

VILLAGE OF SCARSDALE, NEW YORK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED MAY 31, 2009

WITH INDEPENDENT AUDITORS' REPORT

VILLAGE OF SCARSDALE, NEW YORK

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
of the Village of Scarsdale, New York:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Scarsdale, New York as of and for the year ended May 31, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 of Scarsdale, New York as of May 31, 2009 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General and Capital Projects Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As described in Note 3 to the basic financial statements, the Village of Scarsdale, New York adopted the provisions of Governmental Accounting Standards Board Statement No. 45 *"Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions"* as of and for the year ended May 31, 2009.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Scarsdale, New York's basic financial statements. The accompanying financial information listed as combining and individual fund financial statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village of Scarsdale, New York. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
Bennett Kielson Storch DeSantis Division
September 29, 2009

Village of Scarsdale, New York
Management Discussion and Analysis (MD&A)
May 31, 2009

Introduction

As management of the Village of Scarsdale, New York (Village), we provide readers of the Village's financial statements this overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2009. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2008-2009 are as follows:

- On the entity-wide financial statements, the total assets of the Village exceeded total liabilities at the close of its most recent fiscal year by \$41,921,546 (Governmental Activities \$33,921,897 and Business-type Activities \$7,999,649). Of this amount, the unrestricted portion is \$9,290,809 (Governmental Activities \$3,701,979 and Business-type Activities (\$5,588,830)). The Villages total net assets decreased by \$2,647,892 (Governmental Activities \$2,548,972 and Business-type Activities \$98,920) for the year ended May 31, 2009. This was primarily due to the recognition of the other post employment benefit ("OPEB") obligations as required for the first time under the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 45. The GASB is charged with developing the accounting rules that apply to governments. These obligations include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. GASB Statement No. 45 establishes standards for accrual based measurement and recognition of OPEB expenses over periods that approximate employees' years of active service, as well as the required note disclosures. For the year ending May 31, 2009, the Village's OPEB obligations of \$2,647,892 are reflected as a liability on the entity-wide financial statements, and accordingly were the prime factor in the decrease in total net assets.
- As of the close of the 2008-2009 fiscal year, excluding the Capital Projects Fund, all of the Village's governmental funds reported combined unreserved ending fund balances of \$8,311,775, of which \$5,908,336 is undesignated and available for spending at the Village's discretion.
- At the end of the 2008-2009 fiscal year, the unreserved fund balance for the General Fund is \$7,450,552, or 18.48% of total General Fund expenditures and other financing uses. The General Fund unreserved and undesignated fund balance of \$5,225,939 is 13.0% of total General Fund expenditures and other financing uses.

Overview of the Financial Statements

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

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 statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are governmental activities (those principally supported by taxes and revenues from other governments) and functions of the Village that are business-type activities (those that are intended to recover all or a significant portion of their costs through user fees and charges). The governmental activities of the Village include general government support, public safety, culture and recreation, home and community services and interest. The business-type activities of the Village include the Scarsdale Water District No.1 and the Enterprise Recreation Fund (the Pool).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments use 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

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 balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing 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 impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains six individual governmental funds: the General Fund, Capital Projects Fund, Town Fund, Library Fund, Special Purpose Fund and the Permanent Fund. 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 Fund, Capital Projects Fund and the Town Fund, all of which are considered to be major funds. Data from the other three governmental funds, which are considered non-major funds, is combined into a single aggregated presentation. Individual information on each of these non-major governmental funds is provided in the form of combining and individual fund schedules and statements elsewhere in this report.

The Village adopts annual budgets for the General Fund, Capital Projects Fund, Town Fund and the Library Fund. Budgetary comparison statements have been provided for these funds within the financial statements to demonstrate compliance with the respective budgets.

Proprietary Funds

The Village maintains two different 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 an enterprise fund to account for the operations of Water District No. 1 and the Pool. Internal service funds are used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for its Central Garage operations. These services have been classified as governmental activities in the government-wide financial statements because they predominantly benefit governmental, rather than business-type functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for Water District No.1 and the Pool which are considered to be major funds of the Village. The internal service fund is presented in the proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Village programs. The Village maintains only one type of fiduciary fund that is known as an agency fund. Resources are held in the fund by the Village purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment and remittance of resources to the appropriate individual, organization or government.

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.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$41,921,546 at the close of the most recent fiscal year. By far, the largest portion of the Village's net assets is its investment in capital assets (land, buildings and improvements, infrastructure, machinery and equipment, vehicles and construction-in-progress), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments 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 cannot be used to liquidate the debt.

Net Assets

| May 31, | | | | | | |
|----------------------------|----------------------------|----------------------------------|----------------------|----------------------------|----------------------------------|----------------------|
| 2009 | | | 2008 | | | |
| | Governmental Activities | Business - Type Activities | Total | Governmental Activities | Business - Type Activities | Total |
| Current Assets | \$ 22,081,392 | \$ 7,542,960 | \$ 29,624,352 | \$ 24,119,854 | \$ 7,117,898 | \$ 31,237,752 |
| Capital Assets, Net | 32,292,304 | 4,184,883 | 36,477,187 | 30,777,131 | 4,428,762 | 35,205,893 |
| Total Assets | 54,373,696 | 11,727,843 | 66,101,539 | 54,896,985 | 11,546,660 | 66,443,645 |
| Current Liabilities | 6,295,776 | 1,125,340 | 7,421,116 | 6,460,302 | 1,740,618 | 8,200,920 |
| Long-Term Liabilities | 14,156,023 | 2,602,854 | 16,758,877 | 12,302,845 | 2,702,718 | 15,005,563 |
| Total Liabilities | 20,451,799 | 3,728,194 | 24,179,993 | 18,763,147 | 4,443,336 | 23,206,483 |
| Net Assets: | | | | | | |
| Invested in Capital Assets | | | | | | |
| Net of Related Debt | 24,908,122 | 2,410,819 | 27,318,941 | 22,567,086 | 2,952,594 | 25,519,680 |
| Restricted | 5,311,796 | - | 5,311,796 | 7,647,961 | - | 7,647,961 |
| Unrestricted | 3,701,979 | 5,588,830 | 9,290,809 | 5,918,791 | 4,150,730 | 10,069,521 |
| Total Net Assets | \$ 33,921,897 | \$ 7,999,649 | \$ 41,921,546 | \$ 36,133,838 | \$ 7,103,324 | \$ 43,237,162 |

A portion of the Village's net assets \$5,311,796 represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is \$9,290,809.

Change in Net Assets

| | Fiscal Year Ended May 31, | | | | | |
|----------------------------------------|----------------------------|----------------------------------|---------------|----------------------------|----------------------------------|---------------|
| | 2009 | | | 2008 | | |
| | Governmental Activities | Business - Type Activities | Total | Governmental Activities | Business - Type Activities | Total |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 6,184,049 | \$ 5,685,567 | \$ 11,869,616 | \$ 6,447,624 | \$ 6,025,185 | \$ 12,472,809 |
| Operating Grants and Contributions | 101,985 | - | 101,985 | 110,502 | - | 110,502 |
| Capital Grants and Contributions | 1,886,227 | - | 1,886,227 | 1,137,981 | - | 1,137,981 |
| General Revenues: | | | | | | |
| Real Property Taxes | 27,262,992 | - | 27,262,992 | 26,348,373 | - | 26,348,373 |
| Other Tax Items | 446,560 | - | 446,560 | 395,980 | - | 395,980 |
| Tax Distrib - County | 2,319,357 | - | 2,319,357 | 2,465,871 | - | 2,465,871 |
| Non Property Items | 751,036 | - | 751,036 | 689,432 | - | 689,432 |
| Unrestricted Use of Money and Property | 715,365 | 107,270 | 822,635 | 1,517,014 | 201,678 | 1,718,692 |
| State Aid | 1,609,050 | - | 1,609,050 | 1,175,887 | - | 1,175,887 |
| Miscellaneous | 140,094 | - | 140,094 | - | - | - |
| Gain on Sale of Capital Assets | 340,000 | - | 340,000 | - | - | - |
| Transfers | 149,275 | (149,275) | - | 307,575 | (307,575) | - |
| Total Revenues | 41,905,990 | 5,643,562 | 47,549,552 | 40,596,239 | 5,919,288 | 46,515,527 |
| Program Expenses: | | | | | | |
| General Government Support | 9,185,439 | - | 9,185,439 | 7,672,708 | - | 7,672,708 |
| Public Safety | 17,660,754 | - | 17,660,754 | 15,290,327 | - | 15,290,327 |
| Culture and Recreation | 6,609,657 | 1,002,922 | 7,612,579 | 6,347,139 | 906,470 | 7,253,609 |
| Home and Community Service | 10,340,924 | 3,744,315 | 14,085,239 | 10,671,069 | 3,751,506 | 14,422,575 |
| Interest | 321,157 | - | 321,157 | 333,188 | - | 333,188 |
| Total Expenses | 44,117,931 | 4,747,237 | 48,865,168 | 40,314,431 | 4,657,976 | 44,972,407 |
| Change in Net Assets | (2,211,941) | 896,325 | (1,315,616) | 281,808 | 1,261,312 | 1,543,120 |
| Net Assets - Beginning | 36,133,838 | 7,103,324 | 43,237,162 | 35,507,533 | 5,842,012 | 41,349,545 |
| Prior Period Adjustment | - | - | - | 344,497 | - | 344,497 |
| Net Assets - Ending | \$ 33,921,897 | \$ 7,999,649 | \$ 41,921,546 | \$ 36,133,838 | \$ 7,103,324 | \$ 43,237,162 |

Governmental Activities

Governmental activities decreased the Village's net assets by \$2,211,941 while Business Activities increased net assets by \$896,325. The decline in net asset reflects the state of the economy as revenues from state aid, use of money and property and non-property tax distributions from the County all dropped significantly. Please refer to Business Activities for a discussion of the increase in net assets from business activities.

For the fiscal year ended May 31, 2009, revenues from governmental activities totaled \$42,090,190. Tax revenues (\$27,262,992), which are comprised of real property taxes and other tax items and non-property taxes, represent the largest revenue source (65%).

The largest components of governmental activities' expenses are public safety (40%), home and community services (23%) and general government support (21%).

Christie Place

On August 5, 2005, a Purchase, Sale and Development Agreement (the "PSDA") was entered into between Ginsburg Development, L.L.C ("GDC") as Purchaser, and the Village, as Seller, in connection with the sale of the Property (the former Robison Lot). The transaction was structured to provide that the Village would deed the Property to GDC, but retain a perpetual easement for a Village parking lot. After zoning approvals were obtained, title would close, and GDC would construct on the Property a development containing retail uses and parking at the ground level; residential condominium units above the ground level; and additional parking on two (2) levels below ground level.

The construction on this project is substantially complete and the Village began selling parking permits in the fall of 2008 for the new underground garage. The Village and the developer completed the streetscape improvements along Christie Place during the spring of 2009.

Public Safety Building Reconstruction

The reconstruction and partial construction of the Public Safety Building project estimated at \$13.45 million began during the summer of 2009. Project bids had been received in the spring of 2009 and awarded by the Board late in the spring. A \$10.5 million 15 year bond issue was marketed during June 2009 at a favorable rate to partially fund the project. Construction is expected to last at least 18 months.

Popham Road Bridge Construction

The Popham Road Bridge project, which is estimated to total \$17.1 million became eligible for Federal Stimulus funds. \$12,170,000 of federal funds was awarded during the 2008-2009 fiscal year. In addition, another \$3,950,000 of federal funds was approved and \$749,000 of state funding was provided. The Village's share amounts to \$250,000. Construction is expected to begin in the fall of 2009.

Business-Type Activities

Business-type activities increased the Village's net assets by \$896,325. Revenues from business-type activities were \$5,643,562. Offsetting these revenues were expenses of \$4,727,237 for all operations. Construction on the upgrade of the Ardsley Road Pump Station began during 2007-2008. This largely accounts for the increase in Business-type net assets. The work of bringing all the pools into compliance with the Virginia Graeme Baker Act was completed this summer.

Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$14,971,381, a net decrease of \$2,020,956 from the prior year. Approximately 71% (\$10,579,441) of the total ending fund balance constitutes unreserved fund balance. Of the unreserved fund balance \$2,397,439 has been designated for subsequent year's expenditures. Of this amount \$425,613 represents the amount estimated for use in the 2009-2010 General Fund budget, \$1,793,000 represents the amount estimated for use in the 2009-2010 Capital Projects Fund budget and \$178,826 represents the amount estimated for use in the 2009-2010 Library Fund budget. Additionally, \$1,799,000 has been designated for capital projects and other legal obligations in the General Fund budget. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for prepaid expenditures (\$396,159), to liquidate contracts and purchase orders of the prior period (\$1,702,814), dedicated to pay for debt service (\$137,415), dedicated to land acquisition and improvements (\$180,084) dedicated under terms of a trust agreement (\$1,023,817) and is restricted for a long term receivable (\$951,651).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$7,450,552, representing 94% of the total General Fund Balance of \$7,957,180. Two useful measures of liquidity are the percentage of unreserved and undesignated fund balance to total expenditures and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a 13.0% unreserved and undesignated fund balance to total expenditures, while total unreserved fund balance represents 18.5% of that same amount.

The final General Fund budget anticipated the use of \$1,262,259 of fund balance. However, actual results of operations showed the addition of \$236,383 to fund balance. Revenues and other financing sources were \$40,361,793, which was \$1,583,427 less than the final budget. The \$1,583,427 primarily reflects the reduction in state revenue from mortgage tax and the reduction in interest income as interest rates dropped significantly. The major areas where revenues exceeded the budget were in licenses and permits and non-property taxes.

Expenditures and other financing uses were \$40,125,410, which was less than the final budget by \$3,082,069. There are five functional areas of expenditure: General Government Support, Public safety, Employee Benefits, Culture and Recreation and Home and Community Services. Expenditure adjustments were implemented during the year which “froze” \$1,631,450 in General Government Support. After adjusting the General Government Support functional area for these “frozen” budget appropriations, all the functional areas were lower than budget. The respective amounts are as follows: \$449,990, \$300,909, \$120,160, \$232,198 and \$229,550.

Proprietary Funds

The Village’s proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

Total net assets of Water District No. 1 at year end were \$7,337,476. Net assets invested in capital assets, net of related debt, were \$1,844,612. The settlement of the Water Rates case which originated in 1993 cleared the path to upgrading the Ardsley Road pump station. The construction began during 2007-2008 and continued during 2008-2009 with an emphasis on the removal of PCB’s and other pollutants which were discovered on site during the early phases of construction. The Village expects to recommence construction during 2009-2010. The Village’s efforts to reduce water consumption contributed to the decline of \$270,052 in the purchase of water. This was the largest reduction in expenditures which largely offset the drop in revenues of \$365,137. The Water Superintendent noted that total gallons pumped over the past two fiscal years declined significantly. The 2008-2009 fiscal year showed a drop of 12.8% from the prior year. This was the lowest pumpage in the last twelve years. Pumpage in 2007-2008 was 4% lower than 2006-2007. This is a positive development since the Village is under a mandate to encourage water conservation. Total net assets of the Pool fund at year-end were \$662,173. Net assets, invested in capital assets, net of related debt were \$566,207.

General Fund Budgetary Highlights

Although the final budget for General Fund estimated revenues remained unchanged at \$41,610,220, \$1.6 million was not realized and expenditure adjustments were implemented.

The final appropriations budget for the General Fund was \$38,967,220 including frozen expenditures of \$1,631,450. After adjusting for these reduced appropriations, the expenditure budget of \$37,335,770 was down \$1,308,648 from the original budget. The appropriations budget for General Government Support was \$8,762,702 (after adjustment for \$1,631,450), Public Safety was \$11,038,989, Home and Community Services was \$6,609,222, Culture and Recreation was \$2,352,224 and the combined budgets for Employee Benefits and Debt Service was \$10,204,083.

Capital Assets

The Village’s investment in capital assets for governmental and business-type activities at May 31, 2009, net of \$53,199,501 of accumulated depreciation, was \$36,546,337. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, vehicles and construction-in-progress.

Capital Assets

| | 2009 | | | 2008 | | |
|-------------------------------|----------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
| | Governmental | Business - | Total | Governmental | Business - | Total |
| | Activities | Type Activities | | Activities | Type Activities | |
| ASSET | | | | | | |
| Land | \$ 3,860,985 | \$ 149,789 | \$ 4,010,774 | \$ 3,860,985 | \$ 149,789 | \$ 4,010,774 |
| Buildings and Improvements | 11,297,695 | 4,570,108 | 15,867,803 | 7,922,169 | 4,310,195 | 12,232,364 |
| Land Improvements | 3,465,127 | - | 3,465,127 | 3,385,696 | - | 3,385,696 |
| Infrastructure | 45,651,555 | 1,845,331 | 47,496,886 | 44,567,793 | 1,845,331 | 46,413,124 |
| Machinery and Equipment | 14,034,399 | 1,222,063 | 15,256,462 | 12,738,510 | 1,190,013 | 13,928,523 |
| Constuction-in-progress | 2,015,112 | 1,564,522 | 3,579,634 | 3,520,552 | 1,797,493 | 5,318,045 |
| Less-accumulated deprecitaion | <u>(48,032,569)</u> | <u>(5,166,930)</u> | <u>(53,199,499)</u> | <u>(45,218,574)</u> | <u>(4,864,059)</u> | <u>(50,082,633)</u> |
| Total (net of depreciation) | <u>\$ 32,292,304</u> | <u>\$ 4,184,883</u> | <u>\$ 36,477,187</u> | <u>\$ 30,777,131</u> | <u>\$ 4,428,762</u> | <u>\$ 35,205,893</u> |

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

Long Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$9,675,000. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village. As a policy, principal and interest on debt issued by the enterprise funds must be repaid solely from revenues of that fund. Of the \$9,675,000 bonded debt outstanding at fiscal year end, \$813,318 represented debt of the Pool Fund and \$1,477,500 represented debt of the Water Fund.

In June of 2009, the Village bonded \$10,500,000 in new debt to partially pay for the partial construction and reconstruction of the Public Safety Building. Please see Note 5 on subsequent events.

Additional information on the Village's long-tem debt can be found in Note 3,E in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Village of Scarsdale, New York's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to Marie Louise McClure, Treasurer, Village of Scarsdale, 1001 Post Road, Scarsdale, New York 10583.

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF NET ASSETS

MAY 31, 2009

| | Governmental Activities | Business-type Activities | Total |
|----------------------------------------------------|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and equivalents | \$ 4,966,497 | \$ 3,934,788 | \$ 8,901,285 |
| Investments | 11,977,473 | 3,290,000 | 15,267,473 |
| Receivables: | | | |
| Property taxes | 3,021,499 | - | 3,021,499 |
| Accounts | 45,020 | 304,067 | 349,087 |
| Special assessments | 686,965 | - | 686,965 |
| State and Federal aid | 735,554 | - | 735,554 |
| Due from other governments | 235,495 | - | 235,495 |
| Prepaid expenses | 412,889 | 14,105 | 426,994 |
| Capital assets (net of accumulated depreciation): | | | |
| Land | 3,860,985 | 149,789 | 4,010,774 |
| Land improvements | 2,892,747 | - | 2,892,747 |
| Buildings and improvements | 7,363,944 | 1,835,718 | 9,199,662 |
| Machinery and equipment | 3,795,565 | 178,075 | 3,973,640 |
| Infrastructure | 12,363,951 | 456,779 | 12,820,730 |
| Construction-in-progress | 2,015,112 | 1,564,522 | 3,579,634 |
| Total Assets | 54,373,696 | 11,727,843 | 66,101,539 |
| LIABILITIES | | | |
| Accounts payable | 1,937,124 | 378,241 | 2,315,365 |
| Accrued liabilities | 989,822 | 98,375 | 1,088,197 |
| Retainages payable | 198,516 | 39,421 | 237,937 |
| Accrued interest payable | 79,422 | 13,530 | 92,952 |
| Due to other governments | 1,921,131 | - | 1,921,131 |
| Due to retirement systems | 315,541 | - | 315,541 |
| Unearned revenues | 854,220 | 595,773 | 1,449,993 |
| Non-current liabilities: | | | |
| Due within one year: | | | |
| Bonds payable | 878,562 | 201,438 | 1,080,000 |
| Compensated absences | 422,286 | 21,311 | 443,597 |
| Due in more than one year: | | | |
| Bonds payable | 6,505,620 | 2,089,380 | 8,595,000 |
| Compensated absences | 3,800,583 | 191,805 | 3,992,388 |
| Other post employment benefit obligations payable | 2,548,972 | 98,920 | 2,647,892 |
| Total Liabilities | 20,451,799 | 3,728,194 | 24,179,993 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 24,908,122 | 2,410,819 | 27,318,941 |
| Restricted for: | | | |
| Capital projects | 3,970,480 | - | 3,970,480 |
| Land acquisition and improvements | 180,084 | - | 180,084 |
| Debt service | 137,415 | - | 137,415 |
| Special purposes | 1,023,817 | - | 1,023,817 |
| Unrestricted | 3,701,979 | 5,588,830 | 9,290,809 |
| Total Net Assets | \$ 33,921,897 | \$ 7,999,649 | \$ 41,921,546 |

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

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2009

| Functions/Programs | Expenses | Program Revenues | | |
|--------------------------------|---------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities: | | | | |
| General government support | \$ 9,185,439 | \$ 4,164,183 | \$ 3,604 | \$ - |
| Public safety | 17,660,754 | 1,899,679 | 60,003 | - |
| Culture and recreation | 6,609,657 | 1,196 | 38,378 | 320,172 |
| Home and community services | 10,340,924 | 118,991 | - | 1,444,082 |
| Interest | 321,157 | - | - | 121,973 |
| Total Governmental Activities | 44,117,931 | 6,184,049 | 101,985 | 1,886,227 |
| Business-type activities: | | | | |
| Water | 3,744,315 | 4,743,900 | - | - |
| Pool | 1,002,922 | 941,667 | - | - |
| Total Business-Type Activities | 4,747,237 | 5,685,567 | - | - |
| Total | \$ 48,865,168 | \$ 11,869,616 | \$ 101,985 | \$ 1,886,227 |

General Revenues:

Real property taxes

Other tax items:

Special assessments

Interest and penalties - Taxes

Non-property taxes:

Non-property tax distribution from County

Utilities gross receipts tax

Franchise fees

Unrestricted use of money and property

Sale of property and compensation for loss

Unrestricted State aid

Miscellaneous

Gain on sale of real property

Transfers

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - Ending

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

| Net (Expense) Revenue and Changes in Net Assets | | |
|-------------------------------------------------|-----------------------------|----------------|
| Governmental Activities | Business-type Activities | Total |
| \$ (5,017,652) | \$ - | \$ (5,017,652) |
| (15,701,072) | - | (15,701,072) |
| (6,249,911) | - | (6,249,911) |
| (8,777,851) | - | (8,777,851) |
| (199,184) | - | (199,184) |
| (35,945,670) | - | (35,945,670) |
| - | 999,585 | 999,585 |
| - | (61,255) | (61,255) |
| - | 938,330 | 938,330 |
| (35,945,670) | 938,330 | (35,007,340) |
| 27,262,992 | - | 27,262,992 |
| 6,644 | - | 6,644 |
| 439,916 | - | 439,916 |
| 2,319,357 | - | 2,319,357 |
| 448,786 | - | 448,786 |
| 302,250 | - | 302,250 |
| 715,365 | 107,270 | 822,635 |
| 108,261 | - | 108,261 |
| 1,609,050 | - | 1,609,050 |
| 31,833 | - | 31,833 |
| 340,000 | - | 340,000 |
| 149,275 | (149,275) | - |
| 33,733,729 | (42,005) | 33,691,724 |
| (2,211,941) | 896,325 | (1,315,616) |
| 36,133,838 | 7,103,324 | 43,237,162 |
| \$ 33,921,897 | \$ 7,999,649 | \$ 41,921,546 |

VILLAGE OF SCARSDALE, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2009

| | General | Town | Capital Projects | Non-Major Governmental Funds | Total Governmental Funds |
|--------------------------------------|----------------------|---------------------|---------------------|------------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and Equivalents | \$ 2,322,239 | \$ 615,343 | \$ 1,735,309 | \$ 229,730 | \$ 4,902,621 |
| Investments | 7,560,042 | 46,236 | 3,016,306 | 1,276,845 | 11,899,429 |
| Taxes Receivable | 243,533 | 2,777,966 | - | - | 3,021,499 |
| Other Receivables: | | | | | |
| Accounts | 38,297 | - | 6,313 | 410 | 45,020 |
| Special assessments | 686,965 | - | - | - | 686,965 |
| State and Federal aid | 585,554 | - | 150,000 | - | 735,554 |
| Due from other funds | 410 | - | - | - | 410 |
| Due from other governments | 70,404 | - | - | - | 70,404 |
| | 1,381,630 | - | 156,313 | 410 | 1,538,353 |
| Prepaid Expenditures | 369,213 | - | - | 26,946 | 396,159 |
| Total Assets | <u>\$ 11,876,657</u> | <u>\$ 3,439,545</u> | <u>\$ 4,907,928</u> | <u>\$ 1,533,931</u> | <u>\$ 21,758,061</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 1,540,985 | \$ - | \$ 111,318 | \$ 138,833 | \$ 1,791,136 |
| Accrued liabilities | 467,887 | - | 447,530 | 49,465 | 964,882 |
| Retainages payable | - | - | 198,516 | - | 198,516 |
| Due to other funds | - | - | - | 410 | 410 |
| Due to other governments | - | 1,921,131 | - | - | 1,921,131 |
| Due to retirement systems | 315,541 | - | - | - | 315,541 |
| Deferred revenues - Taxes | 207,178 | - | - | - | 207,178 |
| Deferred revenues - Other | 1,387,886 | - | - | - | 1,387,886 |
| Total Liabilities | 3,919,477 | 1,921,131 | 757,364 | 188,708 | 6,786,680 |
| Fund Balances: | | | | | |
| Reserved for: | | | | | |
| Encumbrances | - | - | 1,702,814 | - | 1,702,814 |
| Prepaid expenditures | 369,213 | - | - | 26,946 | 396,159 |
| Land acquisition and improvements | - | - | 180,084 | - | 180,084 |
| Trusts | - | - | - | 1,023,817 | 1,023,817 |
| Debt service | 137,415 | - | - | - | 137,415 |
| Long term receivable | - | 951,651 | - | - | 951,651 |
| Unreserved, reported in: | | | | | |
| General Fund | 7,450,552 | - | - | - | 7,450,552 |
| Town Fund | - | 566,763 | - | - | 566,763 |
| Capital Projects Fund | - | - | 2,267,666 | - | 2,267,666 |
| Library Fund | - | - | - | 294,460 | 294,460 |
| Total Fund Balances | 7,957,180 | 1,518,414 | 4,150,564 | 1,345,223 | 14,971,381 |
| Total Liabilities and Fund Balances | <u>\$ 11,876,657</u> | <u>\$ 3,439,545</u> | <u>\$ 4,907,928</u> | <u>\$ 1,533,931</u> | <u>\$ 21,758,061</u> |

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

VILLAGE OF SCARSDALE, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS
MAY 31, 2009

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Fund Balances - Total Governmental Funds | \$ 14,971,381 |
| Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds | 31,117,715 |
| Internal service funds are used by management to charge the costs of the Village's Central Garage services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | 829,816 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: | |
| Real property taxes | 207,178 |
| Special assessments | 533,666 |
| Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds. | |
| Bonds payable | (7,165,182) |
| Compensated absences | (4,079,162) |
| Accrued interest Payable | (79,422) |
| Other post employment benefit obligations payable | <u>(2,414,093)</u> |
| Net Assets of Governmental Activities | <u>\$ 33,921,897</u> |

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

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MAY 31, 2009

| | General | Town | Capital Projects |
|------------------------------------------------------|---------------------|---------------------|---------------------|
| REVENUES | | | |
| Real property taxes | \$ 27,261,252 | \$ - | \$ - |
| Other tax items | 219,323 | 358,008 | - |
| Non-property taxes | 3,070,393 | - | - |
| Departmental income | 2,981,724 | 4,084 | - |
| Intergovernmental revenues | 139,668 | - | - |
| Use of money and property | 1,014,180 | 197,794 | 120,832 |
| Interfund revenues | 578,180 | - | - |
| Licenses and permits | 1,428,415 | - | - |
| Fines and forfeitures | 637,355 | - | - |
| Sale of property and compensation for loss | 108,261 | - | - |
| State aid | 823,795 | 820,205 | 902,318 |
| Federal aid | - | - | 346,592 |
| Miscellaneous | 438,576 | 8,118 | 395,097 |
| | <u>38,701,122</u> | <u>1,388,209</u> | <u>1,764,839</u> |
| Total Revenues | | | |
| EXPENDITURES | | | |
| Current: | | | |
| General government support | 6,783,955 | - | - |
| Public safety | 10,649,270 | - | - |
| Culture and recreation | 2,243,176 | - | - |
| Home and community services | 6,279,602 | - | - |
| Employee benefits | 8,849,571 | - | - |
| Capital outlay | - | - | 5,628,313 |
| Debt service: | | | |
| Principal | 738,863 | - | - |
| Interest | 340,714 | - | - |
| | <u>35,885,151</u> | <u>-</u> | <u>5,628,313</u> |
| Total Expenditures | | | |
| Excess (Deficiency) of Revenues Over Expenditures | <u>2,815,971</u> | <u>1,388,209</u> | <u>(3,863,474)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Sale of real property | 340,000 | - | - |
| Transfers in | 1,320,671 | - | 1,524,027 |
| Transfers out | (4,240,259) | (1,339,183) | - |
| | <u>(2,579,588)</u> | <u>(1,339,183)</u> | <u>1,524,027</u> |
| Total Other Financing Sources (Uses) | | | |
| Net Change in Fund Balances | 236,383 | 49,026 | (2,339,447) |
| Fund Balances - Beginning of Year | <u>7,720,797</u> | <u>1,469,388</u> | <u>6,490,011</u> |
| Fund Balances - End of Year | <u>\$ 7,957,180</u> | <u>\$ 1,518,414</u> | <u>\$ 4,150,564</u> |

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

| Non-Major Governmental Funds | Total Governmental Funds |
|------------------------------------|--------------------------------|
| \$ - | \$ 27,261,252 |
| - | 577,331 |
| - | 3,070,393 |
| 66,823 | 3,052,631 |
| - | 139,668 |
| 18,437 | 1,351,243 |
| - | 578,180 |
| - | 1,428,415 |
| - | 637,355 |
| - | 108,261 |
| 7,270 | 2,553,588 |
| - | 346,592 |
| 177,171 | 1,018,962 |
| <u>269,701</u> | <u>42,123,871</u> |
| - | 6,783,955 |
| 16,931 | 10,666,201 |
| 2,435,808 | 4,678,984 |
| - | 6,279,602 |
| 649,387 | 9,498,958 |
| - | 5,628,313 |
| - | 738,863 |
| - | 340,714 |
| <u>3,102,126</u> | <u>44,615,590</u> |
| <u>(2,832,425)</u> | <u>(2,491,719)</u> |
| - | 340,000 |
| 2,966,965 | 5,811,663 |
| <u>(101,458)</u> | <u>(5,680,900)</u> |
| <u>2,865,507</u> | <u>470,763</u> |
| 33,082 | (2,020,956) |
| <u>1,312,141</u> | <u>16,992,337</u> |
| <u>\$ 1,345,223</u> | <u>\$ 14,971,381</u> |

VILLAGE OF SCARSDALE, 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, 2009

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

| | |
|--------------------------------------------------------|-----------------------|
| Net Change in Fund Balances - Total Governmental Funds | <u>\$ (2,020,956)</u> |
|--------------------------------------------------------|-----------------------|

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. This is the amount by which capital outlays exceeded depreciation expense in the current period.

| | |
|-----------------------------|--------------------|
| Capital outlay expenditures | 4,423,823 |
| Depreciation expense | <u>(2,854,454)</u> |
| | <u>1,569,369</u> |

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

| | |
|---------------------|------------------|
| Special assessments | (130,771) |
| Real property taxes | <u>1,740</u> |
| | <u>(129,031)</u> |

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

| | |
|-------------------------|----------------|
| Principal paid on bonds | <u>738,863</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 | 32,831 |
| Compensated absences | (155,816) |
| Other post employment benefit obligations | <u>(2,414,093)</u> |
| | <u>(2,537,078)</u> |

Internal service funds are used by management to charge the costs of the Village's Central Garage to individual funds. The net revenue of the Internal Service Fund is reported within governmental activities.

| | |
|--|----------------|
| | <u>166,892</u> |
|--|----------------|

| | |
|-------------------------------------------------|-----------------------|
| Change in Net Assets of Governmental Activities | <u>\$ (2,211,941)</u> |
|-------------------------------------------------|-----------------------|

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

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL AND CAPITAL PROJECTS FUNDS
YEAR ENDED MAY 31, 2009

| | General Fund | | | Variance with Final Budget Positive (Negative) |
|------------------------------------------------------|--------------------|-----------------|---------------|---------------------------------------------------------|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Real property taxes | \$ 27,206,349 | \$ 27,206,349 | \$ 27,261,252 | \$ 54,903 |
| Other tax items | 565,416 | 565,416 | 219,323 | (346,093) |
| Non-property taxes | 2,967,000 | 2,967,000 | 3,070,393 | 103,393 |
| Departmental income | 3,222,756 | 3,222,756 | 2,981,724 | (241,032) |
| Intergovernmental charges | 112,500 | 112,500 | 139,668 | 27,168 |
| Use of money and property | 1,640,100 | 1,640,100 | 1,014,180 | (625,920) |
| Interfund charges | 578,180 | 578,180 | 578,180 | - |
| Licenses and permits | 1,487,750 | 1,487,750 | 1,428,415 | (59,335) |
| Fines and forfeitures | 719,000 | 719,000 | 637,355 | (81,645) |
| Sale of property and compensation for loss | 70,000 | 70,000 | 108,261 | 38,261 |
| State aid | 2,669,169 | 2,669,169 | 823,795 | (1,845,374) |
| Federal aid | - | - | - | - |
| Miscellaneous | 372,000 | 372,000 | 438,576 | 66,576 |
| Total Revenues | 41,610,220 | 41,610,220 | 38,701,122 | (2,909,098) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government support | 7,767,413 | 8,762,702 | 6,783,955 | 1,978,747 |
| Public safety | 11,119,059 | 11,038,989 | 10,649,270 | 389,719 |
| Culture and recreation | 2,472,384 | 2,352,224 | 2,243,176 | 109,048 |
| Home and community services | 6,812,663 | 6,609,222 | 6,279,602 | 329,620 |
| Employee benefits | 9,414,325 | 9,121,350 | 8,849,571 | 271,779 |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | 714,704 | 738,863 | 738,863 | - |
| Interest | 343,870 | 343,870 | 340,714 | 3,156 |
| Total Expenditures | 38,644,418 | 38,967,220 | 35,885,151 | 3,082,069 |
| Excess (Deficiency) of Revenues Over Expenditures | 2,965,802 | 2,643,000 | 2,815,971 | 172,971 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of real property | - | 335,000 | 340,000 | 5,000 |
| Bonds issued | - | - | - | - |
| Transfers in | - | - | 1,320,671 | 1,320,671 |
| Transfers out | (3,665,259) | (4,240,259) | (4,240,259) | - |
| Total Other Financing Sources (Uses) | (3,665,259) | (3,905,259) | (2,579,588) | 1,325,671 |
| Net Change in Fund Balances | (699,457) | (1,262,259) | 236,383 | 1,498,642 |
| Fund Balances - Beginning of Year | 699,457 | 1,262,259 | 7,720,797 | 6,458,538 |
| Fund Balances - End of Year | \$ - | \$ - | \$ 7,957,180 | \$ 7,957,180 |

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

| Capital Projects Fund | | | |
|-----------------------|-----------------|--------------|---------------------------------------------------------|
| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 210,000 | 210,000 | 120,832 | (89,168) |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 9,100,155 | 9,250,155 | 902,318 | (8,347,837) |
| 47,000 | 47,000 | 346,592 | 299,592 |
| 2,479,500 | 2,772,817 | 395,097 | (2,377,720) |
| 11,836,655 | 12,279,972 | 1,764,839 | (10,515,133) |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 28,235,743 | 28,312,542 | 5,628,313 | 22,684,229 |
| - | - | - | - |
| - | - | - | - |
| 28,235,743 | 28,312,542 | 5,628,313 | 22,684,229 |
| (16,399,088) | (16,032,570) | (3,863,474) | 12,169,096 |
| - | - | - | - |
| 12,112,000 | 12,112,000 | - | (12,112,000) |
| 999,500 | 1,629,500 | 1,524,027 | (105,473) |
| - | - | - | - |
| 13,111,500 | 13,741,500 | 1,524,027 | (12,217,473) |
| (3,287,588) | (2,291,070) | (2,339,447) | (48,377) |
| 3,287,588 | 2,291,070 | 6,490,011 | 4,198,941 |
| \$ - | \$ - | \$ 4,150,564 | \$ 4,150,564 |

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MAY 31, 2009

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|----------------------------------------------------------|---------------------------------------------|-------------|--------------|----------------------------------------------------------|
| | Water | Pool | Totals | |
| <u>ASSETS</u> | | | | |
| Current Assets: | | | | |
| Cash and equivalents | \$ 3,184,142 | \$ 750,646 | \$ 3,934,788 | \$ 63,876 |
| Investments | 3,290,000 | - | 3,290,000 | 78,044 |
| Accounts receivable | 304,067 | - | 304,067 | - |
| Due from other governments | - | - | - | 165,091 |
| Prepaid expenses | 14,105 | - | 14,105 | 16,730 |
| Total Current Assets | 6,792,314 | 750,646 | 7,542,960 | 323,741 |
| Capital Assets: | | | | |
| Land | 31,789 | 118,000 | 149,789 | - |
| Buildings | 2,012,985 | 2,557,123 | 4,570,108 | 2,114,268 |
| Machinery and equipment | 1,048,775 | 173,288 | 1,222,063 | 230,245 |
| Infrastructure | 1,601,086 | 244,245 | 1,845,331 | - |
| Construction-in-progress | 1,564,522 | - | 1,564,522 | - |
| | 6,259,157 | 3,092,656 | 9,351,813 | 2,344,513 |
| Less - Accumulated depreciation | (3,453,799) | (1,713,131) | (5,166,930) | (1,169,924) |
| Total Capital Assets, net of accumulated depreciation | 2,805,358 | 1,379,525 | 4,184,883 | 1,174,589 |
| Total Assets | 9,597,672 | 2,130,171 | 11,727,843 | 1,498,330 |
| <u>LIABILITIES</u> | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 345,322 | 32,919 | 378,241 | 145,988 |
| Accrued liabilities | 83,515 | 14,860 | 98,375 | 21,002 |
| Accrued interest payable | 2,402 | 11,128 | 13,530 | 3,938 |
| Retained percentages | 39,421 | - | 39,421 | - |
| Unearned revenues | - | 595,773 | 595,773 | - |
| Current maturities of bonds payable | 52,500 | 148,938 | 201,438 | 87,000 |
| Current portion of compensated absences | 21,311 | - | 21,311 | 14,370 |
| Total Current Liabilities | 544,471 | 803,618 | 1,348,089 | 272,298 |
| Noncurrent Liabilities: | | | | |
| Bonds payable, less current maturities | 1,425,000 | 664,380 | 2,089,380 | 132,000 |
| Compensated absences, less current portion | 191,805 | - | 191,805 | 129,337 |
| Other post employment benefit obligations payable | 98,920 | - | 98,920 | 134,879 |
| | 1,715,725 | 664,380 | 2,380,105 | 396,216 |
| Total Liabilities | 2,260,196 | 1,467,998 | 3,728,194 | 668,514 |
| <u>NET ASSETS</u> | | | | |
| Invested in Capital Assets, net of related debt | 1,844,612 | 566,207 | 2,410,819 | 955,589 |
| Unrestricted | 5,492,864 | 95,966 | 5,588,830 | (125,773) |
| Total Net Assets | \$ 7,337,476 | \$ 662,173 | \$ 7,999,649 | \$ 829,816 |

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

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED MAY 31, 2009

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|----------------------------------------------|---------------------------------------------|------------|--------------|----------------------------------------------------------|
| | Water | Pool | Totals | |
| Operating Revenues - Charges for services | \$ 4,743,900 | \$ 941,667 | \$ 5,685,567 | \$ 2,860,061 |
| Operating Expenses: | | | | |
| Taxes on Village property | 49,577 | 2,655 | 52,232 | - |
| Personal services | 717,932 | 337,211 | 1,055,143 | 844,607 |
| Contractual services | 203,523 | 131,120 | 334,643 | 1,243,938 |
| Supplies | 167,315 | 49,499 | 216,814 | - |
| Utilities | 126,331 | 67,060 | 193,391 | - |
| Employee benefits | 362,774 | 37,791 | 400,565 | 402,330 |
| Other post employment benefits obligations | 98,920 | - | 98,920 | 134,879 |
| Insurance | 46,529 | 21,852 | 68,381 | - |
| Repairs and maintenance | 28,197 | 35,604 | 63,801 | - |
| Equipment maintenance | 18,397 | 19,951 | 38,348 | - |
| Depreciation | 138,039 | 164,832 | 302,871 | 54,196 |
| Purchase of water | 1,611,140 | - | 1,611,140 | - |
| Property services | 160,680 | - | 160,680 | - |
| Miscellaneous | 14,961 | 46,411 | 61,372 | - |
| Total Operating Expenses: | 3,744,315 | 913,986 | 4,658,301 | 2,679,950 |
| Income from Operations | 999,585 | 27,681 | 1,027,266 | 180,111 |
| Non-Operating Revenues (Expenses): | | | | |
| Interest income | 102,206 | 5,064 | 107,270 | 55 |
| Interest expense | (54,605) | (34,331) | (88,936) | (13,274) |
| Total Non-Operating Revenues (Expenses) | 47,601 | (29,267) | 18,334 | (13,219) |
| Income Before Transfers | 1,047,186 | (1,586) | 1,045,600 | 166,892 |
| Transfers: | | | | |
| Transfer in | - | 10,725 | 10,725 | - |
| Transfer out | (160,000) | - | (160,000) | - |
| Total Transfers | (160,000) | 10,725 | (149,275) | - |
| Change in Net Assets | 887,186 | 9,139 | 896,325 | 166,892 |
| Net Assets - Beginning of Year | 6,450,290 | 653,034 | 7,103,324 | 662,924 |
| Net Assets - End of Year | \$ 7,337,476 | \$ 662,173 | \$ 7,999,649 | \$ 829,816 |

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

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED MAY 31, 2009

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|--------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------|---------------------|----------------------------------------------------------|
| | Water | Pool | Totals | |
| Cash Flows From Operating Activities: | | | | |
| Cash received from charges for services | \$ 4,726,686 | \$ 964,952 | \$ 5,691,638 | \$ 2,830,845 |
| Cash payments for goods or services | (3,021,467) | (340,719) | (3,362,186) | (1,314,086) |
| Cash payments to employees | (1,115,353) | (375,002) | (1,490,355) | (1,272,684) |
| Net Cash Provided by Operating Activities | 589,866 | 249,231 | 839,097 | 244,075 |
| Cash Flows From Non-Capital Financing Activities: | | | | |
| Transfers in | - | 10,725 | 10,725 | - |
| Transfers out | (160,000) | - | (160,000) | - |
| Net Cash Used in Non-Capital Financing Activities | (160,000) | 10,725 | (149,275) | - |
| Cash Flows From Capital and Related Financing Activities: | | | | |
| Principal paid on bonds | (22,500) | (141,637) | (164,137) | (87,000) |
| Interest paid on indebtedness | (83,858) | (36,219) | (120,077) | (15,334) |
| Acquisition and construction of capital assets | (12,907) | (46,085) | (58,992) | - |
| Net Cash Used in Capital and Related Financing Activities | (119,265) | (223,941) | (343,206) | (102,334) |
| Cash Flow From Investing Activities: | | | | |
| Sale of investments | 2,140,000 | - | 2,140,000 | - |
| Purchase of investments | (3,290,000) | - | (3,290,000) | (78,044) |
| Interest income | 102,206 | 5,180 | 107,386 | 55 |
| Net Cash Provided by (Used in) Investing Activities | (1,047,794) | 5,180 | (1,042,614) | (77,989) |
| Net Increase (Decrease) in Cash and Equivalents | (737,193) | 41,195 | (695,998) | 63,752 |
| Cash and Equivalents - Beginning of Year | 3,921,335 | 709,451 | 4,630,786 | 124 |
| Cash and Equivalents - End of Year | <u>\$ 3,184,142</u> | <u>\$ 750,646</u> | <u>\$ 3,934,788</u> | <u>\$ 63,876</u> |
| Reconciliation of Income from Operations to Net Cash Provided by Operating Activities: | | | | |
| Income from operations | \$ 999,585 | \$ 27,681 | \$ 1,027,266 | \$ 180,111 |
| Adjustments to reconcile income from operations to net cash provided by operating activities: | | | | |
| Depreciation | 138,039 | 164,832 | 302,871 | 54,196 |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | (17,914) | - | (17,914) | - |
| Due from other governments | - | - | - | (29,216) |
| Due from other funds | 700 | - | - | - |
| Prepaid expenses | 43,075 | 12,000 | 55,075 | 44,464 |
| Accounts payable | 73,816 | 28,515 | 102,331 | (61,580) |
| Accrued liabilities | (722,410) | 1,955 | (720,455) | (53,032) |
| Due to other funds | - | (9,037) | - | - |
| Unearned revenues | 10,702 | 23,285 | 33,987 | - |
| Compensated absences | (34,647) | - | (34,647) | (25,747) |
| Other post employment benefit obligations payable | 98,920 | - | - | 134,879 |
| Net Cash Provided by Operating Activities | <u>\$ 589,866</u> | <u>\$ 249,231</u> | <u>\$ 839,097</u> | <u>\$ 244,075</u> |

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

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
MAY 31, 2009

| | <u>Agency</u> |
|------------------------|----------------------------|
| ASSETS | |
| Cash - Demand deposits | \$ 452,741 |
| Investments | 4,800,201 |
| Accounts Receivable | <u>83,230</u> |
| Total Assets | <u><u>\$ 5,336,172</u></u> |
| LIABILITIES | |
| Accounts Payable | \$ 120,058 |
| Deposits | 5,204,101 |
| Other | <u>12,013</u> |
| Total Liabilities | <u><u>\$ 5,336,172</u></u> |

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

Note 1 - Summary of Significant Accounting Policies

The Village of Scarsdale is a municipality located in the State of New York. It began as a Town in the 1870's and was governed as a Town by a Town Board. The Town was incorporated as a Village in 1915 with coterminous Town and Village boundaries. The Village of Scarsdale operates under New York State's Village Law, General Municipal Law and Local Finance Law, as well as various other applicable laws of the State of New York. Except for certain required functions, the government operates as a village pursuant to State law. The Village Board of Trustees is the legislative body responsible for overall operations. Since the Town of Scarsdale was incorporated as a village, the same officers govern both, avoiding duplication of governmental services and costs. The Village Manager serves as the chief executive officer and the Village Treasurer as the chief financial officer. The Village provides the following services to its residents: public safety, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village of Scarsdale, New York 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 of Scarsdale, 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, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all 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.

The Statement of Net Assets 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 are charges to customers for services. Operating expenses for the Enterprise Funds 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, liabilities, fund balances/net assets, 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. 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 page following, which briefly explains 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:

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 in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

Town Fund - The Town Fund is used to record the collection and remittance of taxes for the Scarsdale School District and the County of Westchester and for certain revenues statutorily required to be recorded in the Town Fund. Information for the Town Fund is as of and for the year ended December 31, 2008.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

The Village also reports the following non-major governmental funds:

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The special revenue funds of the Village are as follows:

Library Fund - The Library Fund is used to account for the activities of the Village's Public Library.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Village in accordance with the terms of a trust agreement.

Permanent Fund - The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Village's programs.

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. Proprietary 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 operations of the Water and Pool Funds are recorded as enterprise funds. The Village has established its Central Garage Fund as an internal service fund. The Village applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise funds.
- 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 others.

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Measurement Focus, Basis of Accounting and Financial 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 reports.

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 and 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. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. 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, 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.

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

E. Assets, Liabilities and Net Assets or Fund Balances

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Village's 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. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Note 1 - Summary of Significant Accounting Policies (Continued)

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 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 - The Village participates in a cooperative investment pool established pursuant to General Municipal Law. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer is primarily responsible for executing the provisions of the cooperative agreement. The pool is authorized to invest in various securities issued by the United States and its agencies. The amount reported represents the amortized cost of the cooperative shares and is considered to approximate fair value. These investments are not subject to risk categorization. Additional information concerning the cooperative is presented in the annual report of the Cooperative Liquid Assets Securities System (CLASS).

Taxes Receivable - Real property taxes attach as an enforceable lien on property on July 1st. Real property taxes are due July 1st and are payable without penalty until August 1st. The Village is responsible for the billing and collection of its taxes. The Village is also responsible for in-rem foreclosure proceedings.

The Town of Scarsdale collects taxes for the County of Westchester and the Scarsdale School District. The Scarsdale School District taxes attach as an enforceable lien on property as of July 1st. School taxes are levied by the Town effective September 1st and are payable by the Town residents between September 1st and September 30th. County taxes attach as an enforceable lien on property as of January 1st. Taxes are levied by the County and are payable to the Town by Town residents between April 1st and April 30th.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the Scarsdale School District with respect to the collection and payment of real property taxes levied by such jurisdictions. The County charter provides for the Town to collect County taxes. The Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school district taxes, New York State Law and the County Charter provide that the Town satisfy the warrant of the school districts by April 5th of the fiscal year for which such taxes were levied. Thus, the Town's fiduciary responsibility for the County and School District's taxes is from the date of the levy until the respective due dates at which time the Town must satisfy its obligations to the respective jurisdictions, regardless of the amounts collected.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2009, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Prepaid Expenses/Expenditures - Prepaid expenses/expenditures consist of employee health insurance and other costs which have been satisfied prior to the end of the fiscal year, but represent items, which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the governmental funds are equally offset by a reservation of fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Village. Purchases of inventorable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 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 estimated fair market 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.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Village chose to include all such items regardless of their acquisition date or amount. The Village was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Land and construction-in-progress are not capitalized. 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> |
|----------------------------|--------------------------|
| Land Improvements | 20 |
| Buildings and Improvements | 10-40 |
| Infrastructure | 20-40 |
| Machinery and Equipment | 5-10 |

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/Deferred Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In 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.

Deferred 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 deferred revenues of \$207,178 for uncollected Village tax liens, \$62,407 for prepaid rent, \$775,929 for advance collections of tennis and day camp fees and \$549,550 for uncollected special assessments in the General Fund. The Village has also recorded \$595,773 for the advance collection of pool permits in the Pool Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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 statement as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, 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 are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their 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 assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, debt service and special purposes. The balance is classified as unrestricted.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, prepaid expenditures, land acquisitions and improvements, trusts and debt service represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designation of unreserved fund balances in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use.

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 and Capital Projects funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

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 and liabilities 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 September 29, 2009.

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) Prior to March 20th, the budget officer submits to the Village Clerk a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the means of financing for the General, Library and Capital Projects funds.
- b) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- c) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget, at which time they are required to file the document with the Village Clerk.

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2009

Note 2 - Stewardship, Compliance and Accountability (Continued)

- d) Formal budgetary integration is employed during the year as a management control device for the General, Library and Capital Projects funds.
- e) Budgets for the General, Capital Projects and Library funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted by the Board of Trustees for the Special Purpose, Town and Proprietary funds.
- f) The Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- g) Appropriations in the General, Capital Projects and Library funds lapse at the end of the fiscal year, except that outstanding encumbrances, if any, are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

B. Property Tax Limitation

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 2009 fiscal year was \$155,775,652 which exceeded the actual levy by \$130,208,461. The Town component is not limited to the maximum amount of real property taxes which may be raised.

Note 3 - Detailed Notes on All Funds**A. Taxes Receivable**

Taxes receivable at May 31, 2009 consisted of the following:

| | |
|-----------------|---------------------|
| Taxes - Overdue | \$ 230,147 |
| Tax Liens | 13,386 |
| Taxes - School | 2,371,575 |
| Taxes - County | <u>406,391</u> |
| | <u>\$ 3,021,499</u> |

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2009**Note 3 - Detailed Notes on All Funds (Continued)****B. Due From/To Other Funds**

The balances reflected as due from/to other funds at May 31, 2009 were as follows:

| | Due From | Due To |
|------------------------|---------------|---------------|
| General | \$ 410 | \$ - |
| Non-Major Governmental | - | 410 |
| | <u>\$ 410</u> | <u>\$ 410</u> |

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

C. Capital Assets

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

| Class | Balance June 1, 2008 | Additions | Deletions | Balance May 31, 2009 |
|-------------------------------------------------|----------------------------|---------------------|---------------------|----------------------------|
| Governmental Activities: | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | \$ 3,860,985 | \$ - | \$ - | \$ 3,860,985 |
| Construction-in-progress | 3,520,552 | 1,218,384 | 2,723,824 | 2,015,112 |
| Total Capital Assets, not being depreciated | <u>\$ 7,381,537</u> | <u>\$ 1,218,384</u> | <u>\$ 2,723,824</u> | <u>\$ 5,876,097</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings and Improvements | \$ 7,922,169 | \$ 3,375,526 | \$ - | \$ 11,297,695 |
| Land Improvements | 3,385,696 | 79,431 | - | 3,465,127 |
| Infrastructure | 44,567,793 | 1,083,762 | - | 45,651,555 |
| Machinery and Equipment | 12,738,510 | 1,390,544 | 94,655 | 14,034,399 |
| Total Capital Assets, being depreciated | <u>68,614,168</u> | <u>5,929,263</u> | <u>94,655</u> | <u>74,448,776</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | 3,389,301 | 544,450 | - | 3,933,751 |
| Land Improvements | 397,334 | 175,046 | - | 572,380 |
| Infrastructure | 31,988,200 | 1,299,404 | - | 33,287,604 |
| Machinery and Equipment | 9,443,739 | 889,750 | 94,655 | 10,238,834 |
| Total Accumulated Depreciation | <u>45,218,574</u> | <u>2,908,650</u> | <u>94,655</u> | <u>48,032,569</u> |
| Total Capital Assets, being depreciated, net | <u>\$ 23,395,594</u> | <u>\$ 3,020,613</u> | <u>\$ -</u> | <u>\$ 26,416,207</u> |
| Governmental Capital Assets, net | <u>\$ 30,777,131</u> | <u>\$ 4,238,997</u> | <u>\$ 2,723,824</u> | <u>\$ 32,292,304</u> |

VILLAGE OF SCARSDALE, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2009

Note 3 - Detailed Notes on All Funds (Continued)

| Class | Balance June 1, 2008 | Additions | Deletions | Balance May 31, 2009 |
|-------------------------------------------------|----------------------------|--------------------|-------------------|----------------------------|
| Business-Type Activities: | | | | |
| Capital Assets, not being depreciated | | | | |
| Land | \$ 149,789 | \$ - | \$ - | \$ 149,789 |
| Construction-in-progress | 1,797,493 | - | 232,971 | 1,564,522 |
| Total Capital Assets, not being depreciated | <u>\$ 1,947,282</u> | <u>\$ -</u> | <u>\$ 232,971</u> | <u>\$ 1,714,311</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings and Improvements | \$ 4,310,195 | \$ 259,913 | \$ - | \$ 4,570,108 |
| Infrastructure | 1,845,331 | - | - | 1,845,331 |
| Machinery and Equipment | 1,190,013 | 32,050 | - | 1,222,063 |
| Total Capital Assets, being depreciated | <u>7,345,539</u> | <u>291,963</u> | <u>-</u> | <u>7,637,502</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | 2,553,880 | 180,510 | - | 2,734,390 |
| Infrastructure | 1,353,395 | 35,157 | - | 1,388,552 |
| Machinery and Equipment | 956,784 | 87,204 | - | 1,043,988 |
| Total Accumulated Depreciation | <u>4,864,059</u> | <u>302,871</u> | <u>-</u> | <u>5,166,930</u> |
| Total Capital Assets, being depreciated, net | <u>\$ 2,481,480</u> | <u>\$ (10,908)</u> | <u>\$ -</u> | <u>\$ 2,470,572</u> |
| Business-Type Capital Assets, net | <u>\$ 4,428,762</u> | <u>\$ (10,908)</u> | <u>\$ 232,971</u> | <u>\$ 4,184,883</u> |

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

Governmental Activities:

| | |
|-----------------------------|------------------|
| General Government Support | \$ 713,614 |
| Public Safety | 428,168 |
| Culture and Recreation | 285,445 |
| Home and Community Services | <u>1,481,423</u> |

Total Depreciation Expense -
Governmental Activities

\$ 2,908,650

Business-type Activities:

| | |
|------------|----------------|
| Water Fund | \$ 138,039 |
| Pool Fund | <u>164,832</u> |

Total Depreciation Expense -
Business-type Activities

\$ 302,871

Note 3 - Detailed Notes on All Funds (Continued)**Construction Commitments**

The Village has active construction projects as of May 31, 2009. These projects include new construction and renovations. At year end, the Village had \$1,702,814 in construction encumbrances.

D. Pension Plans

The Village of Scarsdale, New York 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) (Systems). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees who joined ERS after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion (GTLI) and regular pension contributions. Contribution rates for the plans' year ended March 31, 2009 are as follows:

| | <u>Tier/Plan</u> | <u>Rate</u> |
|------|------------------|-------------|
| ERS | 1 75I | 10.7 % |
| | 2 75I | 9.8 |
| | 3 A14 | 7.9 |
| | 4 A15 | 7.9 |
| PFRS | 2 384D | 14.5 % |
| | 2 384E | 15.0 |
| | 2 375J | 10.7 |

Contributions made to the Systems for the current and two preceding years were as follows:

| | <u>ERS</u> | <u>PFRS</u> |
|------|------------|--------------|
| 2008 | \$ 990,658 | \$ 1,312,761 |
| 2007 | 951,628 | 1,379,520 |
| 2006 | 989,615 | 1,138,930 |

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2009**Note 3 - Detailed Notes on All Funds (Continued)**

The current PFRS contributions for the Village of Scarsdale, New York were charged to the General Fund. The current ERS contributions were distributed as follows: \$715,043 to the General Fund, \$64,461 to the Water Fund, \$133,032 to the Library and \$78,122 to the Garage Fund.

E. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2009:

| | Balance June 1, 2008 | New Issues/ Additions | Maturities and/or Payments | Balance May 31, 2009 | Due Within One-Year |
|---------------------------------------------------|----------------------------|--------------------------|----------------------------------|----------------------------|---------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable | \$ 8,210,045 | \$ - | \$ 825,863 | \$ 7,384,182 | \$ 878,562 |
| Compensated Absences | 4,092,800 | 539,349 | 409,280 | 4,222,869 | 422,286 |
| Other post employment benefit obligations payable | - | 2,548,972 | - | 2,548,972 | - |
| | <u>\$ 12,302,845</u> | <u>\$ 3,088,321</u> | <u>\$ 1,235,143</u> | <u>\$ 14,156,023</u> | <u>\$ 1,300,848</u> |
| Business-Type Activities: | | | | | |
| Bonds Payable | \$ 2,454,955 | \$ - | \$ 164,137 | \$ 2,290,818 | \$ 201,438 |
| Compensated Absences | 247,763 | - | 34,647 | 213,116 | 21,311 |
| Other post employment benefit obligations payable | - | 98,920 | - | 98,920 | - |
| Total Long-Term Liabilities | <u>\$ 2,702,718</u> | <u>\$ 98,920</u> | <u>\$ 198,784</u> | <u>\$ 2,602,854</u> | <u>\$ 222,749</u> |

Each governmental fund's liability for compensated absences are liquidated by the respective fund. The Village's indebtedness for bonds is satisfied by the General Fund or the appropriate Enterprise Fund.

Bonds Payable

Bonds payable at May 31, 2009 are comprised of the following individual issues:

| Purpose | Year of Issue | Original Issue Amount | Final Maturity | Interest Rates | Amount Outstanding at May 31, 2009 |
|--------------------------|------------------|-----------------------------|-------------------|-------------------|---------------------------------------------|
| Various Village Purposes | 1992 | \$ 4,645,000 | July, 2012 | 5.250 % | \$ 500,000 |
| Various Village Purposes | 1996 | 1,370,000 | September, 2015 | 5.1 - 5.300 | 225,000 |
| Various Village Purposes | 1997 | 1,175,000 | January, 2013 | 4.8 - 5.000 | 300,000 |
| Various Village Purposes | 2001 | 5,650,000 | August, 2013 | 4.0 - 4.250 | 2,785,000 |
| Various Village Purposes | 2002 | 1,550,000 | July, 2017 | 3.50 - 4.375 | 1,090,000 |
| Various Village Purposes | 2004 | 2,000,000 | September, 2027 | 4.0 - 4.500 | 1,820,000 |
| Various Village Purposes | 2008 | 3,000,000 | November, 2027 | 3.5 - 4.300 | 2,955,000 |
| | | | | | <u>\$ 9,675,000</u> |

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2009**Note 3 - Detailed Notes on All Funds (Continued)**

Interest expenditures/expense of \$442,924 were recorded in the fund financial statements, as detailed below. Interest expense of \$321,157 was recorded in the government-wide financial statements.

| <u>Fund</u> | <u>Amount</u> |
|--------------------------------------|-------------------|
| Governmental Funds - | |
| General-Village | \$ 340,714 |
| Proprietary Funds - | |
| Enterprise – Water Fund | 54,605 |
| Enterprise-Pool Fund | 34,331 |
| Internal Service-Central Garage Fund | <u>13,274</u> |
| | <u>\$ 442,924</u> |

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of May 31, 2009, including interest payments of \$2,785,381 are as follows:

| Year Ending May 31, | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------|-------------------------|---------------------|--------------------------|-------------------|---------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Total |
| 2010 | \$ 878,562 | \$ 293,707 | \$ 201,438 | \$ 87,142 | \$ 1,080,000 | \$ 380,849 |
| 2011 | 873,761 | 256,117 | 211,239 | 79,158 | 1,085,000 | 335,275 |
| 2012 | 878,960 | 218,227 | 221,040 | 70,691 | 1,100,000 | 288,918 |
| 2013 | 780,620 | 182,669 | 229,380 | 61,768 | 1,010,000 | 244,437 |
| 2014 | 699,779 | 149,843 | 235,221 | 52,451 | 935,000 | 202,294 |
| 2015-2019 | 1,327,500 | 531,383 | 347,500 | 208,190 | 1,675,000 | 739,573 |
| 2020-2024 | 925,000 | 318,171 | 430,000 | 133,459 | 1,355,000 | 451,630 |
| 2025-2027 | 1,020,000 | 106,112 | 415,000 | 36,293 | 1,435,000 | 142,405 |
| | <u>\$ 7,384,182</u> | <u>\$ 2,056,229</u> | <u>\$ 2,290,818</u> | <u>\$ 729,152</u> | <u>\$ 9,675,000</u> | <u>\$ 2,785,381</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.

Compensated Absences

Vacation time is generally taken in the year earned, although certain employees may accumulate up to two years of vacation time. Pursuant to the terms of its collective bargaining agreements, clerical, administrative, firefighters and library employees may accrue unlimited sick days; police officers may accrue up to 375 sick days; public works employees may accrue up to 200 sick days and crossing guards may accrue up to 115 sick days. Upon retirement all

Note 3 - Detailed Notes on All Funds (Continued)

employees may be paid their unused accumulated vacation days. Most employees are paid up to 1/3 their unused accumulated sick days. The police payout for sick days is 40% and the Fire Department payout is 33% of 1500 hours or a maximum of 533 hours. The Teamsters' sick day payout is based on a formula: 25% of the first 100 days unused accumulated sick leave days and 1/3 of the next 100 days unused, accumulated sick leave days to a maximum of 200 days. The value of all compensated absences has been reflected in the government-wide and proprietary fund financial statements.

F. 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 | Capital Projects | Non-Major Governmental | Business-Type | |
| General | \$ - | \$ 1,268,000 | \$ 2,961,534 | \$ 10,725 | \$ 4,240,259 |
| Town | 1,339,183 | - | - | - | 1,339,183 |
| Non-Major Governmental | - | 96,027 | 5,431 | - | 101,458 |
| Internal Service | - | - | - | - | - |
| Business-Type | - | 160,000 | - | - | 160,000 |
| Reconciling Item: Village/Town (Note 1) | (18,512) | - | - | - | (18,512) |
| | <u>\$ 1,320,671</u> | <u>\$ 1,524,027</u> | <u>\$ 2,966,965</u> | <u>\$ 10,725</u> | <u>\$ 5,822,388</u> |

Transfers are used to 1) move funds earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures, 2) move funds from the operating funds to fulfill commitments for Library Fund expenditures and 3) move amounts earmarked in the operating funds to fulfill commitments of the General, Water and Pool Funds.

G. Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, net of Related Debt - the component of net assets 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.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Capital Projects - the component of net assets that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Land Acquisitions and Improvements – the component of net assets that has been established pursuant to General Municipal Law to set aside funds to be used for future capital projects.

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

Restricted for Special Purpose Funds - the component of net assets that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

H. Fund Balances

The reserved and unreserved elements of fund balance are described below:

Reserved

Encumbrances outstanding have been reserved as it is 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 transaction.

The Reserve for Prepaid Expenditures has been established to account for the purchase of day camp supplies made in advance. This reserve indicates that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

The Reserve for Trusts has been established to set aside funds in accordance with terms of the grants.

The Reserve for Debt Service represents a segregation of the fund balance for debt service in accordance with the provisions of the Local Finance Law of the State of New York.

The Reserve for Long term receivable represents a segregation of the fund balance for uncollected taxes of the County and School.

Unreserved - Designated

Designations of fund balance are not legally required segregations, but represent intended use for a specific purpose. The following reflects Village's designations at May 31, 2009.

Note 3 - Detailed Notes on All Funds (Continued)

Designated for Subsequent Year's Expenditures - At May 31, 2009, the Village Board has designated that \$425,613 of the fund balance of the General Fund, \$1,793,000 of the fund balance of the Capital Projects Fund and \$178,826 of the fund balance of the Library Fund be appropriated for the ensuing year's budget.

Designated for Capital Projects - This designation, established by the Village Board, is used to segregate a portion of the fund balance of the General Fund to be utilized for the purpose of funding future Village capital projects.

Designated for contractual obligations - This designation is used to segregate a portion of fund balance of the General Fund for contractual obligations.

Designated for taxpayer relief - This designation is used to segregate a portion of fund balance of the General Fund for tax payer relief.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees. 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. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements.

The Village's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For the calendar year ended May 31, 2009, the Village's annual OPEB cost of \$4,599,310 was equal to the ARC.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective.

NOTES TO FINANCIAL STATEMENTS (Concluded)
MAY 31, 2009**Note 3 - Detailed Notes on All Funds (Continued)**

The Village is required to accrue on the government-wide and proprietary fund financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in postretirement benefits are as follows:

| <u>Year Ended December 31,</u> | <u>Rate</u> |
|------------------------------------|-------------|
| 2010 | 6.50 % |
| 2011 | 5.50 |
| 2012+ | 5.00 |

The Village currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the entry age method.

The number of participants as of May 31, 2009 was as follows:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|-------------------|------------------------------------|-------------------------------------|--------------|
| Active Employees | 250 | 9 | 161 |
| Retired Employees | 181 | 2 | 91 |
| | <u>431</u> | <u>11</u> | <u>252</u> |

| | <u>Governmental Funds</u> | <u>Enterprise Funds</u> | <u>Internal Service Fund</u> | <u>Total</u> |
|------------------------------------------------|-------------------------------|-----------------------------|----------------------------------|----------------------|
| Amortization Component: | | | | |
| Actuarial Accrued Liability as of June 1, 2008 | \$ 57,845,124 | \$ 1,006,115 | \$ 1,108,494 | \$ 59,959,733 |
| Assets at Market Value | - | - | - | - |
| Unfunded Actuarial Accrued Liability | <u>\$ 57,845,124</u> | <u>\$ 1,006,115</u> | <u>\$ 1,108,494</u> | <u>\$ 59,959,733</u> |
| Covered payroll (active plan members) | 16,014,801 | 717,932 | 844,607 | 17,577,340 |
| UAAL as a percentage of covered payroll | 361.20% | 140.14% | 131.24% | 341.12% |
| Normal Cost Component | \$ 1,788,827 | \$ 52,595 | \$ 82,653 | \$ 1,924,075 |
| Interest on Normal Cost | <u>138,311</u> | <u>3,914</u> | <u>5,499</u> | <u>147,724</u> |
| Total Normal Cost | <u>1,927,138</u> | <u>56,509</u> | <u>88,152</u> | <u>2,071,799</u> |
| Amortization of Unfunded Accrued Liability | 2,438,373 | 42,411 | 46,727 | 2,527,511 |
| Annual OPEB Cost | 4,365,511 | 98,920 | 134,879 | 4,599,310 |
| Contributions Made | <u>(1,951,418)</u> | <u>-</u> | <u>-</u> | <u>(1,951,418)</u> |
| Net OPEB Cost at May 31, 2009 | <u>\$ 2,414,093</u> | <u>\$ 98,920</u> | <u>\$ 134,879</u> | <u>\$ 2,647,892</u> |

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

The Village purchases various insurance coverages to reduce its exposure to loss. The Village maintains general liability and public entity management liability insurance coverage, with policy limits of \$2 million and \$5 million, respectively. The Village also maintains an umbrella policy which provides coverage up to \$15 million. Worker's compensation is secured with statutory coverages. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Village also purchases conventional health insurance from various providers.

Note 5- Subsequent event

The Village, on June 29, 2009, issued public improvement serial bonds in the amount of \$10,500,000 for the partial reconstruction and construction of an addition to the Public Safety Building with maturities from June 2011 through June 2024. Interest rates vary from 2.5% to 4%, depending on maturity.

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2009 AND 2008

| | 2009 | 2008 |
|-----------------------------------------------|----------------------|----------------------|
| <u>ASSETS</u> | | |
| Cash: | | |
| Demand deposits | \$ 2,320,267 | \$ 7,233,517 |
| Petty cash | 1,972 | 1,355 |
| | <u>2,322,239</u> | <u>7,234,872</u> |
| Investments | <u>7,560,042</u> | <u>2,276,732</u> |
| Taxes Receivable | <u>243,533</u> | <u>205,438</u> |
| Other Receivables: | | |
| Accounts | 38,297 | 58,957 |
| Special assessments | 686,965 | 826,240 |
| State and Federal aid | 585,554 | 730,765 |
| Due from other funds | 410 | 29,429 |
| Due from other governments | 70,404 | 75,009 |
| | <u>1,381,630</u> | <u>1,720,400</u> |
| Prepaid Expenditures | <u>369,213</u> | <u>753,281</u> |
| Total Assets | <u>\$ 11,876,657</u> | <u>\$ 12,190,723</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 1,540,985 | \$ 1,965,097 |
| Accrued liabilities | 467,887 | 448,946 |
| Due to other funds | - | 2,276 |
| Due to retirement systems | 315,541 | 414,731 |
| Deferred revenues - Taxes | 207,178 | 205,438 |
| Deferred revenues - Other | 1,387,886 | 1,433,438 |
| Total Liabilities | <u>3,919,477</u> | <u>4,469,926</u> |
| Fund Balance: | | |
| Reserved for encumbrances | - | 439,772 |
| Reserved for prepaid expenditures | 369,213 | 753,281 |
| Reserved for debt service | 137,415 | 136,274 |
| Unreserved: | | |
| Designated for subsequent year's expenditures | 425,613 | 259,685 |
| Designated for contractual obligations | 945,000 | 200,000 |
| Designated for capital projects | 454,000 | 750,000 |
| Designated for taxpayer relief | 400,000 | - |
| Undesignated | 5,225,939 | 5,181,785 |
| Total Fund Balance | <u>7,957,180</u> | <u>7,720,797</u> |
| Total Liabilities and Fund Balance | <u>\$ 11,876,657</u> | <u>\$ 12,190,723</u> |

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEARS ENDED MAY 31, 2009 AND 2008

| | 2009 | | | Variance with Final Budget Positive (Negative) |
|--------------------------------------------|--------------------|-----------------|---------------|---------------------------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Real property taxes | \$ 27,206,349 | \$ 27,206,349 | \$ 27,261,252 | \$ 54,903 |
| Other tax items | 565,416 | 565,416 | 219,323 | (346,093) |
| Non-property taxes | 2,967,000 | 2,967,000 | 3,070,393 | 103,393 |
| Departmental income | 3,222,756 | 3,222,756 | 2,981,724 | (241,032) |
| Intergovernmental revenues | 112,500 | 112,500 | 139,668 | 27,168 |
| Use of money and property | 1,640,100 | 1,640,100 | 1,014,180 | (625,920) |
| Interfund revenues | 578,180 | 578,180 | 578,180 | - |
| Licenses and permits | 1,487,750 | 1,487,750 | 1,428,415 | (59,335) |
| Fines and forfeitures | 719,000 | 719,000 | 637,355 | (81,645) |
| Sale of property and compensation for loss | 70,000 | 70,000 | 108,261 | 38,261 |
| State aid | 2,669,169 | 2,669,169 | 823,795 | (1,845,374) |
| Federal aid | - | - | - | - |
| Miscellaneous | 372,000 | 372,000 | 438,576 | 66,576 |
| Total Revenues | 41,610,220 | 41,610,220 | 38,701,122 | (2,909,098) |
| Expenditures: | | | | |
| Current: | | | | |
| General government support | 7,767,413 | 8,762,702 | 6,783,955 | 1,978,747 |
| Public safety | 11,119,059 | 11,038,989 | 10,649,270 | 389,719 |
| Culture and recreation | 2,472,384 | 2,352,224 | 2,243,176 | 109,048 |
| Home and community services | 6,812,663 | 6,609,222 | 6,279,602 | 329,620 |
| Employee benefits | 9,414,325 | 9,121,350 | 8,849,571 | 271,779 |
| Debt service: | | | | |
| Principal | 714,704 | 738,863 | 738,863 | - |
| Interest | 343,870 | 343,870 | 340,714 | 3,156 |
| Total Expenditures | 38,644,418 | 38,967,220 | 35,885,151 | 3,082,069 |
| Excess of Revenues Over Expenditures | 2,965,802 | 2,643,000 | 2,815,971 | 172,971 |
| Other Financing Sources (Uses): | | | | |
| Sale of real property | - | 335,000 | 340,000 | 5,000 |
| Transfers in | - | - | 1,320,671 | 1,320,671 |
| Transfers out | (3,665,259) | (4,240,259) | (4,240,259) | - |
| Total Other Financing Uses | (3,665,259) | (3,905,259) | (2,579,588) | 1,325,671 |
| Net Change in Fund Balance | (699,457) | (1,262,259) | 236,383 | 1,498,642 |
| Fund Balance - Beginning of Year | 699,457 | 1,262,259 | 7,720,797 | 6,458,538 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 7,957,180 | \$ 7,957,180 |

| 2008 | | | |
|--------------------|-----------------|---------------|---------------------------------------------------------|
| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| \$ 25,591,004 | \$ 25,591,004 | \$ 25,623,720 | \$ 32,716 |
| 520,600 | 520,600 | 195,994 | (324,606) |
| 2,881,000 | 2,881,000 | 3,155,303 | 274,303 |
| 2,815,278 | 2,815,278 | 2,877,292 | 62,014 |
| 112,500 | 112,500 | 98,095 | (14,405) |
| 1,637,100 | 1,637,100 | 1,683,602 | 46,502 |
| 548,960 | 548,960 | 548,960 | |
| 1,376,500 | 1,376,500 | 1,652,034 | 275,534 |
| 692,000 | 692,000 | 678,570 | (13,430) |
| 75,000 | 75,000 | 91,647 | 16,647 |
| 2,654,470 | 2,685,090 | 1,212,615 | (1,472,475) |
| - | 95,310 | 95,310 | - |
| 357,000 | 357,000 | 393,950 | 36,950 |
| 39,261,412 | 39,387,342 | 38,307,092 | (1,080,250) |
| 7,475,849 | 7,193,811 | 6,711,810 | 482,001 |
| 10,328,153 | 10,432,332 | 10,198,569 | 233,763 |
| 2,438,752 | 2,439,164 | 2,298,323 | 140,841 |
| 6,295,555 | 6,473,003 | 6,266,023 | 206,980 |
| 8,768,628 | 8,768,628 | 8,476,431 | 292,197 |
| 692,204 | 692,204 | 692,204 | - |
| 286,337 | 286,337 | 286,337 | - |
| 36,285,478 | 36,285,479 | 34,929,697 | 1,355,782 |
| 2,975,934 | 3,101,863 | 3,377,395 | 275,532 |
| - | - | 19,307 | 19,307 |
| 1,063,000 | 1,107,000 | 3,089,826 | 1,982,826 |
| (4,634,295) | (6,974,225) | (6,974,225) | - |
| (3,571,295) | (5,867,225) | (3,865,092) | 2,002,133 |
| (595,361) | (2,765,362) | (487,697) | 2,277,665 |
| 595,361 | 2,765,362 | 8,208,494 | 5,443,132 |
| \$ - | \$ - | \$ 7,720,797 | \$ 7,720,797 |

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
YEAR ENDED MAY 31, 2009
(With Comparative Actuals for 2008)

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | 2008 Actual |
|-------------------------------------------|--------------------|-----------------|---------------|---------------------------------------------------------|----------------|
| PROPERTY TAXES | \$ 27,206,349 | \$ 27,206,349 | \$ 27,261,252 | \$ 54,903 | \$ 25,623,720 |
| OTHER TAX ITEMS | | | | | |
| Special assessments | 137,416 | 137,416 | 137,415 | (1) | 136,274 |
| Interest and penalties - Taxes | 428,000 | 428,000 | 81,908 | (346,092) | 59,720 |
| | 565,416 | 565,416 | 219,323 | (346,093) | 195,994 |
| NON-PROPERTY TAXES | | | | | |
| Non-property tax distribution from County | 2,350,000 | 2,350,000 | 2,319,357 | (30,643) | 2,465,871 |
| Utilities gross receipts tax | 367,000 | 367,000 | 448,786 | 81,786 | 412,932 |
| Franchise fees | 250,000 | 250,000 | 302,250 | 52,250 | 276,500 |
| | 2,967,000 | 2,967,000 | 3,070,393 | 103,393 | 3,155,303 |
| DEPARTMENTAL INCOME | | | | | |
| Clerks fees | 3,500 | 3,500 | 3,648 | 148 | 3,540 |
| Police Department fees | 5,000 | 5,000 | 7,645 | 2,645 | 6,001 |
| Fire Department fees | 5,000 | 5,000 | 2,450 | (2,550) | 4,850 |
| Safety inspection fees | 100,000 | 100,000 | 67,725 | (32,275) | 181,519 |
| Public Works fees | 10,000 | 10,000 | 11,225 | 1,225 | 9,675 |
| Parking fees | 1,532,870 | 1,532,870 | 1,353,593 | (179,277) | 1,261,777 |
| Parks and recreation fees | 1,486,901 | 1,486,901 | 1,423,295 | (63,606) | 1,303,320 |
| Zoning and Appeals Board fees | 12,000 | 12,000 | 11,275 | (725) | 15,125 |
| Planning Board fees | 12,985 | 12,985 | 13,580 | 595 | 10,165 |
| Disposal site fees | 39,500 | 39,500 | 72,450 | 32,950 | 56,904 |
| Board of Architectural Review fees | 15,000 | 15,000 | 14,838 | (162) | 24,080 |
| Alarm monitoring fees | - | - | - | - | 336 |
| | 3,222,756 | 3,222,756 | 2,981,724 | (241,032) | 2,877,292 |

INTERGOVERNMENTAL REVENUES

| | | | | | |
|--------------------|--------|--------|--------|--------|--------|
| Snow removal | 25,000 | 25,000 | 52,168 | 27,168 | 10,595 |
| Board of Education | 87,500 | 87,500 | 87,500 | - | 87,500 |

INTERFUND REVENUES

| | | | | | |
|--|---------|---------|---------|--------|--------|
| | 112,500 | 112,500 | 139,668 | 27,168 | 98,095 |
|--|---------|---------|---------|--------|--------|

USE OF MONEY AND PROPERTY

| | | | | | |
|-------------------|-----------|-----------|-----------|-----------|-----------|
| Interest earnings | 1,107,000 | 1,107,000 | 518,657 | (588,343) | 1,151,162 |
| Rental income | 533,000 | 533,000 | 495,523 | (37,477) | 532,440 |
| Commissions | 100 | 100 | - | (100) | - |
| | 1,640,100 | 1,640,100 | 1,014,180 | (625,920) | 1,683,602 |

LICENSES AND PERMITS

| | | | | | |
|---------------------------|-----------|-----------|-----------|----------|-----------|
| Occupational licenses | 4,500 | 4,500 | 8,030 | 3,530 | 7,960 |
| Dog licenses | 5,500 | 5,500 | 5,423 | (77) | 5,566 |
| Marriage licenses | 3,000 | 3,000 | - | (3,000) | - |
| Building permits | 1,003,250 | 1,003,250 | 949,617 | (53,633) | 1,190,091 |
| Alarm user annual permits | 306,000 | 306,000 | 308,623 | 2,623 | 310,382 |
| Other permits | 165,500 | 165,500 | 156,722 | (8,778) | 138,035 |
| | 1,487,750 | 1,487,750 | 1,428,415 | (59,335) | 1,652,034 |

FINES AND FORFEITURES

| | | | | | |
|---------------------|---------|---------|---------|----------|---------|
| Justice Court fines | 654,000 | 654,000 | 586,436 | (67,564) | 627,762 |
| Alarm fines | 65,000 | 65,000 | 50,919 | (14,081) | 50,808 |

| | | | | | |
|--|---------|---------|---------|----------|---------|
| | 719,000 | 719,000 | 637,355 | (81,645) | 678,570 |
|--|---------|---------|---------|----------|---------|

SALE OF PROPERTY AND COMPENSATION FOR LOSS

| | | | | | |
|---------------------------------------------|--------|--------|--------|----------|--------|
| Minor sales | 25,000 | 25,000 | 33,946 | 8,946 | 4,295 |
| Sale of equipment - Trucks and cars | 25,000 | 25,000 | 11,986 | (13,014) | 45,948 |
| Worker's compensation insurance recoveries | 20,000 | 20,000 | 60,915 | 40,915 | 41,404 |
| Payment for loss of revenue - Christy Place | - | - | 1,414 | 1,414 | - |

| | | | | | |
|--|--------|--------|---------|--------|--------|
| | 70,000 | 70,000 | 108,261 | 38,261 | 91,647 |
|--|--------|--------|---------|--------|--------|

(Continued)

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)
YEAR ENDED MAY 31, 2009
(With Comparative Actuals for 2008)

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | 2008 Actual |
|-----------------------------------------------|----------------------|----------------------|----------------------|---------------------------------------------------------|----------------------|
| STATE AID | | | | | |
| Per capita | \$ 205,169 | \$ 205,169 | \$ 150,070 | \$ (55,099) | \$ 145,699 |
| Mortgage tax | 2,450,000 | 2,450,000 | 642,379 | (1,807,621) | 1,030,188 |
| STAR reimbursement | 4,000 | 4,000 | - | (4,000) | - |
| Disaster aid | - | - | - | - | 30,620 |
| Traffic safety | - | - | 18,675 | 18,675 | 569 |
| Youth programs | 10,000 | 10,000 | 12,671 | 2,671 | 5,539 |
| | <u>2,669,169</u> | <u>2,669,169</u> | <u>823,795</u> | <u>(1,845,374)</u> | <u>1,212,615</u> |
| FEDERAL AID | | | | | |
| Federal Emergency Management Agency | - | - | - | - | 95,310 |
| MISCELLANEOUS | | | | | |
| Refunds of prior year's expenditures | 10,000 | 10,000 | 9,315 | (685) | 3,328 |
| Gifts and donations | - | - | 200 | 200 | 641 |
| Employee health insurance reimbursements | 160,000 | 160,000 | 223,670 | 63,670 | 196,238 |
| Other | 202,000 | 202,000 | 205,391 | 3,391 | 193,743 |
| | <u>372,000</u> | <u>372,000</u> | <u>438,576</u> | <u>66,576</u> | <u>393,950</u> |
| TOTAL REVENUES | <u>41,610,220</u> | <u>41,610,220</u> | <u>38,701,122</u> | <u>(2,909,098)</u> | <u>38,307,092</u> |
| OTHER FINANCING SOURCES | | | | | |
| Sale of real property | - | 335,000 | 340,000 | 5,000 | 19,307 |
| Transfers in: | | | | | |
| Town Fund | - | - | 1,320,671 | 1,320,671 | 1,982,826 |
| Capital Projects Fund | - | - | - | - | 1,107,000 |
| | - | - | 1,320,671 | 1,320,671 | 3,089,826 |
| TOTAL OTHER FINANCING SOURCES | - | 335,000 | 1,660,671 | 1,325,671 | 3,109,133 |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>\$ 41,610,220</u> | <u>\$ 41,945,220</u> | <u>\$ 40,361,793</u> | <u>\$ (1,583,427)</u> | <u>\$ 41,416,225</u> |

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2009

(With Comparative Actuals for 2008)

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | 2008 Actual |
|--------------------------------|--------------------|-------------------|-------------------|---------------------------------------------------------|-------------------|
| GENERAL GOVERNMENT SUPPORT | | | | | |
| Municipal court | \$ 438,746 | \$ 447,255 | \$ 405,204 | \$ 42,051 | \$ 379,750 |
| Village manager | 827,687 | 832,888 | 814,223 | 18,665 | 772,601 |
| Village treasurer | 578,738 | 554,782 | 524,077 | 30,705 | 555,664 |
| Assessor | 245,022 | 248,189 | 225,199 | 22,990 | 245,917 |
| Village clerk | 191,980 | 205,478 | 179,805 | 25,673 | 170,970 |
| Village attorney | 376,343 | 397,982 | 387,405 | 10,577 | 369,852 |
| Human resources | 251,441 | 253,466 | 237,034 | 16,432 | 221,987 |
| Information technology | 489,959 | 411,950 | 381,637 | 30,313 | 406,103 |
| Building and safety inspection | 489,170 | 528,114 | 454,152 | 73,962 | 469,332 |
| Planning | 241,634 | 237,414 | 194,211 | 43,203 | 204,422 |
| Human services | 471,550 | 471,709 | 471,709 | - | 457,050 |
| Utilities | 174,810 | 174,810 | 164,894 | 9,916 | 169,919 |
| Liability insurance | 524,700 | 400,000 | 377,190 | 22,810 | 451,574 |
| Central garage | 1,590,710 | 1,580,710 | 1,580,710 | - | 1,479,774 |
| Miscellaneous | 874,923 | 386,505 | 386,505 | - | 356,895 |
| Special contingency | - | 1,631,450 | - | 1,631,450 | - |
| | <u>7,767,413</u> | <u>8,762,702</u> | <u>6,783,955</u> | <u>1,978,747</u> | <u>6,711,810</u> |
| PUBLIC SAFETY | | | | | |
| Police | 5,769,758 | 5,806,886 | 5,688,474 | 118,412 | 5,390,508 |
| Fire | 5,349,301 | 5,232,103 | 4,960,796 | 271,307 | 4,808,061 |
| | <u>11,119,059</u> | <u>11,038,989</u> | <u>10,649,270</u> | <u>389,719</u> | <u>10,198,569</u> |

CULTURE AND RECREATION

Parks and recreation - Administration
 Youth camps
 Nature center
 Playgrounds
 Recreation
 Senior citizens
 Tennis

| | | | | |
|------------------|------------------|------------------|----------------|------------------|
| 512,114 | 497,303 | 494,337 | 2,966 | 499,889 |
| 611,775 | 540,226 | 535,405 | 4,821 | 610,896 |
| 85,357 | 86,733 | 83,811 | 2,922 | 92,179 |
| 365,608 | 325,687 | 312,523 | 13,164 | 324,402 |
| 573,462 | 562,845 | 497,607 | 65,238 | 472,888 |
| 51,226 | 55,982 | 42,315 | 13,667 | 37,066 |
| 272,842 | 283,448 | 277,178 | 6,270 | 261,003 |
| <u>2,472,384</u> | <u>2,352,224</u> | <u>2,243,176</u> | <u>109,048</u> | <u>2,298,323</u> |

HOME AND COMMUNITY SERVICES

Administration
 Engineer
 Facilities maintenance
 Highway
 Sanitation

| | | | | |
|------------------|------------------|------------------|----------------|------------------|
| 356,687 | 390,231 | 387,530 | 2,701 | 389,715 |
| 328,043 | 269,562 | 237,030 | 32,532 | 233,969 |
| 1,161,239 | 1,101,105 | 994,320 | 106,785 | 954,057 |
| 2,822,316 | 2,665,445 | 2,665,445 | - | 2,688,865 |
| 2,144,378 | 2,182,879 | 1,995,277 | 187,602 | 1,999,417 |
| <u>6,812,663</u> | <u>6,609,222</u> | <u>6,279,602</u> | <u>329,620</u> | <u>6,266,023</u> |

EMPLOYEE BENEFITS

State retirement
 Social security
 Workers' compensation
 Hospital and medical insurance
 Unemployment benefits
 Compensated absences
 Life insurance

| | | | | |
|------------------|------------------|------------------|----------------|------------------|
| 2,098,468 | 2,185,575 | 2,027,804 | 157,771 | 2,045,417 |
| 1,495,000 | 1,394,197 | 1,394,197 | - | 1,387,660 |
| 515,320 | 470,770 | 470,770 | - | 474,099 |
| 4,959,572 | 4,657,789 | 4,545,239 | 112,550 | 4,381,890 |
| 40,000 | 37,237 | 37,236 | 1 | 36,252 |
| 205,000 | 278,659 | 278,659 | - | 118,674 |
| 100,965 | 97,123 | 95,666 | 1,457 | 32,439 |
| <u>9,414,325</u> | <u>9,121,350</u> | <u>8,849,571</u> | <u>271,779</u> | <u>8,476,431</u> |

DEBT SERVICE

Serial Bonds:
 Principal
 Interest

| | | | | |
|-------------------|-------------------|-------------------|------------------|-------------------|
| 714,704 | 738,863 | 738,863 | - | 692,204 |
| 343,870 | 343,870 | 340,714 | 3,156 | 286,337 |
| <u>1,058,574</u> | <u>1,082,733</u> | <u>1,079,577</u> | <u>3,156</u> | <u>978,541</u> |
| <u>38,644,418</u> | <u>38,967,220</u> | <u>35,885,151</u> | <u>3,082,069</u> | <u>34,929,697</u> |

TOTAL EXPENDITURES

(Continued)

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
YEAR ENDED MAY 31, 2009
(With Comparative Actuals for 2008)

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) | 2008 Actual |
|------------------------------------------------|--------------------|-----------------|---------------|---------------------------------------------------------|----------------|
| OTHER FINANCING USES | | | | | |
| Transfers out: | | | | | |
| Capital Projects Fund | \$ 638,000 | \$ 1,268,000 | \$ 1,268,000 | \$ - | \$ 4,127,180 |
| Non-Major Governmental Funds | 3,016,534 | 2,961,534 | 2,961,534 | - | 2,836,320 |
| Pool Fund | 10,725 | 10,725 | 10,725 | - | 10,725 |
| Total Other Financing Uses | 3,665,259 | 4,240,259 | 4,240,259 | - | 6,974,225 |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | \$ 42,309,677 | \$ 43,207,479 | \$ 40,125,410 | \$ 3,082,069 | \$ 41,903,922 |

VILLAGE OF SCARSDALE, NEW YORK

TOWN FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|----------------------------------------|----------------------------|----------------------------|
| <u>ASSETS</u> | | |
| Cash - Demand deposits | <u>\$ 615,343</u> | <u>\$ 910,180</u> |
| Investments | <u>46,236</u> | <u>131,254</u> |
| Taxes Receivable: | | |
| School district | 2,371,575 | 1,642,323 |
| County | <u>406,391</u> | <u>264,072</u> |
| | <u>2,777,966</u> | <u>1,906,395</u> |
| Total Assets | <u><u>\$ 3,439,545</u></u> | <u><u>\$ 2,947,829</u></u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities - Due to other governments | <u>\$ 1,921,131</u> | <u>\$ 1,478,441</u> |
| Fund Balance: | | |
| Reserved for long term receivable | 951,651 | 721,813 |
| Unreserved and undesignated | <u>566,763</u> | <u>747,575</u> |
| Total Fund Balance | <u>1,518,414</u> | <u>1,469,388</u> |
| Total Liabilities and Fund Balance | <u><u>\$ 3,439,545</u></u> | <u><u>\$ 2,947,829</u></u> |

VILLAGE OF SCARSDALE, NEW YORK

TOWN FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MAY 31, 2009 AND 2008

| | 2009 | 2008 |
|-----------------------------------------|--------------|--------------|
| Revenues: | | |
| Other tax items | \$ 358,008 | \$ 393,168 |
| Departmental income | 4,084 | 2,285 |
| Use of money and property | 197,794 | 364,600 |
| State aid | 820,205 | 1,419,564 |
| Miscellaneous | 8,118 | 8,433 |
| Total Revenues | 1,388,209 | 2,188,050 |
| Expenditures | - | - |
| Excess of Revenues Over Expenditures | 1,388,209 | 2,188,050 |
| Other Financing Uses - Transfers out | (1,339,183) | (1,884,468) |
| Net Change in Fund Balance | 49,026 | 303,582 |
| Fund Balance - Beginning of Year | 1,469,388 | 1,165,806 |
| Fund Balance - End of Year | \$ 1,518,414 | \$ 1,469,388 |

VILLAGE OF SCARSDALE, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2009 AND 2008

| | 2009 | 2008 |
|------------------------------------------------|---------------------|---------------------|
| <u>ASSETS</u> | | |
| Cash: | | |
| Demand deposits | \$ 1,735,309 | \$ 1,538,933 |
| Time deposits | - | 1,430,000 |
| | <u>1,735,309</u> | <u>2,968,933</u> |
| Investments | <u>3,016,306</u> | <u>4,224,212</u> |
| Receivables: | | |
| Accounts | 6,313 | 19,539 |
| State and Federal aid | 150,000 | - |
| Due from other funds | - | 31,389 |
| | <u>156,313</u> | <u>50,928</u> |
| Total Assets | <u>\$ 4,907,928</u> | <u>\$ 7,244,073</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 111,318 | \$ 177,060 |
| Accrued liabilities | 447,530 | 271,186 |
| Retainages payable | 198,516 | 101,470 |
| Deferred revenues | - | 184,807 |
| Due to other funds | - | 19,539 |
| Total Liabilities | <u>757,364</u> | <u>754,062</u> |
| Fund Balance: | | |
| Reserved for encumbrances | 1,702,814 | 1,644,783 |
| Reserved for land acquisition and improvements | 180,084 | 428,386 |
| Unreserved: | | |
| Designated for subsequent year's expenditures | 1,793,000 | 1,642,805 |
| Undesignated | 474,666 | 4,418,820 |
| Total Fund Balance | <u>4,150,564</u> | <u>6,490,011</u> |
| Total Liabilities and Fund Balance | <u>\$ 4,907,928</u> | <u>\$ 7,244,073</u> |

VILLAGE OF SCARSDALE, NEW YORK

CAPITAL PROJECTS FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEARS ENDED MAY 31, 2009 AND 2008

| | 2009 | | | Variance with Final Budget Positive (Negative) |
|--------------------------------------------------|--------------------|-----------------|--------------|---------------------------------------------------------|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Use of money and property | \$ 210,000 | \$ 210,000 | \$ 120,832 | \$ (89,168) |
| State aid | 9,100,155 | 9,250,155 | 902,318 | (8,347,837) |
| Federal aid | 47,000 | 47,000 | 346,592 | 299,592 |
| Miscellaneous | 2,479,500 | 2,772,817 | 395,097 | (2,377,720) |
| Total Revenues | 11,836,655 | 12,279,972 | 1,764,839 | (10,515,133) |
| Expenditures - Capital outlay | 28,235,743 | 28,312,542 | 5,628,313 | 22,684,229 |
| Deficiency of Revenues Over Expenditures | (16,399,088) | (16,032,570) | (3,863,474) | 12,169,096 |
| Other Financing Sources (Uses): | | | | |
| Bonds issued | 12,112,000 | 12,112,000 | - | (12,112,000) |
| Transfers in | 999,500 | 1,629,500 | 1,524,027 | (105,473) |
| Transfers out | - | - | - | - |
| Total Other Financing Sources | 13,111,500 | 13,741,500 | 1,524,027 | (12,217,473) |
| Net Change in Fund Balance | (3,287,588) | (2,291,070) | (2,339,447) | (48,377) |
| Fund Balance - Beginning of Year, as reported | 3,287,588 | 2,291,070 | 6,490,011 | 4,198,941 |
| Prior Period Adjustment | - | - | - | - |
| Fund Balance - Beginning of Year, as restated | 3,287,588 | 2,291,070 | 6,490,011 | 4,198,941 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 4,150,564 | \$ 4,150,564 |

| 2008 | | | |
|--------------------|-----------------|--------------|---------------------------------------------------------|
| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| \$ 150,000 | \$ 150,000 | \$ 232,070 | \$ 82,070 |
| 8,900,000 | 8,946,584 | 269,929 | (8,676,655) |
| - | 143,479 | 329,790 | 186,311 |
| 756,000 | 676,634 | 149,681 | (526,953) |
| 9,806,000 | 9,916,697 | 981,470 | (8,935,227) |
| 29,249,785 | 30,592,512 | 5,301,480 | 25,291,032 |
| (19,443,785) | (20,675,815) | (4,320,010) | 16,355,805 |
| 12,238,000 | 12,238,000 | 1,500,000 | (6,765,000) |
| 2,271,000 | 4,610,930 | 4,464,161 | 885,000 |
| (351,000) | (1,458,900) | (1,458,900) | (340,000) |
| 14,158,000 | 15,390,030 | 4,505,261 | (6,220,000) |
| (5,285,785) | (5,285,785) | 185,251 | 10,135,805 |
| 5,285,785 | 5,285,785 | 5,999,947 | 714,162 |
| - | - | 304,813 | - |
| 5,285,785 | 5,285,785 | 6,304,760 | 714,162 |
| \$ - | \$ - | \$ 6,490,011 | \$ 10,849,967 |

VILLAGE OF SCARSDALE, NEW YORK

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
MAY 31, 2009
(With Comparative Totals for 2008)

| | Library | Special Purpose | Permanent |
|--------------------------------------------------|-------------------|--------------------|-------------------|
| <u>ASSETS</u> | | | |
| Cash and Equivalents | \$ 225,010 | \$ 4,720 | \$ - |
| Investments | 146,232 | 558,013 | 572,600 |
| Accounts Receivable | - | 410 | - |
| Prepaid Expenditures | 26,946 | - | - |
| Total Assets | <u>\$ 398,188</u> | <u>\$ 563,143</u> | <u>\$ 572,600</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ 27,317 | \$ 111,516 | \$ - |
| Accrued liabilities | 49,465 | - | - |
| Due to other funds | - | 410 | - |
| Total Liabilities | <u>76,782</u> | <u>111,926</u> | <u>-</u> |
| Fund Balances: | | | |
| Reserved for prepaid expenditures | 26,946 | - | - |
| Reserved for trusts | - | 451,217 | 572,600 |
| Unreserved: | | | |
| Designated for subsequent year's expenditures | 178,826 | - | - |
| Undesignated | 115,634 | - | - |
| Total Fund Balances | <u>321,406</u> | <u>451,217</u> | <u>572,600</u> |
| Total Liabilities and Fund Balances | <u>\$ 398,188</u> | <u>\$ 563,143</u> | <u>\$ 572,600</u> |

Total Non-Major
Governmental Funds

| 2009 | 2008 |
|---------------------|---------------------|
| | |
| \$ 229,730 | \$ 343,742 |
| 1,276,845 | 967,616 |
| 410 | 241,979 |
| 26,946 | 39,180 |
| | |
| <u>\$ 1,533,931</u> | <u>\$ 1,592,517</u> |

| | |
|----------------|----------------|
| \$ 138,833 | \$ 201,075 |
| 49,465 | 48,635 |
| 410 | 30,666 |
| | |
| <u>188,708</u> | <u>280,376</u> |

| | |
|-----------|-----------|
| 26,946 | 39,180 |
| 1,023,817 | 1,021,676 |

| | |
|---------------------|---------------------|
| 178,826 | 95,000 |
| 115,634 | 156,285 |
| | |
| <u>1,345,223</u> | <u>1,312,141</u> |
| | |
| <u>\$ 1,533,931</u> | <u>\$ 1,592,517</u> |

VILLAGE OF SCARSDALE, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED MAY 31, 2009
 (With Comparative Totals for 2008)

| | Library | Special Purpose | Permanent |
|------------------------------------------------------|-------------|--------------------|------------|
| Revenues: | | | |
| Departmental income | \$ 66,823 | \$ - | \$ - |
| Use of money and property | 10,444 | 2,562 | 5,431 |
| State aid | 7,270 | - | - |
| Miscellaneous | 15,596 | 161,575 | - |
| Total Revenues | 100,133 | 164,137 | 5,431 |
| Expenditures - | | | |
| Current: | | | |
| Culture and recreation | 2,381,339 | 54,469 | - |
| Public safety | - | 16,931 | - |
| Employee benefits | 649,387 | - | - |
| Total Expenditures | 3,030,726 | 71,400 | - |
| Excess (Deficiency) of Revenues Over Expenditures | (2,930,593) | 92,737 | 5,431 |
| Other Financing Sources (Uses): | | | |
| Transfers in | 2,961,534 | 5,431 | - |
| Transfers out | - | (96,027) | (5,431) |
| Total Other Financing Sources (Uses) | 2,961,534 | (90,596) | (5,431) |
| Net Change in Fund Balances | 30,941 | 2,141 | - |
| Fund Balances - Beginning of Year, as reported | 290,465 | 449,076 | 572,600 |
| Prior Period Adjustment | - | - | - |
| Fund Balances - Beginning of Year, as restated | 290,465 | 449,076 | 572,600 |
| Fund Balances - End of Year | \$ 321,406 | \$ 451,217 | \$ 572,600 |

| Total Non-Major Governmental Funds | |
|---------------------------------------|---------------------|
| 2009 | 2008 |
| \$ 66,823 | \$ 62,580 |
| 18,437 | 54,842 |
| 7,270 | 7,485 |
| <u>177,171</u> | <u>98,999</u> |
| <u>269,701</u> | <u>223,906</u> |
| 2,435,808 | 2,287,123 |
| 16,931 | - |
| <u>649,387</u> | <u>638,178</u> |
| <u>3,102,126</u> | <u>2,925,301</u> |
| <u>(2,832,425)</u> | <u>(2,701,395)</u> |
| 2,966,965 | 2,858,266 |
| <u>(101,458)</u> | <u>(213,787)</u> |
| <u>2,865,507</u> | <u>2,644,479</u> |
| <u>33,082</u> | <u>(56,916)</u> |
| 1,312,141 | 1,329,373 |
| <u>-</u> | <u>39,684</u> |
| <u>1,312,141</u> | <u>1,369,057</u> |
| <u>\$ 1,345,223</u> | <u>\$ 1,312,141</u> |

VILLAGE OF SCARSDALE, NEW YORK

LIBRARY FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|-----------------------------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash: | | |
| Demand deposits | \$ 224,700 | \$ 329,030 |
| Petty cash | 310 | - |
| | <u>225,010</u> | <u>329,030</u> |
| Investments | 146,232 | - |
| Prepaid Expenditures | <u>26,946</u> | <u>39,180</u> |
| Total Assets | <u>\$ 398,188</u> | <u>\$ 368,210</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 27,317 | \$ 29,110 |
| Accrued liabilities | <u>49,465</u> | <u>48,635</u> |
| Total Liabilities | <u>76,782</u> | <u>77,745</u> |
| Fund Balance: | | |
| Reserved for prepaid expenditures | 26,946 | 39,180 |
| Unreserved: | | |
| Designated for subsequent year's expenditures | 178,826 | 95,000 |
| Undesignated | <u>115,634</u> | <u>156,285</u> |
| Total Fund Balance | <u>321,406</u> | <u>290,465</u> |
| Total Liabilities and Fund Balance | <u>\$ 398,188</u> | <u>\$ 368,210</u> |

VILLAGE OF SCARSDALE, NEW YORK

LIBRARY FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEARS ENDED MAY 31, 2009 AND 2008

| | 2009 | | | |
|---------------------------------------------|--------------------|-----------------|-------------|---------------------------------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | | |
| Departmental income | \$ 65,000 | \$ 65,000 | \$ 66,823 | \$ 1,823 |
| Use of money and property | 19,250 | 19,250 | 10,444 | (8,806) |
| State aid | 8,210 | 8,210 | 7,270 | (940) |
| Miscellaneous | 9,000 | 9,000 | 15,596 | 6,596 |
| Total Revenues | 101,460 | 101,460 | 100,133 | (1,327) |
| Expenditures - | | | | |
| Current: | | | | |
| Culture and recreation | 2,568,285 | 2,513,285 | 2,381,339 | 131,946 |
| Employee benefits | 660,709 | 660,709 | 649,387 | 11,322 |
| Total Expenditures | 3,228,994 | 3,173,994 | 3,030,726 | 143,268 |
| Deficiency of Revenues Over Expenditures | (3,127,534) | (3,072,534) | (2,930,593) | (141,941) |
| Other Financing Sources - | | | | |
| Transfers in | 3,032,534 | 2,977,534 | 2,961,534 | (16,000) |
| Net Change in Fund Balance | (95,000) | (95,000) | 30,941 | 125,941 |
| Fund Balance - Beginning of Year | 95,000 | 95,000 | 290,465 | 195,465 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 321,406 | \$ 321,406 |

2008

| Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------|-----------------|-------------|---------------------------------------------------------|
| \$ 65,000 | \$ 65,000 | \$ 62,580 | \$ (2,420) |
| 21,500 | 21,500 | 16,300 | (5,200) |
| 8,210 | 8,210 | 7,485 | (725) |
| 23,260 | 23,260 | 22,304 | (956) |
| 117,970 | 117,970 | 108,669 | (9,301) |
| 2,435,620 | 2,435,153 | 2,276,051 | 159,102 |
| 638,620 | 638,620 | 638,178 | 442 |
| 3,074,240 | 3,073,773 | 2,914,229 | 159,544 |
| (2,956,270) | (2,955,803) | (2,805,560) | (150,243) |
| 2,852,320 | 2,852,320 | 2,836,320 | (16,000) |
| (103,950) | (103,483) | 30,760 | 134,243 |
| 103,950 | 103,483 | 259,705 | 156,222 |
| \$ - | \$ - | \$ 290,465 | \$ 290,465 |

VILLAGE OF SCARSDALE, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|-------------------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash-Demand deposits | \$ 4,720 | \$ 14,712 |
| Investments | 558,013 | 395,016 |
| Accounts Receivable | <u>410</u> | <u>241,979</u> |
| Total Assets | <u>\$ 563,143</u> | <u>\$ 651,707</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 111,516 | \$ 171,965 |
| Due to other funds | <u>410</u> | <u>30,666</u> |
| Total Liabilities | 111,926 | 202,631 |
| Fund Balance - Reserved for trusts | <u>451,217</u> | <u>449,076</u> |
| Total Liabilities and Fund Balance | <u>\$ 563,143</u> | <u>\$ 651,707</u> |

VILLAGE OF SCARSDALE, NEW YORK

SPECIAL PURPOSE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEARS ENDED MAY 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|-----------------------------------------------|--------------------------|--------------------------|
| Revenues: | | |
| Use of money and property | \$ 2,562 | \$ 16,596 |
| Miscellaneous | <u>161,575</u> | <u>76,695</u> |
| Total Revenues | <u>164,137</u> | <u>93,291</u> |
| Expenditures - | | |
| Current - | | |
| Public safety | 16,931 | - |
| Culture and recreation | <u>54,469</u> | <u>15,932</u> |
| Total Expenditures | <u>71,400</u> | <u>15,932</u> |
| Excess of Revenues Over Expenditures | <u>92,737</u> | <u>77,359</u> |
| Other Financing Sources (Uses): | | |
| Transfers in | 5,431 | 21,946 |
| Transfers out | <u>(96,027)</u> | <u>(186,981)</u> |
| Total Other Financing Sources (Uses) | <u>(90,596)</u> | <u>(165,035)</u> |
| Net Change in Fund Balance | <u>2,141</u> | <u>(87,676)</u> |
| Fund Balance - Beginning of Year, as reported | 449,076 | 497,068 |
| Prior Period Adjustment | <u>-</u> | <u>39,684</u> |
| Fund Balance - Beginning of Year, as restated | <u>449,076</u> | <u>536,752</u> |
| Fund Balance - End of Year | <u><u>\$ 451,217</u></u> | <u><u>\$ 449,076</u></u> |

VILLAGE OF SCARSDALE, NEW YORK

PERMANENT FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|---------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Investments | <u>\$ 572,600</u> | <u>\$ 572,600</u> |
| <u>FUND BALANCE</u> | | |
| Reserved for Trusts | <u>\$ 572,600</u> | <u>\$ 572,600</u> |

VILLAGE OF SCARSDALE, NEW YORK

PERMANENT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE

YEARS ENDED MAY 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|--------------------------------------|--------------------------|--------------------------|
| Revenues - Use of money and property | \$ 5,431 | \$ 21,946 |
| Expenditures | <u>-</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | 5,431 | 21,946 |
| Other Financing Uses - Transfers out | <u>(5,431)</u> | <u>(21,946)</u> |
| Net Change in Fund Balance | - | - |
| Fund Balance - Beginning of Year | <u>572,600</u> | <u>572,600</u> |
| Fund Balance - End of Year | <u><u>\$ 572,600</u></u> | <u><u>\$ 572,600</u></u> |

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - WATER FUND
 COMPARATIVE STATEMENT OF NET ASSETS
 MAY 31, 2009 AND 2008

| | 2009 | 2008 |
|-------------------------------------------------------|--------------|--------------|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash - Demand deposits | \$ 3,184,142 | \$ 3,921,335 |
| Investments | 3,290,000 | 2,140,000 |
| Accounts receivable | 304,067 | 286,153 |
| Due from other funds | - | 700 |
| Prepaid expenses | 14,105 | 57,180 |
| Total Current Assets | 6,792,314 | 6,405,368 |
| Capital Assets: | | |
| Land | 31,789 | 31,789 |
| Buildings | 2,012,985 | 2,012,985 |
| Machinery and equipment | 1,048,775 | 1,016,725 |
| Infrastructure | 1,601,086 | 1,601,086 |
| Construction-in-progress | 1,564,522 | 1,583,665 |
| | 6,259,157 | 6,246,250 |
| Less - Accumulated depreciation | (3,453,799) | (3,315,760) |
| Total Capital Assets, net of accumulated depreciation | 2,805,358 | 2,930,490 |
| Total Assets | 9,597,672 | 9,335,858 |
| <u>LIABILITIES</u> | | |
| Current Liabilities: | | |
| Accounts payable | 345,322 | 271,506 |
| Accrued liabilities | 83,515 | 805,925 |
| Accrued interest payable | 2,402 | 31,655 |
| Retained percentages | 39,421 | 28,719 |
| Current portion of compensated absences | 21,311 | 24,776 |
| Current maturities of bonds payable | 52,500 | 22,500 |
| Total Current Liabilities | 544,471 | 1,185,081 |
| Noncurrent Liabilities: | | |
| Compensated absences, less current portion | 191,805 | 222,987 |
| Bonds payable, less current maturities | 1,425,000 | 1,477,500 |
| Other post employment benefit obligations payable | 98,920 | - |
| Total Noncurrent Liabilities | 1,715,725 | 1,700,487 |
| Total Liabilities | 2,260,196 | 2,885,568 |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, net of related debt | 1,844,612 | 2,409,277 |
| Unrestricted | 5,492,864 | 4,041,013 |
| Total Net Assets | \$ 7,337,476 | \$ 6,450,290 |

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - WATER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS

YEARS ENDED MAY 31, 2009 AND 2008

| | 2009 | 2008 |
|-------------------------------------------|--------------|--------------|
| Operating Revenues - | | |
| Charges for services | \$ 4,743,900 | \$ 5,109,037 |
| Operating Expenses: | | |
| Taxes on Village property | 49,577 | 50,855 |
| Personal services | 717,932 | 758,161 |
| Contractual services | 203,523 | 174,957 |
| Supplies | 167,315 | 122,666 |
| Utilities | 126,331 | 91,322 |
| Employee benefits | 362,774 | 333,236 |
| Other post employment benefit obligations | 98,920 | - |
| Insurance | 46,529 | 39,178 |
| Repairs and maintenance | 28,197 | 73,126 |
| Equipment maintenance | 18,397 | 44,446 |
| Depreciation | 138,039 | 145,537 |
| Purchase of water | 1,611,140 | 1,881,192 |
| Property services | 160,680 | 155,250 |
| Miscellaneous | 14,961 | 12,180 |
| Total Operating Expenses | 3,744,315 | 3,882,106 |
| Income from Operations | 999,585 | 1,226,931 |
| Non-Operating Revenues (Expenses): | | |
| Interest income | 102,206 | 185,555 |
| Interest expense | (54,605) | (31,655) |
| Total Non-Operating Revenues | 47,601 | 153,900 |
| Income Before Transfers | 1,047,186 | 1,380,831 |
| Transfers - | | |
| Transfers out | (160,000) | (150,000) |
| Change in Net Assets | 887,186 | 1,230,831 |
| Net Assets - Beginning of Year | 6,450,290 | 5,219,459 |
| Net Assets - End of Year | \$ 7,337,476 | \$ 6,450,290 |

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - WATER FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED MAY 31, 2009 AND 2008

| | 2009 | 2008 |
|-----------------------------------------------------------------------------------------------|--------------|--------------|
| Cash Flows From Operating Activities: | | |
| Cash received from charges for services | \$ 4,726,686 | \$ 5,120,688 |
| Cash payments for goods or services | (3,021,467) | (1,474,491) |
| Cash payments to employees | (1,115,353) | (1,103,953) |
| Net Cash Provided by Operating Activities | 589,866 | 2,542,244 |
| Cash Flows From Non-Capital Financing Activities: | | |
| Transfers in | - | 4,500 |
| Transfers out | (160,000) | (280,600) |
| Net Cash Used in Non-Capital Financing Activities | (160,000) | (276,100) |
| Cash Flows From Capital and Related Financing Activities : | | |
| Principal paid on bonds | (22,500) | - |
| Interest paid on bonds | (83,858) | - |
| Proceeds from serial bonds | - | 1,500,000 |
| Acquisition and construction of capital assets | (12,907) | (1,331,067) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | (119,265) | 168,933 |
| Cash Flow From Investing Activities: | | |
| Interest income | 102,206 | 185,555 |
| Sale of investments | 2,140,000 | - |
| Purchase of investments | (3,290,000) | (2,140,000) |
| Net Cash Used in Investing Activities | (1,047,794) | (1,954,445) |
| Net Change in Cash | (737,193) | 480,632 |
| Cash - Beginning of Year | 3,921,335 | 3,440,703 |
| Cash - End of Year | \$ 3,184,142 | \$ 3,921,335 |
| Reconciliation of Income from Operations to Net Cash Provided by Operating Activities: | | |
| Income from operations | \$ 999,585 | \$ 1,353,031 |
| Adjustments to reconcile income from operations to net cash provided by operating activities: | | |
| Depreciation | 138,039 | 145,537 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (17,914) | (5,034) |
| Due from other funds | 700 | 21,700 |
| Prepaid expenses | 43,075 | (4,581) |
| Accounts payable | 73,816 | 255,261 |
| Accrued liabilities | (722,410) | 730,169 |
| Due to other funds | - | (11,849) |
| Unearned revenues | - | (515) |
| Retained percentages | 10,702 | 28,719 |
| Compensated absences | (34,647) | 29,806 |
| Other post employment benefit obligations payable | 98,920 | - |
| Net Cash Provided by Operating Activities | \$ 589,866 | \$ 2,542,244 |

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - POOL FUND
COMPARATIVE STATEMENT OF NET ASSETS
MAY 31, 2009 AND 2008

| | 2009 | 2008 |
|-------------------------------------------------------|--------------------|--------------------|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash: | | |
| Demand deposits | \$ 750,446 | \$ 709,251 |
| Petty cash | 200 | 200 |
| | <u>750,646</u> | <u>709,451</u> |
| Interest receivable | - | 116 |
| Prepaid expenses | - | 12,000 |
| | <u>-</u> | <u>-</u> |
| Total Current Assets | <u>750,646</u> | <u>721,567</u> |
| Capital Assets: | | |
| Land | 118,000 | 118,000 |
| Buildings | 2,557,123 | 2,297,210 |
| Machinery and equipment | 173,288 | 173,288 |
| Infrastructure | 244,245 | 244,245 |
| Construction-in-progress | - | 213,828 |
| | <u>3,092,656</u> | <u>3,046,571</u> |
| Less - Accumulated depreciation | <u>(1,713,131)</u> | <u>(1,548,299)</u> |
| Total Capital Assets, net of accumulated depreciation | <u>1,379,525</u> | <u>1,498,272</u> |
| Total Assets | <u>2,130,171</u> | <u>2,219,839</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities: | | |
| Accounts payable | 32,919 | 4,404 |
| Accrued liabilities | 14,860 | 12,905 |
| Accrued interest payable | 11,128 | 13,016 |
| Due to other funds | - | 9,037 |
| Unearned revenues | 595,773 | 572,488 |
| Current maturities of bonds payable | 148,938 | 141,637 |
| | <u>803,618</u> | <u>753,487</u> |
| Total Current Liabilities | <u>803,618</u> | <u>753,487</u> |
| Noncurrent Liabilities - | | |
| Bonds payable, less current maturities | <u>664,380</u> | <u>813,318</u> |
| Total Liabilities | <u>1,467,998</u> | <u>1,566,805</u> |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, net of related debt | 566,207 | 543,317 |
| Unrestricted | 95,966 | 109,717 |
| | <u>662,173</u> | <u>653,034</u> |
| Total Net Assets | <u>\$ 662,173</u> | <u>\$ 653,034</u> |

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - POOL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS

YEARS ENDED MAY 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|------------------------------------|--------------------------|--------------------------|
| Operating Revenues - | | |
| Charges for services | <u>\$ 941,667</u> | <u>\$ 920,648</u> |
| Operating Expenses: | | |
| Taxes on Village property | 2,655 | 2,691 |
| Personal services | 337,211 | 355,432 |
| Contract services | 131,120 | 114,335 |
| Supplies | 49,499 | 54,706 |
| Utilities | 67,060 | 48,110 |
| Employee benefits | 37,791 | 38,773 |
| Insurance | 21,852 | 20,615 |
| Repairs and maintenance | 35,604 | 40,829 |
| Equipment maintenance | 19,951 | 22,546 |
| Depreciation | 164,832 | 142,909 |
| Miscellaneous | <u>46,411</u> | <u>36,139</u> |
| Total Operating Expenses | <u>913,986</u> | <u>877,085</u> |
| Income from Operations | <u>27,681</u> | <u>43,563</u> |
| Non-Operating Revenues (Expenses): | | |
| Interest income | 5,064 | 16,123 |
| Interest expense | <u>(34,331)</u> | <u>(39,930)</u> |
| Total Non-Operating Expenses | <u>(29,267)</u> | <u>(23,807)</u> |
| Income Before Transfers | <u>(1,586)</u> | <u>19,756</u> |
| Transfers - | | |
| Transfers in | <u>10,725</u> | <u>10,725</u> |
| Change in Net Assets | 9,139 | 30,481 |
| Net Assets - Beginning of Year | <u>653,034</u> | <u>622,553</u> |
| Net Assets - End of Year | <u><u>\$ 662,173</u></u> | <u><u>\$ 653,034</u></u> |

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - POOL FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED MAY 31, 2009 AND 2008

| | 2009 | 2008 |
|-----------------------------------------------------------------------------------------------|------------|------------|
| Cash Flows From Operating Activities: | | |
| Cash received from charges for services | \$ 964,952 | \$ 920,648 |
| Cash payments for goods or services | (340,719) | (467,489) |
| Cash payments to employees | (375,002) | (390,206) |
| Net Cash Provided by Operating Activities | 249,231 | 62,953 |
| Cash Flows From Non-Capital Financing Activities: | | |
| Transfers in | 10,725 | 10,725 |
| Transfers out | - | (42,200) |
| Net Cash Used in Non-Capital Financing Activities | 10,725 | (31,475) |
| Cash Flows From Capital and Related Financing Activities: | | |
| Principal paid on bonds | (141,637) | (135,796) |
| Interest paid on indebtedness | (36,219) | (41,682) |
| Acquisition and construction of capital assets | (46,085) | - |
| Net Cash Used in Capital and Related Financing Activities | (223,941) | (177,478) |
| Cash Flow From Investing Activities - | | |
| Interest income | 5,180 | 16,007 |
| Net Change in Cash | 41,195 | (129,993) |
| Cash - Beginning of Year | 709,451 | 839,444 |
| Cash - End of Year | \$ 750,646 | \$ 709,451 |
| Reconciliation of Income from Operations to Net Cash Provided by Operating Activities: | | |
| Income from operations | \$ 27,681 | \$ 85,763 |
| Adjustments to reconcile income from operations to net cash provided by operating activities: | | |
| Depreciation | 164,832 | 142,909 |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses | 12,000 | (417) |
| Accounts payable | 28,515 | (39,936) |
| Accrued liabilities | 1,955 | (90,867) |
| Due to other funds | (9,037) | 6,228 |
| Unearned revenues | 23,285 | (40,727) |
| Net Cash Provided by Operating Activities | \$ 249,231 | \$ 62,953 |

VILLAGE OF SCARSDALE, NEW YORK

INTERNAL SERVICE FUND - CENTRAL GARAGE FUND
COMPARATIVE STATEMENT OF NET ASSETS
MAY 31, 2009 AND 2008

| | 2009 | 2008 |
|-------------------------------------------------------|-------------|-------------|
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash: | | |
| Demand deposits | \$ 63,776 | \$ 24 |
| Petty cash | 100 | 100 |
| | 63,876 | 124 |
| Investments | 78,044 | - |
| Due from other governments | 165,091 | 135,875 |
| Prepaid expenses | 16,730 | 61,194 |
| Total Current Assets | 323,741 | 197,193 |
| Capital Assets: | | |
| Buildings | 2,114,268 | 2,114,268 |
| Machinery and equipment | 230,245 | 230,245 |
| | 2,344,513 | 2,344,513 |
| Less - Accumulated depreciation | (1,169,924) | (1,115,728) |
| Total Capital Assets, net of accumulated depreciation | 1,174,589 | 1,228,785 |
| Total Assets | 1,498,330 | 1,425,978 |
| <u>LIABILITIES</u> | | |
| Current Liabilities: | | |
| Accounts payable | 145,988 | 207,568 |
| Accrued liabilities | 21,002 | 74,034 |
| Accrued interest payable | 3,938 | 5,998 |
| Current maturities of bonds payable | 87,000 | 87,000 |
| Current portion of compensated absences | 14,370 | 16,945 |
| Total Current Liabilities | 272,298 | 391,545 |
| Noncurrent Liabilities: | | |
| Bonds payable, less current maturities | 132,000 | 219,000 |
| Compensated absences, less current portion | 129,337 | 152,509 |
| Other post employment benefit obligations payable | 134,879 | - |
| Total Noncurrent Liabilities | 396,216 | 371,509 |
| Total Liabilities | 668,514 | 763,054 |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, net of related debt | 955,589 | 922,785 |
| Unrestricted | (125,773) | (259,861) |
| Total Net Assets | \$ 829,816 | \$ 662,924 |

VILLAGE OF SCARSDALE, NEW YORK

INTERNAL SERVICE FUND - CENTRAL GARAGE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES

IN NET ASSETS

YEARS ENDED MAY 31, 2009 AND 2008

| | <u>2009</u> | <u>2008</u> |
|-------------------------------------------|--------------------------|--------------------------|
| Operating Revenues - | | |
| Charges for services | <u>\$ 2,860,061</u> | <u>\$ 2,581,009</u> |
| Operating Expenses: | | |
| Personal services | 844,607 | 869,619 |
| Contractual services | 1,243,938 | 1,223,159 |
| Employee benefits | 402,330 | 408,427 |
| Other post employment benefit obligations | 134,879 | - |
| Depreciation | <u>54,196</u> | <u>54,196</u> |
| Total Operating Expenses | <u>2,679,950</u> | <u>2,555,401</u> |
| Income from Operations | <u>180,111</u> | <u>25,608</u> |
| Non-Operating Revenues (Expenses): | | |
| Interest income | 55 | 1,218 |
| Interest expense | <u>(13,274)</u> | <u>(18,346)</u> |
| Total Non-Operating Expenses | <u>(13,219)</u> | <u>(17,128)</u> |
| Change in Net Assets | 166,892 | 8,480 |
| Net Assets - Beginning of Year | <u>662,924</u> | <u>654,444</u> |
| Net Assets - End of Year | <u><u>\$ 829,816</u></u> | <u><u>\$ 662,924</u></u> |

VILLAGE OF SCARSDALE, NEW YORK

INTERNAL SERVICE FUND - CENTRAL GARAGE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED MAY 31, 2009 AND 2008

| | 2009 | 2008 |
|--------------------------------------------------------------------------------------------------|--------------|--------------|
| Cash Flows From Operating Activities: | | |
| Cash received from charges for services | \$ 2,830,845 | \$ 2,602,808 |
| Cash payments for goods or services | (1,314,086) | (1,136,765) |
| Cash payments to employees | (1,272,684) | (1,336,768) |
| Net Cash Provided by Operating Activities | 244,075 | 129,275 |
| Cash Flows From Non-Capital Financing Activities - | | |
| Transfers out | - | (23,900) |
| Cash Flows From Capital and Related Financing Activities: | | |
| Principal paid on bonds | (87,000) | (87,000) |
| Interest paid on indebtedness | (15,334) | (19,901) |
| Net Cash Used in Capital and Related Financing Activities | (102,334) | (106,901) |
| Cash Flow From Investing Activities - | | |
| Purchase of investments | (78,044) | - |
| Interest income | 55 | 1,218 |
| Net Cash Provided by (Used in) Investing Activities | (77,989) | 1,218 |
| Net Change in Cash | 63,752 | (308) |
| Cash - Beginning of Year | 124 | 432 |
| Cash - End of Year | \$ 63,876 | \$ 124 |
| Reconciliation of Income from Operations to Net Cash Provided by Operating Activities: | | |
| Income from operations | \$ 180,111 | \$ 49,508 |
| Adjustments to reconcile income from operations to net cash provided by operating activities: | | |
| Depreciation | 54,196 | 54,196 |
| Changes in operating assets and liabilities: | | |
| Due from other governments | (29,216) | 21,799 |
| Due from other funds | - | 109,000 |
| Prepaid expenses | 44,464 | 1,850 |
| Accounts payable | (61,580) | (73,532) |
| Accrued liabilities | (53,032) | (66,004) |
| Compensated absences | (25,747) | 32,458 |
| Other post employment benefit obligations payable | 134,879 | - |
| Net Cash Provided by Operating Activities | \$ 244,075 | \$ 129,275 |