

Incorporated Village of Garden City, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2019

Incorporated Village of Garden City, New York

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Independent Auditors' Report

**The Honorable Mayor and Board of Trustees
of the Incorporated Village of Garden City, New York**

Report on the Financial Statements

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 ("Village") as of and for the year ended May 31, 2019, and the related notes to the financial statements, which collectively comprise the Village'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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.

Opinions

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village, as of May 31, 2019, and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Notes 2C and 3D in the notes to financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". 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 Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 basic financial statements as a whole.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
December 19, 2019

Incorporated Village of Garden City, New York

Management's Discussion and Analysis (MD&A)
May 31, 2019

As management of the Incorporated Village of Garden City, New York ("Village"), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the year ended May 31, 2019. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

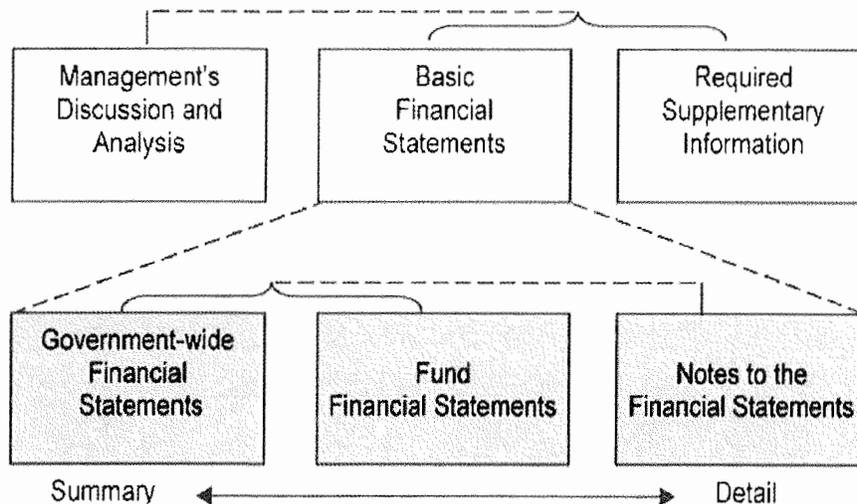
FINANCIAL HIGHLIGHTS

- The combined liabilities and deferred inflows of resources exceeded assets and deferred outflows by \$75,545,827 (net position) at May 31, 2019. The Village's combined net position was greatly impacted in the current year due to the implementation of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*".
- The Village's total combined net position decreased by \$93,707,923 of which \$89,202,848 was related to a decrease in the governmental activities net position and \$4,505,075 was related to a decrease in the business-type activities net position.
- As of May 31, 2019, the Village's governmental funds reported combined ending fund balances of \$23,829,648. Of this amount, \$947,805 is not in spendable form or is required to remain intact. The remaining \$22,881,843 or approximately 96% 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 3.G).
- At year end, the Village's total fund balance for the General Fund was \$15,330,806, a decrease of \$2,250,318 from the prior year. The assigned and unassigned fund balance for the General Fund was \$11,452,848.
- The Village's total bonded debt was \$42,130,000 (exclusive of premiums), of which \$27,408,746 relates to governmental activities and \$14,721,254 relates to business-type activities. There was an increase in bonded debt in the amount of \$15,630,000, a result of new debt issued during the fiscal year ended May 31, 2019, net of principal payments made.

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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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.

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Village 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, liabilities and deferred inflows of resources exceeded assets and deferred outflows by \$75,545,827 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, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 36,077,112	\$ 31,625,250	\$ 22,582,541	\$ 16,287,196	\$ 58,659,653	\$ 47,912,446
Capital assets	63,206,800	60,477,140	23,573,327	19,804,965	86,780,127	80,282,105
Other noncurrent assets	-	58,326	-	-	-	58,326
Total Assets	99,283,912	92,160,716	46,155,868	36,092,161	145,439,780	128,252,877
Deferred Outflows or Resources	16,117,030	10,816,617	908,269	568,664	17,025,299	11,385,281
Liabilities						
Current and other liabilities	5,861,626	5,028,273	4,422,432	1,338,768	10,284,058	6,367,041
Long-term liabilities	199,918,960	92,528,154	25,297,819	12,954,949	225,216,779	105,483,103
Total Liabilities	205,780,586	97,556,427	29,720,251	14,293,717	235,500,837	111,850,144
Deferred Inflows of Resources	2,339,985	8,937,687	170,084	688,231	2,510,069	9,625,918
Net Position						
Net investment in capital assets	36,469,500	42,075,578	12,957,123	10,292,098	49,426,623	52,367,676
Restricted	748,353	210,443	-	-	748,353	210,443
Unrestricted	(129,937,482)	(45,802,802)	4,216,679	11,386,779	(125,720,803)	(34,416,023)
Total Net Position	\$ (92,719,629)	\$ (3,516,781)	\$ 17,173,802	\$ 21,678,877	\$ (75,545,827)	\$ 18,162,096

Total assets and deferred outflows of resources of the Village's governmental activities, as of May 31, 2019 were \$115,400,942, an increase of \$12,423,609. Total liabilities and deferred inflows of resources as of May 31, 2019 were \$208,120,571, an increase of \$101,626,457. This resulted in a net position deficit balance of \$92,719,629 for 2019, an increase of \$89,202,848.

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, tax certiorari costs and the proportionate share of the net pension liability that will be funded through future budgetary appropriations or charges for services when they become payable in future periods.

The Village's combined net position was greatly impacted in the current year due to the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)". As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(81,348,325) in the governmental activities and \$(5,169,012) in the business-type activities. Additional information on other postemployment benefits can be found in Notes 2C and 3D to the financial statements.

Of the Village's governmental activities net position balance, \$36,469,500 was the net investment in capital assets, while \$70,979 was restricted by grantors for a specific purpose, \$617,863 was restricted for debt service payments and \$59,511 was restricted for public safety, leaving a deficit of \$129,937,482 in the unrestricted net position category.

The largest portion of the governmental activities net position, \$36,469,500, reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities.

Total assets and deferred outflows of resources of the Village's business-type activities, as of May 31, 2019, were \$47,064,137, an increase of \$10,403,312. Total liabilities and deferred inflows as of May 31, 2019 were \$29,890,335, an increase of \$14,908,387. This resulted in a net position balance of \$17,173,802 for 2019, a decrease of \$4,505,075.

Of the Village's business-type activities net position balance, \$12,957,123 was the net investment in capital assets, leaving a balance of \$4,216,679 in the unrestricted net position category. The Pool Fund 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.

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

**Changes in Net Position
For the years ended May 31, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues						
Charges for services	\$ 5,666,191	\$ 6,305,920	\$ 7,887,391	\$ 8,180,238	\$ 13,553,582	\$ 14,486,158
Operating grants and contributions	17,995	14,125	-	-	17,995	14,125
Capital grants and contributions	716,270	871,214	-	-	716,270	871,214
General Revenues						
Real property taxes	50,571,832	49,580,674	-	-	50,571,832	49,580,674
Other real property taxes	865,418	853,328	-	-	865,418	853,328
Non-property taxes	1,039,824	1,038,757	-	-	1,039,824	1,038,757
Unrestricted use of money and Sale of property and compensation for loss	420,599	112,032	207,404	39,085	628,003	151,117
Unrestricted state aid	128,438	36,105	-	-	128,438	36,105
Miscellaneous	1,055,227	1,045,629	-	-	1,055,227	1,045,629
	116,973	176,443	-	-	116,973	176,443
Total Revenues	60,598,767	60,034,227	8,094,795	8,219,323	68,693,562	68,253,550
PROGRAM EXPENSES						
General government support	21,042,134	13,004,438	-	-	21,042,134	13,004,438
Public safety	21,864,283	24,892,736	-	-	21,864,283	24,892,736
Transportation	5,017,029	5,177,634	-	-	5,017,029	5,177,634
Economic assistance and opportunity	44,150	45,087	-	-	44,150	45,087
Culture and recreation	12,030,351	11,910,333	-	-	12,030,351	11,910,333
Home and community services	7,611,722	7,899,659	-	-	7,611,722	7,899,659
Interest on debt	699,631	434,635	-	-	699,631	434,635
Pool	-	-	1,399,480	1,382,471	1,399,480	1,382,471
Tennis	-	-	417,448	392,996	417,448	392,996
Water	-	-	5,757,920	5,046,154	5,757,920	5,046,154
Total Expenses	68,309,300	63,364,522	7,574,848	6,821,621	75,884,148	70,186,143
Change in Net Position Before Transfers	(7,710,533)	(3,330,295)	519,947	1,397,702	(7,190,586)	(1,932,593)
Transfers in (out)	(143,990)	(34,000)	143,990	34,000	-	-
Change in Net Position	(7,854,523)	(3,364,295)	663,937	1,431,702	(7,190,586)	(1,932,593)
NET POSITION						
Beginning of Year, as Reported	(3,516,781)	(152,486)	21,678,877	20,247,175	18,162,096	20,094,689
Cumulative Effect of Change in Accounting Principle	(81,348,325)	-	(5,169,012)	-	(86,517,337)	-
Beginning, as Restated	(84,865,106)	(152,486)	16,509,865	20,247,175	(68,355,241)	20,094,689
End of Year	<u>\$ (92,719,629)</u>	<u>\$ (3,516,781)</u>	<u>\$ 17,173,802</u>	<u>\$ 21,678,877</u>	<u>\$ (75,545,827)</u>	<u>\$ 18,162,096</u>

During the year ended May 31, 2019, government-wide revenues increased from the prior year by \$440,012 while government-wide expenses increased from the prior year by \$5,698,005.

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

- Decrease in the charges for services related to governmental activities of \$639,729, primarily due to lower amounts recognized for building application fees (\$569,501) collected in the current year compared to the prior year related to a hotel project and additional permits issued in the prior year.
- Increase in the general revenues of \$1,355,343 of the governmental activities primarily due to an increase in real property taxes assessed in the amount of \$991,158 and the increase in unrestricted use of money from earnings on investments in the amount of \$308,567.

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

- Increase in general government support expenses of \$8,037,696, primarily a result of the Village recognizing higher amounts in the current year related to various judgements and claims, including tax certiorari (\$1,317,289), as well as a change in methodology in the financial statement presentation of termination payouts (\$1,470,616), retiree health insurance benefits (\$3,094,358) which were allocated by function in previous years, and OPEB due to the implementation of GASB 75 (\$2,185,854).
- Decrease in public safety expenses of (\$3,028,453) primarily due to an overall decrease in salaries due to the elimination of the paid firefighters and open positions in the police and safety inspection departments (\$1,023,731) and change in methodology in the financial statement presentation of termination payouts made in the prior year (\$589,328), reduction in Compensated Absences (\$465,667) pension costs (\$897,850) and health costs for retirees presented in general government support (\$1,336,955), offset by an increase in GASB 68 (\$1,220,818).
- Increase in the Water Fund expenses of \$711,766, a result of an increase in OPEB and Compensated Absences (\$295,941), increase in legal fees and contractual services (\$152,500), some of it related to emerging contaminants, and an increase in bond interest expense (\$143,438).

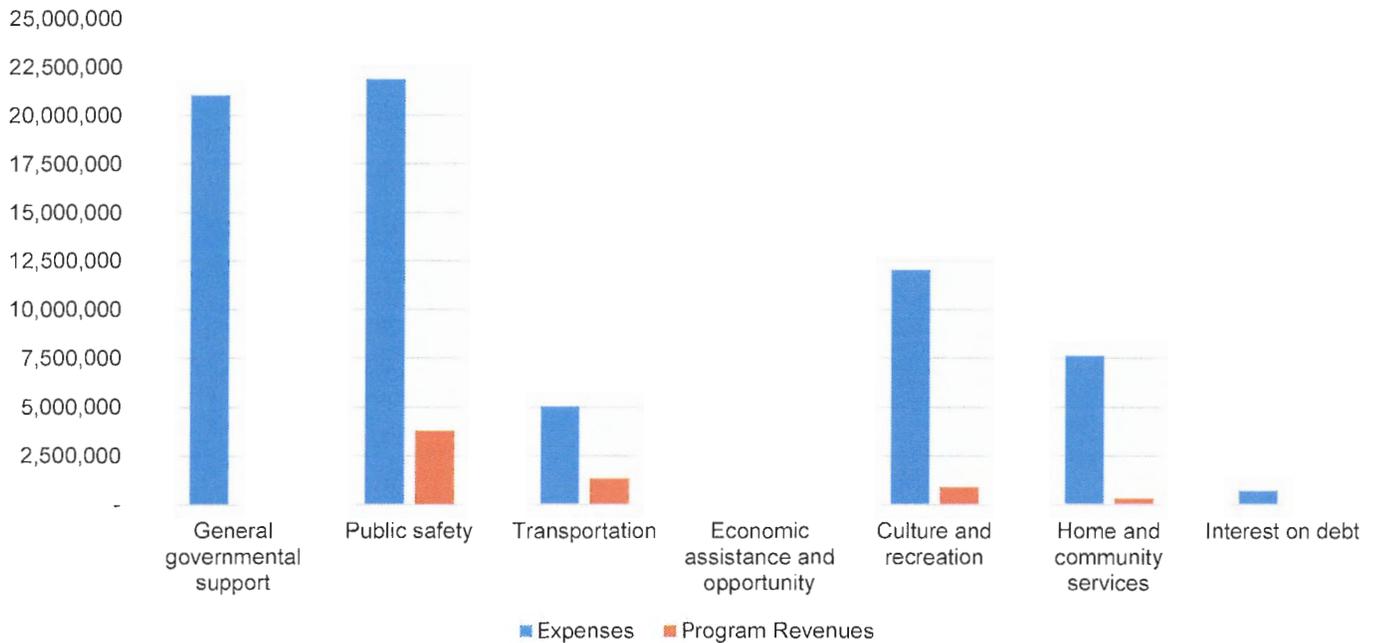
The following illustrates the total cost of services, program revenues by function and the net cost of services for the Village's governmental activities.

**Net Expense of Services
Governmental Activities
For the years ended May 31, 2019 and 2018**

	Total Expense of Services		Program Revenues		Net Expense of Services	
	2019	2018	2019	2018	2019	2018
General governmental support	\$ 21,042,134	\$ 13,004,438	\$ 23,855	\$ 432,283	\$ (21,018,279)	\$ (12,572,155)
Public safety	21,864,283	24,892,736	3,822,227	4,304,105	(18,042,056)	(20,588,631)
Transportation	5,017,029	5,177,634	1,342,465	1,378,546	(3,674,564)	(3,799,088)
Economic assistance and opportunity	44,150	45,087	-	-	(44,150)	(45,087)
Culture and recreation	12,030,351	11,910,333	904,741	799,443	(11,125,610)	(11,110,890)
Home and community services	7,611,722	7,899,659	307,168	276,882	(7,304,554)	(7,622,777)
Interest on debt	699,631	434,635	-	-	(699,631)	(434,635)
	<u>\$ 68,309,300</u>	<u>\$ 63,364,522</u>	<u>\$ 6,400,456</u>	<u>\$ 7,191,259</u>	<u>\$ (61,908,844)</u>	<u>\$ (56,173,263)</u>

The cost of the governmental activities in the current fiscal year was \$68,309,300. The net cost of these services after being subsidized by program revenues of \$6,400,456 was \$61,908,844.

**Expenses and Program Revenues
Governmental Activities**



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

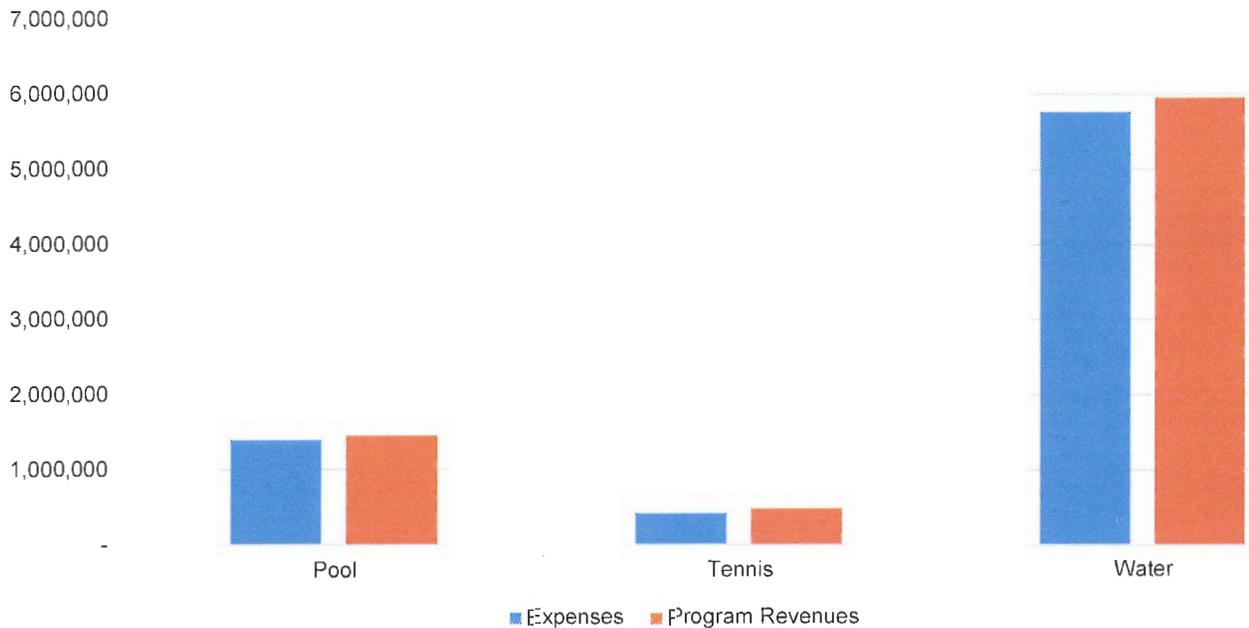
**Net Expense of Services *
Business-Type Activities
For the years ended May 31, 2019 and 2018**

	Total Expense of Services		Program Revenues		Net Expense of Services	
	2019	2018	2019	2018	2019	2018
Pool	\$ 1,399,480	\$ 1,382,471	\$ 1,454,832	\$ 1,460,765	\$ 55,352	\$ 78,294
Tennis	417,448	392,996	482,604	515,457	65,156	122,461
Water	5,757,920	5,046,154	5,949,955	6,204,016	192,035	1,157,862
	<u>\$ 7,574,848</u>	<u>\$ 6,821,621</u>	<u>\$ 7,887,391</u>	<u>\$ 8,180,238</u>	<u>\$ 312,543</u>	<u>\$ 1,358,617</u>

* Presented net of the portion of the Internal Service Fund change in net position that was allocated back to the business-type activities for years ended May 31, 2019 and 2018 in the amounts of (\$1,348) and (\$2,810), respectively. The cumulative amount of the Internal Service Fund's net position that is allocated to the business-type activities as of May 31, 2019 is \$188,891.

The cost of the business-type activities in the current fiscal year was \$7,574,848. The net revenue of these services after being subsidized by program revenues of \$7,887,391 was \$312,543.

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



Revenue by Source

Governmental Activities

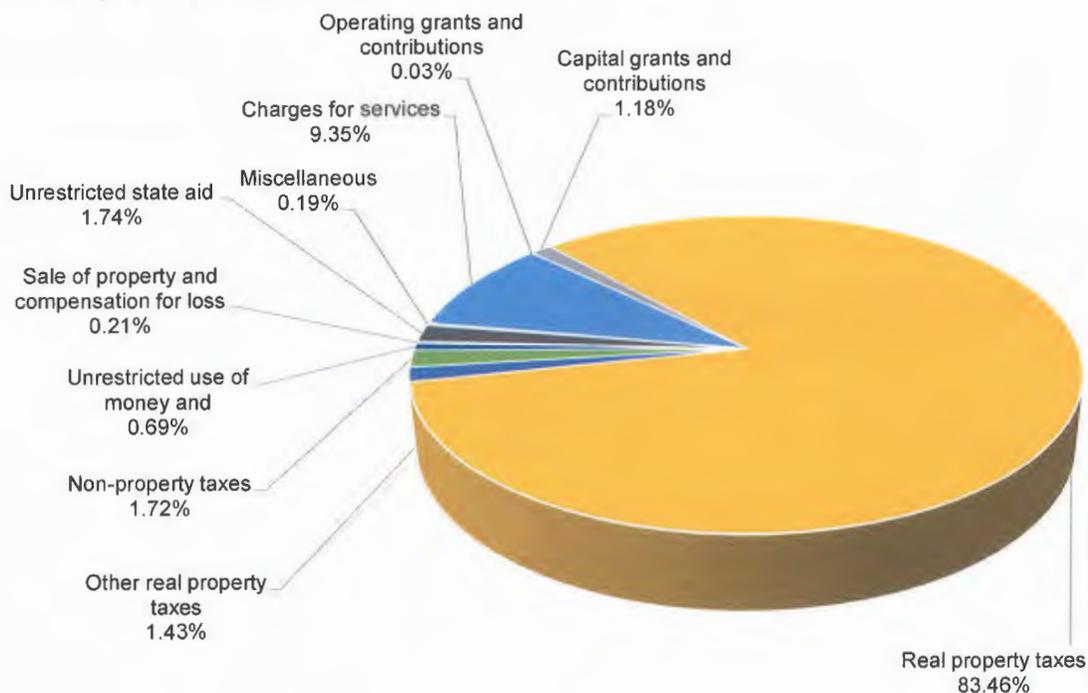
For years ended May 31, 2019 and 2018

	2019	2018
Program Revenues		
Charges for services	\$ 5,666,191	\$ 6,305,920
Operating grants and contributions	17,995	14,125
Capital grants and contributions	716,270	871,214
General Revenues		
Real property taxes	50,571,832	49,580,674
Other real property taxes	865,418	853,328
Non-property taxes	1,039,824	1,038,757
Unrestricted use of money and	420,599	112,032
Sale of property and		
compensation for loss	128,438	36,105
Unrestricted state aid	1,055,227	1,045,629
Miscellaneous	116,973	176,443
	<u>\$ 60,598,767</u>	<u>\$ 60,034,227</u>

Revenue by Source

Governmental Activities

For the year ended May 31, 2019



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, 2019, the Village's governmental funds reported total ending fund balance of \$23,829,648, an increase of \$3,687,458 in comparison to the prior year. The category breakdown is as follows:

- Nonspendable fund balance - \$947,805 (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 - \$6,041,734 (externally enforceable limitations on use) includes amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- Assigned fund balance - \$7,426,952 (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 - \$9,413,157(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 \$15,330,806, a decrease of \$2,250,318 from the prior year. Of this amount, \$947,805 is not in spendable form (inventory of material and supplies) and the remaining \$14,383,001 is in spendable form as follows: \$617,863 is restricted for debt service payments, \$2,252,779 is restricted for future employee benefit accrued liability payments, \$59,511 has been restricted for public safety, \$1,598,888 has been assigned by the Village Board for the subsequent year's budget, \$440,805 has been assigned for purchase orders by the Treasurer, and the remaining \$9,413,157 represents spendable, unassigned fund balance.

The key elements of the fund balance decrease of \$2,250,318 are as follows:

- There were encumbrances carried forward in the prior year in the amount of \$2,121,393, (a decrease of \$1,680,588 from the current year), and a reduction in the reserve for compensated absences of \$703,246, offset by an increase in the reserve for bond debt in the amount of \$516,547 due to the 2018 issuance of bonds.
- Actual revenues and other financing sources exceeded the final budget by \$3,856,207. This is primarily due to a transfer from the capital projects fund from bond proceeds for a project that was pre-funded from surplus (\$2,649,586), premium on securities from issuing bonds (\$604,787), interest earnings due to higher interest rates and investments in certificates of deposits (\$295,758), In addition, mortgage tax revenues were higher than anticipated by \$247,778.
- Actual expenditures and other financing uses were less than the final budget by \$3,954,550, of which \$440,805 is reserved for encumbrances to be spent in the next fiscal year. General government support expenditures were under budget by \$898,748, primarily a result of lower than anticipated legal fees (\$341,373), and lower personal services expenses (\$214,918) as a result of open positions throughout the year. Public safety expenditures were under budget by \$1,143,191, due to lower than expected personal services expenses (\$691,352) as a result of open positions and unexpected retirements in the safety inspection and police departments. Culture and recreation expenditures were under budget by \$525,284 primarily due to less salary costs (\$211,838), as well as lower than anticipated other costs (\$280,573) such as maintenance costs, material and supplies and contractual services. In addition, there were lower than anticipated employee benefits (\$670,360) and debt service expenses (\$522,843) due the timing of issuing bonds in the prior year.
- Overall, there was an increase of actual revenues and other financing sources from the prior year in the amount \$4,082,422. Actual revenues increased due to the increase in overall real property taxes assessed in the amount of \$990,654. Other financing sources increased by \$3,162,373 compared to prior year as a result of bond proceeds (\$2,649,586) and premium on securities (\$604,787).
- Overall, actual expenditures and other financing uses increased from the prior year by \$6,520,190, primarily a result of increases in general government support in the amount of \$7,684,684, mostly due to the increase in judgments and claims from the settlement of the MHANY litigation case and higher tax certiorari in the current year (\$6,174,363), and the change in methodology in presenting the termination payouts in general government support and not allocating them to the other functions in the current year (\$1,470,616). These increases were offset by decreases in public safety expenditures (\$1,521,140) due to reduction in the salaries for the fire department (\$813,227)

and police department (\$705,013), which contributed to a reduction in employee benefit expenditures (\$645,561).

Capital Projects Fund

At the end of the current year, the Capital Projects Fund had a total fund balance of \$8,374,255, an increase of \$5,955,356 from the prior year. The fund balance increase in the Capital Projects Fund from the prior year is mainly the result of timing differences between project expenditures and the recognition of the corresponding financing sources.

Library Fund

At the end of the current year, the total fund balance of the Library Fund, a nonmajor fund (blended component unit) of the Village, was \$124,587, a decrease of \$17,580 from the prior year. Of this amount, \$70,979 is restricted for specific purposes defined by grantors and donors, \$42,933 has been assigned for the subsequent year's budget, and \$10,675 is available for other Library purposes.

The Library Fund recognized more revenues and other financing sources in the amount of \$39,582 compared to prior year and additional expenditures of \$31,296. The overall increase in Library expenditures was primarily a result of increased salary costs (\$20,299).

Proprietary Funds

The Village's proprietary funds 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 \$875,967. This deficit net position increased from the prior year by \$292,269, mostly a result of a cumulative effect of change in accounting principle (\$463,754) due to the GASB Statement No. 75 – accounting for OPEB, which was partially offset by higher income from operations in the amount of \$70,212 and a transfer in from the General Fund to reduce the negative net position over time (\$101,273). In the current year, the Pool Fund generated less membership and guest fees (\$18,240) compared to the prior year. The Pool Fund's other operating expenses increased by \$68,502, which was offset by a decrease in administrative and general costs of \$67,263, mostly related to the employee benefit expenses. Depreciation expense was fairly consistent with the prior year, while interest for debt service increased by \$21,666.

The Tennis Fund's net position at year end was \$155,611, a decrease of \$77,427 from the prior year, the result of a cumulative effect of change in accounting principle (\$146,091) due to the GASB Statement No. 75 – accounting for OPEB which was partially offset by higher income from operations in the amount of \$67,759. In the current year, the Tennis Fund generated less membership and guest fees (\$33,246) compared to the prior year, and an increase in operating expenses (\$24,454) primarily due to an increase in other employee benefit costs.

The Water Fund's net position at year end was \$17,705,267, a decrease of \$4,134,031 from the prior year, the result of a cumulative effect of change in accounting principle (\$4,559,167) due to the GASB Statement No. 75 – accounting for OPEB. The Water Fund recognized less operating revenues in the current year in the amount of \$254,061 primarily due to a reduction in water sales (\$245,008). Overall operating expenses increased by \$566,562, due to an increase in purification costs (\$144,056), other operating costs (\$240,587), and administrative and general costs (\$304,534), offset by a reduction as a result of less pumping costs (\$59,582) and less depreciation (\$62,960) as older capital assets have become fully depreciated.

The Internal Service Fund's net position at year end was \$2,863,766. The Internal Service Fund's net position decreased from the prior year by \$20,440. Operating revenues decreased by \$160,599 primarily a result of the reduction in the amount recognized related to the over accrual of estimated claims related to workers' compensation and liability cases and insurance recoveries. Various third-party insurance premiums remained constant, while workers' compensation costs and claims increased by \$135,258 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 \$3,565,992, by designating unreserved fund balance from the prior year in the amount of \$1,444,599 and reappropriating prior year encumbrances in the amount of \$2,121,393. Over the course of the year, the Board of Trustees revised the budget as needed so that expenditures do not exceed appropriations. In the General Fund, various transfers between appropriations, as well as additional expenditures appropriated from fund balance, were approved for this purpose. The amount of appropriated fund balance was increased by \$6,495,083 from the original budget. The increase in appropriated fund balance was primarily to provide funding for legal settlements from the MHANY case and the fire department employees (\$4,722,144), termination payouts from the reserve for accrued time for employees who left Village service (\$1,470,616), and to fund an increase in the amount transferred to Capital Projects Fund (\$250,000).

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of May 31, 2019 amounts to \$63,206,800 and \$23,572,327, 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, 2019, the Village's major capital expenditures were as follows:

Village Wide equipment purchases	\$	2,783,939
Road repairs		1,797,266
Various Recreation projects		946,863
Field #2 Renovation		709,837
Sidewalk repairs and curb replacement		611,885
Fire portable radio upgrade		580,666
Sewer repairs		265,094

Capital Assets - Net of Accumulated Depreciation

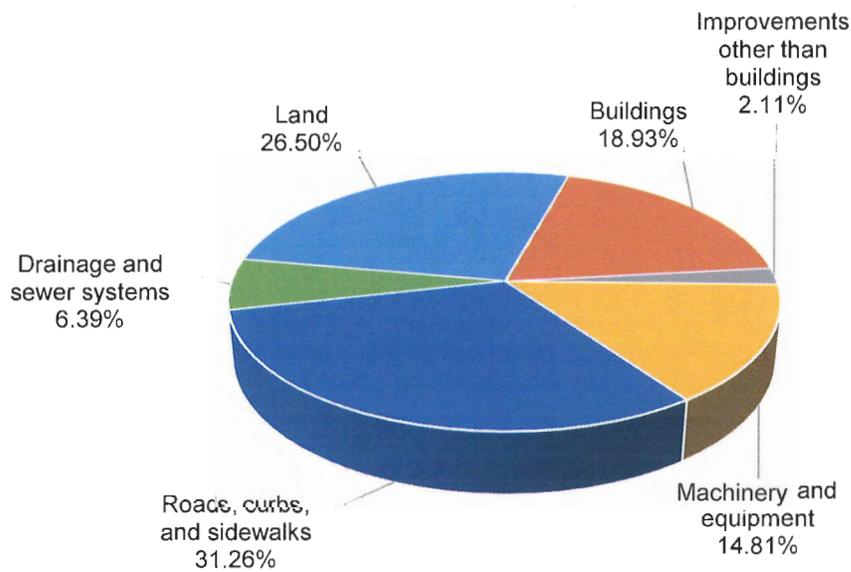
As of May 31, 2019 and 2018

	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
Land	\$ 16,748,023	\$ 16,748,023	\$ 69,212	\$ 69,212
Construction in progress	-	-	6,110,074	1,596,211
Buildings	11,964,295	12,399,616	3,328,476	3,606,211
Improvements other than buildings	1,333,934	1,063,590	10,748,271	11,099,404
Machinery and equipment	9,361,042	6,778,329	3,317,294	3,433,927
Infrastructure:				
Roads, curbs, and sidewalks	19,760,619	19,378,979	-	-
Drainage and sewer systems	4,038,887	4,108,603	-	-
Total net capital assets	\$ 63,206,800	\$ 60,477,140	\$ 23,573,327	\$ 19,804,965

Capital Assets - Net of Accumulated Depreciation

Governmental Activities

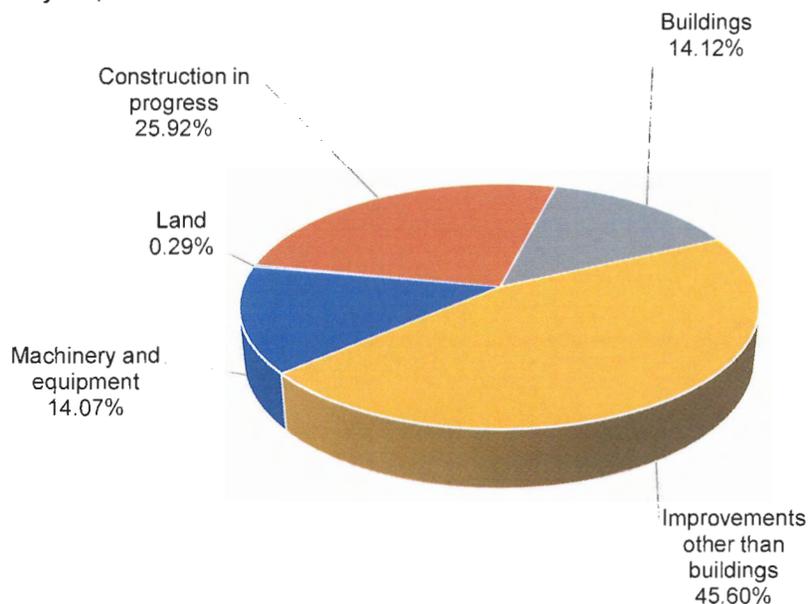
As of May 31, 2019



Capital Assets - Net of Accumulated Depreciation

Business-Type Activities

As of May 31, 2019



The Village has five-year capital improvement plans for the governmental and business-type activities. 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.B to the financial statements.

Debt Administration

At the end of the current year, the Village had total long-term bonded debt outstanding of \$27,408,746 and \$14,721,254 for its governmental and business-type activities, respectively. The entire debt is backed by the full faith and credit of the Village. For the year ended May 31, 2018, the Village had total long-term bonded debt outstanding of \$17,476,242 and \$9,023,758 for its governmental and business-type activities, respectively.

The above does not include premiums related to general obligation bonds in the amount of \$862,049 and \$182,667 for the governmental activities and business-type activities, respectively, as of May 31, 2019 and \$329,288 and \$106,723 respectively, as of May 31, 2018.

During the current fiscal year, the Village's bonded debt increased by \$15,630,000 or 59%, a result of the issuance of \$18,735,000 in general obligation bonds offset by \$3,105,000 in principal payments made during the current year.

Moody's Investment Services maintained the Village's credit rating at "Aaa" during the year ended May 31, 2019.

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 as of May 31, 2019 was 6.98%.

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

Property Tax

The Village has adopted a budget for the 2019-2020 fiscal year, which factors in inflation and other adjustments to revenues and expenditures as well as prior year positive fund balances. The 2019-2020 budget includes an increase in real property tax revenues of \$784,248. The tax levy increase was 1.55% which is under the limit imposed under the tax cap law.

New York State enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions, which includes a 2% property tax cap for municipalities. Beginning in 2012 and lasting through at least June 15, 2020, no local government is authorized to increase its property tax levy by more than 2% or the rate of inflation (whichever is less). Local governments can exceed the tax levy limit by a 60% vote of the governing body and annually adopting a local law. There are permitted exceptions and adjustments. The Village did not exceed the 2% cap, inclusive of allowable exclusion in the 2019-2020 budget.

Tax Assessment Trends

Assessment reductions resulting from tax certiorari actions continue to erode the Village tax base, however, settlements have decreased in the last couple of years. The Village anticipates that this trend will continue for the year ending May 31, 2020.

LEGAL CONTINGENCY

The Village had been the defendant in an action filed in federal district court in 2005 entitled MHANY Management et al. v. Incorporated Village of Garden City, et al. The plaintiffs alleged, among other things, that the Village engaged in discrimination in connection with the 2004 rezoning of certain parcels of property owned by Nassau County and used principally as the headquarters for the Nassau County Department of Social Services. The case was tried in June 2013 and on December 6, 2013 the U.S. District Court ruled that the Village had violated the Fair Housing Act as well as 42 U.S. Code 1981 and 1983 and the Equal Protection Clause of the Fourteenth Amendment. The plaintiffs were not awarded monetary damages. However, among other things, the Court directed the Village: (1) not to engage in discriminatory conduct in connection with residential real property-related matters, (2) to enact a fair housing resolution and (3) to retain a fair housing compliance officer to, among other things, oversee the Village's compliance with the terms of the judgment. As the prevailing party, plaintiffs filed a motion in April 2014 seeking to recover approximately \$5.6 million in attorneys' fees and costs, which amount was subject to increase as the case continued. The Village disputed the amount sought by plaintiffs. On September 11, 2014, the court granted the Village's motion to defer ruling on the plaintiffs' attorneys' fees and costs request pending the outcome of an appeal that the Village has filed of the trial court decision with the Second Circuit U.S. Court of Appeals. The appeal was orally argued on May 29, 2015. The Second Circuit in a March 26, 2016

decision remanded the issue of “disparate impact” to the District Court and affirmed the District Court’s findings on the remaining causes of action. On September 19, 2017, the district court issued a ruling with regard to the remanded disparate impact issue and held that the zoning ultimately enacted by the Village had a disparate impact on minorities under the revised standard set forth by the Second Circuit. On March 23, 2018, plaintiffs, at the District Court’s direction, filed a supplemental motion for attorneys’ fees and costs, seeking an additional \$1.2 million in attorneys’ fees and costs for fees and costs incurred since May 2014, bringing the total requested attorneys’ fees and costs to approximately \$6.3 million. The Village disputed the amount being sought by plaintiffs in their supplemental fee motion. On December 20, 2018 the Court issued a Judgment against the Village in the amount of \$5,255,108.94 for attorneys’ fees and costs. The Village determined not to take an appeal of the Judgment. Thereafter, the Village and Plaintiff agreed to pay the Judgment amount in three installments, the last of which was paid on or about June 30, 2019.

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, Village Treasurer, Finance Department, Garden City, New York.

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Incorporated Village of Garden City, New York

Statement of Net Position
May 31, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 32,409,099	\$ 21,569,114	\$ 53,978,213
Restricted cash	1,573,758	-	1,573,758
Receivables			
Taxes	493,009	-	493,009
Accounts	341,365	869,123	1,210,488
State and Federal aid	312,076	-	312,076
Inventories	947,805	144,304	1,092,109
Capital assets			
Not being depreciated	16,748,023	6,179,286	22,927,309
Being depreciated, net	<u>46,458,777</u>	<u>17,394,041</u>	<u>63,852,818</u>
 Total Assets	 <u>99,283,912</u>	 <u>46,155,868</u>	 <u>145,439,780</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts on pensions	5,866,969	254,756	6,121,725
Deferred amounts on other post employment obligations	<u>10,250,061</u>	<u>653,513</u>	<u>10,903,574</u>
 Total Deferred Outflows of Resources	 <u>16,117,030</u>	 <u>908,269</u>	 <u>17,025,299</u>
LIABILITIES			
Accounts payable	2,617,757	3,634,805	6,252,562
Accrued interest payable	391,347	246,902	638,249
Accrued liabilities	1,788,210	35,006	1,823,216
Due to retirement system	654,374	44,318	698,692
Unearned revenues	221,047	650,292	871,339
Internal balances	188,891	(188,891)	-
Non-current liabilities			
Due within one year	4,072,457	1,224,543	5,297,000
Due in more than one year	<u>195,846,503</u>	<u>24,073,276</u>	<u>219,919,779</u>
 Total Liabilities	 <u>205,780,586</u>	 <u>29,720,251</u>	 <u>235,500,837</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts on pensions	<u>2,339,985</u>	<u>170,084</u>	<u>2,510,069</u>
NET POSITION			
Net investment in capital assets	36,469,500	12,957,123	49,426,623
Restricted			
Debt service	617,863	-	617,863
Civil practice law and rules	59,511	-	59,511
Grantors and donors	70,979	-	70,979
Unrestricted	<u>(129,937,482)</u>	<u>4,216,679</u>	<u>(125,720,803)</u>
 Total Net Position	 <u>\$ (92,719,629)</u>	 <u>\$ 17,173,802</u>	 <u>\$ (75,545,827)</u>

The accompanying notes are an integral part of the financial statements.

Incorporated Village of Garden City, New York

Statement of Activities
Year Ended May 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 21,042,134	\$ 23,855	\$ -	\$ -
Public safety	21,864,283	3,718,759	11,438	92,030
Transportation	5,017,029	776,982	-	565,483
Economic opportunity and development	44,150	-	-	-
Culture and recreation	12,030,351	898,184	6,557	-
Home and community services	7,611,722	248,411	-	58,757
Interest	699,631	-	-	-
Total Governmental Activities	68,309,300	5,666,191	17,995	716,270
Business-type activities				
Pool	1,399,480	1,454,832	-	-
Tennis	417,448	482,604	-	-
Water	5,757,920	5,949,955	-	-
Total Business-Type Activities	7,574,848	7,887,391	-	-
Total	\$ 75,884,148	\$ 13,553,582	\$ 17,995	\$ 716,270

General revenues
 Real property taxes
 Other tax items
 Interest and penalties on real property taxes
 Payments in lieu of taxes
 Non-property taxes
 Franchise fees
 Utilities gross receipts tax
 Unrestricted use of money and property
 Sale of property and compensation for loss
 Unrestricted State aid
 Miscellaneous
 Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION

Beginning of Year, as reported

Cumulative Effect of Change in Accounting Principle

Beginning of Year, as restated

End of Year

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (21,018,279)	\$ -	\$ (21,018,279)
(18,042,056)	-	(18,042,056)
(3,674,564)	-	(3,674,564)
(44,150)	-	(44,150)
(11,125,610)	-	(11,125,610)
(7,304,554)	-	(7,304,554)
(699,631)	-	(699,631)
(61,908,844)	-	(61,908,844)
-	55,352	55,352
-	65,156	65,156
-	192,035	192,035
-	312,543	312,543
(61,908,844)	312,543	(61,596,301)
50,571,832	-	50,571,832
117,837	-	117,837
747,581	-	747,581
345,919	-	345,919
693,905	-	693,905
420,599	207,404	628,003
128,438	-	128,438
1,055,227	-	1,055,227
116,973	-	116,973
(143,990)	143,990	-
54,054,321	351,394	54,405,715
(7,854,523)	663,937	(7,190,586)
(3,516,781)	21,678,877	18,162,096
(81,348,325)	(5,169,012)	(86,517,337)
(84,865,106)	16,509,865	(68,355,241)
\$ (92,719,629)	\$ 17,173,802	\$ (75,545,827)

Incorporated Village of Garden City, New York

Balance Sheet
 Governmental Funds
 May 31, 2019

	General	Capital Projects	Library	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 15,947,108	\$ 9,611,894	\$ 377,030	\$ 25,936,032
Restricted cash	1,502,779	-	70,979	1,573,758
Taxes receivable	493,009	-	-	493,009
Receivables				
Accounts	341,365	-	-	341,365
State and Federal aid	312,076	-	-	312,076
	653,441	-	-	653,441
Inventories	947,805	-	-	947,805
Total Assets	<u>\$ 19,544,142</u>	<u>\$ 9,611,894</u>	<u>\$ 448,009</u>	<u>\$ 29,604,045</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,276,078	\$ 1,237,639	\$ 104,040	\$ 2,617,757
Accrued liabilities	1,757,128	-	31,082	1,788,210
Due to retirement systems	611,074	-	43,300	654,374
Unearned revenues	76,047	-	145,000	221,047
Total Liabilities	3,720,327	1,237,639	323,422	5,281,388
Deferred inflows of resources				
Deferred tax revenues	493,009	-	-	493,009
Total Liabilities and Deferred Inflows of Resources	<u>4,213,336</u>	<u>1,237,639</u>	<u>323,422</u>	<u>5,774,397</u>
Fund balances				
Nonspendable	947,805	-	-	947,805
Restricted	2,930,153	3,040,602	70,979	6,041,734
Assigned	2,039,691	5,333,653	53,608	7,426,952
Unassigned	9,413,157	-	-	9,413,157
Total Fund Balances	<u>15,330,806</u>	<u>8,374,255</u>	<u>124,587</u>	<u>23,829,648</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,544,142</u>	<u>\$ 9,611,894</u>	<u>\$ 448,009</u>	<u>\$ 29,604,045</u>

The accompanying notes are an integral part of the financial statements.

Incorporated Village of Garden City, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position May 31, 2019

Fund Balances - Total Governmental Funds	<u>\$ 23,829,648</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>63,206,800</u>
Other long-term assets that are not available to pay for current-period expenditures are reported as unearned in the funds. Real property taxes	<u>493,009</u>
Governmental funds do not report the effect of liabilities relating to net pension and post employment benefit obligations whereas these amounts are deferred and amortized in the statement of activities. Deferred amounts on net pension liabilities Deferred amounts on other post employment benefit obligations	<u>3,526,984</u> <u>10,250,061</u> <u>13,777,045</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds. Accrued interest payable Bonds payable Compensated absences Tax certiorari payable Net pension liability Other post employment benefit obligations payable	<u>(391,347)</u> <u>(28,270,795)</u> <u>(8,362,099)</u> <u>(500,000)</u> <u>(6,519,569)</u> <u>(152,657,196)</u> <u>(196,701,006)</u>
The Internal Service Fund is used to account for risk retention activities and the charges to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	<u>2,674,875</u>
Net Position of Governmental Activities	<u>\$ (92,719,629)</u>

The accompanying notes are an integral part of the financial statements.

Incorporated Village of Garden City, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended May 31, 2019

	General	Capital Projects	Library	Total Governmental Funds
REVENUES				
Real property taxes	\$ 50,571,328	\$ -	\$ -	\$ 50,571,328
Other tax items	865,418	-	-	865,418
Non-property taxes	1,039,824	-	-	1,039,824
Departmental income	3,166,102	-	-	3,166,102
Intergovernmental revenues	435	-	27,870	28,305
Use of money and property	400,912	-	7,269	408,181
Licenses and permits	527,368	-	-	527,368
Fines and forfeitures	1,618,215	-	29,645	1,647,860
Sale of property and compensation for loss	337,137	-	-	337,137
State aid	1,683,010	92,030	6,557	1,781,597
Federal aid	11,438	-	-	11,438
Miscellaneous	136,973	-	20,191	157,164
Total Revenues	60,358,160	92,030	91,532	60,541,722
EXPENDITURES				
Current				
General government support	17,359,750	-	-	17,359,750
Public safety	13,682,169	-	-	13,682,169
Transportation	2,330,120	-	-	2,330,120
Economic opportunity and development	44,150	-	-	44,150
Culture and recreation	4,541,201	-	2,391,477	6,932,678
Home and community services	4,827,569	-	-	4,827,569
Employee benefits	12,099,638	-	827,124	12,926,762
Capital outlay	-	8,699,996	-	8,699,996
Debt service				
Principal	1,967,786	-	-	1,967,786
Interest	444,371	-	-	444,371
Total Expenditures	57,296,754	8,699,996	3,218,601	69,215,351
Excess (Deficiency) of Revenues Over Expenditures	3,061,406	(8,607,966)	(3,127,069)	(8,673,629)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	11,900,290	-	11,900,290
Issuance premium	604,787	-	-	604,787
Transfers in	2,649,586	5,312,618	3,109,489	11,071,693
Transfers out	(8,566,097)	(2,649,586)	-	(11,215,683)
Total Other Financing Sources (Uses)	(5,311,724)	14,563,322	3,109,489	12,361,087
Net Change in Fund Balances	(2,250,318)	5,955,356	(17,580)	3,687,458
FUND BALANCES				
Beginning of Year	17,581,124	2,418,899	142,167	20,142,190
End of Year	<u>\$ 15,330,806</u>	<u>\$ 8,374,255</u>	<u>\$ 124,587</u>	<u>\$ 23,829,648</u>

The accompanying notes are an integral part of the financial statements.

Incorporated Village of Garden City, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended May 31, 2019

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ 3,687,458
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.	
Capital outlay expenditures	8,665,846
Depreciation expense	<u>(5,936,186)</u>
	<u>2,729,660</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>504</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Bonds issued	(11,900,290)
Principal paid on bonds	1,967,786
Issuance premium	(604,787)
Amortization of issuance premium	<u>72,026</u>
	<u>(10,465,265)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	(327,286)
Compensated absences	58,416
Claims and judgments payable	2,900,000
Tax certiorari payable	2,068,624
Net pension liability	(1,228,106)
Other post employment benefit obligations payable	<u>(7,259,436)</u>
	<u>(3,787,788)</u>
The Internal Service Fund is used by management to charge the costs of insurance activities to the individual funds. The net revenue of this fund is reported with governmental activities.	
	<u>(19,092)</u>
Change in Net Position of Governmental Activities	<u>\$ (7,854,523)</u>

The accompanying notes are an integral part of the financial statements.

Incorporated Village of Garden City, New York

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 50,575,524	\$ 50,575,524	\$ 50,571,328	\$ (4,196)
Other tax items	850,581	850,581	865,418	14,837
Non-property taxes	978,000	978,000	1,039,824	61,824
Departmental income	3,412,815	3,412,815	3,166,102	(246,713)
Intergovernmental revenues	360	360	435	75
Use of money and property	105,154	105,154	400,912	295,758
Licenses and permits	522,529	524,974	527,368	2,394
Fines and forfeitures	1,551,000	1,556,757	1,618,215	61,458
Sale of property and compensation for loss	276,000	277,625	337,137	59,512
State aid	1,402,049	1,428,577	1,683,010	254,433
Federal aid	2,000	5,959	11,438	5,479
Miscellaneous	40,000	40,000	136,973	96,973
Total Revenues	59,716,012	59,756,326	60,358,160	601,834
EXPENDITURES				
Current				
General government support	13,735,694	18,258,498	17,359,750	898,748
Public safety	13,973,163	14,825,360	13,682,169	1,143,191
Transportation	2,425,741	2,368,876	2,330,120	38,756
Economic opportunity and development	44,000	44,150	44,150	-
Culture and recreation	4,863,935	5,066,485	4,541,201	525,284
Home and community services	4,741,526	4,982,937	4,827,569	155,368
Employee benefits	13,423,672	12,769,998	12,099,638	670,360
Debt service				
Principal	2,300,000	2,300,000	1,967,786	332,214
Interest	635,000	635,000	444,371	190,629
Total Expenditures	56,142,731	61,251,304	57,296,754	3,954,550
Excess (Deficiency) of Revenues Over Expenditures	3,573,281	(1,494,978)	3,061,406	4,556,384
OTHER FINANCING SOURCES (USES)				
Issuance premium	-	-	604,787	604,787
Transfers in	-	-	2,649,586	2,649,586
Transfers out	(7,139,273)	(8,566,097)	(8,566,097)	-
Total Other Financing Uses	(7,139,273)	(8,566,097)	(5,311,724)	3,254,373
Net Change in Fund Balance	(3,565,992)	(10,061,075)	(2,250,318)	7,810,757
FUND BALANCE				
Beginning of Year	3,565,992	10,061,075	17,581,124	7,520,049
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,330,806</u>	<u>\$ 15,330,806</u>

The accompanying notes are an integral part of the financial statements.

Incorporated Village of Garden City, New York

Statement of Net Position
 Proprietary Funds
 May 31, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Pool	Tennis	Water	Total	
ASSETS					
Current assets					
Cash and equivalents	\$ 1,360,404	\$ 379,703	\$ 19,829,007	\$ 21,569,114	\$ 6,473,067
Accounts receivable	2,965	160	865,998	869,123	-
Inventories	-	-	144,304	144,304	-
Total Current Assets	1,363,369	379,863	20,839,309	22,582,541	6,473,067
Noncurrent assets					
Capital assets					
Not being depreciated	807,264	188,476	5,183,546	6,179,286	-
Being depreciated, net	1,934,544	78,656	15,380,841	17,394,041	-
Total Noncurrent Assets	2,741,808	267,132	20,564,387	23,573,327	-
Total Assets	4,105,177	646,995	41,403,696	46,155,868	6,473,067
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts on pensions	20,811	23,323	210,622	254,756	-
Deferred amounts on other post employment benefit obligations	59,307	25,721	568,485	653,513	-
Total Deferred Outflows of Resources	80,118	49,044	779,107	908,269	-
LIABILITIES					
Current liabilities					
Accounts payable	427,835	32,485	3,174,485	3,634,805	-
Accrued interest payable	43,539	-	203,363	246,902	-
Accrued liabilities	9,199	3,250	22,557	35,006	-
Due to retirement systems	4,331	4,533	35,454	44,318	-
Unearned revenues	603,062	47,230	-	650,292	-
Total Current Liabilities	1,087,966	87,498	3,435,859	4,611,323	-
Noncurrent liabilities					
Due within one year					
General obligation bonds payable	196,964	-	1,007,579	1,204,543	-
Compensated absences	2,000	1,000	17,000	20,000	-
Claims and judgments payable	-	-	-	-	361,000
Due in more than one year					
General obligation bonds payable	2,823,201	-	10,876,177	13,699,378	-
Compensated absences	18,893	13,049	153,973	185,915	-
Claims and judgments payable	-	-	-	-	3,248,301
Net pension liability	35,634	40,628	378,761	455,023	-
Other post employment benefit obligations	883,284	383,067	8,466,609	9,732,960	-
Total Noncurrent Liabilities	3,959,976	437,744	20,900,099	25,297,819	3,609,301
Total Liabilities	5,047,942	525,242	24,335,958	29,909,142	3,609,301
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts on pensions	13,320	15,186	141,578	170,084	-
NET POSITION					
Net investment in capital assets	(250,621)	267,132	12,940,612	12,957,123	-
Unrestricted	(625,346)	(111,521)	4,764,655	4,027,788	2,863,766
Total Net Position	\$ (875,967)	\$ 155,611	\$ 17,705,267	16,984,911	\$ 2,863,766
Adjustment to reflect the consolidation of internal service fund activity related to enterprise funds				188,891	
Net position of business-type activities				<u>\$ 17,173,802</u>	

The accompanying notes are an integral part of the financial statements.

Incorporated Village of Garden City, New York

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended May 31, 2019

	Business-type Activities - Enterprise Funds				Governmental
	Pool	Tennis	Water	Total	Activities - Internal Service Fund
OPERATING REVENUES					
Charges for services					
Water sales	\$ -	\$ -	\$ 5,017,540	\$ 5,017,540	\$ -
Public fire protection	-	-	676,877	676,877	-
Water services for other governments	-	-	140,140	140,140	-
Intergovernmental sales	-	-	85,250	85,250	-
Membership and guest fees	1,310,521	482,031	-	1,792,552	-
Other	144,311	573	30,148	175,032	21,858
Premiums charged for risk retention					
General Fund	-	-	-	-	3,681,074
Library Fund	-	-	-	-	159,500
Enterprise funds	-	-	-	-	271,209
Total Operating Revenues	1,454,832	482,604	5,949,955	7,887,391	4,133,641
OPERATING EXPENSES					
Pumping	-	-	996,882	996,882	-
Transmission and distribution services	-	-	535,051	535,051	-
Purification	-	-	529,168	529,168	-
Other	874,788	290,607	1,075,643	2,241,038	-
Administrative and general	210,245	121,797	1,419,745	1,751,787	15,953
Depreciation	231,702	5,044	835,208	1,071,954	-
Excess insurance	-	-	-	-	1,236,993
Claims and judgments	-	-	-	-	916,747
Workers' compensation	-	-	-	-	2,040,929
Total Operating Expenses	1,316,735	417,448	5,391,697	7,125,880	4,210,622
Income (Loss) from Operations	138,097	65,156	558,258	761,511	(76,981)
NON-OPERATING REVENUES					
(EXPENSES)					
Interest income	14,860	2,603	189,941	207,404	56,541
Interest expense	(82,745)	-	(364,875)	(447,620)	-
Total Non-Operating Revenues (Expenses)	(67,885)	2,603	(174,934)	(240,216)	56,541
Income (Loss) Before Transfers	70,212	67,759	383,324	521,295	(20,440)
Transfers In	101,273	905	41,812	143,990	-
Change in Net Position	171,485	68,664	425,136	665,285	(20,440)
NET POSITION					
Beginning of Year, as reported	(583,698)	233,038	21,839,298	21,488,638	2,884,206
Cumulative Effect of Change in Accounting Principle	(463,754)	(146,091)	(4,559,167)	(5,169,012)	-
Beginning of Year, as restated	(1,047,452)	86,947	17,280,131	16,319,626	2,884,206
End of Year	\$ (875,967)	\$ 155,611	\$ 17,705,267	\$ 16,984,911	\$ 2,863,766
Change in Net Position				\$ 665,285	
Adjustment to reflect the consolidation of internal service fund activity related to enterprise funds				(1,348)	
Change in Net Position of Business-type Activities				\$ 663,937	

The accompanying notes are an integral part of the financial statements.

Incorporated Village of Garden City, New York

Statement of Cash Flows
 Proprietary Funds
 Year Ended May 31, 2019

	Business-type Activities - Enterprise Funds				Governmental
	Pool	Tennis	Water	Total	Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from charges for services	\$ 1,318,064	\$ 499,085	\$ 5,963,961	\$ 7,781,110	\$ 4,133,641
Cash payments for goods or services	(263,640)	(93,629)	(125,719)	(482,988)	-
Cash payments to employees and for benefits	(758,481)	(248,523)	(2,294,450)	(3,301,454)	-
Cash payments for claims and related services	-	-	-	-	(3,992,023)
Net Cash From Operating Activities	<u>295,943</u>	<u>156,933</u>	<u>3,543,792</u>	<u>3,996,668</u>	<u>141,618</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Transfers in	<u>101,273</u>	<u>905</u>	<u>41,812</u>	<u>143,990</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bonds issued	834,710	-	6,000,000	6,834,710	-
Principal paid on bonds	(172,344)	-	(964,870)	(1,137,214)	-
Interest paid on indebtedness	(5,572)	-	(322,565)	(328,137)	-
Acquisition and construction of capital assets	<u>(426,314)</u>	<u>(197,416)</u>	<u>(2,718,138)</u>	<u>(3,341,868)</u>	<u>-</u>
Net Cash From Capital and Related Financing Activities	<u>230,480</u>	<u>(197,416)</u>	<u>1,994,427</u>	<u>2,027,491</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	<u>14,860</u>	<u>2,603</u>	<u>189,941</u>	<u>207,404</u>	<u>56,541</u>
Net Change in Cash and Equivalents	642,556	(36,975)	5,769,972	6,375,553	198,159
CASH AND EQUIVALENTS					
Beginning of Year	<u>717,848</u>	<u>416,678</u>	<u>14,059,035</u>	<u>15,193,561</u>	<u>6,274,908</u>
End of Year	<u>\$ 1,360,404</u>	<u>\$ 379,703</u>	<u>\$ 19,829,007</u>	<u>\$ 21,569,114</u>	<u>\$ 6,473,067</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES					
Income (loss) from operations	\$ 138,097	\$ 65,156	\$ 558,258	\$ 761,511	\$ (76,981)
Adjustments to reconcile income (loss) from operations to net cash from operating activities					
Depreciation	231,702	5,044	835,208	1,071,954	-
Changes in operating assets and liabilities					
Accounts receivable	595	(20)	14,006	14,581	-
Inventories	-	-	65,627	65,627	-
Deferred outflows of resources	2,619	(10,889)	(331,335)	(339,605)	-
Accounts payable	42,365	12,769	1,482,402	1,537,536	-
Accrued liabilities	(16,161)	(637)	138,491	121,693	-
Due to retirement systems	1,603	1,325	(966)	1,962	-
Unearned revenues	(137,363)	16,501	-	(120,862)	-
Compensated absences	7,060	1,699	(9,457)	(698)	-
Claims and judgments payable	-	-	-	-	218,599
Net pension liabilities	3,686	26,701	214,762	245,149	-
Other post employment benefit obligations payable	113,151	69,773	973,043	1,155,967	-
Deferred inflows of resources	<u>(91,411)</u>	<u>(30,489)</u>	<u>(396,247)</u>	<u>(518,147)</u>	<u>-</u>
Net Cash from Operating Activities	<u>\$ 295,943</u>	<u>\$ 156,933</u>	<u>\$ 3,543,792</u>	<u>\$ 3,996,668</u>	<u>\$ 141,618</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Amortization of bond premiums	\$ (7,078)	\$ -	\$ (5,879)	\$ (12,957)	\$ -
Issuance premium	40,712	-	48,189	88,901	-

The accompanying notes are an integral part of the financial statements.

Incorporated Village of Garden City, New York

Statement of Assets and Liabilities
Fiduciary Fund
May 31, 2019

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 3,108,683
Accounts receivable	<u>8,203</u>
Total Assets	<u>\$ 3,116,886</u>
LIABILITIES	
Building fees and other deposits	\$ 2,454,203
Unclaimed funds	174,623
Justice court fund	171,016
Other	<u>317,044</u>
Total Liabilities	<u>\$ 3,116,886</u>

The accompanying notes are an integral part of the financial statements.

Incorporated Village of Garden City, New York

Notes to Financial Statements
May 31, 2019

Note 1 - Summary of Significant Accounting Policies

The Incorporated Village of Garden City, New York ("Village") was established in 1919, and is governed by New York State Village Law and other general municipal laws of the State of New York and various local laws. The Village Board of Trustees is the legislative body responsible for overall operations and consists of the Mayor and seven trustees elected for two-year terms. The Mayor serves as the Chief Executive Officer and the Treasurer serves as the Chief Financial Officer. 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 accounting policies of the Village conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Village's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Village, b) organizations for which the Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following blended component unit is included in the Village's reporting entity because of its operational or financial relationship with the Village. Blended component units, though legally separate entities, are in substance, part of the Village's operations. The blended component unit serves or benefits the Village almost exclusively. Financial information from this component unit is combined with that of the Village. The following represents the Village's blended component unit.

The Garden City Public Library ("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 of the State of New York. 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 Library can be obtained by contacting: Garden City Public Library, 60 7th Street, Garden City, NY 11530.

B. 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 non-fiduciary activities of the primary government as a whole, except for interfund services provided and used. For the most part, the effect of interfund activity has been removed from these statements. 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Village does not allocate indirect expenses to functions in the Statement of Activities.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise Funds (Pool Fund, Tennis Fund and Water Fund) and Internal Service Fund are charges to customers for services. Operating expenses for the Enterprise Funds and the Internal Service Fund include the cost of services, administrative expenses and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Proprietary and fiduciary funds are reported by type. The Village has elected to treat each governmental and proprietary fund as a major fund as provided by the provisions of GASB Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*". Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the Village's major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the Village and is used to account for and report all financial resources not accounted for and reported in another fund.

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

Special Revenue Fund - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the Village is the Library Fund. The Library Fund is used to account for and report all activity of the Garden City Public Library, serving as a center of information and providing community programming for the area.

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

The Village reports the following major proprietary funds:

Pool Fund - The Pool Fund is used to account for operations at the Village's swimming pool.

Tennis Fund - The Tennis Fund is used to account for operations at the Village's tennis bubble.

Water Fund - The Water Fund is used to account for operations related to water billings.

Internal Service Fund - The Internal Service Fund is used to account for the Village's workers' compensation benefits and general liability claims.

- c. Fiduciary Funds (Not Included in Government-Wide Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of

Note 1 - Summary of Significant Accounting Policies (Continued)

others. The Agency Fund is 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.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). 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 funds. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded 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.

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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenue when the expenditure is made. A sixty day availability period is generally used for revenue recognition for most other governmental fund revenues. 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, certain claims and judgments, tax certiorari, net pension liabilities and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Village's deposits and investment policies are governed by State statutes. The Village has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Note 1 - Summary of Significant Accounting Policies (Continued)

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at least 100% of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Village follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Restricted Cash - Restricted cash in the General Fund of \$1,502,779 is for the Employee Benefit Accrued Liability reserve. The restricted cash in the Library Fund of \$70,979 consists of donations and grants which are restricted for library programs.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Village does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2019.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Village does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Village's investment policy limits the amount on deposit at each of its banking institutions.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on June 1st. Village taxes are payable in two equal installments without penalty, on July 1st and December 31st. Current year delinquent property taxes not collected by March 31st are placed on tax sale.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Village. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Inventories - Inventories in the General and Water funds are recorded at cost on average cost basis and consist of materials and supplies. The cost is recorded as inventory at the time individual inventory items are purchased. The Village uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$500 through March 27, 2018 and \$2,500 subsequent to March 27, 2018 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the Village are depreciated using the straight-line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings	20-50
Improvements Other Than Buildings	10-30
Machinery and Equipment	3-25
Infrastructure:	
Roads, curbs and sidewalks	20
Drainage systems	20
Sewer systems	50
Water mains	100

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or revenue from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported \$76,047 for monies received in advance for the Village's recreation programs in the General Fund and \$145,000 for grant funds received in advance in the Library Fund. In addition, the Village has reported \$603,062 and \$47,230 in the Pool and Tennis funds, respectively, for advance collections. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Village has reported deferred inflows of resources of \$493,009 for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
New York State and Local Employees' Retirement System	\$ 1,700,983	\$ 254,756	\$ 1,139,620	\$ 170,084
New York State and Local Police and Fire Retirement System	4,165,986	-	1,200,365	-
Other Post Employment Benefit Obligations	10,250,061	653,513	-	-
	<u>\$ 16,117,030</u>	<u>\$ 908,269</u>	<u>\$ 2,339,985</u>	<u>\$ 170,084</u>

The Village's deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit obligations are detailed in Note 3D.

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation of service. The liability for such accumulated leave is reflected in the government-wide and proprietary fund financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability - The net pension liability represents the Village's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date".

Net Position - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for debt service, civil practice law and rules and grantor and donor restrictions. The balance is classified as unrestricted.

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that

Note 1 - Summary of Significant Accounting Policies (Continued)

are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Trustees is the highest level of decision making authority for the Village that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Trustees.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Trustees for amounts assigned for balancing the subsequent year's budget or delegated to the Village Treasurer for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order: committed, assigned and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 19, 2019.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) Approximately four months prior to May 31st, the Village Treasurer 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 Treasurer is authorized to make transfer appropriations without Board approval.
- d) Appropriations lapse at the close of the year to the extent that they have not been expended or encumbered. Activities of all funds, except the Capital Projects Fund, are appropriated through this annual budget process and controlled through the purchase requisition system. The Capital Projects Fund is approved through resolutions authorizing individual projects which remain in effect for the life of the project.
- e) The budget for the General Fund is legally adopted each year. Budgets are adopted on a basis of accounting consistent with generally accepted accounting principles. In the event that actual revenues received exceed budgeted amounts, additional budgetary appropriations may be made. The Capital Projects Fund is budgeted on a project or grant basis.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees.

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Property Tax Limitations

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2019 fiscal year was \$121,364,522 which exceeded the actual levy, after exclusions of \$6,980,000 by \$63,808,998.

In addition to this constitutional tax limitation, Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Board first enacts, by a vote of at least sixty percent of the total voting power of the Board, a local law to override such limit for such coming fiscal year.

C. Cumulative Effect of Change in Accounting Principle

For the year ended May 31, 2019, the Village implemented GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*". This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projects benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(81,348,325) for governmental activities and \$(5,169,012) for business-type activities.

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at May 31, 2019 consisted of the following:

Tax Sale Certificates \$ 493,009

Taxes receivable in the fund financial statements are offset by deferred tax revenues of \$493,009 which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

B. Capital Assets

Changes in the Village's capital assets are as follows:

Class	Balance June 1, 2018	Additions	Deletions	Balance May 31, 2019
Governmental Activities:				
Capital Assets, not being depreciated -				
Land	\$ 16,748,023	\$ -	\$ -	\$ 16,748,023
Capital Assets, being depreciated:				
Buildings	\$ 36,859,095	\$ 1,516,300	\$ -	\$ 38,375,395
Improvements other than buildings	8,140,522	475,691	600	8,615,613
Machinery and equipment	23,827,294	4,192,814	492,707	27,527,401
Infrastructure:				
Roads, curbs and sidewalks	48,759,795	2,311,551	-	51,071,346
Drainage and sewer systems	11,769,626	169,490	-	11,939,116
Total Capital Assets, being depreciated	129,356,332	8,665,846	493,307	137,528,871
Less Accumulated Depreciation for:				
Buildings	\$ 24,459,479	\$ 1,951,621	\$ -	\$ 26,411,100
Improvements other than buildings	7,076,932	205,347	600	7,281,679
Machinery and equipment	17,048,965	1,610,101	492,707	18,166,359
Infrastructure:				
Roads, curbs and sidewalks	29,380,816	1,929,911	-	31,310,727
Drainage and sewer systems	7,661,023	239,206	-	7,900,229
Total Accumulated Depreciation	85,627,215	5,936,186	493,307	91,070,094
Total Capital Assets, being depreciated, net	\$ 43,729,117	\$ 2,729,660	\$ -	\$ 46,458,777
Governmental Activities Capital Assets, net	\$ 60,477,140	\$ 2,729,660	\$ -	\$ 63,206,800

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation expense was charged to the Village's functions as follows:

	Balance May 31, 2019
General Government Support	\$ 1,077,550
Public Safety	826,772
Transportation	1,714,775
Culture and Recreation	1,647,299
Home and Community services	669,790
	<u>669,790</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,936,186</u>

Class	Balance June 1, 2018	Additions	Deletions	Balance May 31, 2019
Business-Type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 69,212	\$ -	\$ -	\$ 69,212
Construction-in-progress	1,596,211	4,545,442	31,579	6,110,074
	<u>1,665,423</u>	<u>4,545,442</u>	<u>31,579</u>	<u>6,179,286</u>
Total Capital Assets, not being depreciated	<u>\$ 1,665,423</u>	<u>\$ 4,545,442</u>	<u>\$ 31,579</u>	<u>\$ 6,179,286</u>
Capital Assets, being depreciated:				
Buildings	\$ 11,530,632	\$ -	\$ -	\$ 11,530,632
Improvements other than buildings	18,038,917	-	-	18,038,917
Machinery and equipment	15,609,207	326,452	-	15,935,659
	<u>45,178,756</u>	<u>326,452</u>	<u>-</u>	<u>45,505,208</u>
Total Capital Assets, being depreciated	<u>45,178,756</u>	<u>326,452</u>	<u>-</u>	<u>45,505,208</u>
Less Accumulated Depreciation for:				
Buildings	7,924,420	277,736	-	8,202,156
Improvements other than buildings	6,939,513	351,133	-	7,290,646
Machinery and equipment	12,175,280	443,085	-	12,618,365
	<u>27,039,213</u>	<u>1,071,954</u>	<u>-</u>	<u>28,111,167</u>
Total Accumulated Depreciation	<u>27,039,213</u>	<u>1,071,954</u>	<u>-</u>	<u>28,111,167</u>
Total Capital Assets, being depreciated, net	<u>\$ 18,139,543</u>	<u>\$ (745,502)</u>	<u>\$ -</u>	<u>\$ 17,394,041</u>
Business-Type Activities Capital Assets, net	<u>\$ 19,804,966</u>	<u>\$ 3,799,940</u>	<u>\$ 31,579</u>	<u>\$ 23,573,327</u>

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation expense was charged to the Village's functions and programs as follows:

Culture and recreation - pool and tennis activities	\$ 236,746
Home and community services - water services	<u>835,208</u>
Total depreciation expense - governmental activities	<u>\$ 1,071,954</u>

C. Accrued Liabilities

Accrued liabilities at May 31, 2019 were as follows:

	Fund					Total
	General	Library	Business-Type Activities			
			Pool	Tennis	Water	
Payroll and Employee Benefits	\$ 327,020	\$ 31,082	\$ 9,199	\$ 3,250	\$ 22,557	\$ 393,108
Claims and Judgments	1,255,108	-	-	-	-	1,255,108
Other	175,000	-	-	-	-	175,000
	<u>\$ 1,757,128</u>	<u>\$ 31,082</u>	<u>\$ 9,199</u>	<u>\$ 3,250</u>	<u>\$ 22,557</u>	<u>\$ 1,823,216</u>

D. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2019:

	Balance, as Reported June 1, 2018	Cumulative Effect of Change in Accounting Principle *	Balance, as Restated June 1, 2018	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2019	Due Within One-Year
Governmental Activities:							
General obligation bonds payable	\$ 17,476,242	\$ -	\$ 17,476,242	\$ 11,900,290	\$ 1,967,786	\$ 27,408,746	\$ 2,375,457
Unamortized premium on bonds	329,288	-	329,288	604,787	72,026	862,049	-
	<u>17,805,530</u>	<u>-</u>	<u>17,805,530</u>	<u>12,505,077</u>	<u>2,039,812</u>	<u>28,270,795</u>	<u>2,375,457</u>
Other Non-current Liabilities:							
Compensated absences	8,420,515	-	8,420,515	1,339,159	1,397,575	8,362,099	836,000
Claims and judgments payable	6,290,702	-	6,290,702	2,298,086	4,979,487	3,609,301	361,000
Tax certiorari payable	2,568,624	-	2,568,624	-	2,068,624	500,000	500,000
Net pension liability	3,643,409	-	3,643,409	2,876,160	-	6,519,569	-
Other post employment benefit obligations payable	53,799,374	81,348,325	135,147,699	21,191,848	3,682,351	152,657,196	-
Total Other Non-Current Liabilities	<u>74,722,624</u>	<u>81,348,325</u>	<u>156,070,949</u>	<u>27,705,253</u>	<u>12,128,037</u>	<u>171,648,165</u>	<u>1,697,000</u>
Governmental Activities Long-Term Liabilities	<u>\$ 92,528,154</u>	<u>\$ 81,348,325</u>	<u>\$ 173,876,479</u>	<u>\$ 40,210,330</u>	<u>\$ 14,167,849</u>	<u>\$ 199,918,960</u>	<u>\$ 4,072,457</u>
Business-Type Activities:							
General obligation bonds payable	\$ 9,023,758	\$ -	\$ 9,023,758	\$ 6,834,710	\$ 1,137,214	\$ 14,721,254	\$ 1,204,543
Unamortized premium on bonds	106,723	-	106,723	88,901	12,957	182,667	-
	<u>9,130,481</u>	<u>-</u>	<u>9,130,481</u>	<u>6,923,611</u>	<u>1,150,171</u>	<u>14,903,921</u>	<u>1,204,543</u>
Other Non-current Liabilities:							
Compensated absences	206,613	-	206,613	19,963	20,661	205,915	20,000
Net pension liability	209,874	-	209,874	245,149	-	455,023	-
Other post employment benefit obligations payable	3,407,981	5,169,012	8,576,993	1,391,718	235,751	9,732,960	-
Total Other Non-Current Liabilities	<u>3,824,468</u>	<u>5,169,012</u>	<u>8,993,480</u>	<u>1,656,830</u>	<u>256,412</u>	<u>10,393,898</u>	<u>20,000</u>
Business - Type Activities Long-Term Liabilities	<u>\$ 12,954,949</u>	<u>\$ 5,169,012</u>	<u>\$ 18,123,961</u>	<u>\$ 8,580,441</u>	<u>\$ 1,406,583</u>	<u>\$ 25,297,819</u>	<u>\$ 1,224,543</u>

* See Note 2C

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Each governmental fund's liability for general obligation bonds payable, compensated absences, net pension liability and other post employment benefit obligations 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 or General Fund, depending on the nature of the case and tax certiorari payable will be liquidated through the General Fund.

General Obligation Bonds Payable

General obligation bonds payable at May 31, 2019 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Governmental Activities	Business-Type Activities		Total
						Pool Fund	Water Fund	
2006 Public Improvement Serial Bonds	2006	\$ 4,785,000	2021	4.100-4.200 %	\$ 180,000	\$ -	\$ 270,000	\$ 450,000
2008 Public Improvement Serial Bonds	2008	7,770,000	2022	3.000-3.600	525,000	-	950,000	1,475,000
2010 Public Improvement Serial Bonds	2010	6,765,500	2025	1.500-3.500	890,000	-	1,090,000	1,980,000
2012 Public Improvement Serial Bonds	2012	6,010,000	2027	2.000-2.625	1,455,000	1,355,000	-	2,810,000
2014 Public Improvement Serial Bonds, Series A	2014	2,189,500	2024	1.000-2.000	1,310,000	-	-	1,310,000
2015 Public Improvement Serial Bonds, Series A	2015	3,090,000	2025	2.000-2.375	2,235,000	-	-	2,235,000
2015 Public Improvement Serial Bonds, Series B	2015	3,500,000	2025	1.250-2.000	2,860,000	-	-	2,860,000
2015 Water System Improvement Serial Bonds, Series C	2015	2,365,535	2031	2.000-2.750	-	-	1,975,000	1,975,000
2016 Public Improvement Serial Bonds	2016	9,235,000	2033	2.000-3.000	6,053,456	747,780	1,498,764	8,300,000
2018 Public Improvement Serial Bonds, Series A	2018	12,735,000	2034	2.250-5.000	11,900,290	834,710	-	12,735,000
2018 Public Improvement Serial Bonds, Series B	2018	6,000,000	2049	2.250-5.000	-	-	6,000,000	6,000,000
					<u>\$ 27,408,746</u>	<u>\$ 2,937,490</u>	<u>\$ 11,783,764</u>	<u>\$ 42,130,000</u>

Interest expenditures/expense of \$891,991 was recorded in the fund financial statements, as detailed below. Interest expense of \$699,631 was recorded in the government-wide financial statements for governmental activities.

Fund	Amount
Governmental Funds -	
General	\$ 444,371
Proprietary Funds:	
Pool	82,745
Water	364,875
	<u>\$ 891,991</u>

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of May 31, 2019, including interest payments of \$10,982,051 are as follows:

Year Ending May 31,	Governmental Activities		Business-Type Activities	
	General Obligation Bonds Payable		Pool Fund	
	Principal	Interest	Principal	Interest
2020	\$ 2,375,457	\$ 1,040,291	\$ 196,964	\$ 100,184
2021	2,625,012	760,438	214,701	80,195
2022	2,663,986	680,358	228,019	73,995
2023	2,357,958	597,089	286,337	67,202
2024	2,396,605	524,595	284,982	58,901
2025-2029	7,631,226	1,666,645	1,103,856	170,231
2030-2034	6,396,014	634,486	555,119	52,598
2035-2039	962,488	14,437	67,512	1,013
2040-2044	-	-	-	-
2045-2049	-	-	-	-
	<u>\$ 27,408,746</u>	<u>\$ 5,918,339</u>	<u>\$ 2,937,490</u>	<u>\$ 604,319</u>
Year Ending May 31,	Business-Type Activities		Total	
	Water Fund		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest
2020	\$ 1,007,579	\$ 477,623	\$ 3,580,000	\$ 1,618,098
2021	995,287	343,613	3,835,000	1,184,246
2022	877,995	309,084	3,770,000	1,063,437
2023	560,705	279,268	3,205,000	943,559
2024	568,413	260,560	3,250,000	844,056
2025-2029	2,354,918	1,045,990	11,090,000	2,882,866
2030-2034	1,758,867	730,308	8,710,000	1,417,392
2035-2039	1,045,000	535,406	2,075,000	550,856
2040-2044	1,210,000	351,453	1,210,000	351,453
2045-2049	1,405,000	126,088	1,405,000	126,088
	<u>\$ 11,783,764</u>	<u>\$ 4,459,393</u>	<u>\$ 42,130,000</u>	<u>\$ 10,982,051</u>

The above general obligation bonds are direct obligations of the Village for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Village.

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Compensated Absences

Village employees are granted vacation and sick leave and earn compensatory absences in varying amounts, the terms of which must comply with the current collective bargaining agreements. 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 Statement of Net Position. 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, 2019, the value of the Village's accumulated vacation time and sick leave for governmental and business-type activities was \$8,362,099 and \$205,915, respectively, of which \$2,252,779, including \$750,000 appropriated for use in the May 31, 2020 adopted budget, was included in the restricted fund balance of the General Fund.

Claims and Judgements Payable

The Internal Service Funds reflect workers' compensation and general liability claim liabilities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities in the Internal Service Fund is as follows:

	<u>Workers' Compensation</u>		<u>General Liability</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Balance - Beginning of Year	\$ 1,117,584	\$ 1,416,111	\$ 2,273,118	\$ 2,211,824
Provision for Claims and Claims Adjustment Expenses	941,342	45,130	1,356,744	236,817
Claims and Claims Adjustment Expenses Paid	<u>(1,257,284)</u>	<u>(343,657)</u>	<u>(822,203)</u>	<u>(175,523)</u>
Balance - End of Year	<u>\$ 801,642</u>	<u>\$ 1,117,584</u>	<u>\$ 2,807,659</u>	<u>\$ 2,273,118</u>
Due Within One Year	<u>\$ 80,000</u>	<u>\$ 241,042</u>	<u>\$ 281,000</u>	<u>\$ 490,269</u>

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

Tax Certiorari Payable

Tax certiorari payable includes an estimated liability of \$500,000 for tax certiorari refunds, which are not due and payable at year end. These amounts have been recorded as an expense in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2019 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	21.4 %
	3 A14	15.7
	4 A15	15.7
	5 A15	12.9
	6 A15	9.2

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
PFRS	2 384D	24.3/24.0 %
	5 384D	19.8
	6 384D	14.6

At May 31, 2019, the Village reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2019	March 31, 2019
Net pension liability	3,503,832	3,470,760
Village's proportion of the net pension liability	0.0494521 %	0.2069547 %
Change in proportion since the prior measurement date	(0.001311) %	(0.012181) %

The net pension liability was measured as of March 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended May 31, 2019, the Village recognized pension expense in the government-wide financial statements of \$1,950,969 and \$282,416 for ERS in the governmental activities and business-type activities, respectively, and \$2,889,950 for PFRS in governmental activities. Pension expenditures of \$1,982,514 for ERS and \$1,912,715 for PFRS were recorded in the fund financial statements and were charged to the following funds:

<u>Fund</u>	<u>ERS</u>	<u>PFRS</u>
General	\$ 1,476,221	\$ 1,912,715
Library	223,877	-
Enterprise Fund - Pool	6,570	-
Enterprise Fund - Tennis	29,331	-
Enterprise Fund - Water	246,515	-
	<u>\$ 1,982,514</u>	<u>\$ 1,912,715</u>

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

At May 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS - Governmental Activities		ERS - Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 600,374	\$ 204,661	\$ 89,604	\$ 30,545
Changes of assumptions	766,346	-	114,374	-
Net difference between projected and actual earnings on pension plan investments	-	782,493	-	116,784
Changes in proportion and differences between Village contributions and proportionate share of contributions	43,283	152,466	6,460	22,755
Village contributions subsequent to the measurement date	290,980	-	44,318	-
	<u>\$ 1,700,983</u>	<u>\$ 1,139,620</u>	<u>\$ 254,756</u>	<u>\$ 170,084</u>

	PFRS - Governmental Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 843,144	\$ 370,561	\$ 1,533,122	\$ 605,767
Changes of assumptions	1,261,020	-	2,141,740	-
Net difference between projected and actual earnings on pension plan investments	-	695,109	-	1,594,386
Changes in proportion and differences between Village contributions and proportionate share of contributions	1,698,428	134,695	1,748,171	309,916
Village contributions subsequent to the measurement date	363,394	-	698,692	-
	<u>\$ 4,165,986</u>	<u>\$ 1,200,365</u>	<u>\$ 6,121,725</u>	<u>\$ 2,510,069</u>

\$290,980 and \$363,394 reported as deferred outflows of resources related to ERS and PFRS governmental activities, and \$44,318 reported as deferred outflows of resources related to ERS business-type activities, resulting from the Village's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended May 31,	Governmental Activities		Business-Type Activities
	ERS	PFRS	ERS
2020	\$ 598,001	\$ 1,310,300	\$ 89,249
2021	(640,633)	346,565	(95,612)
2022	(86,381)	256,310	(12,892)
2023	399,396	546,657	59,609
2024	-	142,395	-

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the ERS and PFRS measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2019	March 31, 2019
Actuarial valuation date	April 1, 2018	April 1, 2018
Investment rate of return	7.0% *	7.0% *
Salary scale	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustments	1.3%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the valuation are based on the result of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Village's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Governmental Activities proportionate share of the ERS net pension liability (asset)	<u>\$ 13,329,879</u>	<u>\$ 3,048,809</u>	<u>\$ (5,588,020)</u>
Business-Type Activities proportionate share of the ERS net pension liability (asset)	<u>\$ 1,989,435</u>	<u>\$ 455,023</u>	<u>\$ (833,991)</u>
Governmental Activities proportionate share of the PFRS net pension liability (asset)	<u>\$ 12,542,809</u>	<u>\$ 3,470,760</u>	<u>\$ (4,105,453)</u>

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 189,803,429,000	\$ 34,128,100,000	\$ 223,931,529,000
Fiduciary net position	<u>182,718,124,000</u>	<u>32,451,037,000</u>	<u>215,169,161,000</u>
Employers' net pension liability	<u>\$ 7,085,305,000</u>	<u>\$ 1,677,063,000</u>	<u>\$ 8,762,368,000</u>
Fiduciary net position as a percentage of total pension liability	<u>96.27%</u>	<u>95.09%</u>	<u>96.09%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2019 represent the employer contribution for the period of April 1, 2019 through May 31, 2019 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly. Accrued retirement contributions to ERS and PFRS governmental activities were \$290,980 and \$363,394, respectively and ERS business-type activities was \$44,318 as of May 31, 2019.

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Voluntary Defined Contribution Plan

The Village can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Village will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Post Employment Benefit Obligations (“OPEB”)

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing post employment health care benefits is shared between the Village and the retired employee as noted below. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*”, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At May 31, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	224
Inactive employees entitled to but not yet receiving benefit payments	16
Active employees	<u>227</u>
	<u><u>467</u></u>

The Village's total OPEB liability of \$162,390,156 (\$152,657,196 governmental activities and \$9,732,960 business-type activities) was measured as of May 31, 2019, and was determined by an actuarial valuation as of June 1, 2018.

The total OPEB liability in the June 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.5%, average, including inflation
Discount rate	3.1%
Healthcare cost trend rates	6.25% for Pre-65 and 5.2% for Post-65 for 2019, decreasing at various rates to an ultimate rate of 5.0% for 2025 and later years
Retirees' share of benefit-related costs	Varies from 0% to 50%, depending on applicable retirement year and bargaining unit

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate was based on a review of the yield derived from the 20 Year AA Municipal GO Bond Rate Index.

Mortality rates were in accordance with the SOA RP-2014 Total Dataset. Mortality improvements are projected using SOA Scale MP-2014.

The actuarial assumptions used in the June 1, 2018 valuation were based on the experience of the ERS and PFRS as outlined in AON's *New York State/SUNY – Development of Recommended Actuarial Assumptions for Other Post Employment Benefit Plans Actuarial Valuations – Participating District Version – December 2017* report.

The Village's change in the total OPEB liability for the year ended May 31, 2019 is as follows:

	Governmental Activities	Business-Type Activities			Total
		Pool Fund	Tennis Fund	Water Fund	
Total OPEB Liability - Beginning of Year	\$ 135,147,699	\$ 770,133	\$ 313,294	\$ 7,493,566	\$ 8,576,993
Service cost	3,613,356	21,238	15,640	200,300	237,178
Interest	4,799,036	27,412	11,266	265,851	304,529
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-
Changes in assumptions or other inputs	12,779,456	81,880	43,543	724,588	850,011
Benefit payments	(3,682,351)	(17,379)	(676)	(217,696)	(235,751)
Total OPEB Liability - End of Year	<u>\$ 152,657,196</u>	<u>\$ 883,284</u>	<u>\$ 383,067</u>	<u>\$ 8,466,609</u>	<u>\$ 9,732,960</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.1%) or 1 percentage point higher (4.1%) than the current discount rate:

	1% Decrease (2.1%)	Current Assumption (3.1%)	1% Increase (4.1%)
Total OPEB Liability	<u>\$ 195,714,890</u>	<u>\$ 162,390,156</u>	<u>\$ 136,766,354</u>

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (decreasing in various amounts to a trend rate of 4.0%) or 1 percentage point higher (decreasing in various amounts to a trend rate of 6.0%) than the current healthcare cost trend rates:

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (decreasing in various amounts to a trend rate of 4.0%)	Healthcare Cost Trend Rates (decreasing in various amounts to a trend rate of 5.0%)	1% Increase (decreasing in various amounts to a trend rate of 6.0%)
Total OPEB Liability	<u>\$ 133,433,886</u>	<u>\$ 162,390,156</u>	<u>\$ 200,895,376</u>

For the year ended May 31, 2019, the Village recognized OPEB expense of \$11,679,992 in the government-wide financial statements (\$10,941,787 governmental activities and \$738,205 business-type activities). At May 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 10,250,061	\$ -	\$ 653,513	\$ -
Differences between expected and actual experience	-	-	-	-
	<u>\$ 10,250,061</u>	<u>\$ -</u>	<u>\$ 653,513</u>	<u>\$ -</u>
	<u>Total</u>			
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		
Changes of assumptions or other inputs	\$ 10,903,574	\$ -		
Differences between expected and actual experience	-	-		
	<u>\$ 10,903,574</u>	<u>\$ -</u>		

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended May 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2020	\$ 2,562,515	\$ 163,378
2021	2,562,515	163,378
2022	2,562,515	163,378
2023	2,562,516	163,379

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

E. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

Transfers Out	Transfers In						Total
	General Fund	Capital Projects Fund	Library Fund	Enterprise Funds			
				Pool Fund	Tennis Fund	Water Fund	
General Fund	\$ -	\$ 5,312,618	\$ 3,109,489	\$ 101,273	\$ 905	\$ 41,812	\$ 8,566,097
Capital Projects Fund	2,649,586	-	-	-	-	-	2,649,586
	<u>\$ 2,649,586</u>	<u>\$ 5,312,618</u>	<u>\$ 3,109,489</u>	<u>\$ 101,273</u>	<u>\$ 905</u>	<u>\$ 41,812</u>	<u>\$ 11,215,683</u>

Transfers are used to 1) move funds earmarked in the operating funds to fulfill commitments for Capital Projects and Enterprise funds expenditures and 2) move amounts in the Capital Projects Fund to the General Fund as projects with remaining balances are completed.

F. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Civil Practice Law and Rules - the component of net position that reports the funds set aside pursuant to Chapter 8 of the Consolidated Laws of New York.

Restricted for Grantor and Donor Restrictions - the component of net position that reports the difference between assets and liabilities of certain programs within constraints placed on their use by either external parties and/or statute.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Incorporated Village of Garden City, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	General Fund	Capital Projects Fund	Library Fund	Total
Nonspendable:				
Inventories	\$ 947,805	\$ -	\$ -	\$ 947,805
Restricted:				
Grantors and donor restrictions	-	-	70,979	70,979
Debt service	617,863	-	-	617,863
Employee benefit accrued liabilities	1,502,779	-	-	1,502,779
Employee benefit accrued liabilities - for subsequent year's expenditures	750,000	-	-	750,000
Civil practice law and rules	59,511	-	-	59,511
Capital projects	-	3,040,602	-	3,040,602
Total Restricted	2,930,153	3,040,602	70,979	6,041,734
Assigned:				
Purchases on order:				
General government support	138,331	-	-	138,331
Public safety	201,292	-	-	201,292
Transportation	6,670	-	-	6,670
Culture and recreation	65,321	-	-	65,321
Home and community services	29,191	-	-	29,191
	440,805	-	-	440,805
Subsequent year's expenditures	1,598,886	-	42,933	1,641,819
Capital projects	-	5,333,653	-	5,333,653
Library purposes	-	-	10,675	10,675
Total Assigned	2,039,691	5,333,653	53,608	7,426,952
Unassigned	9,413,157	-	-	9,413,157
Total Fund Balances	<u>\$ 15,330,806</u>	<u>\$ 8,374,255</u>	<u>\$ 124,587</u>	<u>\$ 23,829,648</u>

Incorporated Village of Garden City, New York

Notes to Financial Statements
May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Inventories in the General Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form commodities and the Village anticipates utilizing them in the normal course of operations.

Employee Benefit Accrued Liabilities – the component of fund balance that has been restricted pursuant to Section 6-p of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave granted upon termination or separation from service.

Restricted for Capital Projects represents amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Purchases on order are assigned and represent the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

Subsequent year's expenditures are amounts that at May 31, 2019, the Village Board has utilized to be appropriated to the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as restricted or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Village is involved in various claims and lawsuits, arising in the normal course of operations. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the Village's financial position.

The Village is also defendant in numerous tax certiorari proceedings, the results of which cannot be determined at this time. Any future refunds resulting from adverse settlements will be funded in the year the payments are made.

B. Risk Management

In common with other municipalities, the Village receives numerous notices of claims. The Village established a self-insurance risk management program for general liability and workers' compensation claims which is accounted for in the Internal Service Fund. With respect to those insurance needs which are being self-insured, the Village has umbrella policies which provide for (1) \$31,000,000 of coverage per year for general liability claims which on a case by case basis are more than \$200,000 (\$1,100,000 in the aggregate) and (2) \$2,000,000 of coverage per year for workers' compensation claims filed prior to August 1, 2011 which, on a case by case basis, are more than \$400,000 with the exception of policemen and firemen claims which are \$500,000.

Incorporated Village of Garden City, New York

Notes to Financial Statements (Concluded)
May 31, 2019

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The Village purchases an insurance policy which covers all workers' compensation claims incurred after August 1, 2011. There have been no significant reductions in insurance coverage as compared to the prior year, and there were no settlements in excess of insurance coverage over the last three years.

C. Contingencies

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. Accordingly, the Village's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Village anticipates such amounts, if any, to be immaterial.

Note 5 - Tax Abatements

The Village has real property tax abatement agreements organized pursuant to Title I, Article 18-A of the General Municipal Law of the State of New York.

Copies of the agreements may be obtained from the Village. Information relevant to disclosure of these agreements for the fiscal year ended May 31, 2019 is as follows:

<u>Agreement</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
Town of Hempstead 301 N. Franklin Street (Hempstead Lincoln Mercury)	\$ 14,000	\$ 48.18	\$ 6,746	\$ 9,353	\$ (2,607)
Town of Hempstead 390 Old Country Road	30,000	48.18	14,455	14,111	344
County of Nassau - Hempstead	1,553,897	48.18	748,708	722,830	25,878
County of Nassau - North Hempstead	29,655	48.18	14,289	1,287	13,002
	<u>\$ 1,627,552</u>		<u>\$ 784,198</u>	<u>\$ 747,581</u>	<u>\$ 36,617</u>

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Incorporated Village of Garden City, New York

Required Supplementary Information - Schedule of Changes in the
Village's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)(2)

	<u>2019</u>
<u>Governmental Activities:</u>	
Total OPEB Liability:	
Service cost	\$ 3,613,356
Interest	4,799,036
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	12,779,456
Benefit payments	<u>(3,682,351)</u>
Net Change in Total OPEB Liability	17,509,497
Total OPEB Liability – Beginning of Year	<u>135,147,699 (3)</u>
Total OPEB Liability – End of Year	<u>\$ 152,657,196</u>
<u>Business-Type Activities:</u>	
Total OPEB Liability:	
Service cost	\$ 237,178
Interest	304,529
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	850,011
Benefit payments	<u>(235,751)</u>
Net Change in Total OPEB Liability	1,155,967
Total OPEB Liability – Beginning of Year	<u>8,576,993 (3)</u>
Total OPEB Liability – End of Year	<u>\$ 9,732,960</u>
<u>Primary Government:</u>	
Total OPEB Liability:	
Service cost	\$ 3,850,534
Interest	5,103,565
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	13,629,467
Benefit payments	<u>(3,918,102)</u>
Net Change in Total OPEB Liability	18,665,464
Total OPEB Liability – Beginning of Year	<u>143,724,692 (3)</u>
Total OPEB Liability – End of Year	<u>\$ 162,390,156</u>
Village's covered-employee payroll	<u>\$ 18,763,219</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>865%</u>

Notes to Schedule:

(1) Data not available prior to fiscal year 2019 implementation of Governmental Accounting Standards Board ("GASB") Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

Incorporated Village of Garden City, New York

Required Supplementary Information - Schedule of the
Village's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	2019	2018	2017	2016 (2)
Village's proportion of the net pension liability	<u>0.0494521%</u>	<u>0.0507633%</u>	<u>0.0524775%</u>	<u>0.0554353%</u>
Village's proportionate share of the net pension liability	<u>\$ 3,503,832</u>	<u>\$ 1,638,357</u>	<u>\$ 4,930,894</u>	<u>\$ 8,897,521</u>
Village's covered payroll	<u>\$ 13,787,614</u>	<u>\$ 13,247,399</u>	<u>\$ 13,708,672</u>	<u>\$ 13,341,738</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>25.41%</u>	<u>12.37%</u>	<u>35.97%</u>	<u>66.69%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.68%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	2019	2018	2017	2016
Contractually required contribution	\$ 1,942,319	\$ 2,034,344	\$ 2,053,554	\$ 2,463,618
Contributions in relation to the contractually required contribution	<u>(1,942,319)</u>	<u>(2,034,344)</u>	<u>(2,053,554)</u>	<u>(2,463,618)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 13,829,237</u>	<u>\$ 13,607,798</u>	<u>\$ 13,563,955</u>	<u>\$ 13,124,194</u>
Contributions as a percentage of covered payroll	<u>14.05%</u>	<u>14.95%</u>	<u>15.14%</u>	<u>18.77%</u>

(1) Covered payroll for the fiscal years ended May 31, 2010 through May 31, 2012 was not available.

2015	2014	2013	2012	2011	2010
0.0565780%	N/A	N/A	N/A	N/A	N/A
\$ 1,911,344	N/A	N/A	N/A	N/A	N/A
\$ 13,844,965	N/A	N/A	N/A	N/A	N/A
13.81%	N/A	N/A	N/A	N/A	N/A
97.95%	N/A	N/A	N/A	N/A	N/A

2015	2014	2013	2012	2011	2010
\$ 2,736,701	\$ 2,940,224	\$ 2,695,215	\$ 2,275,745	\$ 1,793,315	\$ 930,736
(2,736,701)	(2,940,224)	(2,695,215)	(2,275,745)	(1,793,315)	(930,736)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 13,832,182	\$ 13,927,676	\$ 14,367,336	N/A	N/A	N/A
19.79%	21.11%	18.76%	N/A	N/A	N/A

Incorporated Village of Garden City, New York

Required Supplementary Information - Schedule of the
 Village's Proportionate Share of the Net Pension Liability
 New York State and Local Police and Fire Retirement System
 Last Ten Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016 (2)</u>
Village's proportion of the net pension liability	<u>0.2069547%</u>	<u>0.2191354%</u>	<u>0.2164597%</u>	<u>0.2346579%</u>
Village's proportionate share of the net pension liability	<u>\$ 3,470,760</u>	<u>\$ 2,214,926</u>	<u>\$ 4,486,457</u>	<u>\$ 6,947,722</u>
Village's covered payroll	<u>\$ 10,125,923</u>	<u>\$ 9,740,443</u>	<u>\$ 11,195,926</u>	<u>\$ 10,120,871</u>
Village's proportionate share of the net pension liability as a percentage of its covered payroll	<u>34.28%</u>	<u>22.74%</u>	<u>40.07%</u>	<u>68.65%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>95.09%</u>	<u>96.93%</u>	<u>93.46%</u>	<u>90.24%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

Required Supplementary Information - Schedule of Contributions
 New York State and Local Police and Fire Retirement System
 Last Ten Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	<u>\$ 2,269,417</u>	<u>\$ 2,810,565</u>	<u>\$ 2,349,748</u>	<u>\$ 3,312,410</u>
Contributions in relation to the contractually required contribution	<u>(2,269,417)</u>	<u>(2,810,565)</u>	<u>(2,349,748)</u>	<u>(3,312,410)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered payroll	<u>\$ 9,882,408</u>	<u>\$ 11,331,876</u>	<u>\$ 10,921,231</u>	<u>\$ 10,816,474</u>
Contributions as a percentage of covered payroll	<u>22.96%</u>	<u>24.80%</u>	<u>21.52%</u>	<u>30.62%</u>

(1) Covered payroll for the fiscal years ended May 31, 2010 through May 31, 2012 was not available.

2015	2014	2013	2012	2011	2010
0.2310009%	N/A	N/A	N/A	N/A	N/A
\$ 635,852	N/A	N/A	N/A	N/A	N/A
\$ 10,032,068	N/A	N/A	N/A	N/A	N/A
6.34%	N/A	N/A	N/A	N/A	N/A
99.03%	N/A	N/A	N/A	N/A	N/A

2015	2014	2013	2012	2011	2010
\$ 2,627,421	\$ 3,006,540	\$ 2,639,070	\$ 2,197,288	\$ 1,761,929	\$ 1,134,728
(2,627,421)	(3,006,540)	(2,639,070)	(2,197,288)	(1,761,929)	(1,134,728)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,109,878	\$ 11,226,524	\$ 11,399,194	N/A	N/A	N/A
25.99%	26.78%	23.15%	N/A	N/A	N/A

Incorporated Village of Garden City, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 50,575,524	\$ 50,575,524	\$ 50,571,328	\$ (4,196)
OTHER TAX ITEMS				
Payments in lieu of taxes	747,581	747,581	747,581	-
Interest and penalties on real property taxes	103,000	103,000	117,837	14,837
	<u>850,581</u>	<u>850,581</u>	<u>865,418</u>	<u>14,837</u>
NON-PROPERTY TAXES				
Franchise fees	378,000	378,000	345,919	(32,081)
Utilities gross receipts tax	600,000	600,000	693,905	93,905
	<u>978,000</u>	<u>978,000</u>	<u>1,039,824</u>	<u>61,824</u>
DEPARTMENTAL INCOME				
Charges for tax advertising	1,600	1,600	2,100	500
Safety inspection fees	1,622,600	1,622,600	1,429,635	(192,965)
Parking lots and garages	232,400	232,400	239,815	7,415
Zoning fees	36,000	36,000	67,868	31,868
Dump permits	6,000	6,000	4,275	(1,725)
Sewer charges	2,700	2,700	2,646	(54)
Refuse and garbage fees	147,000	147,000	145,357	(1,643)
Park and recreational fees	749,500	749,500	752,166	2,666
Public works service	572,365	572,365	439,740	(132,625)
Health fees	6,400	6,400	7,100	700
Planning commission fees	2,250	2,250	11,625	9,375
Architectural design review fees	27,000	27,000	57,175	30,175
Police impound fees	7,000	7,000	6,600	(400)
	<u>3,412,815</u>	<u>3,412,815</u>	<u>3,166,102</u>	<u>(246,713)</u>
INTERGOVERNMENTAL REVENUES				
Fire protection	-	-	90	90
Sewer services	360	360	345	(15)
	<u>360</u>	<u>360</u>	<u>435</u>	<u>75</u>
USE OF MONEY AND PROPERTY				
Interest earnings	68,300	68,300	364,058	295,758
Rentals	36,854	36,854	36,854	-
	<u>105,154</u>	<u>105,154</u>	<u>400,912</u>	<u>295,758</u>
LICENSES AND PERMITS				
Building and occupational licenses	1,460	1,460	1,580	120
Dog license fund apportionment	6,000	6,000	7,212	1,212
Permits	515,069	517,514	518,576	1,062
	<u>522,529</u>	<u>524,974</u>	<u>527,368</u>	<u>2,394</u>

(Continued)

Incorporated Village of Garden City, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Concluded)

Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
FINES AND FORFEITURES				
Forfeiture of deposits	\$ 1,000	\$ 6,757	\$ 31,475	\$ 24,718
Fines and forfeited bail	1,550,000	1,550,000	1,586,740	36,740
	<u>1,551,000</u>	<u>1,556,757</u>	<u>1,618,215</u>	<u>61,458</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Minor sales - other	36,000	36,000	43,924	7,924
Sales of equipment	25,000	25,000	64,220	39,220
Insurance recoveries	200,000	201,625	214,596	12,971
Other compensation for losses	15,000	15,000	14,397	(603)
	<u>276,000</u>	<u>277,625</u>	<u>337,137</u>	<u>59,512</u>
STATE AID				
Per capita	207,449	207,449	207,449	-
Mortgage tax	600,000	600,000	847,778	247,778
Youth programs	3,100	3,100	-	(3,100)
Consolidated local street and highway improvement aid	550,000	550,000	565,483	15,483
Other	41,500	68,028	62,300	(5,728)
	<u>1,402,049</u>	<u>1,428,577</u>	<u>1,683,010</u>	<u>254,433</u>
FEDERAL AID				
Police grants	2,000	5,959	11,438	5,479
MISCELLANEOUS				
Refunds of prior year's expenditures	15,000	15,000	11,271	(3,729)
Gifts and donations	-	-	103,289	103,289
Interfund revenues	20,000	20,000	20,000	-
Other	5,000	5,000	2,413	(2,587)
	<u>40,000</u>	<u>40,000</u>	<u>136,973</u>	<u>96,973</u>
TOTAL REVENUES	<u>59,716,012</u>	<u>59,756,326</u>	<u>60,358,160</u>	<u>601,834</u>
OTHER FINANCING SOURCES				
Issuance premium	-	-	604,787	604,787
Transfers in Capital Projects Fund	-	-	2,649,586	2,649,586
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>3,254,373</u>	<u>3,254,373</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 59,716,012</u>	<u>\$ 59,756,326</u>	<u>\$ 63,612,533</u>	<u>\$ 3,856,207</u>

Incorporated Village of Garden City, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT SUPPORT				
Board of Trustees -				
Other	\$ 14,374	\$ 34,374	\$ 4,298	\$ 30,076
Village Justices:				
Personal services	271,938	289,317	278,716	10,601
Other	40,125	40,125	26,422	13,703
Administration:				
Personal services	459,854	409,404	340,961	68,443
Equipment	25,000	25,000	3,154	21,846
Other	22,999	27,496	22,689	4,807
Finance:				
Personal services	593,733	531,233	437,099	94,134
Equipment	9,628	9,628	4,628	5,000
Other	293,914	370,664	278,967	91,697
Clerk-Treasurer -				
Other	10,050	10,050	10,050	-
Purchasing:				
Personal services	200,738	207,952	202,644	5,308
Other	8,578	8,578	3,751	4,827
Assessment -				
Other	50,000	50,000	44,191	5,809
Tax Advertising	2,000	4,000	3,630	370
Discount on Taxes	35,000	37,092	37,092	-
Law -				
Other	1,195,067	1,194,437	853,064	341,373
Personnel:				
Personal services	251,085	280,585	278,384	2,201
Equipment	20,999	20,999	19,649	1,350
Other	218,183	230,183	166,484	63,699
Engineer:				
Personal services	334,901	329,931	326,149	3,782
Other	10,480	12,479	10,096	2,383
Elections -				
Other	3,790	4,040	3,801	239
Buildings:				
Personal services	86,430	99,930	97,330	2,600
Equipment	-	2,750	2,750	-
Other	419,743	404,578	396,065	8,513
St. Paul School -				
Other	10,000	10,000	2,390	7,610
Central Garage:				
Personal services	688,945	708,750	707,769	981
Equipment	10,000	10,000	9,750	250
Other	155,832	235,661	192,958	42,703
Central Printing and Mailing -				
Other	30,000	30,000	25,837	4,163

(Continued)

Incorporated Village of Garden City, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Central Data Processing:				
Personal services	\$ 99,326	\$ 101,301	\$ 101,301	\$ -
Other	116,763	154,562	136,475	18,087
Municipal Association Dues	25,000	25,000	24,811	189
Judgments and Claims	3,068,624	7,082,915	7,075,913	7,002
Insurance Charges	3,681,074	3,681,074	3,681,074	-
MTA Payroll Tax	71,521	105,660	78,792	26,868
Termination Payout	-	1,470,616	1,470,616	-
Contingency	1,200,000	8,134	-	8,134
	<u>13,735,694</u>	<u>18,258,498</u>	<u>17,359,750</u>	<u>898,748</u>
PUBLIC SAFETY				
Police Department:				
Personal services	9,726,174	9,619,471	9,098,537	520,934
Equipment	8,000	23,000	19,431	3,569
Other	484,301	515,815	390,266	125,549
Fire Department:				
Personal services	1,335,198	2,183,999	2,144,857	39,142
Equipment	135,696	87,696	83,696	4,000
Other	1,448,160	1,486,160	1,245,802	240,358
Safety Inspection:				
Personal services	716,681	746,265	614,989	131,276
Equipment	5,000	5,000	-	5,000
Other	113,953	157,954	84,591	73,363
	<u>13,973,163</u>	<u>14,825,360</u>	<u>13,682,169</u>	<u>1,143,191</u>
TRANSPORTATION				
Street Administration:				
Personal services	218,803	250,400	236,763	13,637
Other	123,558	43,557	36,456	7,101
Street Maintenance:				
Personal services	825,671	876,944	876,880	64
Other	264,633	256,297	244,938	11,359
Snow Removal:				
Personal services	160,000	71,500	70,836	664
Other	199,245	216,245	212,059	4,186
Street Lighting:				
Personal services	138,297	145,297	145,200	97
Other	495,534	508,636	506,988	1,648
	<u>2,425,741</u>	<u>2,368,876</u>	<u>2,330,120</u>	<u>38,756</u>

(Continued)

Incorporated Village of Garden City, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
ECONOMIC OPPORTUNITY AND DEVELOPMENT				
Publicity -				
Other	\$ 44,000	\$ 44,150	\$ 44,150	\$ -
CULTURE AND RECREATION				
Parks:				
Personal services	1,195,376	1,249,502	1,177,810	71,692
Equipment	3,830	3,830	830	3,000
Other	669,804	701,957	644,758	57,199
Playgrounds and Recreation Centers:				
Personal services	1,806,964	1,862,997	1,722,851	140,146
Equipment	10,686	10,686	6,387	4,299
Other	1,105,775	1,166,013	942,639	223,374
Concerts -				
Other	70,000	70,000	44,567	25,433
Historian -				
Other	1,500	1,500	1,359	141
	<u>4,863,935</u>	<u>5,066,485</u>	<u>4,541,201</u>	<u>525,284</u>
HOME AND COMMUNITY SERVICES				
Sanitary sewers:				
Personal services	239,108	222,804	219,422	3,382
Equipment	24,345	24,345	-	24,345
Other	104,032	117,958	116,698	1,260
Storm Sewers:				
Personal services	110,200	117,200	110,431	6,769
Other	38,836	46,358	41,325	5,033
Refuse and garbage:				
Personal services	1,826,243	2,005,569	2,000,691	4,878
Other	1,539,801	1,537,097	1,437,270	99,827
Street Cleaning:				
Personal services	478,046	502,546	500,766	1,780
Other	82,955	92,626	90,024	2,602
Other Sanitation:				
Personal services	264,691	275,190	272,946	2,244
Other	33,269	41,244	37,996	3,248
	<u>4,741,526</u>	<u>4,982,937</u>	<u>4,827,569</u>	<u>155,368</u>
EMPLOYEE BENEFITS				
State Retirement	1,525,000	1,525,000	1,476,221	48,779
Police and Fire Retirement	2,454,450	1,912,715	1,912,715	-
Social Security	1,609,222	1,497,283	1,457,377	39,906
Unemployment Insurance	15,000	15,000	1,499	13,501
Hospital and Medical Insurance	7,820,000	7,820,000	7,251,826	568,174
	<u>13,423,672</u>	<u>12,769,998</u>	<u>12,099,638</u>	<u>670,360</u>

Incorporated Village of Garden City, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Concluded)

Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DEBT SERVICE				
Principal	\$ 2,300,000	\$ 2,300,000	\$ 1,967,786	\$ 332,214
Interest	635,000	635,000	444,371	190,629
	<u>2,935,000</u>	<u>2,935,000</u>	<u>2,412,157</u>	<u>522,843</u>
TOTAL EXPENDITURES	<u>56,142,731</u>	<u>61,251,304</u>	<u>57,296,754</u>	<u>3,954,550</u>
OTHER FINANCING USES				
Transfers out:				
Capital Projects Fund	3,978,765	5,312,618	5,312,618	-
Library Fund	3,060,508	3,109,489	3,109,489	-
Pool Fund	100,000	101,273	101,273	-
Tennis Fund	-	905	905	-
Water Fund	-	41,812	41,812	-
	<u>7,139,273</u>	<u>8,566,097</u>	<u>8,566,097</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>7,139,273</u>	<u>8,566,097</u>	<u>8,566,097</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 63,282,004</u>	<u>\$ 69,817,401</u>	<u>\$ 65,862,851</u>	<u>\$ 3,954,550</u>