) in net provision for insured events of prior fiscal years	<u>737,812</u>	<u>1,120,994</u>	<u>(202,713)</u>	<u>(14,752)</u>
Total Incurred Claims and Claim Adjustments	<u>737,812</u>	<u>1,120,994</u>	<u>399,231</u>	<u>591,878</u>
Payments of:				
Claims during the current year	<u>896,181</u>	<u>874,223</u>	<u>209,514</u>	<u>496,936</u>
Unpaid Claims as of May 31 st	<u>\$ 6,043,072</u>	<u>\$ 6,201,441</u>	<u>\$ 2,739,423</u>	<u>\$ 2,549,706</u>

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

4. COMMITMENTS AND CONTINGENCIES (continued)

B. SELF-INSURANCE PROGRAM (continued)

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

During the year ended May 31, 2013, the Internal Service Fund charged the following premiums:

<u>Primary Government:</u>	
General Fund	\$ 2,657,096
Library Fund	136,800
Water Fund	168,386
Pool Fund	59,672
Tennis Fund	<u>7,898</u>
Total Premiums	<u>\$ 3,029,852</u>

C. GENERAL LITIGATION

Consistent with other municipalities, the Village has been named a defendant in various legal actions in the course of ordinary operations (see Note 6 for subsequent events). 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.

D. 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 \$1,443,403 for the year ended 2013.

E. CONSTRUCTION AND OTHER CAPITAL ACQUISITION COMMITMENTS

Construction in progress commitments for equipment purchases and other capital acquisition commitments amounting to \$295,356 are restricted or assigned in the Capital Projects Fund.

F. OTHER COMMITMENTS

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

INCORPORATED VILLAGE OF GARDEN CITY
NOTES TO FINANCIAL STATEMENTS
May 31, 2013

5. CHANGE IN PRESENTATION

As of June 1, 2012, the Garden City Public Library is being presented as a blended component unit in the governmental fund financial statement. In prior years, this was considered a discretely presented component unit and only presented in the government-wide financial statements. This change in presentation is a result of the Village early adopting GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No. 34* in the year ended May 31, 2013. The effect on the opening fund balance of the governmental fund financial statements and the opening net position in the government-wide financial statements for the primary government was an increase of \$175,750.

6. SUBSEQUENT EVENTS

The Village has been the defendant in an ongoing legal case filed by two plaintiffs who claimed the Village discriminated against minorities when two parcels of properties located in the Village were rezoned in 2004. This case went to trial in June 2013 and on December 6, 2013 the U.S. District Court ruled that the Village had acted with discriminatory intent when rezoning a part of the Village and had violated the Fair Housing Act, as well as 42 U.S Code §1981 and §1983 and the Equal Protection Clause of the Fourteenth Amendment. The Court directed the plaintiffs to submit a proposed remediation plan, which will be incorporated in a final judgment. The plaintiffs did so and are seeking \$1,500,000 to fund the various components of injunctive relief sought in the proposed Remediation Plan. The Village has thirty days to respond to the plaintiffs' proposed plan which expires on February 5, 2014. As of the date of this report, the plaintiffs are not seeking monetary damages; however they may be entitled to recover attorneys' fees, which cannot be reasonably estimated at this time. In addition, the Village intends on filing an appeal. The Village has insurance coverage however, as of the date of this report, the insurance carrier has reserved rights regarding coverage issues. In the event the Village is ordered by a Court to pay the plaintiffs attorneys' fees, the Village plans on legally pursuing the insurance coverage.

7. NEW PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 65 *"Items Previously Reported as Assets and Liabilities."* This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this statement become effective for the Village for the year ended May 31, 2014.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 66 *"Technical Corrections 2012 – an amendment of GASB Statements No. 10 and No. 62."* The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements of this statement become effective for the Village for the year ended May 31, 2014.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *"Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27."* The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. The requirements of this statement become effective for the Village for the year ended May 31, 2016.

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, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>				
Real Property Taxes				
Real property taxes	\$ 45,058,783	\$ 45,058,783	\$ 45,035,836	\$ (22,947)
Total Real Property Taxes	45,058,783	45,058,783	45,035,836	(22,947)
Other Real Property Tax Items				
Payment in lieu of taxes	671,086	671,086	669,738	(1,348)
Interest and penalties on real property tax	105,050	105,050	107,825	2,775
Total Other Real Property Tax Items	776,136	776,136	777,563	1,427
Non-Property Tax Items				
Public utilities gross receipts tax	700,000	700,000	651,885	(48,115)
County sales tax	60,267	60,267	62,159	1,892
Franchise fees	260,000	260,000	272,324	12,324
Total Non-Property Tax Items	1,020,267	1,020,267	986,368	(33,899)
Departmental Income				
Charges for tax advertising			1,700	1,700
Safety inspection fees	562,500	562,500	440,460	(122,040)
Parking lots and garages	220,000	220,000	174,546	(45,454)
Zoning fees	30,000	30,000	32,360	2,360
Dump permits	1,250	1,250	4,560	3,310
Sewer charges	2,800	2,800		(2,800)
Refuse and garbage fees	140,000	140,000	133,620	(6,380)
Park and recreational charges	456,010	456,010	478,115	22,105
Public works service	215,000	215,000	208,950	(6,050)
Health fees	6,000	6,000	8,350	2,350
Planning commission fees	2,000	2,000	2,500	500
Architectural design review fees	10,000	10,000	19,500	9,500
Utility permit fees	12,100	12,100		(12,100)
Total Departmental Income	1,657,660	1,657,660	1,504,661	(152,999)
Intergovernmental Charges				
Fire protection services	25,000	25,000	11,275	(13,725)
Sewer services	345	345	435	90
Total Intergovernmental Charges	25,345	25,345	11,710	(13,635)
Use of Money and Property				
Interest and earnings	93,000	93,000	79,290	(13,710)
Commissions	5,000	5,000		(5,000)
Rental real property	111,900	111,900	118,624	6,724
Total Use of Money and Property	209,900	209,900	197,914	(11,986)

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES (continued)				
Licenses and Permits				
Business and occupational licenses	4,500	4,500	2,710	(1,790)
Dog license fund apportionment	3,500	3,500	7,912	4,412
Permits	117,325	117,325	90,421	(26,904)
Total Licenses and Permits	125,325	125,325	101,043	(24,282)
Fines and Forfeitures				
Fines and forfeited bail	1,150,000	1,150,000	1,191,619	41,619
Forfeiture of deposits	1,500	1,500	2,342	842
Total Fines and Forfeitures	1,151,500	1,151,500	1,193,961	42,461
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	7,900	(5,100)
Sales of equipment	15,000	15,000		(15,000)
Insurance recoveries	150,000	150,000	264,061	114,061
Other compensation for losses	35,000	35,000	15,786	(19,214)
Total Sales of Property and Compensation for Loss	213,000	213,000	287,747	74,747
Miscellaneous Local Sources				
Refund of prior year expenses			10,259	10,259
Gifts and donations			3,200	3,200
Interfund revenues	20,000	20,000	20,000	-0-
Unclassified revenues	10,200	10,200	11,711	1,511
Total Miscellaneous Local Sources	30,200	30,200	45,170	14,970
State and Local Aid				
Per capita	207,449	207,449	207,449	-0-
Mortgage tax	575,000	575,000	636,317	61,317
Youth programs	8,147	8,147	5,997	(2,150)
Consolidated local street and highway improvement aid	319,089	319,089	318,487	(602)
Other	12,010	12,010	17,252	5,242
Total State and Local Aid	1,121,695	1,121,695	1,185,502	63,807

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2013

<u>REVENUES</u> (continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Federal Aid				
Police grants	11,590	11,590	11,590	-0-
Emergency disaster assistance			6,364,997	6,364,997
Total Federal Aid	<u>11,590</u>	<u>11,590</u>	<u>6,376,587</u>	<u>6,364,997</u>
Total Revenue	<u>\$ 51,655,387</u>	<u>\$ 51,655,387</u>	<u>\$ 57,943,795</u>	<u>\$ 6,288,408</u>

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
General Government Support				
Board of Trustees:				
Other expenditures	\$ 6,500	\$ 22,050	\$ 17,078	\$ 4,972
Village Justice:				
Personal services	291,593	291,593	251,556	40,037
Other expenditures	34,859	34,859	28,063	6,796
Clerk-Treasurer:				
Personal services	772,506	772,506	768,301	4,205
Equipment	64,688	64,688	42,529	22,159
Other expenditures	403,995	403,445	260,796	142,649
Purchasing:				
Personal services	283,749	283,749	279,440	4,309
Other expenditures	7,850	7,850	5,035	2,815
Assessment:				
Personal services	47,712	47,712	39,413	8,299
Other expenditures	10,000	10,000	7,126	2,874
Tax Advertising and Expense:				
Other expenditures	1,500	1,531	1,531	-0-
Discount on Taxes	24,000	23,969	23,905	64
Law:				
Other expenditures	654,500	857,700	851,234	6,466
Personnel:				
Personal services	111,707	111,717	110,694	1,023
Equipment		732		732
Other expenditures	20,000	19,268	6,345	12,923
Engineer:				
Personal services	203,346	203,346	197,344	6,002
Other expenditures	18,993	18,993	17,095	1,898
Elections:				
Personal services	830	1,085	1,085	-0-
Other expenditures	1,300	1,035	949	86
Buildings:				
Personal services	209,873	209,873	202,220	7,653
Other expenditures	190,654	188,654	163,610	25,044
St. Paul School:				
Other expenditures	5,000	5,000		5,000
Central Garage:				
Personal services	291,655	303,320	303,318	2
Equipment	9,000	23,045	22,396	649
Other expenditures	185,689	247,944	186,152	61,792
Central Printing and Mailing:				
Other expenditures	24,000	24,000	23,823	177
Central Data Processing:				
Personal services	102,552	102,552	101,652	900
Equipment		38,400	38,345	55
Other expenditures	256,550	218,150	184,236	33,914
Municipal Association Dues	23,000	23,000	22,123	877
Refunds of Real Property Taxes	2,000,000	1,443,610	1,443,403	207

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
General Government Support (continued)				
Insurance charges	2,657,096	2,657,096	2,657,096	-0-
MTA payroll tax	75,000	77,130	76,988	142
Contingency	358,500	13,398		13,398
Total General Government Support	<u>9,348,197</u>	<u>8,753,000</u>	<u>8,334,881</u>	<u>418,119</u>
Public Safety				
Police Department:				
Personal services	8,372,453	8,473,058	8,454,867	18,191
Equipment	8,000	5,400	5,400	-0-
Other expenditures	621,338	623,327	494,293	129,034
Fire Department:				
Personal services	3,011,382	3,340,477	3,285,709	54,768
Equipment	83,809	86,109	59,569	26,540
Other expenditures	1,175,496	1,160,696	1,030,515	130,181
Safety Inspection:				
Personal services	576,312	588,182	588,180	2
Equipment		1,400	1,399	1
Other expenditures	106,011	107,941	107,212	729
Total Public Safety	<u>13,954,801</u>	<u>14,386,590</u>	<u>14,027,144</u>	<u>359,446</u>
Transportation				
Street Administration:				
Personal services	283,694	283,694	273,201	10,493
Equipment	1,319	1,319		1,319
Other expenditures	59,449	59,449	45,203	14,246
Street Maintenance:				
Personal services	758,184	707,424	686,501	20,923
Equipment	5,000	6,000	6,348	(348)
Other expenditures	327,000	327,680	319,662	8,018
Snow Removal:				
Personal services	265,484	265,484	228,136	37,348
Equipment	2,500	1,300		1,300
Other expenditures	161,893	164,343	157,173	7,170
Street Lighting:				
Personal services	141,792	141,792	133,054	8,738
Equipment	5,000	5,000		5,000
Other expenditures	743,229	917,234	887,423	29,811
Total Transportation	<u>2,754,544</u>	<u>2,880,719</u>	<u>2,736,701</u>	<u>144,018</u>
Economic Assistance and Opportunity				
Publicity:				
Other expenditures	15,000	15,000	11,303	3,697
Total Economic Assistance and Opportunity	<u>15,000</u>	<u>15,000</u>	<u>11,303</u>	<u>3,697</u>

(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
Culture and Recreation				
Parks:				
Personal services	1,649,293	1,603,933	1,540,635	63,298
Equipment	9,120	9,120	8,695	425
Other expenditures	359,766	407,326	398,307	9,019
Playgrounds and Recreation Centers:				
Personal services	1,963,857	1,963,857	1,833,656	130,201
Equipment	22,816	22,816	12,813	10,003
Other expenditures	808,032	870,582	847,233	23,349
Concerts:				
Other expenditures	3,000	3,000	2,611	389
Historian:				
Other expenditures	1,000	1,000	482	518
Total Culture and Recreation	<u>4,816,884</u>	<u>4,881,634</u>	<u>4,644,432</u>	<u>237,202</u>
Home and Community Services				
Sanitary Sewers:				
Personal services	172,750	176,950	176,875	75
Equipment	25,000	25,000		25,000
Other expenditures	150,257	161,857	109,001	52,856
Storm Sewers:				
Personal services	172,046	167,846	156,866	10,980
Other expenditures	45,400	59,900	52,523	7,377
Refuse and Garbage:				
Personal services	1,942,599	1,996,640	1,995,738	902
Other expenditures	1,722,775	1,648,865	1,581,617	67,248
Street Cleaning:				
Personal services	513,635	497,635	419,197	78,438
Other expenditures	198,000	209,696	209,258	438
Other Sanitation:				
Personal services	243,087	244,141	240,819	3,322
Other expenditures	72,600	72,600	65,225	7,375
Shade Trees (Debris removal):				
Personal services		676,475	676,474	1
Other expenditures	2,645	4,879,645	4,878,519	1,126
Total Home and Community Services	<u>5,260,794</u>	<u>10,817,250</u>	<u>10,562,112</u>	<u>255,138</u>
				(Continued)

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended May 31, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (continued)				
Employee Benefits				
State retirement	2,094,120	2,140,538	2,055,207	85,331
Police and fire retirement	2,578,902	2,747,674	2,639,070	108,604
Social security	1,528,593	1,573,393	1,602,702	(29,309)
Unemployment insurance	20,000	20,000	12,745	7,255
Hospital and medical insurance	5,657,942	5,510,562	5,488,689	21,873
Total Employee Benefits	<u>11,879,557</u>	<u>11,992,167</u>	<u>11,798,413</u>	<u>193,754</u>
Debt Service				
Principal	1,430,000	1,425,843	1,425,799	44
Interest	441,077	398,484	314,207	84,277
Total Debt Service	<u>1,871,077</u>	<u>1,824,327</u>	<u>1,740,006</u>	<u>84,321</u>
Total Expenditures	<u>49,900,854</u>	<u>55,550,687</u>	<u>53,854,992</u>	<u>1,695,695</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	1,754,533	(3,895,300)	4,088,803	7,984,103
Other Financing Sources (Uses)				
Transfers in			71,095	71,095
Transfers out	(5,153,998)	(5,663,998)	(5,663,998)	
Total Other Financing Sources (Uses)	<u>(5,153,998)</u>	<u>(5,663,998)</u>	<u>(5,592,903)</u>	<u>71,095</u>
Net Change in Fund Balance*	<u>\$ (3,399,465)</u>	<u>\$ (9,559,298)</u>	<u>(1,504,100)</u>	<u>\$ 8,055,198</u>
Fund Balance at Beginning of Year			<u>9,075,878</u>	
Fund Balance at End of Year			<u>\$ 7,571,778</u>	

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

INCORPORATED VILLAGE OF GARDEN CITY
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
May 31, 2013

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
2012	\$ -0-	\$ 95,543,983	\$ 95,543,983	0.00%	\$ 24,690,996	386.96%
2010	\$ -0-	\$ 92,989,078	\$ 92,989,078	0.00%	\$ 24,991,040	372.09%
2008	\$ -0-	\$ 80,844,585	\$ 80,844,585	0.00%	\$ 25,511,693	316.89%

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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, 2013

	<u>June 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>May 31, 2013</u>
ASSETS				
Cash	\$ 2,792,673	\$ 5,243,515	\$ 5,290,897	\$ 2,745,291
Due from others	102,885	449,561	499,242	53,204
Total Assets	<u>\$ 2,895,558</u>	<u>\$ 5,693,076</u>	<u>\$ 5,790,139</u>	<u>\$ 2,798,495</u>
LIABILITIES				
Building fees and other deposits	\$ 2,202,955	\$ 881,423	\$ 923,232	\$ 2,161,146
Justice court fund	141,140	1,418,741	1,427,184	132,697
Other agency liabilities	551,463	3,392,912	3,439,723	504,652
Total Liabilities	<u>\$ 2,895,558</u>	<u>\$ 5,693,076</u>	<u>\$ 5,790,139</u>	<u>\$ 2,798,495</u>

STATISTICAL SECTION

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

Page

Financial Trends

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

88-97

Revenue Capacity

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

98-103

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.

104-107

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.

108-109

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.

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

Years Ended May 31,	2013	2012	2011	2010	2009
	Note 1				
Governmental activities					
Net position					
Net investment in capital assets	\$ 41,708,787	\$ 41,851,325	\$ 45,259,008	\$ 45,276,890	\$ 46,215,824
Restricted	70,441				
Unrestricted	<u>(30,516,535)</u>	<u>(23,260,253)</u>	<u>(18,861,480)</u>	<u>(9,583,152)</u>	<u>(3,759,618)</u>
Total governmental activities net position	<u>\$ 11,262,693</u>	<u>\$ 18,591,072</u>	<u>\$ 26,397,528</u>	<u>\$ 35,693,738</u>	<u>\$ 42,456,206</u>
Business-type activities					
Net position					
Net investment in capital assets	\$ 9,015,421	\$ 9,026,069	\$ 8,514,014	\$ 9,012,566	\$ 12,677,218
Unrestricted	<u>(705,781)</u>	<u>191,547</u>	<u>2,184,762</u>	<u>2,772,285</u>	<u>(925,813)</u>
Total business-type activities net position	<u>\$ 8,309,640</u>	<u>\$ 9,217,616</u>	<u>\$ 10,698,776</u>	<u>\$ 11,784,851</u>	<u>\$ 11,751,405</u>
Primary government					
Net position					
Net investment in capital assets	\$ 50,724,208	\$ 50,877,394	\$ 53,773,022	\$ 54,289,456	\$ 58,893,042
Restricted	70,441				
Unrestricted	<u>(31,222,316)</u>	<u>(23,068,706)</u>	<u>(16,676,718)</u>	<u>(6,810,867)</u>	<u>(4,685,431)</u>
Total primary government net position	<u>\$ 19,572,333</u>	<u>\$ 27,808,688</u>	<u>\$ 37,096,304</u>	<u>\$ 47,478,589</u>	<u>\$ 54,207,611</u>

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

Note 1: Components of net position for Governmental Activities and the Primary Government have been adjusted in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34* to include the net position of the Garden City Public Library, a blended component unit of the Incorporated Village of Garden City. Prior to 2013 the Garden City Public Library was a discretely presented component unit of the Incorporated Village of Garden City and therefore is not included in the Governmental Activities and the Primary Government net position calculation.

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
<u>\$ 51,733,778</u>	<u>\$ 56,007,005</u>	<u>\$ 54,722,987</u>	<u>\$ 53,285,554</u>	<u>\$ 55,989,551</u>
\$ 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
<u>\$ 13,039,589</u>	<u>\$ 13,408,840</u>	<u>\$ 13,563,112</u>	<u>\$ 13,354,249</u>	<u>\$ 13,480,254</u>
\$ 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
<u>\$ 64,773,367</u>	<u>\$ 69,415,845</u>	<u>\$ 68,286,099</u>	<u>\$ 66,639,803</u>	<u>\$ 69,469,805</u>

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

Years Ended May 31,	2013	2012	2011	2010	2009
	Note 1			Note 2	
Expenses					
Governmental activities:					
General government support	\$ 11,341,377	\$ 11,572,522	\$ 13,691,507	\$ 13,889,435	\$ 12,003,819
Public safety	23,633,882	23,283,535	22,205,619	20,603,724	22,266,724
Transportation	5,014,381	4,690,515	4,939,638	4,409,301	4,298,667
Economic assistance and opportunity	11,303	7,784	30,676	21,703	65,111
Culture and recreation	11,887,578	11,247,553	10,941,924	10,947,013	7,435,850
Home and community services	13,782,626	8,391,920	8,555,314	8,653,097	12,259,179
Interest on debt	310,642	298,881	318,151	310,265	383,061
Total governmental activities expenses	<u>65,981,789</u>	<u>59,492,710</u>	<u>60,682,829</u>	<u>58,834,538</u>	<u>58,712,411</u>
Business-type activities:					
Pool	1,375,682	1,139,389	1,164,447	1,124,830	1,200,801
Tennis	434,453	451,771	458,895	415,233	437,469
Water	5,854,753	6,196,727	6,292,376	5,373,095	5,669,124
Total business-type activities expenses	<u>7,664,888</u>	<u>7,787,887</u>	<u>7,915,718</u>	<u>6,913,158</u>	<u>7,307,394</u>
Total primary government expenses	<u>\$ 73,646,677</u>	<u>\$ 67,280,597</u>	<u>\$ 68,598,547</u>	<u>\$ 65,747,696</u>	<u>\$ 66,019,805</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government support	\$ 24,660	\$ 26,140	\$ 24,710	\$ 28,535	\$ 28,830
Public safety	1,780,106	1,858,976	1,826,918	1,817,490	1,727,098
Transportation	403,576	404,797	450,732	428,554	542,060
Culture and recreation	594,938	550,364	526,144	456,385	431,066
Home and community services	249,444	246,189	265,089	320,694	113,345
Operating grants and contributions	6,021,912	424,011	8,700	19,361	12,240
Capital grants and contributions	1,283,026	568,821	818,660	655,154	566,100
Total governmental activities program revenues	<u>10,357,662</u>	<u>4,079,298</u>	<u>3,920,953</u>	<u>3,726,173</u>	<u>3,420,739</u>
Business-type activities:					
Charges for services:					
Pool	1,189,075	1,111,211	1,092,315	1,060,504	1,036,969
Tennis	342,318	392,371	352,000	387,764	401,736
Water	5,189,127	4,737,434	5,320,417	4,148,020	4,509,246
Total business-type activities program revenues	<u>6,720,520</u>	<u>6,241,016</u>	<u>6,764,732</u>	<u>5,596,288</u>	<u>5,947,951</u>
Total primary government program revenues	<u>\$ 17,078,182</u>	<u>\$ 10,320,314</u>	<u>\$ 10,685,685</u>	<u>\$ 9,322,461</u>	<u>\$ 9,368,690</u>

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

Note 1: Expenses and program revenues for Governmental Activities and the Primary Government have been adjusted in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34* to include the activity of the Garden City Public Library, a blended component unit of the Incorporated Village of Garden City. Prior to 2013 the Garden City Public Library was a discretely presented component unit of the Incorporated Village of Garden City and therefore is not included in the Governmental Activities and the Primary Government expenses and program revenues.

Note 2: Beginning with the year ended May 31, 2010, the Village reported the Library contribution as a culture and recreation expense. Previously, it 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
<u>54,395,766</u>	<u>50,750,805</u>	<u>49,639,169</u>	<u>48,684,769</u>	<u>39,773,989</u>
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
<u>4,524,140</u>	<u>4,120,319</u>	<u>3,974,773</u>	<u>3,562,716</u>	<u>3,373,326</u>
<u>6,238,466</u>	<u>5,676,416</u>	<u>5,612,424</u>	<u>5,122,199</u>	<u>4,897,355</u>
<u>\$ 60,634,232</u>	<u>\$ 56,427,221</u>	<u>\$ 55,251,593</u>	<u>\$ 53,806,968</u>	<u>\$ 44,671,344</u>
\$ 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
<u>3,394,282</u>	<u>3,597,441</u>	<u>3,106,953</u>	<u>2,810,224</u>	<u>2,685,496</u>
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
<u>5,791,815</u>	<u>5,448,342</u>	<u>5,779,350</u>	<u>4,958,528</u>	<u>4,722,515</u>
<u>\$ 9,186,097</u>	<u>\$ 9,045,783</u>	<u>\$ 8,886,303</u>	<u>\$ 7,768,752</u>	<u>\$ 7,408,011</u>

(Continued)

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

(Continued)

Years Ended May 31,	2013	2012	2011	2010	2009
	Note 1				
Net (Expense)/Revenue					
Governmental activities	\$ (55,624,127)	\$ (55,413,412)	\$ (56,761,876)	\$ (55,108,365)	\$ (55,291,672)
Business-type activities	(944,368)	(1,546,871)	(1,150,986)	(1,316,870)	(1,359,443)
Total primary government net expense	<u>\$ (56,568,495)</u>	<u>\$ (56,960,283)</u>	<u>\$ (57,912,862)</u>	<u>\$ (56,425,235)</u>	<u>\$ (56,651,115)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Real property taxes	\$ 45,064,361	\$ 44,593,160	\$ 44,328,042	\$ 44,312,262	\$ 42,579,108
Other real property tax items	777,563	718,361	653,051	603,744	553,785
Non-property tax items	986,368	995,737	1,088,762	959,073	1,066,187
Earnings on investments	103,843	127,090	148,289	202,686	500,597
Sale of property and compensation for loss	287,285				
Grants and contributions not restricted to specific programs	843,766	752,983	807,361	883,350	1,008,858
Other	56,812	419,625	440,161	1,384,782	305,565
Transfers					
Total governmental activities	<u>48,119,998</u>	<u>47,606,956</u>	<u>47,465,666</u>	<u>48,345,897</u>	<u>46,014,100</u>
Business-type activities:					
Earnings on investments	36,392	43,432	35,519	29,951	71,259
Legal settlement		22,279	29,392	1,320,365	
Other					
Total business-type activities	<u>36,392</u>	<u>65,711</u>	<u>64,911</u>	<u>1,350,316</u>	<u>71,259</u>
Total primary government	<u>\$ 48,156,390</u>	<u>\$ 47,672,667</u>	<u>\$ 47,530,577</u>	<u>\$ 49,696,213</u>	<u>\$ 46,085,359</u>
Change in Net Position					
Governmental activities	\$ (7,504,129)	\$ (7,806,456)	\$ (9,296,210)	\$ (6,762,468)	\$ (9,277,572)
Business-type activities	(907,976)	(1,481,160)	(1,086,075)	33,446	(1,288,184)
Total primary government	<u>\$ (8,412,105)</u>	<u>\$ (9,287,616)</u>	<u>\$ (10,382,285)</u>	<u>\$ (6,729,022)</u>	<u>\$ (10,565,756)</u>

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

Note 1: Net (expense)/revenue, general revenue and other changes in net position and changes in net position for Governmental Activities and the Primary Government have been adjusted in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34* to include the activity of the Garden City Public Library, a blended component unit of the Incorporated Village of Garden City. Prior to 2013 the Garden City Public Library was a discretely presented component unit of the Incorporated Village of Garden City and therefore is not included in the Governmental Activities and the Primary Government Net (expense)/revenue, general revenue and other changes in net position and changes in net position.

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)
<u>\$ (51,448,135)</u>	<u>\$ (47,381,438)</u>	<u>\$ (46,365,290)</u>	<u>\$ (46,038,216)</u>	<u>\$ (37,263,333)</u>

\$ 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)
<u>46,728,257</u>	<u>48,437,382</u>	<u>47,969,649</u>	<u>43,170,548</u>	<u>38,955,988</u>

77,400	73,802	41,937	37,666	48,250
				12,107
<u>77,400</u>	<u>73,802</u>	<u>41,937</u>	<u>37,666</u>	<u>60,357</u>
<u>\$ 46,805,657</u>	<u>\$ 48,511,184</u>	<u>\$ 48,011,586</u>	<u>\$ 43,208,214</u>	<u>\$ 39,016,345</u>

\$ (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)
<u>\$ (4,642,478)</u>	<u>\$ 1,129,746</u>	<u>\$ 1,646,296</u>	<u>\$ (2,830,002)</u>	<u>\$ 1,753,012</u>

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

Years Ended May 31,	2013	2012	2011	2010	2009
	Note 1	Note 2			
General Fund					
Reserved*			\$ 5,087,946	\$ 5,474,157	\$ 5,563,794
Unreserved			4,287,837	3,749,967	3,221,296
Nonspendable	\$ 801,619	\$ 806,595			
Assigned	4,028,445	6,658,299			
Unassigned	<u>2,741,714</u>	<u>1,610,984</u>			
Total General Fund	<u>\$ 7,571,778</u>	<u>\$ 9,075,878</u>	<u>\$ 9,375,783</u>	<u>\$ 9,224,124</u>	<u>\$ 8,785,090</u>
All other governmental funds					
Reserved*			\$ 1,769,305	\$ 579,679	\$ 2,523,238
Unreserved			(2,359,230)	1,413,870	(467,315)
Restricted	\$ 70,441	\$ 16,751			
Assigned	<u>1,029,615</u>	<u>1,075,498</u>			
Total all other governmental funds	<u>\$ 1,100,056</u>	<u>\$ 1,092,249</u>	<u>\$ (589,925)</u>	<u>\$ 1,993,549</u>	<u>\$ 2,055,923</u>

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

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

Note 1: Fund balances for all other governmental funds have been adjusted in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34* to include the activity of the Garden City Public Library, a blended component unit of the Incorporated Village of Garden City. Prior to 2013 the Garden City Public Library was a discretely presented component unit of the Incorporated Village of Garden City and therefore is not included in the fund balances for all other governmental funds.

Note 2: Components of fund balance have been reclassified in accordance with Governmental Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 6,521,608 5,779,734	\$ 8,042,475 8,382,651	\$ 7,386,327 6,383,592	\$ 3,972,106 6,244,484	\$ 5,891,948 3,207,016
<u>\$ 12,301,342</u>	<u>\$ 16,425,126</u>	<u>\$ 13,769,919</u>	<u>\$ 10,216,590</u>	<u>\$ 9,098,964</u>
\$ 1,177,787 3,590,261	\$ 4,013,729 166,539	\$ 1,580,339 (45,693)	\$ 2,870,375 803,702	\$ 1,212,658 1,998,162
<u>\$ 4,768,048</u>	<u>\$ 4,180,268</u>	<u>\$ 1,534,646</u>	<u>\$ 3,674,077</u>	<u>\$ 3,210,820</u>

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

Years Ended May 31,	2013	2012	2011	2010	2009
	Note 1				
Revenues					
Real property taxes and tax items	\$ 45,035,836	\$ 44,566,731	\$ 44,319,271	\$ 44,286,198	\$ 42,551,527
Other real property tax items	777,563	718,361	653,051	603,743	553,785
Non-property tax items	986,368	995,736	1,088,762	959,073	1,066,187
Departmental income	1,504,661	1,640,421	1,720,136	1,759,503	1,548,708
Intergovernmental charges	11,710	17,685	21,335	38,810	58,827
Use of money and property	200,183	219,986	232,498	265,821	518,630
License and permits	101,043	127,083	103,790	94,686	98,351
Fines and forfeitures	1,232,612	1,131,920	1,051,891	972,224	992,526
Special assessments	239,733	239,733	253,987	253,987	253,987
Sale of property and compensation for loss	287,747	337,639	359,219	209,882	241,001
Fees and services	35,172				
Miscellaneous local sources	72,523	90,329	77,717	49,354	115,569
State and local aid	1,208,727	1,229,134	1,240,108	1,362,043	1,333,212
Federal aid	6,376,587	312,649	202,338		
Total Revenues	58,070,465	51,627,407	51,324,103	50,855,324	49,332,310
Expenditures					
Current:					
General government support	8,334,881	8,703,949	9,553,930	10,534,079	10,653,702
Public safety	14,027,144	14,263,561	13,379,418	13,001,566	13,887,809
Transportation	2,736,701	2,369,624	2,793,972	2,439,092	2,424,676
Economic assistance and opportunity	11,303	7,784	30,676	21,703	65,111
Culture and recreation	7,916,787	7,385,371	7,342,945	7,901,184	7,809,030
Home and community services	10,562,112	5,525,517	5,604,541	5,819,008	6,122,787
Employee benefits	11,798,413	10,775,501	9,685,429	8,011,434	8,489,982
Capital outlay	2,615,161	3,340,798	3,732,113	3,650,813	3,994,271
Debt Service:					
Principal	1,425,799	1,525,702	1,309,271	1,343,107	1,691,431
Interest	314,207	283,018	323,623	312,178	421,888
Total Expenditures	59,742,508	54,180,825	53,755,918	53,034,164	55,560,687
Excess (Deficiency) of Revenues over Expenditures	(1,672,043)	(2,553,418)	(2,431,815)	(2,178,840)	(6,228,377)
Other Financing Sources (Uses)					
Capital loan					
Transfers in	5,735,093	1,150,514	1,438,221	1,755,472	4,806,074
Transfers out	(5,735,093)	(1,150,514)	(1,438,221)	(1,755,472)	(4,806,074)
Transfer to component unit					
Premium on obligations		60,687			
Debt proceeds		3,875,000		2,555,500	
Total Other Financing Sources (Uses)	-0-	3,935,687	-0-	2,555,500	-0-
Net Change in Fund Balances	\$ (1,672,043)	\$ 1,382,269	\$ (2,431,815)	\$ 376,660	\$ (6,228,377)
Debt Service as a Percentage of Noncapital Expenditures	3.06%	3.56%	3.27%	3.36%	4.12%

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

Note 1: Changes in fund balances of governmental funds have been adjusted in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34* to include the activity of the Garden City Public Library, a blended component unit of the Incorporated Village of Garden City. Prior to 2013 the Garden City Public Library was a discretely presented component unit of the Incorporated Village of Garden City and therefore is not included in the changes in fund balances for governmental funds.

2008	2007	2006	2005	2004
\$ 41,310,904	\$ 41,768,796	\$ 40,671,111	\$ 38,893,343	\$ 37,932,349
540,416	544,392	387,730	420,383	441,922
992,944	951,345	865,867	767,324	720,572
1,381,737	1,892,347	1,261,536	1,371,770	1,323,927
70,542	66,758	55,514	72,363	57,716
1,314,458	1,567,175	1,088,297	639,022	485,689
112,218	102,169	93,651	97,991	75,744
964,270	1,000,258	954,371	948,885	959,599
253,986				
208,674	274,856	362,921	173,649	184,173
51,063	30,612	2,361,188	44,579	78,589
2,129,376	2,462,212	2,820,416	2,449,242	2,187,408
				84,300
<u>49,330,588</u>	<u>50,660,920</u>	<u>50,922,602</u>	<u>45,878,551</u>	<u>44,531,988</u>
10,720,015	6,318,783	6,663,418	6,076,050	7,680,786
13,146,835	12,661,782	12,520,040	11,733,794	11,184,238
2,147,288	2,291,229	2,096,025	2,266,279	1,936,882
60,562	64,972	26,401	20,896	28,262
4,546,528	4,126,301	4,005,659	3,678,240	3,462,734
9,659,050	8,798,470	8,895,716	8,368,928	5,182,428
8,285,404	7,810,557	7,732,649	7,331,390	5,480,714
6,076,086	6,087,016	6,906,441	3,545,522	4,344,863
1,340,298	1,055,627	1,030,000	1,025,000	1,070,000
309,116	308,416	221,444	251,569	282,706
<u>56,291,182</u>	<u>49,523,153</u>	<u>50,097,793</u>	<u>44,297,668</u>	<u>40,653,613</u>
(6,960,594)	1,137,767	824,809	1,580,883	3,878,375
	958,655	589,089		
3,802,196	4,828,305	4,502,773	4,022,027	3,240,105
(3,802,196)	(4,828,305)	(4,502,773)	(4,022,027)	(3,240,105)
				(3,069,199)
19,590	4,407			
3,405,000	3,200,000			
<u>3,424,590</u>	<u>4,163,062</u>	<u>589,089</u>	<u>-0-</u>	<u>(3,069,199)</u>
<u>\$ (3,536,004)</u>	<u>\$ 5,300,829</u>	<u>\$ 1,413,898</u>	<u>\$ 1,580,883</u>	<u>\$ 809,176</u>
3.31%	3.23%	2.91%	3.21%	3.67%

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
2013	\$ 84,167,224	\$ 2,332,225	\$ 1,502,303	\$ 525,000	\$ 717,250	\$ 1,387,700	\$ 1,104,398
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

(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)
\$ 12,778,936	\$ 104,515,036	\$ 47,921,748	\$ 152,436,784	1.76%	\$ 8,661,180,909	29.55
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

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

Years Ended May 31,	Village Direct Rates				
	Full Valuation	State Equalization Rate	Total Assessed Value	Tax Levy Village	Total Village Direct Tax Rate
2013	\$ 8,661,180,909	1.76%	\$ 152,436,784	\$ 45,038,784	29.55
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

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
\$	93,865,419	61.58	\$ 1,479,943	0.97	\$ 18,288,988	12.00	104.10
	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

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

2013

Name	Type	Assessed Value	Percent of Assessed Value
The Treeline Companies	Office Building(s)	\$ 3,215,089	3.08%
Keyspan	Public Utility	2,109,921	2.02%
Fortuna LI, LLC	Hotel	717,250	0.69%
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	342,900	0.33%
520 Franklin Avenue Associates, LLC	Office Building(s)	328,500	0.31%
1001 Realty LLC.	Office Building(s)	320,000	0.31%
US Real Estate Investment Fund, LLC	Office Building(s)	318,000	0.30%
Total Assessments and Percent of Total Assessment Roll		<u>\$ 8,703,519</u>	<u>(a) 8.33%</u>

(a) Represents 8.33% of the total taxable assessed valuation of the Village for 2013.

2004

Name	Type	Assessed Value	Percent of Assessed Value
Treeline Garden City Plaza	Office Building(s)	\$ 2,100,300	1.82%
Keyspan	Public Utility	2,043,251	1.77%
Franklin Avenue Plaza LLC	Office Building(s)	1,956,000	1.70%
Cento Properties Co	Hotel	1,404,000	1.22%
Sears Roebuck & Co.	Department Store	1,142,500	0.99%
DDGC Pproperties	Office Building(s)	1,097,100	0.95%
1001 Realty LLC.	Office Building(s)	797,000	0.69%
The May Department Store	Department Store	570,000	0.49%
Garden City Center Associates	Office Building(s)	520,000	0.45%
Cherry Valley Apartment Inc.	Residential Apartments	491,400	0.43%
Total Assessments and Percent of Total Assessment Roll		<u>\$ 12,121,551</u>	<u>(b) 10.52%</u>

(b) Represents 10.52% of the total taxable assessed valuation of the Village for 2004.

Source: Incorporated Village of Garden City Assessment Roll.

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

<u>Years Ended May 31,</u>	<u>Tax Levy per Tax Roll</u>	<u>Other Items on Tax Roll</u>	<u>Total Tax Levy</u>	<u>Tax Levy Collected</u> (a)	<u>Percent of Levy Collected</u>
2013	\$ 45,038,784	\$ 447,548	\$ 45,486,332	\$ 45,460,546	99.94%
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%

Source: Incorporated Village of Garden City Assessment Roll.

(a) Collected during the year of levy.

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

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

Years Ended May 31,	Governmental Activities			Business-type Activities	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (c)	Special Assessment Bonds	Capital Loan Payable (b)	General Obligation Bonds (c)			
2013	\$ 8,615,905	\$ 890,000	\$ 587,010	\$ 9,801,634	\$ 19,894,549	1.78%	398
2012	9,632,569	1,130,000	762,809	10,796,675	22,322,053	2.06%	460
2011	6,810,000	1,370,000	938,011	9,710,697	18,828,708	1.79%	400
2010	7,707,618	1,610,000	1,112,282	10,313,487	20,743,387	2.02%	439
2009	6,114,736	1,825,000	1,280,389	6,706,277	15,926,402	1.60%	347
2008	7,437,354	2,040,000	1,436,819	7,519,067	18,433,240	1.85%	401
2007	5,074,021	2,250,000	1,501,339	3,620,000	12,445,360	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

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.
- (c) General obligation bonds are presented net of related bond premiums.

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

Years Ended May 31,	Population	Taxable Assessed Valuation	General Obligation Bonds	Percentage of General Obligation Bonds to Assessed Value	Net Bonded Debt Per Capita
		(a)			
2013	22,371	\$ 152,436,784	\$ 18,417,539	12.08%	\$ 823
2012	22,371	153,054,251	20,429,244	13.35%	913
2011	22,371	153,715,528	16,520,697	10.75%	738
2010	21,672	154,968,435	18,021,105	11.63%	832
2009	21,672	157,293,794	12,821,013	8.15%	592
2008	21,672	159,200,147	14,956,421	9.39%	690
2007	21,672	159,607,012	8,694,021	5.45%	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

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, 2013

<u>Governmental Unit</u>	<u>Outstanding Indebtedness</u>	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Percentage Applicable</u> (a)	<u>Estimated Share of Overlapping Debt</u>
Direct:					
Village of Garden City	\$ 10,092,915	\$ -0-	\$ 10,092,915		\$ 10,092,915
Overlapping:					
County of Nassau	\$ 3,881,677,000	\$ 704,331,000	\$ 3,177,346,000	2.88%	\$ 91,507,565
Town of Hempstead	\$ 297,575,000	\$ 31,366,119	266,208,881	5.95%	15,839,428
Garden City School District	<u>\$ 47,480,000</u>	<u>-0-</u>	<u>47,480,000</u>	100%	<u>47,480,000</u>
Total overlapping debt	<u>4,226,732,000</u>	<u>735,697,119</u>	<u>3,491,034,881</u>		<u>154,826,993</u>
Total direct and overlapping debt	<u>\$ 4,236,824,915</u>	<u>\$ 735,697,119</u>	<u>\$ 3,501,127,796</u>		<u>\$ 164,919,908</u>

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

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

INCORPORATED VILLAGE OF GARDEN CITY

DEBT LIMIT MARGIN INFORMATION

May 31, 2013

Years Ended May 31,	Net Assessed Valuation	State Equalization Rate	Full Valuation
2013	\$ 104,515,036	1.76%	\$ 5,938,354,318
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
Total Five Year Full Valuation			<u>\$ 32,977,123,332</u>
Average Five Year Full Valuation			<u>6,595,424,666</u>
Debt Limit - 7% of Average Full Valuation			<u>461,679,727</u>
Inclusions:			
Outstanding Bonds			19,307,539
Capital Loan Payable			<u>587,010</u>
Total Inclusions			<u>19,894,549</u>
Exclusions:			
Water Debt			7,110,000
Appropriations for Repayment of Outstanding Bonds and Capital Loan			<u>2,791,000</u>
Total Exclusions			<u>9,901,000</u>
Total Net Indebtedness Subject to the Debt Limit			<u>9,993,549</u>
Net Debt Contracting Margin			<u>451,686,178</u>
Percent of Debt Limit Exhausted			2.16%
Percent of Debt Limit Available			97.84%

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
2013	\$ 461,679,727	\$ 19,894,549	\$ 9,901,000	\$ 9,993,549	\$ 451,686,178	2.16%
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	12,445,360	5,765,991	6,679,369	348,959,596	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%

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
2013	22,371	\$ 1,117,215,735	49,940	6.00%	7,366	3.00	4,261
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

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

2013

Rank	Name of Employer	Type	Number of Employees
1	Adelphi University	Higher Education	1100
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

2004*

Name of Employer	Type	Number of Employees
Adelphi University	Higher Education	A
Garden City Hotel Incorporated	Hotel	C
Bookspan Inc.	Catalog & Mail-Order House	C
Sears, Roebuck & Co.	Department Store	C
May Department Stores Co.	Department Store	C
Esselte Corporation	Packaging Machinery	C
Bank of New York	Savings Institution	D
Marketspan Corporation	Electrical Services	D
Saks & Company	Department Store	D
Merrill Lynch	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 2004 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,	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Function										
General government support	33	33	33	38	38	38	38	39	38	38
Public safety	101	107	104	103	111	111	112	113	110	109
Transportation	18	18	18	18	20	20	20	20	21	19
Economic assistance and opportunity	60	60	60	69	69	69	69	70	70	69
Culture and recreation	57	57	57	57	57	57	57	57	58	58
Home and community services	21	21	21	21	21	21	21	21	21	21
Total	290	296	293	306	316	316	317	320	318	314

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

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

<u>Years Ended May 31,</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
FUNCTION					
Public Safety					
Building					
Building permits issued	201	234	235	213	251
Police (calendar year)					
Physical arrests	355	289	318	348	286
Aided cases	1,582	1,593	1,572	1,536	1,503
Traffic violations	10,428	10,113	8,703	7,357	8,576
Parking violations	14,595	18,182	19,866	18,899	19,163
Fire (calendar year)					
Number of calls answered	1,601	1,299	1,188	1,078	1,098
Inspections	276	345	517	474	246
Mutual aid	15	16	15	5	12
Transportation					
Highway and streets					
Street resurfacing (miles)	0.96	1.28	1.52	1.42	1.15
Sidewalk repairs (sf)	30,447	28,375	23,307	22,244	17,379
Curb replacement (lf)	9,480	5,420	5,386	6,559	4,912
Snow plowing (days)	3	1	8	4	4
Ice control (days)	7	1	6	5	11
Culture and Recreation					
Parks & shade trees					
Flowers planted	25,000	27,000	28,000	28,000	29,000
Trees planted	160	297	128	116	159
Recreation					
Pool members	7,854	7,052	7,159	7,426	8,118
Tennis contracts (hours)	125.50	137.50	144.00	144.00	141.00
Tennis lessons (hours)	125.00	137.00	140.00	155.00	156.50
Home and Community Service					
Sanitation					
Refuse collected (tons)	15,155	14,935	15,267	15,741	15,974
Recyclables collected (tons)	2,345	2,255	2,515	2,520	3,135
Leaves composted (cu yds)	20,000	20,600	22,000	2,100	20,500
Sanitary sewers & storm drains					
Sewers relined	0	0	0	0	7,371
Water					
Water pumped (billion gallons)	1,574	1,612	1,715	1,425	1,536
Hydrants replaced	26	23	25	25	23
Water main breaks	16	18	16	16	12
Service taps	21	16	23	21	14

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

2008	2007	2006	2005	2004
377	377	443	376	338
351	324	276	305	378
1,511	1,421	1,484	1,470	1,556
12,219	13,715	12,776	13,374	13,007
15,745	15,373	15,756	15,471	16,867
1,265	1,091	1,032	1,076	1,096
112	447	371	305	462
12	14	5	4	8
2.00	1.25	1.76	1.44	2.33
41,365	32,460	45,084	11,138	56,244
12,613	8,303	12,868	8,186	17,595
1	4	9	5	10
9	7	22	19	18
30,000	30,000	30,000	30,000	30,000
236	451	340	373	450
8,518	8,810	8,839	8,846	8,922
452.00	146.00	146.50	149.00	153.50
146.50	103.50	105.00	101.50	90.00
16,980	17,400	17,410	16,721	17,372
4,016	2,928	4,057	4,255	3,273
20,000	20,000	20,000	20,000	20,000
0	0	4,545	21,192	0
1,591	1,800	1,634	1,623	1,721
24	30	33	36	29
10	3	5	7	8
12	9	10	11	14

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

Years Ended May 31,	2013	2012	2011	2010	2009
Function					
General Government					
Municipal buildings	25	25	25	25	25
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	2,568	2,563	2,563
Vehicles	31	31	31	31	31
Culture and Recreation					
Greenspace park acreage (approximate)	301.3	301.3	301.3	301.3	301.3
Street trees	12,552	17,142	17,077	17,077	17,084
Major parks	2	2	2	2	2
Neighborhood parks	6	6	6	6	6
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	1,003
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.

2008	2007	2006	2005	2004
24	24	24	24	24
1	1	1	1	1
25	25	25	25	25
3	3	3	3	3
15	14	14	14	14
73.7	73.7	73.7	73.7	73.7
2,555	2,550	2,519	2,491	2,463
32	32	32	32	32
301.3	301.3	301.3	301.3	301.3
16,998	16,825	16,674	16,634	16,561
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