

Village of Ardsley, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2013

Village of Ardsley, New York

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Independent Auditors' Report

**The Honorable Mayor and Village Board
of the Village of Ardsley, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Ardsley, New York ("Village") as of and for the year ended May 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

O'CONNOR DAVIES, LLP

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village, as of May 31, 2013, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedules of Funding Progress – Service Awards Program and Other Post Employment Benefits and the Schedule of Contributions – Service Awards Program be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
November 14, 2013

Village of Ardsley, New York

Management's Discussion and Analysis May 31, 2013

Introduction

The Village of Ardsley, New York ("Village"), presents this Management's Discussion and Analysis ("MD&A") as an overview of the Village's financial activities for the fiscal year ended May 31, 2013. This MD&A focuses on current year activities, resulting changes, and currently known facts and should be read in conjunction with the basic financial statements and the notes to the Village's financial statements which immediately follow this section.

Financial Highlights

- On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,361,600. Of this amount, the unrestricted amount is a deficit of \$2,191,279.
- At the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$1,630,932, inclusive of the Capital Projects Fund. Approximately 58%, or \$943,230, of this amount is unassigned fund balance and is available for spending at the Village's discretion.
- At May 31, 2013, unassigned fund balance for the Village's General Fund was \$997,368 or 9% 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. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to 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 present the Village as a single, unified entity and are intended to give the reader a broad perspective of the Village's financial condition. These statements closely resemble the financial statements of a private sector entity.

The statement of net position presents financial information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 indicating how the Village's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the Village include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental 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 assessing 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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains two major governmental funds: the General Fund and the Capital Projects Fund. Major funds have their information presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances. The Public Library Fund and Special Purpose Fund are grouped together as non-major governmental funds.

The Village adopts annual budgets for the General Fund and the Public Library Fund. Budgetary comparison statements have been provided for the General Fund within the basic financial statements to demonstrate compliance with the respective budget.

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 two types of fiduciary funds, the Agency Fund and the Pension Trust Fund.

Resources are held in the Agency 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. The Pension Trust Fund accounts for the Service Awards Program for volunteer firefighters.

Notes to Financial Statements

The notes to financial statements 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 financial statements and include individual fund financial statements and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$1,361,600 at the close of the most recent fiscal year.

The largest portion of the Village's net position, \$2,456,101, is its investment in capital assets (land, buildings and improvements, machinery and equipment and infrastructure), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to its citizens and as a result these assets are not available for future spending. Although the Village's investment in 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 these liabilities.

Net Position

	Governmental Activities	
	2013	2012
Current Assets	\$ 2,890,639	\$ 2,651,350
Capital Assets, net	8,693,401	9,101,445
Total Assets	11,584,040	11,752,795
Current Liabilities	1,249,622	1,448,796
Long-term Liabilities	8,972,818	8,194,183
Total Liabilities	10,222,440	9,642,979
Net Position		
Net Investment in Capital Assets	2,456,101	2,355,177
Restricted	1,096,778	1,038,512
Unrestricted	(2,191,279)	(1,283,873)
Total Net Position	\$ 1,361,600	\$ 2,109,816

A portion of the Village's net position is restricted and represents resources that are subject to external restrictions on how they may be used. The restricted net position is to be used for the following purposes:

	May 31,	
	2013	2012
Capital Projects	\$ 540,734	\$ 486,507
Debt Service	523,179	520,576
Special Purpose	32,865	31,429
	\$ 1,096,778	\$ 1,038,512

Change in Net Position

	Year Ended May 31,	
	2013	2012
REVENUES		
Program Revenues		
Charges for Services	\$ 1,139,252	\$ 1,222,291
Operating Grants and Contributions	346,721	294,484
Capital Grants and Contributions	120,351	30,864
Total Program Revenues	1,606,324	1,547,639
General Revenues		
Real Property Taxes	8,407,627	7,672,194
Other Tax Items	141,490	32,235
Non-Property Taxes	819,942	773,558
Unrestricted Use of Money and Property	2,042	2,960
Sale of Property and Compensation for Loss	35,251	100,736
Unrestricted State Aid	125,374	110,724
Miscellaneous	(7,849)	72,378
Total General Revenues	9,523,877	8,764,785
Total Revenues	11,130,201	10,312,424
PROGRAM EXPENSES		
General Government Support	1,931,011	1,991,219
Public Safety	5,996,465	5,424,273
Health	99,835	65,000
Transportation	1,036,060	965,084
Economic Opportunity and Development	64,661	58,614
Culture and Recreation	806,452	782,976
Home and Community Services	1,701,227	1,563,863
Interest	242,706	242,138
Total Expenses	11,878,417	11,093,167
Change in Net Position	(748,216)	(780,743)
Net Position - Beginning	2,109,816	2,890,559
Net Position - Ending	\$ 1,361,600	\$ 2,109,816

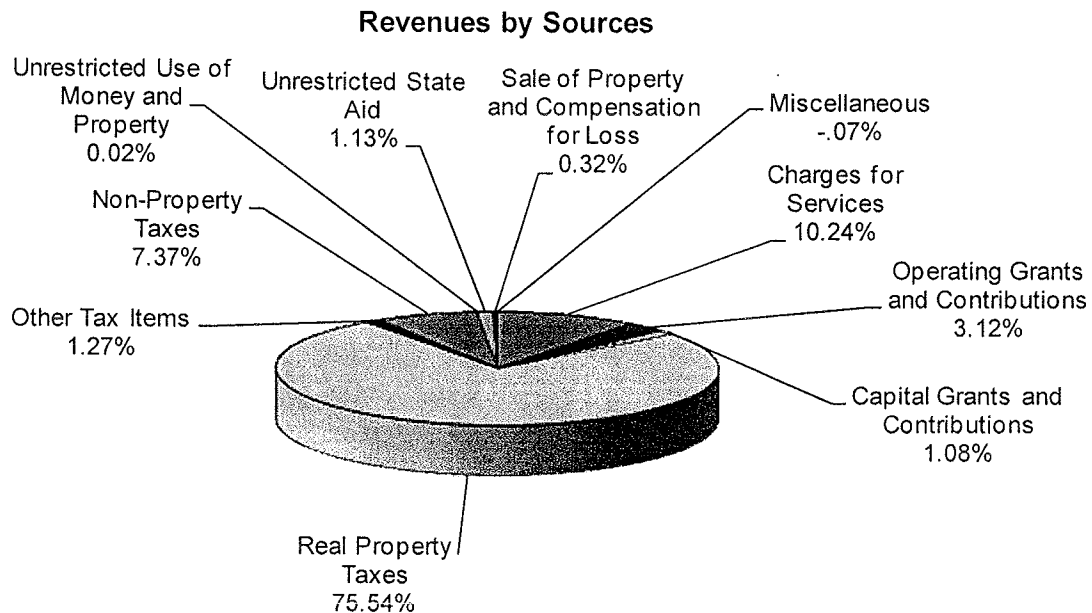
Governmental Activities

Governmental activities decreased the Village's net position by \$748,216.

For the fiscal year ended May 31, 2013, revenues from governmental activities totaled \$11,130,201. Program revenues are 14% of this total and 86% is attributable to taxes and other sources. The major changes are as follows:

Revenues:

- Real property tax revenues increased by \$735,433. This was the result of a higher tax levy.
- Charges for services decreased by \$83,039 due to a decrease in building permit fees, park and recreation fees, and other local government revenue.

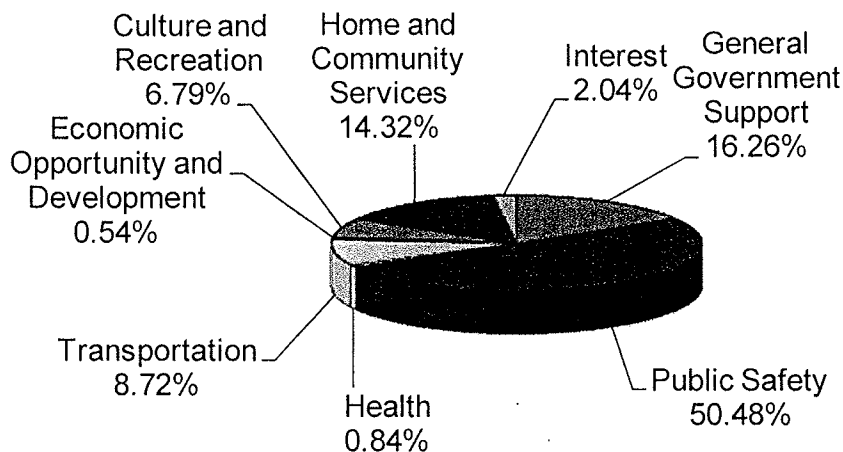


Total expenses for governmental activities were \$11,878,417

Expenses:

- General government support expenses decreased by \$60,208. The decrease in the current is attributed to large tax certiorari payments that were made in the prior year.
- Public safety expenses increased by \$572,192. Increase in this area was due to the purchase of a new police vehicle as well as additional overtime pay needed due to hurricane Sandy.

Sources of Expenses



Financial Analysis of the Village's Funds

Fund Balance Reporting

Governmental Accounting Standards Board ("GASB") issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 are effective for financial statements for the Village's fiscal period ending May 31, 2012; therefore they are introduced in this report for the second time. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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

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

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

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

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order: committed, assigned, and unassigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

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, assigned and unassigned 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 \$1,630,932 which included an unassigned deficit of \$54,138 in the Capital Projects Fund. \$997,368 of the total ending fund balance constitutes unassigned fund balance in the General Fund. None of the fund balance has been appropriated for use in the 2013-2014 budget. A portion of fund balance is restricted to indicate that it is not available

for new spending because it has already been restricted for debt service (\$573,997) and to trusts (\$32,865).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, fund balance of the General Fund was \$1,483,137. When the FY 2012-2013 General Fund budget was adopted, it anticipated not to use any of the fund balance of \$775,624. Actual results of operations resulted in an increase of Fund Balance of \$214,280.

Revenues and other financing sources were \$10,807,764 which was \$415,436 or 4% more than the final budget. Expenditures and other financing uses were \$10,593,484 which was \$131,748 or 1.23%, less than the final budget.

The major areas where revenues were more than budget were: The Village's real property taxes by \$300,916 and other tax items by \$111,281.

The major areas where the spending was less than budgeted was in the general governmental support expenditure category by \$90,123.

The Capital Projects Fund has an unassigned deficit of \$54,138, which is normally due to the fact that this includes short-term bond anticipation notes. Liabilities for bond anticipation notes payable in the amount of \$537,300 are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. A majority of capital projects are financed by short and long term debt and State aid as of May 31, 2013.

General Fund Budgetary Highlights

There was an increase between the original adopted budget and the final budget of \$543,187. Actual expenditures and other financing uses were \$131,748 less than the final budget.

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2013, net of \$5,254,065 of accumulated depreciation, was \$8,693,401. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

Major capital asset activity during the current fiscal year included the following -

- Firehouse Solar Electric Generating System
- Firehouse Solar Panel Project
- Purchase of Police Vehicle

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

Capital Assets

	Government Activities	
	2013	2012
Capital Assets Not Being Depreciated		
Land	\$ 121,550	\$ 121,550
Construction in Progress	-	18,014
	<u>121,550</u>	<u>139,564</u>
Capital Assets Being Depreciated		
Building and Improvements	8,988,076	8,970,062
Machinery and Equipment	3,932,011	4,105,789
Infrastructure	905,829	905,829
Total assets being depreciated	<u>13,825,916</u>	<u>13,981,680</u>
Less Accumulated Depreciation for		
Building and Improvements	2,294,783	1,995,951
Machinery and Equipment	2,803,090	2,890,489
Infrastructure	156,192	133,359
Total accumulated depreciation	<u>5,254,065</u>	<u>5,019,799</u>
Total Capital Assets being Depreciated, net	<u>\$ 8,571,851</u>	<u>\$ 8,961,881</u>
Capital Assets, net	<u>\$ 8,693,401</u>	<u>\$ 9,101,445</u>

Long-term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$5,700,000. In accordance with New York State Law, the Village issues general obligation bonds, backed by the full faith and credit of the Village.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the Village is subject to a "constitutional debt limit". This debt limit is calculated by taking 7% of the latest five-year average full valuation of all taxable real property within the Village. At May 31, 2013, the Village's five year average full valuation was \$1,089,062,831, thereby establishing a constitutional debt limit of \$ 76,234,398.

Other Post Employment Benefits

The Government Accounting Standard Board Statement No. 45 required municipalities to account for Post-Employment Benefits other than pensions such as health insurance coverage. The fiscal year ending May 31, 2009 was the implementation date for the Village of Ardsley. An actuarial firm was hired by the Village to compute the present value of the liability, which measures the value of OPEB benefits earned by employees during their tenure and likely to be paid during their retirement. This amount is substantial, however, under the present laws of the State of New York, there is no legal mechanism set up that would enable the funding of this obligation.

The Village's annual OPEB cost for 2012-13 was \$1,410,000. Contributions made on the pay as you go basis were \$300,000, leaving an increase of net OPEB obligation of \$1,110,000 for fiscal year 2013 and a total of \$3,080,000 net OPEB obligation as of May 31, 2013. This amount is reflected in the government-wide financial statements. It should be noted that even with this amount included in our statement of net position, the Village of Ardsley remains with a positive total net position balance of \$1,361,600.

Economic Factors and Next Year's Budgets and Rates

Increases for Police and Fire personal services due to a contractual raise in grades, contractual and supply expenses, increases in Employee Benefits and increased Debt Service costs, were all factors that were taken into consideration in development and preparation of the FY 2013-2014 budget.

The Village did not appropriate any of the general fund balance for expenditures in FY 2013-2014.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to George F. Calvi, Village of Ardsley, 507 Ashford Avenue, Ardsley, New York 10502.

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Village of Ardsley, New York

Statement of Net Position

May 31, 2013

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 1,647,817
Investments	299
Receivables	
Taxes, net	96,541
Accounts	409,246
State and Federal aid	231,728
Due from other governments	502,591
Prepaid expenses	2,417
Capital assets	
Not being depreciated	121,550
Being depreciated, net	8,571,851
	<hr/>
Total Assets	11,584,040
	<hr/>
LIABILITIES	
Accounts payable	414,628
Unearned revenues	10,102
Due to retirement systems	216,612
Bond anticipation notes payable	537,300
Accrued interest payable	70,980
Non-current liabilities	
Due within one year	409,000
Due in more than one year	8,563,818
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Total Liabilities	10,222,440
	<hr/>
NET POSITION	
Net investment in capital assets	2,456,101
Restricted	
Capital projects	540,734
Debt service	523,179
Special purpose	32,865
Unrestricted	(2,191,279)
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Total Net Position	\$ 1,361,600
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The notes to the financial statements are an integral part of this statement.

Village of Ardsley, New York

Statement of Activities
Year Ended May 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 1,931,011	\$ 41,274	\$ -	\$ -	\$ (1,889,737)
Public safety	5,996,465	485,779	208,407	-	(5,302,279)
Health	99,835	-	-	-	(99,835)
Transportation	1,036,060	49,141	82,478	-	(904,441)
Economic opportunity and development	64,661	-	-	-	(64,661)
Culture and recreation	806,452	355,571	47,324	109,999	(293,558)
Home and community services	1,701,227	207,487	8,512	7,031	(1,478,197)
Interest	242,706	-	-	3,321	(239,385)
Total Governmental Activities	<u>\$ 11,878,417</u>	<u>\$ 1,139,252</u>	<u>\$ 346,721</u>	<u>\$ 120,351</u>	<u>(10,272,093)</u>
General revenues					
Real property taxes					8,407,627
Other tax items					
Interest and penalties on real property taxes					141,490
Non-property taxes					
Non-property tax distribution from County					606,114
Franchise fees					102,668
Utilities gross receipts taxes					111,160
Unrestricted use of money and property					2,042
Sale of property and compensation for loss					35,251
Unrestricted State aid					125,374
Miscellaneous					(7,849)
Total General Revenues					<u>9,523,877</u>
Change in Net Position					(748,216)
Net Position - Beginning					<u>2,109,816</u>
Net Position - Ending					<u>\$ 1,361,600</u>

The notes to the financial statements are an integral part of this statement.

Village of Ardsley, New York

Balance Sheet
Governmental Funds
May 31, 2013

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 938,601	\$ 642,357	\$ 66,859	\$ 1,647,817
Investments	-	299	-	299
Taxes receivable, net of allowance for uncollectible amounts	96,541	-	-	96,541
Other receivables				
Accounts	409,246	-	-	409,246
State and Federal aid	210,414	21,314	-	231,728
Due from other governments	502,591	-	-	502,591
Due from other funds	30,731	-	6,651	37,382
	1,152,982	21,314	6,651	1,180,947
Prepaid expenditures	2,417	-	-	2,417
Total Assets	<u>\$ 2,190,541</u>	<u>\$ 663,970</u>	<u>\$ 73,510</u>	<u>\$ 2,928,021</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 399,625	\$ -	\$ 15,003	\$ 414,628
Due to other funds	-	24,453	12,929	37,382
Unearned tax revenues	81,065	-	-	81,065
Unearned revenues	10,102	-	-	10,102
Due to retirement systems	216,612	-	-	216,612
Bond anticipation notes payable	-	537,300	-	537,300
Total Liabilities	707,404	561,753	27,932	1,297,089
Fund balance (deficits)				
Nonspendable	2,417	21,314	-	23,731
Restricted	388,138	135,041	32,865	556,044
Assigned	95,214	-	12,713	107,927
Unassigned	997,368	(54,138)	-	943,230
Total Fund Balances	1,483,137	102,217	45,578	1,630,932
Total Liabilities and Fund Balances	<u>\$ 2,190,541</u>	<u>\$ 663,970</u>	<u>\$ 73,510</u>	<u>\$ 2,928,021</u>

The notes to the financial statements are an integral part of this statement.

Village of Ardsley, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position Year Ended May 31, 2013

Fund Balances - Total Governmental Funds	<u>\$ 1,630,932</u>
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Amounts Reported for Governmental Activities in the Statement of Net Position is Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>8,693,401</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Real property taxes	<u>81,065</u>
--	---------------

Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(70,980)
Bonds payable	(5,700,000)
Compensated absences	(192,818)
Other post employment benefit obligations payable	<u>(3,080,000)</u>
	<u>(9,043,798)</u>

Net Position of Governmental Activities	<u><u>\$ 1,361,600</u></u>
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The notes to the financial statements are an integral part of this statement.

Village of Ardsley, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended May 31, 2013

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
REVENUES				
Real property taxes	\$ 8,354,984	\$ -	\$ -	\$ 8,354,984
Other tax items	141,490	-	-	141,490
Non-property taxes	819,942	-	-	819,942
Departmental income	776,503	-	105,996	882,499
Use of money and property	5,363	-	106	5,469
Licenses and permits	144,708	-	-	144,708
Fines and forfeitures	112,045	-	-	112,045
Sale of property and compensation for loss	35,251	-	-	35,251
State aid	216,920	109,999	3,163	330,082
Federal aid	208,407	-	-	208,407
Miscellaneous	(7,849)	7,031	43,499	42,681
Total Revenues	10,807,764	117,030	152,764	11,077,558
EXPENDITURES				
Current				
General government support	1,354,566	-	-	1,354,566
Public safety	3,574,030	-	-	3,574,030
Health	99,835	-	-	99,835
Transportation	616,600	-	-	616,600
Economic opportunity and development	40,863	-	-	40,863
Culture and recreation	206,551	-	381,586	588,137
Home and community services	1,046,089	-	-	1,046,089
Employee benefits	2,527,292	-	85,499	2,612,791
Debt service				
Principal	376,500	-	-	376,500
Interest	244,244	-	-	244,244
Capital outlay	-	139,621	-	139,621
Total Expenditures	10,086,570	139,621	467,085	10,693,276
Excess (Deficiency) of Revenues Over Expenditures	721,194	(22,591)	(314,321)	384,282
OTHER FINANCING SOURCES (USES)				
Transfers in	-	173,700	333,214	506,914
Transfers out	(506,914)	-	-	(506,914)
Total Other Financing Sources (Uses)	(506,914)	173,700	333,214	-
Net Change in Fund Balances	214,280	151,109	18,893	384,282
Fund Balances (Deficits) - Beginning of Year	1,268,857	(48,892)	26,685	1,246,650
Fund Balances - End of Year	\$ 1,483,137	\$ 102,217	\$ 45,578	\$ 1,630,932

The notes to the financial statements are an integral part of this statement.

Village of Ardsley, 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, 2013

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

Net Change in Fund Balances - Total Governmental Funds	\$ 384,282
<p>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 amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold. This is the amount by which depreciation expense exceeded capital outlay in the current period.</p>	
Capital outlay expenditures	136,638
Depreciation expense	(544,682)
	(408,044)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	52,643
<p>Long-term debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Principal paid on serial bonds	376,500
<p>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.</p>	
Accrued interest	1,538
Compensated absences	(45,135)
Other post employment benefit obligations	(1,110,000)
	(1,153,597)
Change in Net Position of Governmental Activities	\$ (748,216)

The notes to the financial statements are an integral part of this statement.

Village of Ardsley, New York

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund Year Ended May 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 8,054,068	\$ 8,054,068	\$ 8,354,984	\$ 300,916
Other tax items	30,209	30,209	141,490	111,281
Non-property taxes	817,000	817,000	819,942	2,942
Departmental income	723,816	735,609	776,503	40,894
Use of money and property	10,000	10,000	5,363	(4,637)
Licenses and permits	150,500	150,500	144,708	(5,792)
Fines and forfeitures	115,000	125,128	112,045	(13,083)
Sale of property and compensation for loss	13,900	29,962	35,251	5,289
State aid	201,352	210,052	216,920	6,868
Federal aid	-	163,600	208,407	44,807
Miscellaneous	66,200	66,200	(7,849)	(74,049)
Total Revenues	10,182,045	10,392,328	10,807,764	415,436
EXPENDITURES				
Current				
General government support	1,255,060	1,370,144	1,354,566	15,578
Public safety	3,366,215	3,578,912	3,574,030	4,882
Health	29,244	193,252	99,835	93,417
Transportation	551,376	616,668	616,600	68
Economic opportunity and development	36,704	41,315	40,863	452
Culture and recreation	191,462	206,965	206,551	414
Home and community services	976,689	1,046,205	1,046,089	116
Employee benefits	2,654,797	2,544,113	2,527,292	16,821
Debt service				
Principal	376,500	376,500	376,500	-
Interest	237,084	244,244	244,244	-
Total Expenditures	9,675,131	10,218,318	10,086,570	131,748
Excess of Revenues Over Expenditures	506,914	174,010	721,194	547,184
OTHER FINANCING USES				
Transfers out	(506,914)	(506,914)	(506,914)	-
Net Change in Fund Balance	-	(332,904)	214,280	547,184
Fund Balance - Beginning of Year	-	332,904	1,268,857	935,953
Fund Balance - End of Year	\$ -	\$ -	\$ 1,483,137	\$ 1,483,137

The notes to the financial statements are an integral part of this statement.

Village of Ardsley, New York**Statement of Fiduciary Net Position
May 31, 2013**

	<u>Agency</u>	<u>Pension Trust</u>
ASSETS		
Cash and equivalents	\$ 45,432	\$ -
Investments, at fair value - Annuities	-	929,243
Total Assets	<u>45,432</u>	<u>929,243</u>
LIABILITIES		
Accounts payable	-	1,515
Deposits	<u>45,432</u>	<u>-</u>
Total Liabilities	<u>45,432</u>	<u>1,515</u>
NET POSITION		
Held in trust for pension benefits (A schedule of funding progress for the plan is presented in the required supplementary information)	<u>\$ -</u>	<u>\$ 927,728</u>

The notes to the financial statements are an integral part of this statement.

Village of Ardsley, New York

Statement of Changes in Plan Net Position Pension Trust Fund - Service Awards Program Year Ended May 31, 2013

Additions

Pension contributions	\$ 70,000
Net change in fair value of investments	<u>169,428</u>

Total Additions	<u>239,428</u>
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Deductions

Pension benefits	31,735
Life insurance premiums	5,743
Administrative fee	<u>2,700</u>

Total Deductions	<u>40,178</u>
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Net Increase in Plan Net Position	199,250
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Net Position Held in Trust for Pension Benefits - Beginning of Year	<u>728,478</u>
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Net Position Held in Trust for Pension Benefits - End of Year	<u><u>\$ 927,728</u></u>
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The notes to the financial statements are an integral part of this statement.

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Note 1 - Summary of Significant Accounting Policies

The Village of Ardsley, New York ("Village") was established in 1896 and operates in accordance with Village Law and the various other applicable laws of the State of New York. The Village Board of Trustees is the legislative body responsible for overall operation. The Village Manager serves as the chief executive officer and the Village Treasurer serves as the chief financial officer. The Village provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Village's more significant accounting policies:

A. Financial Reporting Entity

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

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, 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 Position and the Statement of Activities) report information on all non-fiduciary activities of the Village as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

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

Separate financial statements are provided for governmental funds 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. 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 pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two 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 are 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.

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The non-major special revenue funds of the Village are as follows:

Public Library Fund - The Public Library Fund is used to account for the activities of the Village's Public Library. The major revenues of this fund are charges for services and transfers in.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. These include Pension Trust and Agency Funds. The Agency Fund accounts for employee payroll tax withholdings and deposits that are payable to other jurisdictions or individuals. The Pension Trust Fund is provided to account for the Village's Fire Service Awards Program.

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

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

The government-wide financial statements and the Pension Trust Fund are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. 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 and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Deposits, Investments and Risk Disclosure

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Village's name. The Village's aggregate bank balances that are not covered by depository insurance were not exposed to custodial credit risk at May 31, 2013.

Investments - The Village participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. In accordance with the provisions of General Municipal Law, Article 3A, CLASS has designated Cutwater Asset Management, a wholly owned subsidiary of MBIA, Inc. as its registered investment advisor. MBIA, Inc. is registered with the Securities and Exchange Commission ("SEC"), and is subject to all the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amount represents the amortized cost of the cooperative shares and is considered to approximate fair value. The Village's position in the pool is equal to the value of the pool shares. Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from MBIA Municipal Investors Services Corporation, 113 King Street, Armonk, NY 10504.

CLASS is rated AAAm by Standard & Poor's Ratings. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

The Village was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Investments of the Pension Trust Fund are held with an insurance company. The funds are invested along with the company's other assets in a variety of instruments. The amounts are

Note 1 - Summary of Significant Accounting Policies (Continued)

invested in various portfolios by the trustee. These investments are not subject to risk categorization.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in two installments due in June and December. The Village has the responsibility for the billing and collection of its own taxes.

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.

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, 2013, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government wide and fund financial statements. Prepaid expenses/expenditures consist of 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 fund financial statements are equally offset by a reservation of fund balance, 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 inventory 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 governmental activities column 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.

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 historical cost for the initial reporting period of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price-level index to deflate the cost to the acquisition year).

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	10-40
Machinery and equipment	5-10
Infrastructure	20-50

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues of \$81,065 for real property taxes and \$10,102 for State aid received in advance in the General Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

As of May 31, 2013, no amounts were required to be reported as deferred outflows/inflows of resources.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

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

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

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

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

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

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

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Village's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Village's policy to use fund balance in the following order: committed, assigned and unassigned.

F. Encumbrances

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

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. The Village has not implemented an encumbrance system.

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 November 14, 2013.

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) On or before March 20th, the budget officer submits to the Board of Trustees a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes the proposed expenditures and the means of financing.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for the General and Public Library funds.
- f) Budgets for the General and Public 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. An annual budget is not adopted by the Board of Trustees for the Special Purpose Fund.
- g) The Village Board 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 of Trustees. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- h) Appropriations in the General and Public Library funds lapse at the end of the fiscal year, except that outstanding encumbrances 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.

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 2013 fiscal year was \$21,781,257 which exceeded the actual levy by \$13,727,189.

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Village in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

Note 2 - Stewardship, Compliance and Accountability (Continued)

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board first enacts, by a vote of at least sixty percent of the total voting power of the Village Board, a local law to override such limit for such coming fiscal year.

C. Application of Accounting Standards

For the year ended May 31, 2013, the Village implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" ("GASB Statement No. 63"). This statement provides financial reporting guidelines for these elements first introduced in GASB Concept Statement No. 4, "Elements of Financial Statements". Previous financial reporting standards did not include guidance for reporting these financial statement elements, which are distinct from assets and liabilities.

D. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$54,138 arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. The deficits in individual capital projects arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

E. Expenditures in Excess of Budget

The following categories of expenditures and capital projects exceeded their budgetary provisions by the amounts indicated:

General Fund	
Public Safety	
Fire Department	\$ 13,433
Capital Projects	
Police Vehicle and Equipment	5,852

Village of Ardsley, New York

Notes to Financial Statements (Continued)
May 31, 2013

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

Taxes receivable at May 31, 2013 consisted of the following:

Current Year	\$	61,837
Prior Years		<u>98,644</u>
		160,481
Less: Allowance for uncollectible taxes		<u>(63,940)</u>
	\$	<u><u>96,541</u></u>

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2013 were as follows:

Fund	Due From	Due To
General	\$ 30,731	\$ -
Capital Projects	-	24,453
Non-Major Governmental	<u>6,651</u>	<u>12,929</u>
	<u>\$ 37,382</u>	<u>\$ 37,382</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:

	Balance June 1, 2012	Additions	Deletions	Balance May 31, 2013
Capital Assets, not being depreciated				
Land	\$ 121,550	\$ -	\$ -	\$ 121,550
Construction-in-progress	<u>18,014</u>		<u>18,014</u>	<u>-</u>
Total Capital Assets, not being depreciated	<u>\$ 139,564</u>	<u>\$ -</u>	<u>\$ 18,014</u>	<u>\$ 121,550</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 8,970,062	\$ 18,014	-	\$ 8,988,076
Machinery and equipment	4,105,789	136,638	310,416	3,932,011
Infrastructure	<u>905,829</u>	<u>-</u>	<u>-</u>	<u>905,829</u>
Total Capital Assets, being depreciated	<u>13,981,680</u>	<u>154,652</u>	<u>310,416</u>	<u>13,825,916</u>

Village of Ardsley, New York

Notes to Financial Statements (Continued)

May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

	Balance June 1, 2012	Additions	Deletions	Balance May 31, 2013
Less Accumulated Depreciation for				
Buildings and improvements	\$ 1,995,951	\$ 298,832	\$	\$ 2,294,783
Machinery and equipment	2,890,489	223,017	310,416	2,803,090
Infrastructure	133,359	22,833	-	156,192
Total Accumulated Depreciation	5,019,799	544,682	310,416	5,254,065
Total Capital Assets, being depreciated, net	\$ 8,961,881	\$ (390,030)	\$ -	\$ 8,571,851
Capital Assets, net	\$ 9,101,445	\$ (390,030)	\$ 18,014	\$ 8,693,401

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

General Government Support	\$ 25,328
Public Safety	223,047
Transportation	155,071
Culture and Recreation	141,236
Total Depreciation Expense	\$ 544,682

D. Pension Plans

The Village participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") ("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 System is non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. 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 and a regular pension contribution. Contribution rates for the plans' year ended March 31, 2013 are as follows:

	Tier/Plan	Rate
ERS	3 A14	18.6 %
	4 A15	18.6
	5 A15	15.1
	6 A15	10.1

Village of Ardsley, New York

Notes to Financial Statements (Continued)
May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
PFRS	2 384D	25.1 %
	5 384D	24.1
	6 384D	21.6

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

	<u>ERS</u>	<u>PFRS</u>
2013	\$ 360,989	\$ 570,176
2012	341,755	572,522
2011	215,446	401,503

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

The current ERS contribution for the Village was charged to the funds identified below. The PFRS contribution was charged to the General Fund.

<u>Fund</u>	<u>Amount</u>
General	\$ 335,898
Public Library	<u>25,091</u>
	<u>\$ 360,989</u>

E. Pension Trust - Service Awards Program

The Village, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Awards Program ("Program") for volunteer firefighters. This Program is a single employer defined benefit plan. Active volunteer firefighters, upon attainment of age 18 and upon earning 50 or more points in a calendar year after 1990 under the provisions of the Program point system, are eligible to become participants in the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 65 or the participant's age after earning 50 program points), shall be able to receive their service award, payable in the form of a lifetime annuity. The monthly benefits are \$20 for each year of service credit, up to a maximum of 40 years. The Program also provides disability and death benefits. The trustees of the Program, which are the members of the Village's Board, are authorized to invest the funds in authorized investment vehicles.

Current membership in the Program is comprised of the following:

<u>Group</u>	<u>January 1, 2013</u>
Retirees and beneficiaries currently receiving benefits	11
Terminated members entitled to but not yet receiving benefits	24
Active	48

Note 3 - Detailed Notes on All Funds (Continued)

The Village is required to contribute the amounts necessary to finance the plan as actuarially determined using the attained age normal frozen initial liability cost method. The asset valuation method is fair value. The assumed investment rate of return is 5.25% and there are no cost of living adjustments.

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

	Annual Required Contribution	Actual Contribution	Percentage of Annual Program Cost Contributed
2013	\$ 70,000	\$ 70,000	100.00 %
2012	70,000	70,000	100.00
2011	70,000	70,000	100.00

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

The current year contribution to the Program was charged to the General Fund.

F. Short-Term Capital Borrowings - Bond Anticipation Notes

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance June 1, 2012	Redemptions	Balance May 31, 2013
Library Reconstruction	2009	08/31/12	1.48 %	\$ 645,000	\$ 160,500	\$ 484,500
Police Vehicles and Equipment	2012	02/08/13	2.34	66,000	13,200	52,800
				<u>\$ 711,000</u>	<u>\$ 173,700</u>	<u>\$ 537,300</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$11,029 were recorded in the fund financial statements in the General Fund. Interest expense of \$8,927 was recorded in the government-wide financial statements.

Village of Ardsley, New York

Notes to Financial Statements (Continued)
 May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)**G. Long-Term Liabilities**

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2013:

	Balance June 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2013	Due Within One Year
Bonds Payable	\$ 6,076,500	\$ -	376,500	\$ 5,700,000	\$ 390,000
Compensated Absences	147,683	59,135	14,000	192,818	19,000
Other Post Employment Benefit Obligations Payable	1,970,000	1,410,000	300,000	3,080,000	-
	<u>\$ 8,194,183</u>	<u>\$ 1,469,135</u>	<u>\$ 690,500</u>	<u>\$ 8,972,818</u>	<u>\$ 409,000</u>

Each governmental fund's liability for bonds, compensated absences and other post employment benefit obligations are liquidated by the General Fund.

Bonds Payable

Bonds payable at May 31, 2013 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2013
Public Improvements	1997	\$ 2,206,000	October, 2017	4.8 - 5.125 %	\$ 500,000
Public Improvements	2006	5,219,200	August, 2031	4.0 - 5.000	4,060,000
Public Improvements	2012	1,211,500	March, 2027	2.0 - 2.750	1,140,000
					<u>\$ 5,700,000</u>

Interest expenditures of \$233,215 was recorded in the fund financial statements in the General Fund. Interest expense of \$233,779 was recorded in the government-wide financial statements for governmental activities.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of May 31, 2013 including interest payments of \$1,827,421 are as follows:

<u>Year Ended May 31,</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 390,000	\$ 216,810
2015	395,000	199,435
2016	400,000	181,785
2017	400,000	163,960
2018	400,000	146,098
2019-2023	1,505,000	554,138
2024-2028	1,360,000	295,774
2029-2032	850,000	69,421
	<u>\$ 5,700,000</u>	<u>\$ 1,827,421</u>

Compensated Absences

Pursuant to collective bargaining agreements, employees of the Department of Public Works and non-union full-time employees may accumulate up to 175 days of sick time. Upon retirement, these employees will be compensated for 50% of unused sick time at their current salary level. Effective June 1, 1994, police employees have unlimited sick leave. Prior to this date, police employees could accumulate up to 150 days of sick time. Days accumulated as of June 1, 1994 were frozen and police employees, at retirement, separation of service or upon written notification, may receive payment for 50% of these accumulated days at their hourly rate. Compensatory time for overtime hours may be accumulated by police employees. At the option of the employee, payment will be made either through additional compensation or compensatory time. Payment is limited to 150 hours. Compensatory time for police officers may accumulate without limit. Employees will be paid for this time, at their option. However, requests for payment must be made prior to February 1st of each year. Vacation time for employees of the Department of Public Works may be carried over to the subsequent year, and upon separation of service, employees will be compensated for any unused days from the prior year. Vacation time for police and non-union employees is generally taken in the year earned and may not be accumulated.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. Substantially all of the Village's employee's 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 has recognized revenues and expenditures of \$15,825 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

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

Village of Ardsley, New York

Notes to Financial Statements (Continued)
May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

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.

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. In addition, the assumptions projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Village is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the Village's general assets. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in post-retirement benefits are as follows:

<u>Year Ended May 31,</u>	
2014	9.50 %
2015	9.00
2016	8.50
2017	8.00
2018	7.50
2019	7.00

The amortization basis is the level percentage of payroll basis with an open amortization approach with 26 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return, 3% inflation rate and 3% payroll growth rate. The Village currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of May 31, 2013 was as follows:

Active Employees	42
Retired Employees	<u>20</u>
	<u><u>62</u></u>

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2012	\$ 14,470,000
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 14,470,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 3,990,000</u>
UAAL as a Percentage of Covered Payroll	<u>362.66%</u>
Annual Required Contribution	\$ 1,440,000
Interest on Net OPEB Obligation	90,000
Adjustment to Annual Required Contribution	<u>(120,000)</u>
Annual OPEB Cost	1,410,000
Contributions Made	<u>(300,000)</u>
Increase in Net OPEB Obligation	1,110,000
Net OPEB Obligation - Beginning of Year	<u>1,970,000</u>
Net OPEB Obligation - End of Year	<u>\$ 3,080,000</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding year is as follows:

<u>Fiscal Year Ended May 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 1,410,000	21.28 %	\$ 3,080,000
2012	980,000	27.55	1,970,000
2011	930,000	32.26	1,260,000

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

H. 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.

Village of Ardsley, New York

Notes to Financial Statements (Continued)
May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In		Total
	Capital Projects Fund	Other Governmental Funds	
General Fund	\$ 173,700	\$ 333,214	\$ 506,914

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures, 2) move amounts earmarked in the operating funds to fulfill commitments for the Public Library Fund.

I. Net Position

The components of net position are detailed below:

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

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

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

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

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

Notes to Financial Statements (Continued)
May 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2013				2012			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable								
Prepaid expenditures	\$ 2,417	\$ 21,314	\$ -	\$ 23,731	\$ 2,417	\$ -	\$ -	\$ 2,417
Restricted								
Trusts	-	-	32,865	32,865	-	-	31,429	31,429
Debt service	388,138	135,041	-	523,179	386,207	134,369	-	520,576
Total Restricted	388,138	135,041	32,865	556,044	386,207	134,369	31,429	552,005
Assigned								
Contractual obligations	95,214	-	-	95,214	104,609	-	-	104,609
Non-Major Governmental Fund								
Public Library	-	-	12,713	12,713	-	-	-	-
Total Assigned	95,214	-	12,713	107,927	104,609	-	-	104,609
Unassigned								
	997,368	(54,138)	-	943,230	775,624	(183,261)	(4,744)	587,619
Total Fund Balances	\$ 1,483,137	\$ 102,217	\$ 45,578	\$ 1,630,932	\$ 1,268,857	\$ (48,892)	\$ 26,685	\$ 1,246,650

Note 3 - Detailed Notes on All Funds (Continued)

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

Prepaid Expenditures has been established to account for the purchase of day camp supplies made in advance. This amount is classified as nonspendable to indicate that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

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

Assigned for Contractual Obligations - This is used to segregate a portion of fund balance of the General Fund for contractual obligations.

Unassigned fund balance in the General Fund represents amounts not classified as restricted or assigned. Unassigned fund balance in the Capital Projects Fund represent a deficit fund balance.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Village, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damages or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Village, if adversely settled.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Village, if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

Contingencies

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

B. Risk Management

The Village purchases various insurance coverages to reduce its exposure to loss. The Village maintains a general liability insurance policy with coverage up to \$1 million for each occurrence and an umbrella policy with coverage up to \$10 million. The public officials liability policy provides coverage up to \$1 million. The Village also purchases conventional workers' compensation insurance with coverage at statutory limits and medical insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Village of Ardsley, New York**Required Supplementary Information - Schedule of Funding Progress
Service Awards Program
Last Six Fiscal Years**

<u>Actuarial Valuation Date January 1,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
2008	\$ 520,965	\$ 862,322	\$ 341,357	60.41 %
2009	472,774	927,475	454,701	50.97
2010	520,728	1,110,063	589,335	46.91
2011	697,833	1,177,860	480,027	59.25
2012	720,345	1,255,336	534,991	57.38
2013	848,060	1,312,760	464,700	64.60

Village of Ardsley, New York

Required Supplementary Information - Schedule of Contributions
Service Awards Program
Last Six Fiscal Years

<u>Year Ended May 31,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2008	\$ 70,000	100 %
2009	70,000	100
2010	70,000	100
2011	70,000	100
2012	70,000	100
2013	70,000	100

Village of Ardsley, New York

Required Supplementary Information - Schedule of Funding Progress

Other Post Employment Benefits

Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
June 1, 2010	\$ -	\$ 11,600,000	\$ 11,600,000	- %	\$ 3,610,000	321.33 %
June 1, 2011	-	12,230,000	12,230,000	-	3,820,000	320.16
June 1, 2012	-	14,470,000	14,470,000	-	3,990,000	362.66

Village of Ardsley, New York

General Fund
Comparative Balance Sheet
May 31,

	2013	2012
ASSETS		
Cash and equivalents	\$ 938,601	\$ 796,674
Taxes receivable, net of allowance for uncollectible amounts of \$63,940 in 2013 and \$176,986 in 2012	96,541	63,275
Other receivables		
Accounts	409,246	151,761
State and Federal aid	210,414	89,500
Due from other governments	502,591	774,551
Due from other funds	30,731	69,935
	1,152,982	1,085,747
Prepaid expenditures	2,417	2,417
Total Assets	\$ 2,190,541	\$ 1,948,113
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 399,625	\$ 405,154
Unearned tax revenues	81,065	28,422
Unearned revenues	10,102	12,247
Due to retirement systems	216,612	233,433
Total Liabilities	707,404	679,256
Fund balance		
Nonspendable	2,417	2,417
Restricted	388,138	386,207
Assigned	95,214	104,609
Unassigned	997,368	775,624
Total Fund Balance	1,483,137	1,268,857
Total Liabilities and Fund Balance	\$ 2,190,541	\$ 1,948,113

Village of Ardsley, New York

General Fund

Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended May 31,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 8,054,068	\$ 8,054,068	\$ 8,354,984	\$ 300,916
Other tax items	30,209	30,209	141,490	111,281
Non-property taxes	817,000	817,000	819,942	2,942
Departmental income	723,816	735,609	776,503	40,894
Use of money and property	10,000	10,000	5,363	(4,637)
Licenses and permits	150,500	150,500	144,708	(5,792)
Fines and forfeitures	115,000	125,128	112,045	(13,083)
Sale of property and compensation for loss	13,900	29,962	35,251	5,289
State aid	201,352	210,052	216,920	6,868
Federal aid	-	163,600	208,407	44,807
Miscellaneous	66,200	66,200	(7,849)	(74,049)
Total Revenues	10,182,045	10,392,328	10,807,764	415,436
EXPENDITURES				
Current				
General government support	1,255,060	1,370,144	1,354,566	15,578
Public safety	3,366,215	3,578,912	3,574,030	4,882
Health	29,244	193,252	99,835	93,417
Transportation	551,376	616,668	616,600	68
Economic opportunity and development	36,704	41,315	40,863	452
Culture and recreation	191,462	206,965	206,551	414
Home and community services	976,689	1,046,205	1,046,089	116
Employee benefits	2,654,797	2,544,113	2,527,292	16,821
Debt service				
Principal	376,500	376,500	376,500	-
Interest	237,084	244,244	244,244	-
Total Expenditures	9,675,131	10,218,318	10,086,570	131,748
Excess of Revenues Over Expenditures	506,914	174,010	721,194	547,184
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(506,914)	(506,914)	(506,914)	-
Total Other Financing Uses	(506,914)	(506,914)	(506,914)	-
Net Change in Fund Balance	-	(332,904)	214,280	547,184
Fund Balance - Beginning of Year	-	332,904	1,268,857	935,953
Fund Balance - End of Year	\$ -	\$ -	\$ 1,483,137	\$ 1,483,137

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 7,757,371	\$ 7,757,371	\$ 7,705,076	\$ (52,295)
24,000	24,000	32,235	8,235
798,000	798,000	773,558	(24,442)
758,642	768,042	810,800	42,758
10,000	10,000	6,281	(3,719)
100,100	100,100	324,679	224,579
100,000	100,000	77,348	(22,652)
74,000	74,000	100,736	26,736
183,275	214,475	231,782	17,307
-	125,000	91,025	(33,975)
66,200	66,200	72,378	6,178
9,871,588	10,037,188	10,225,898	188,710
1,316,132	1,417,360	1,412,028	5,332
3,111,617	3,356,287	3,354,526	1,761
27,024	152,807	65,000	87,807
702,303	582,203	582,202	1
33,080	37,010	37,010	-
214,015	204,022	203,822	200
931,869	980,508	978,294	2,214
2,431,044	2,477,794	2,477,468	326
300,000	300,000	300,000	-
250,525	253,132	253,132	-
9,317,609	9,761,123	9,663,482	97,641
553,979	276,065	562,416	286,351
-	-	60,643	60,643
(553,979)	(576,649)	(576,649)	-
(553,979)	(576,649)	(516,006)	60,643
-	(300,584)	46,410	346,994
-	300,584	1,222,447	921,863
\$ -	\$ -	\$ 1,268,857	\$ 1,268,857

Village of Ardsley, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended May 31, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
REAL PROPERTY TAXES	\$ 8,054,068	\$ 8,054,068	\$ 8,354,984	\$ 300,916	\$ 7,705,076
OTHER TAX ITEMS	30,209	30,209	141,490	111,281	32,235
Interest and penalties on real property taxes					
NON-PROPERTY TAXES	615,000	615,000	606,114	(8,886)	586,990
Non-property tax distribution from County	94,000	94,000	102,668	8,668	98,146
Franchise fees	108,000	108,000	111,160	3,160	88,422
Utilities gross receipts taxes	817,000	817,000	819,942	2,942	773,558
DEPARTMENTAL INCOME	300	300	288	(12)	396
Tax advertising	150	150	158	8	138
Clerk fees	450	450	345	(105)	470
Police fees	8,500	8,500	11,415	2,915	16,666
Prisoner transportation	1,500	13,294	37,948	24,654	8,206
Special events	2,000	2,000	850	(1,150)	1,440
Safety inspection fees	4,000	4,000	6,600	2,600	2,856
Stop DWI fees	2,500	2,500	-	(2,500)	-
Occupant restraint fees	1,800	1,800	1,480	(320)	910
Registrar of Vital Statistics	38,500	38,500	48,889	10,389	35,033
Parking	52,090	52,089	51,518	(571)	65,526
Parks and recreation charges	3,500	3,500	1,400	(2,100)	1,405
Zoning fees	3,500	3,500	-	(3,500)	6,225
Planning board fees	66,000	66,000	67,354	1,354	73,331
Refuse removal	349,949	349,949	349,949	-	327,018
Fire protection	240	240	252	12	248
Snow removal	16,791	16,791	29,150	12,359	33,125
Programs for the aging	172,046	172,046	168,907	(3,139)	237,807
Other local governments	723,816	735,609	776,503	40,894	810,800

USE OF MONEY AND PROPERTY					
Earnings on investments	10,000	10,000	5,363	(4,637)	6,281
LICENSES AND PERMITS					
Permit fees	147,100	147,100	140,133	(6,967)	318,192
Alarm fees	3,400	3,400	4,575	1,175	6,487
FINES AND FORFEITURES					
Fines and forfeited bail	150,500	150,500	144,708	(5,792)	324,679
	115,000	125,128	112,045	(13,083)	77,348
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	2,000	2,000	5,514	3,514	47,900
Other minor sales	3,900	3,900	14,977	11,077	24,051
Insurance recoveries	8,000	24,062	14,760	(9,302)	28,785
STATE AID					
Per capita	13,900	29,962	35,251	5,289	100,736
Mortgage tax	28,009	28,009	28,009	-	28,009
Consolidated highway improvement aid	90,000	90,000	97,365	7,365	82,715
Youth programs	82,621	82,621	82,478	(143)	85,621
Community projects	722	722	556	(166)	722
	-	8,700	8,512	(188)	34,715
FEDERAL AID					
COPS Grant	201,352	210,052	216,920	6,868	231,782
	-	163,600	208,407	44,807	91,025
MISCELLANEOUS					
Other	66,200	66,200	(7,849)	(74,049)	72,378
TOTAL REVENUES					
	10,182,045	10,392,328	10,807,764	415,436	10,225,898
OTHER FINANCING SOURCES					
Transfers in	-	-	-	-	60,643
Capital Projects Fund	-	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES					
	\$ 10,182,045	\$ 10,392,328	\$ 10,807,764	\$ 415,436	\$ 10,286,541

Village of Ardsley, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended May 31, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 10,100	\$ 9,695	\$ 9,095	\$ 600	\$ 9,600
Justice	117,519	120,206	120,206	-	105,979
Mayor	5,150	5,822	5,722	100	5,563
Village Manager	176,796	175,280	175,240	40	166,797
Auditor	46,850	49,075	49,050	25	48,825
Treasurer	185,629	197,128	197,055	73	198,147
Assessment	-	-	-	-	18,252
Village Clerk	131,776	128,337	127,717	620	109,286
Law	72,486	115,606	105,457	10,149	158,836
Buildings	60,500	75,801	75,736	65	64,829
Central garage	226,431	292,133	292,076	57	245,730
Unallocated insurance	136,012	148,330	148,330	-	132,377
Municipal association dues	3,500	3,167	3,167	-	5,380
Refund of real property taxes	12,500	-	-	-	98,123
Metropolitan commuter transportation mobility tax	16,500	16,905	16,905	-	15,940
Other	27,500	28,810	28,810	-	28,364
Contingency	25,811	3,849	-	3,849	-
	1,255,060	1,370,144	1,354,566	15,578	1,412,028
PUBLIC SAFETY					
Police	2,744,355	2,957,557	2,940,163	17,394	2,689,703
Traffic control	2,000	2,000	1,904	96	3,972
Fire department	469,185	472,049	485,482	(13,433)	502,360
Safety inspection	150,675	147,306	146,481	825	158,491
	3,366,215	3,578,912	3,574,030	4,882	3,354,526

HEALTH

Youth Council

	29,244	193,252	99,835	93,417	65,000
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TRANSPORTATION

Street administration
 Street maintenance
 Snow removal
 Street lighting

126,794	127,094	127,094	-	-	120,793
260,582	304,571	304,571	-	-	349,982
100,000	98,509	98,509	-	-	37,057
64,000	86,494	86,426	68	68	74,370

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging

551,376	616,668	616,600	68	68	582,202
36,704	41,315	40,863	452	452	37,010

CULTURE AND RECREATION

Parks
 Community center
 Historian
 Celebrations
 CATV committee

138,158	149,123	148,966	157	157	153,389
26,660	32,273	32,216	57	57	26,497
1,200	1,075	1,075	-	-	1,200
6,000	4,725	4,725	-	-	3,979
19,444	19,769	19,569	200	200	18,757

HOME AND COMMUNITY SERVICES

Planning
 Environmental control
 Zoning
 Sanitary sewers
 Storm sewers
 Refuse and garbage
 Shade trees
 Community beautification
 Street cleaning

191,462	206,965	206,551	414	414	203,822
13,700	15,388	15,388	-	-	11,915
4,200	2,462	2,462	-	-	3,042
2,700	5,334	5,279	55	55	1,458
76,076	88,445	88,445	-	-	76,595
85,433	86,254	86,193	61	61	83,482
745,628	778,090	778,090	-	-	736,794
21,000	39,260	39,260	-	-	39,887
4,000	7,020	7,020	-	-	5,347
23,952	23,952	23,952	-	-	19,774
976,689	1,046,205	1,046,089	116	116	978,294

(Continued)

Village of Ardsley, New York

General Fund

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

Year Ended May 31, 2013

(With Comparative Actuals for 2012)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2012 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 349,816	\$ 342,419	\$ 335,898	\$ 6,521	\$ 317,378
State retirement - Police	632,693	580,476	570,176	10,300	572,522
Service awards program	70,000	70,000	70,000	-	70,000
Social security	363,757	325,840	325,840	-	332,537
Workers' compensation benefits	175,000	181,904	181,904	-	171,026
Unemployment benefits	-	149	149	-	-
Life insurance	6,875	7,581	7,581	-	6,834
Disability insurance	1,400	1,996	1,996	-	674
Medical and dental insurance	1,055,256	1,033,748	1,033,748	-	1,006,497
	2,654,797	2,544,113	2,527,292	16,821	2,477,468
DEBT SERVICE					
Principal					
Serial bonds	376,500	376,500	376,500	-	300,000
Bond anticipation notes	-	-	-	-	-
	376,500	376,500	376,500	-	300,000
Interest					
Serial bonds	225,723	233,215	233,215	-	222,023
Bond anticipation notes	11,361	11,029	11,029	-	31,109
	237,084	244,244	244,244	-	253,132
	613,584	620,744	620,744	-	553,132
TOTAL EXPENDITURES	9,675,131	10,218,318	10,086,570	131,748	9,663,482

OTHER FINANCING USES

Transfers out

Capital Projects Fund

Public Library Fund

TOTAL OTHER FINANCING USES

TOTAL EXPENDITURES AND

OTHER FINANCING USES

173,700	173,700	173,700	-	249,670
333,214	333,214	333,214	-	326,979
506,914	506,914	506,914	-	576,649
\$ 10,182,045	\$ 10,725,232	\$ 10,593,484	\$ 131,748	\$ 10,240,131

Village of Ardsley, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 642,357	\$ 711,135
Investments	299	299
State and Federal aid receivable	<u>21,314</u>	<u>21,314</u>
Total Assets	<u>\$ 663,970</u>	<u>\$ 732,748</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ -	\$ 6,983
Due to other funds	24,453	63,657
Bond anticipation notes payable	<u>537,300</u>	<u>711,000</u>
Total Liabilities	<u>561,753</u>	<u>781,640</u>
Fund balance (deficit)		
Nonspendable	21,314	-
Restricted	135,041	134,369
Unassigned	<u>(54,138)</u>	<u>(183,261)</u>
Total Fund Balance (Deficit)	<u>102,217</u>	<u>(48,892)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 663,970</u>	<u>\$ 732,748</u>

Village of Ardsley, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended May 31,

	<u>2013</u>	<u>2012</u>
REVENUES		
State aid	\$ 109,999	\$ 18,014
Miscellaneous	<u>7,031</u>	<u>9,529</u>
Total Revenues	117,030	27,543
EXPENDITURES		
Capital outlay	<u>139,621</u>	<u>96,597</u>
Deficiency of Revenues Over Expenditures	<u>(22,591)</u>	<u>(69,054)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	-	1,211,500
Transfers in	173,700	249,670
Transfers out	<u>-</u>	<u>(60,643)</u>
Total Other Financing Sources	<u>173,700</u>	<u>1,400,527</u>
Net Change in Fund Balance	151,109	1,331,473
Fund Deficit - Beginning of Year	<u>(48,892)</u>	<u>(1,380,365)</u>
Fund Balance (Deficit) - End of Year	<u>\$ 102,217</u>	<u>\$ (48,892)</u>

Village of Ardsley, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through May 31, 2013

Project	Authorization	Expenditures and Transfers	Unexpended Balance
Acquisition of Cable Equipment	\$ 182,658	\$ 135,731	\$ 46,927
Reconstruction of Ashford Avenue	870,767	649,663	221,104
Reconstruction of Sanitary Sewer Mains	257,000	257,000	-
Flood Control	134,000	124,000	10,000
Street Reconstruction	140,483	71,294	69,189
Village Hall Reconstruction	15,000	14,431	569
Library Reconstruction	2,301,822	1,948,865	352,957
Refuse Truck	185,000	179,756	5,244
Police Vehicles and Equipment	66,000	71,852	(5,852)
Solar Panel Roof	155,000	110,011	44,989
Reconstruction of King Street Culvert	134,000	12,550	121,450
Safe Route to School	475,000	4,656	470,344
Totals	<u>\$ 4,916,730</u>	<u>\$ 3,579,809</u>	<u>\$ 1,336,921</u>

Total Revenue	Fund Balance (Deficit) at May 31, 2013	Bond Anticipation Notes Out- standing at May 31, 2013
\$ 182,658	\$ 46,927	\$ -
687,509	37,846	-
257,000	-	-
134,000	10,000	-
140,483	69,189	-
15,000	569	-
1,817,322	(131,543)	484,500
185,000	5,244	-
-	(71,852)	52,800
128,013	18,002	-
-	(12,550)	-
-	(4,656)	-
<u>\$ 3,546,985</u>	<u>\$ (32,824)</u>	<u>\$ 537,300</u>

Village of Ardsley, New York

Non-Major Governmental Funds
Combining Balance Sheet
May 31, 2013
(With Comparative Totals for 2012)

	Public Library Fund	Special Purpose Fund	Total Non-Major Governmental Funds	
			2013	2012
ASSETS				
Cash and equivalents	\$ 27,150	\$ 39,709	\$ 66,859	\$ 40,424
Due from other funds	-	6,651	6,651	6,651
Total Assets	<u>\$ 27,150</u>	<u>\$ 46,360</u>	<u>\$ 73,510</u>	<u>\$ 47,075</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 6,235	\$ 8,768	\$ 15,003	\$ 7,461
Due to other funds	8,202	4,727	12,929	12,929
Total Liabilities	<u>14,437</u>	<u>13,495</u>	<u>27,932</u>	<u>20,390</u>
Fund balances (deficits)				
Restricted	-	32,865	32,865	31,429
Assigned	12,713	-	12,713	-
Unassigned	-	-	-	(4,744)
Total Fund Balances	<u>12,713</u>	<u>32,865</u>	<u>45,578</u>	<u>26,685</u>
Total Liabilities and Fund Balances	<u>\$ 27,150</u>	<u>\$ 46,360</u>	<u>\$ 73,510</u>	<u>\$ 47,075</u>

Village of Ardsley, New York

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended May 31, 2013

(With Comparative Totals for 2012)

	Public Library Fund	Special Purpose Fund	Total Non-Major Governmental Funds	
			2013	2012
REVENUES				
Departmental income	\$ 105,996	\$ -	\$ 105,996	\$ 9,464
Use of money and property	76	30	106	227
State aid	3,163	-	3,163	1,732
Miscellaneous	809	42,690	43,499	80,442
Total Revenues	110,044	42,720	152,764	91,865
EXPENDITURES				
Current				
Culture and recreation	340,302	41,284	381,586	364,231
Employee benefits	85,499	-	85,499	85,105
Total Expenditures	425,801	41,284	467,085	449,336
Excess (Deficiency) of Revenues Over Expenditures	(315,757)	1,436	(314,321)	(357,471)
OTHER FINANCING SOURCES				
Transfers in	333,214	-	333,214	326,979
Net Change in Fund Balances	17,457	1,436	18,893	(30,492)
Fund Balances (Deficits) - Beginning of Year	(4,744)	31,429	26,685	57,177
Fund Balances - End of Year	\$ 12,713	\$ 32,865	\$ 45,578	\$ 26,685

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Village of Ardsley, New York

Public Library Fund
Comparative Balance Sheet
May 31,

	2013	2012
ASSETS		
Cash and equivalents	<u>\$ 27,150</u>	<u>\$ 6,395</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 6,235	\$ 2,937
Due to other funds	<u>8,202</u>	<u>8,202</u>
Total Liabilities	<u>14,437</u>	<u>11,139</u>
Fund balance (deficit)		
Assigned	12,713	-
Unassigned	<u>-</u>	<u>(4,744)</u>
Total Fund Balance (Deficit)	<u>12,713</u>	<u>(4,744)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 27,150</u>	<u>\$ 6,395</u>

Village of Ardsley, New York

Public Library Fund

Comparative Schedule of Revenues, Expenditures
and Changes in Fund Balance

Years Ended May 31,

	2013			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 105,833	\$ 105,833	\$ 105,996	\$ 163
Use of money and property	100	100	76	(24)
State aid	2,215	2,215	3,163	948
Miscellaneous	-	-	809	809
Total Revenues	108,148	108,148	110,044	1,896
EXPENDITURES				
Current				
Culture and recreation	351,952	351,952	340,302	11,650
Employee benefits	89,410	89,410	85,499	3,911
Total Expenditures	441,362	441,362	425,801	15,561
Deficiency of Revenues Over Expenditures	(333,214)	(333,214)	(315,757)	17,457
OTHER FINANCING SOURCES				
Transfers in	333,214	333,214	333,214	-
Net Change in Fund Balance	-	-	17,457	17,457
Fund Balance (Deficit) - Beginning of Year	-	-	(4,744)	(4,744)
Fund Balance (Deficit) - End of Year	\$ -	\$ -	\$ 12,713	\$ 12,713

2012			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 38,132	\$ 38,132	\$ 38,926	\$ 794
100	100	65	(35)
4,323	4,323	1,732	(2,591)
500	500	-	(500)
43,055	43,055	40,723	(2,332)
335,494	325,923	325,832	91
75,540	85,111	85,105	6
411,034	411,034	410,937	97
(367,979)	(367,979)	(370,214)	(2,235)
326,979	326,979	326,979	-
(41,000)	(41,000)	(43,235)	(2,235)
41,000	41,000	38,491	(2,509)
\$ -	\$ -	\$ (4,744)	\$ (4,744)

Village of Ardsley, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 39,709	\$ 34,029
Due from other funds	<u>6,651</u>	<u>6,651</u>
Total Assets	<u>\$ 46,360</u>	<u>\$ 40,680</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 8,768	\$ 4,524
Due to other funds	<u>4,727</u>	<u>4,727</u>
Total Liabilities	13,495	9,251
Fund balance		
Restricted	<u>32,865</u>	<u>31,429</u>
Total Liabilities and Fund Balance	<u>\$ 46,360</u>	<u>\$ 40,680</u>

Village of Ardsley, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended May 31,

	<u>2013</u>	<u>2012</u>
REVENUES		
Use of money and property	\$ 30	\$ 162
Miscellaneous	<u>42,690</u>	<u>50,980</u>
Total Revenues	42,720	51,142
EXPENDITURES		
Current		
Culture and recreation	<u>41,284</u>	<u>38,399</u>
Excess of Revenues Over Expenditures	1,436	12,743
Fund Balance - Beginning of Year	<u>31,429</u>	<u>18,686</u>
Fund Balance - End of Year	<u>\$ 32,865</u>	<u>\$ 31,429</u>

