

**Village of Larchmont, New York**

Financial Statements and  
Supplementary Information

Year Ended May 31, 2013



# Village of Larchmont, New York

## Table of Contents

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	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Water and Public Library Funds	25
Statement of Assets and Liabilities - Fiduciary Fund	27
Notes to Financial Statements	28
Required Supplementary Information	
Other Post Employment Benefits	
Schedule of Funding Progress - Last Three Fiscal Years	50
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	51
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	52
Schedule of Revenues and Other Financing Sources Compared to Budget	54
Schedule of Expenditures and Other Financing Uses Compared to Budget	56
Water Fund	
Comparative Balance Sheet	60
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	61
Public Library Fund	
Comparative Balance Sheet	63
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	64
Schedule of Revenues and Other Financing Sources Compared to Budget	66
Schedule of Expenditures and Other Financing Uses Compared to Budget	68
Capital Projects Fund	
Comparative Balance Sheet	69
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	70
Project-Length Schedule	71

# Village of Larchmont, New York

## Table of Contents (Concluded)

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	<u>Page No.</u>
Non-Major Governmental Funds	
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	77
Special Purpose Fund	
Comparative Balance Sheet	79
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	80
Debt Service Fund	
Comparative Balance Sheet	81
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	82

## Independent Auditors' Report

**The Honorable Mayor and Village Board  
of the Village of Larchmont, 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 Larchmont, 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, Water and Public Library funds 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 and the Schedule of Funding Progress – Other Post Employment Benefits 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

October 7, 2013

# Village of Larchmont, New York

## Management's Discussion and Analysis (MD&A) May 31, 2013

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### Introduction

The following discussion and analysis of the Village of Larchmont, New York's financial statements provides an overview of the financial activities of the Village of Larchmont, New York for the fiscal year ended May 31, 2013. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section to enhance understanding of the Village's financial performance.

### Financial Highlights

- ❖ On the government-wide financial statements, the assets of the Village exceeded its liabilities at the close of the fiscal year 2013 by \$6,520,323. At May 31, 2012, assets exceeded liabilities by \$8,170,365. This is a decrease in net position of \$1,650,042. Providing the impetus of the overall decrease in net position sustained was the impact attributable to Other Post Employment Benefits (OPEB) obligations which increased by \$1,330,000 during the course of the current fiscal year. In addition, the level of combined fund balances as of the fiscal year-end also contributed to this decline and was mainly influenced by the negative fund balance within the Capital Fund which regressed by approximately \$339,818 due to the treatment of short-term debt instruments (BANs) which are not recognized as a source of funding or revenue until their subsequent conversion to permanent, long-term debt or financing.
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$2,410,992. Exclusive of the Capital Projects Fund, the combined, ending fund balance was \$3,900,364. Of this amount, the unassigned portion of the combined fund balance was \$2,417,427, which is available for spending at the Village's discretion. This unassigned fund balance amount is the equivalent of the General Fund's positive contribution towards unassigned fund balance of \$2,489,156, less the adverse impact of the Water Fund's deficit fund balance of \$71,729. Overall, the Village's combined fund balance increased by \$50,783 when compared to the previous fiscal year. This increase in the overall combined fund balance is due to the actual results of operations achieved within each fund relative to its respective positive or negative impact on fund balance within each given fund. However, this increase was primarily influenced by the accounting practice that is applied to the Capital Fund in determining its fund balance, whereby, short-term financing sources in the form of Bond Anticipation Notes (BANs) are not recognized as a source of funding until such time that each is converted to long-term, permanent financing. This treatment of short-term debt which involves the exclusion or lack of recognition of short-term financing as a funding source may directly influence the creation of a deficit fund balance within the Capital Fund. The Village's outstanding debt in the form of Bond Anticipation Notes supporting activities within the Capital Fund as of the conclusion of Fiscal Year 2012-13 was \$1,760,000.
- ❖ For the 2012-13 Fiscal Year the General Fund experienced an increase in fund balance of \$448,888. The Water Fund experienced severe repetitive losses due to numerous leaks within the distribution system's infrastructure occurring during the winter season and as a

result a decrease in fund balance by \$94,468 was the result of its fiscal year's operation. The Library Fund saw its fund balance increase marginally by \$6,189, while the Capital Fund declined by \$339,818. The combined effect of the Special Purpose and Debt Service Funds contributed positively and negligibly toward combined fund balance as a decrease of \$30,346 and an increase of \$60,338 were realized, respectively.

The significant increase in fund balance within the General Fund is primarily attributable to unbudgeted funding received through federal grants, approximately \$402,000, providing assistance for both hiring of additional personnel within the Village's Fire Department and supplemental payments realized for the purpose of offsetting the costs incurred by the Village in the wake of the storm damage for the federally declared disaster of October 2012. In addition from a budgetary perspective, cost savings were realized due to positive variances achieved through the incurrence of less costs associated for tax certioraris, approximately \$182,000, and less than anticipated expenditures for consultant services, approximately 96,500, less than budgeted. While the fund balance within the Water Fund decreased by \$94,468, primarily and adversely influenced by costs incurred as a result of severe repetitive leaks occurring within the infrastructure of the water distribution system, aggregating approximately \$138,000, its inability to gain any traction towards improving this weakened fund balance condition was further effected by the continued direct absorption of fixed capital related expenses aggregating approximately \$59,000 for such infrastructure improvements as main, valve and hydrant replacements, in addition to a capital improvement cost incurred of \$18,350 associated with dam maintenance and improvements. Finally, growth of the fund balance within the Water Fund was also curtailed by both fundamental and technical issues surrounding actual and budgeted revenue which was equivalent to a negative variance of approximately \$200,000 when actual results are compared to budget. The Library's fund balance increased marginally by approximately \$6,189 and its flat results were achieved as a by-product of hiring replacement personnel at less costly salary and employment levels, implementation of a deferral in hiring practices and consolidation of personnel responsibilities through a natural attrition process, all of which ultimately derived a further cost savings in terms of salary and benefits. The Library Fund realized a cost savings of approximately \$96,000 in salaries and approximately \$50,000 in benefits related expenses. The offset to this combined cost savings was the appropriation of \$110,000 from the Library's fund balance as part of the original fiscal year's revenue budget.

- ❖ At the end of the fiscal years 2013 and 2012, total fund balances for the General Fund were \$2,829,257 and \$2,380,369 as adjusted, respectively, or 17.9% and 15.2% of total General Fund expenditures and other financing uses.
- ❖ During the current fiscal year, the Village did not issue any new long term debt in the form of serial bonds or notes payable from New York State. However, the Village did engage in a Serial Bond Refunding in the amount of \$2,020,000 in June 2012 thereby refinancing four (4) outstanding serial bond issues at a lower cost of capital, reducing the average weighted interest rate on these retired issues from 4.21% to 2.35%. This translates into an interest cost savings for the Village of \$137,927 in the aggregate or approximately \$19,700 on average over the next seven years, the life of the refunding issue. Outstanding principal on long-term debt in the form of serial bonds (\$4,830,000) and state loans (\$60,106) aggregated \$4,890,106. In the aggregate, retirement of the principal on long-term debt obligations, bonds (\$2,575,000) and notes (\$17,333) payable, in meeting debt service requirements decreased the outstanding principal on both serial bonds and state loans by \$2,592,333 or a net amount of \$572,333 when the refunding issue is included. It should be noted that accounting practice allows for the retirement of the 2004 Serial Bond issue in the

amount of \$760,000 and is recognized in advance of its actual refunding date of September 15, 2014. Provision for this outstanding principal balance has been made through the establishment of an escrow bank account and is fully funded in anticipation of the call date of September 15, 2014. However, the two remaining principal payments that are direct obligations of the Village are recognized as outstanding as of May 31, 2013 and are therefore part of the serial bond balance of \$4,830,000. In addition, over the course of the current fiscal year compensated absences increased by a net amount of \$260,134 as compared to a net decrease of \$313,092 for the previous fiscal year. This increase in the associated costs of compensated absences can most likely be attributed to the benefit derived in the preceding fiscal year, 2011-12, which achieved natural attrition in the Public Safety Sector through a retirement incentive program and as a result realized an improvement in outstanding obligations for this category of Long-Term Liabilities. Other Post Employment Benefit Obligations Payable (Retiree Health Care) is being reported for the fifth year and contributed \$1,330,000 towards long-term liabilities. In summary, long-term liabilities increased from \$10,197,359 to \$11,246,654, or by a net increase of \$1,049,295. This compares to a modest increase in the preceding fiscal year of only \$414,998.

- ❖ During the current fiscal year, the Village re-issued short-term debt obligations in the form of Bond Anticipation Notes (BANs) to finance the cost of various capital projects. On September 13, 2012, the Village re-issued a Bond Anticipation Note (BAN) in the amount of \$785,000 at a rate of 0.81%, maturing in one year, and reserved its prepayment option after three months. This BAN was originally issued for the purchase of equipment (\$175,000) within the Department of Public Works and Water Department, Construction of a Sanitation Facility (\$300,000), Firehouse Reconstruction (\$85,000), improvement(s) to the DPW's building (\$25,000), and purchase of a sanitation vehicle (\$200,000). On October 17, 2012, the Village re-issued a Bond Anticipation Note (BAN) in the amount of \$293,000 at a rate of 0.78%, with a one year maturity and reserved its prepayment option after three months. This note was originally issued in the amount of \$300,000 in support of the Children's Room Renovation (CRR) capital project, at the Village Library/ Center Annex Building. Finally, on February 21, 2013, the Village re-issued a Bond Anticipation Note (BAN) in the amount of \$682,000, original amount \$785,500, with a one year maturity and reserved its prepayment option after three months, at a rate of 0.76%. This BAN was originally issued for the purchase of a firefighting vehicle (\$477,000), a sanitation vehicle (\$180,000), six (6) parking pay stations (\$100,000) and a pick-up truck (\$28,500). It should be noted that upon the occurrence of the second year's maturity or anniversary since the original issuance for each Bond Anticipation Note, the Village has adhered to the scheduled mandatory principal payment towards outstanding principal predicated on the average weighted expired useful life of the asset(s) being financed by the respective note. At the conclusion of the Fiscal Year 2012 – 2013 the Village of Larchmont had an aggregate of \$1,760,000 of short-term debt obligations in the form of Bond Anticipation Notes outstanding, this represents a decrease of \$60,000 over the course of the current fiscal year.
- ❖ Finally, it is important to recognize a Fiscal Year 2012-13 post closing financing transaction note; the Village of Larchmont has converted its outstanding Bond Anticipation Notes (BANs) in the amount of \$1,760,000 plus financing for other capital projects to Long-Term Debt through the issuance of Long-Term Debt Obligations in the form of Serial Bonds, amount of \$2,581,708, and has learned that it has retained its Aaa credit rating through Moody's Investors Service.

## **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Village's assets and liabilities and deferred inflows/outflows of resources, 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 showing how the Village's net position changed during the most recent 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 (for example, uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Village include general government support, public safety, health, transportation, culture and recreation, home and community services and interest.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Village, like other state and local 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 evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it may be useful to compare the information presented for governmental funds with

similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains four major governmental funds: the General Fund, Water Fund, Public Library Fund and the Capital Projects Fund. This information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The Debt Service Fund and Special Purpose Fund are grouped together as non-major governmental funds.

Budgetary comparison statements have been provided for the General Fund and Water Fund within the basic financial statements to demonstrate compliance with the respective budgets.

### **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 one type of fiduciary fund, an Agency Fund. Resources in the Agency Fund are held by the Village purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment and remittance of resources to the appropriate individual, organization or government.

## **Notes to Financial Statements**

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

## **Other Information**

Additional statements and schedules can be found immediately following the notes to the financial statements and include individual fund financial statements and schedules of "budgets to actual" comparisons.

## **Government-wide Financial Analysis**

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$6,520,323 at the close of the fiscal year 2012-2013 as compared to \$8,170,365 for the fiscal year 2011-2012. This represents a decrease in net assets of \$1,650,042 as compared to the year earlier period. It should be recognized that the largest portion of the Village's net position is its investment in capital assets (land, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Village's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The following table reflects the condensed Statement of Net Position:

**Net Position**

	May 31,	
	2013	2012
Current Assets	\$ 5,233,404	\$ 5,221,466
Capital Assets, net	15,385,485	16,067,520
<b>Total Assets</b>	<b>20,618,889</b>	<b>21,288,986</b>
Current Liabilities	2,851,912	2,921,262
Long-Term Liabilities	11,246,654	10,197,359
<b>Total Liabilities</b>	<b>14,098,566</b>	<b>13,118,621</b>
<b>Net Position</b>		
Net Investment in Capital Assets	9,022,494	9,159,053
Restricted	1,047,490	1,289,063
Unrestricted	(3,549,661)	(2,277,751)
<b>Total Net Position</b>	<b>\$ 6,520,323</b>	<b>\$ 8,170,365</b>

The investment in capital assets, net of related debt, constitutes 138.4% of net position. Those net position which are restricted to use represent 16.0%. The remaining balance of net position is unrestricted assets representing negative 54.4% and may be used to meet the Village's ongoing obligations to citizens and creditors.

**Change in Net Position  
Fiscal Year Ended May 31,**

	2013	2012
<b>REVENUES</b>		
Program Revenues		
Charges for services	\$ 5,269,422	\$ 5,200,775
Operating grants and contributions	568,556	525,335
Capital grants and contributions	46,315	56,049
Total Program Revenues	<u>5,884,293</u>	<u>5,782,159</u>
General Revenues:		
Real property taxes	12,119,341	12,029,747
Other tax items	26,955	24,350
Non-property taxes	903,917	880,018
Unrestricted use of money and property	11,786	19,907
Sale of property and compensation for loss	7,425	7,687
Unrestricted State aid	286,249	270,777
Insurance recoveries	53,043	83,722
Miscellaneous	53,939	56,819
Total General Revenues	<u>13,462,655</u>	<u>13,373,027</u>
Total Revenues	<u>19,346,948</u>	<u>19,155,186</u>
<b>PROGRAM EXPENSES</b>		
General government support	2,454,251	2,745,883
Public safety	9,469,688	8,850,037
Health	40,000	40,000
Transportation	2,071,202	1,786,828
Culture and recreation	3,276,129	3,062,951
Home and community services	3,556,655	3,724,101
Interest	129,065	226,364
Total Expenses	<u>20,996,990</u>	<u>20,436,164</u>
Change in Net Position	(1,650,042)	(1,280,978)
Net Position - Beginning	<u>8,170,365</u>	<u>9,451,343</u>
Net Position - Ending	<u>\$ 6,520,323</u>	<u>\$ 8,170,365</u>

**Governmental Activities**

Governmental activities decreased the Village's net position by \$1,650,042 in 2013 and decreased the Village's net position by \$1,280,978 in 2012.

For the fiscal years ended May 31, 2013 and 2012, revenues from governmental activities totaled \$19,346,948 and \$19,155,186, respectively. Tax revenues of \$13,050,213 (67.5%) in 2013 and \$12,934,115 (67.5%) in 2012, comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue sources.

The largest components of governmental activities' expenses which totaled \$20,996,990 and \$20,436,164 in fiscal years 2013 and 2012, respectively, are public safety, \$9,469,688 (45.1%) in 2013 and \$8,850,037 (43.3%) in 2012, home and community services, \$3,556,655 (16.9%) in 2013 and \$3,724,101 (18.2%) in 2012, culture and recreation, \$3,276,129 (15.6%) in 2013 and \$3,062,951 (15.0%) in 2012, general government support \$2,454,251 (11.7%) in 2013 and \$2,745,883 (13.4%) in 2012, and transportation, \$2,071,202 (9.9%) in 2013, and \$1,786,828 (8.7%) in 2012.

The major changes are as follows:

#### Revenues:

- Real property taxes increased to \$12,119,341 in 2013 from \$12,029,747 in 2012, or by \$89,594 (0.74%) which was directly due to an increase in the Village's tax levy.
- Non-property taxes increased to \$903,917 in 2013 from \$880,018 in 2012 or by \$23,899 (2.7%) which was mainly due to the tepid County sales tax distributions across the 2013 and 2012 fiscal years as the economic tremors experienced in 2008 continue to have an adverse and depressed economic effect on this revenue item. Comparatively speaking, sales tax revenue increased slightly by \$4,595 or by 0.5%. Marginal State Aid increases of \$15,073 (1.7%), exclusive of emergency disaster assistance are directly related to the mostly depressed state of mortgage tax distributions which increased slightly by \$15,472 (7.8%) and continue to be reflective of the impact of continued softening and flattening of activity in the housing industry for both the new construction and resale markets.

#### Expenses:

- Expenses for the Public Safety Sector increased from \$8,850,037 to \$9,469,688 or by \$619,651 (7.0%). Within Culture and Recreation expenses increased from \$3,062,951 to \$3,276,129, or by \$213,178 (7.0%). Transportation increased from \$1,786,828 to \$2,071,202 or by a \$284,374 (15.9%), and Home and Community Services decreased from \$3,724,101 to \$3,556,655 or by \$167,446 (4.5%). Each of these increases disclosed no discernible, significant reason for the respective increases or decreases in expense at the fund level, however, it is important to note that overall, expenses within each program unit were strongly and adversely influenced by increases in employee benefits, inclusive of Other Post Employment Benefits (OPEB) obligations, which were allocated to each program in accordance with GASB Statement No. 45. In illustration of this point, and more specifically, healthcare costs increased approximately \$115,430 (7.2%) net of employee contributions and retirement related costs increased by approximately \$197,266 (13.0%) when each is compared to the prior fiscal year. Additionally, overtime expenses and the costs of payroll related benefits were pressured and influenced directly by the Village's emergency response in the wake of the events of Hurricane Sandy in October 2012. These costs as incurred were satisfactorily compensated for and offset by related emergency assistance federal grants as requisitioned for reimbursement and subsequently received by the Village.

## Financial Analysis of the Village's Funds

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

### **Fund Balance Reporting**

GASB issued its Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Village's fiscal period ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

According to GASB, these changes were made to bring greater clarity and consistency to fund balance reporting.

### **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 may be seen as useful in assessing the Village's financing requirements. In particular, 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 \$2,410,992, this represents an increase in overall combined fund balance of \$50,783. As stated previously, fund balance exclusive of the Capital Projects Fund aggregates

\$3,900,364. Of this amount, \$2,417,427 constitutes unassigned fund balance and is available for spending at the Village's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to 1) a reserve for prepaid expenditures (\$171,690), 2) a reserve for debt service (\$80,582) and a reserve for trust agreements (\$301,068), 3) assignment of fund balances for use exclusively for purposes related to the Library Fund (\$729,597) and assignment of appropriated fund balance (\$200,000) in the General Fund for use in the subsequent year's budget.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,489,156, representing 88.0% of the total General Fund balance of \$2,829,257. The difference between these two fund balance amounts, or \$340,101(12.0%), represents that portion of the General Fund's Fiscal Year 2012-2013 fund balance that is reserved for prepaid expenses, \$140,101 (4.9%), and that is assigned or designated, \$200,000 (7.1%), for use in the subsequent fiscal year's budget.

When the fiscal year 2012-2013 General Fund budget was adopted, it did not anticipate the use of any portion of fund balance. Actual results of operations disclosed a marked increase in the fund balance of \$448,888. Contributing to this increase in fund balance within the General Fund was a noticeable constraint in overall spending which yielded a positive variance of \$145,666. In the Fiscal Year 2012-2013, actual expenditures of \$15,790,796, inclusive of inter-fund transfers, were well within budgeted parameters of \$15,936,462. This positive variance was primarily achieved as the result of expenditures for tax certioraris or refunds of real property taxes and consultant services within the Engineer's Department being less than budgeted by approximately \$182,215 and \$96,500, respectively. In general, from an overall expenditures perspective, the Village managed the expense items within its budget in a very professional, meticulous and fastidious manner as it exercised prudent cost containment and control.

Notwithstanding the continuance of a recessionary climate, tepid economic growth and uncertain economic conditions throughout the majority of this fiscal year, the revenue picture yielded positive results as actual operations virtually met budgetary expectations, and when the receipt of such unbudgeted revenue items as federal assistance grants for hiring of additional personnel within the public safety sector and emergency disaster response are considered, a positive budget variance of \$303,222 is realized. While the Village's Fiscal Year 2012-2013 Budget was adopted with the original intent of not utilizing appropriated fund balance in order to balance the budget, such robust revenue items as parking, field permits, non-property taxes, rental of real property, and mortgage taxes performed as expected from a budgetary perspective, and exceeded their budgeted levels by \$52,018, \$7,095, \$32,917, \$23,088, and \$38,300, respectively, in support of the revenue program. Notwithstanding the positive revenue picture during the current fiscal year, it is important to recognize that an inter-fund transfer of revenue from the Water Fund in the amount of \$120,000 was not transacted due to excessive pressure impacting the fund balance of the Water Fund as the result of a vast number of water leaks. This transaction represents compensation to the General Fund for the utilization of its personnel for water fund operations which involves responding to and repairing of water leaks during the course of the fiscal year. In essence, the General Fund by foregoing on the receipt of this revenue item temporarily absorbed this loss of revenue for the 2012-13 Fiscal Year and as a result did not achieve a higher level of fund balance growth.

As fallout from the recessionary climate, sluggish economic growth and tepid economic activity that the Village has encountered over the past five years continues, the year-end results of once strong and reliable revenue items such as sales tax, mortgage tax, interest income, and fines and forfeitures continued to disappoint predicated on a comparison to their respective actual and budgeted levels of prior periods, thus, previous downward adjustments and subsequent revisions in these estimates persist within the budget.

The fund balance of the Library Fund increased from \$750,786 to \$756,975, or by \$6,189 (0.8%). Sources of revenue for the Library Fund were received as planned as actual revenue of \$2,064,766, inclusive of inter-fund transfers, produced a positive variance of \$3,750 when compared to its amended budget amount of \$2,061,016, exclusive of the revenue item designated as an appropriation of fund balance in the amount of \$110,000. It should be noted that the revenue shortfall was a planned action and natural corollary of the Library Fund's decision to appropriate \$110,000 of its fund balance in order to balance the 2012-13 Fiscal Year budget as originally adopted. The Library Fund compensated for this imbalance within its revenue budget by hiring replacement personnel at less costly salary and employment levels, implementation of a deferral in hiring practices and consolidation of personnel responsibilities through a natural attrition process, all of which derived a further cost savings in terms of salary and benefits. The Library Fund realized a cost savings of approximately \$96,000 in salaries and approximately \$50,000 in benefits related expenses.

The fund balance within the Water Fund decreased significantly by \$94,468, or from \$26,950 to negative \$67,518 in Fiscal Year 2012-2013. Total revenue of \$1,930,343, inclusive of transfers, was palpably insufficient to offset total expenses of \$2,024,811, inclusive of transfers, thereby creating a decrease in fund balance within the operation of the Water Fund, for the current fiscal year, as previously stated.

The negative impact to the Water Fund's fund balance was primarily and adversely influenced by excessive costs incurred as a result of severe repetitive leaks occurring within the infrastructure of the water distribution system, aggregating approximately \$138,000. This condition can be substantiated by the fact that actual expenses for purchases of water exceeded budgeted expectations by approximately \$112,971. While actual costs in the aggregate of \$2,024,811 were approximately in line with budgeted expenses of \$2,012,293, inclusive of inter-fund transfer, it must be noted that the Water Fund did not transact actual inter-fund transfers to the General and Capital Funds in the amounts of \$120,000 and \$15,000, respectively. Further, the Water Fund's inability to gain any traction towards improving this weakened fund balance condition was exacerbated by the continued direct absorption of fixed capital related expenses within the operating fund which aggregated approximately \$59,000 for such infrastructure improvements as main, valve and hydrant replacements, in addition to a capital improvement cost incurred of \$18,350 associated with dam maintenance and improvements. To reiterate the point from last year, these types of fixed capital improvement expenses should be incorporated into the cost structure of a capital improvement project or program, whereby, the long-term benefits to be derived over time are appropriately and commensurately matched against the useful life of the asset over its attendant amortization period.

Growth of the fund balance within the Water Fund was also curtailed by the implicit impact of both fundamental and technical issues surrounding actual and budgeted or forecasted revenue which was equivalent to a negative variance of approximately \$200,000 when actual results are compared to budget. The overall impact to revenue within the Water Fund produced results that were unfavorable as actual revenue of \$1,930,343 when compared to budgeted expectations of \$2,129,540 reflected a negative variance of \$199,197. Significantly and adversely affecting the revenue picture was the negative budget variance of \$198,485 existing within metered water sales. Part of this disparity, or approximately \$52,485, can be explained by fundamental issues whereby meter reading accuracy was less than desirable, once again placing even more emphasis on and further underscoring the need for the Village to make a capital investment in state of the art automated meter reading technology and equipment in an effort enhance efficiencies in this area of the operation, and as a result, supplant the current manually based system and its inherent propensity for human error(s). The balance of the shortfall in this revenue item, or approximately

\$146,000, can be placed on technical issues whereby demand, in essence translating into purchases, which collectively converts into additional sales, was less than budgeted by approximately 29.6 million gallons of water.

In an effort to compensate for the negative conditions effecting the Water Fund, the Village of Larchmont has approved a rate increase of ten (10%) percent for the fixed charge pertaining to the use of the Village's water meters, and a twenty five (25%) percent increase in water consumption rates. Each of these increases will generate additional revenue of approximately \$12,700 and \$257,000, respectively, for Fiscal Year 2013-14. In addition, the Village Board has approved financing to a maximum of \$2.7 million for improvements to the water distribution system's infrastructure inclusive of tank, pump, hydrant, main and valve replacements, and to implement a meter replacement program that incorporates an installation of enhanced technology component, for efficiency purposes. To reiterate a point as stated in the preceding paragraph, the replacement of aged and/ or improperly calibrated meters will serve to ensure improved accuracy in invoicing and as a result may realize additional revenue to a maximum of ten (10.0%) percent according to engineers with proficiency within the water industry.

Finally, this negative fund balance trend for most of the past five years may be attributed to and endemic of the age of the water system's infrastructure that exists at the end-user location where less than accurately operating and properly calibrated meters has resulted in under-reported consumption, which translated into the production of understated invoices, and ultimately, decreased water revenue for the Village. After conferring with engineering professionals within the water industry, the Village is estimating that a maximum ten (10.0%) percent annual increase in revenue may be realized by tightening of the infrastructure at the end-user's location through implementation of a meter replacement program. This type of program would also serve to accurately pass excess per capita purchase costs on to the consumer through more accurate and effective invoicing of consumption to the appropriate end-user. It should be noted that this increased revenue to be derived from such an investment would be utilized to significantly offset debt service related costs for the many capital improvements needed by an aging infrastructure inclusive of a meter replacement program, introduction of enhanced or state of the art automated meter reading technology, and replacement or rehabilitation of the distribution system's water tanks, mains, valves and hydrants.

The Capital Projects Fund has an unassigned fund deficit of \$1,489,372 which has decreased from a fund deficit \$1,149,554, or by \$339,818, as compared to the previous fiscal year. The existence of an unassigned deficit fund balance within the Capital Fund is primarily the result of the application of generally accepted accounting principles to the financial reporting on this fund. In accordance with accounting principles, the proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". In essence, bond anticipation notes are recognized as revenue only to the extent that they are redeemed through means of an inter-fund transfer from other governmental funds, or upon receipt of proceeds from grants or donations, or upon conversion to permanent financing through the issuance of serial bonds. The existence of other deficits on capital projects within this fund are the result of a lack of permanent financing to support the on-going expenditures of a given capital project. Any currently existing deficits within this fund will be eliminated with the subsequent receipt or issuance of authorized financing.

The majority of the capital projects are financed by long-term debt as of May 31, 2013 however, during the past few fiscal years there has been a shift in funding sources to grants and fundraising activities for specific capital projects. In summary, during the current fiscal year short-term notes in the form of Bond Anticipation Notes (BANs) aggregating \$1,760,000, the Village re-issued (\$785,000) with a one year maturity and a prepayment option reserved after three months at a rate

of 0.81%, re-issued (\$682,000) net of required principal payment with a one year maturity and a prepayment option reserved after three months at a rate of 0.76%, and re-issued (\$293,000) net of required principal payment with a one year maturity and a prepayment option reserved after three months at a rate of 0.78% in support of various capital projects within this fund. These short-term notes outstanding decreased from \$1,820,000 in the prior fiscal year to \$1,760,000 in the current fiscal year or by \$60,000.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The Village's investment in capital assets for governmental activities at May 31, 2013, net of accumulated depreciation, was \$15,385,485. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

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

#### **Capital Assets**

Asset	May 31,	
	2013	2012
Land	\$ 57,213	\$ 57,213
Buildings and improvements	11,823,484	11,773,165
Infrastructure	14,000,079	13,766,794
Machinery and equipment	6,092,040	5,935,911
Construction-in-progress	567,235	398,682
Less - accumulated depreciation	(17,154,566)	(15,864,245)
Total (net of depreciation)	\$ 15,385,485	\$ 16,067,520

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

#### **Long-term Debt /Short-Term Debt**

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$4,830,000. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village. In addition, the Village had two New York State installment loans outstanding in the aggregate amount of \$60,106. These long-term debt instruments totaled \$4,890,106 at the end of fiscal year 2013 and had an average weighted rate of 2.76%. In the aggregate, long-term debt outstanding decreased by \$572,333 net of the bond refunding during the course of the fiscal year 2012-2013.

At the conclusion of the fiscal year 2012 – 2013, short-term debt outstanding in the form of Bond Anticipation Notes (BANs) had decreased by \$60,000 from \$1,820,000 to \$1,760,000. The average weighted rate on all short-term debt was 0.79%. The subject short-term debt obligations were issued in conjunction with various capital projects which the Village had undertaken during the course of the current or prior fiscal year(s).

The Village's portfolio of total long-term and short-term debt outstanding aggregated \$6,650,106. The average weighted rate on all outstanding debt within the Village's portfolio was 2.24% as of May 31, 2013.

Additional information on the Village's long-term and short-term debt can be found in Notes 3.E and 3.F in the notes to the financial statements.

At May 31, 2013, the Village Board designated that \$200,000 of the fund balance of the General Fund, negative \$49,917 of the fund balance of the Water Fund, and \$110,000 of the fund balance of the Library Fund be appropriated for the ensuing year's budget. The tax rate for the 2013-2014 Fiscal Year in the Village of Larchmont's General Fund is \$317.3132 per \$1,000 of taxable assessed valuation. This represents a tax rate increase of 2.53% over the prior fiscal year's tax rate of \$309.47. With respect to the legislation passed by New York State which imposed a two (2.0%) percent property tax cap at the local government level, the Village of Larchmont adhered to the parameters as prescribed. Predicated on the metrics involved in the calculation, the Village could have grown its Tax Levy from \$12,077,530 to 12,606,684 or by 529,334. In actuality, the Village exhausted only \$322,786 (61.0%) of the property tax cap maximum limit, which translated into a carry-over amount of approximately \$188,359 (35.6%), net of adjustments for exclusions, for the ensuing fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of the Village of Larchmont, New York. Questions and comments concerning any of the information provided in this report should be addressed to Denis J. Brucciani, Treasurer, Village of Larchmont, 120 Larchmont Avenue, Larchmont, New York 10538.

**Village of Larchmont, New York**

Statement of Net Position

May 31, 2013

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 3,658,227
Receivables	
Taxes	10,354
Accounts	288,540
Water rents	646,238
Due from State and Federal governments	260,816
Due from other governments	197,539
Prepaid expenses	171,690
Capital assets	
Not being depreciated	624,448
Being depreciated, net	14,761,037
Total Assets	<u>20,618,889</u>
<b>LIABILITIES</b>	
Accounts payable	673,219
Due to retirement systems	369,698
Bond interest and matured bonds payable	1,326
Unearned revenues	7,815
Bond anticipation notes payable	1,760,000
Accrued interest payable	39,854
Non-current liabilities	
Due within one year	733,767
Due in more than one year	10,512,887
Total Liabilities	<u>14,098,566</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,022,494
Restricted	
Capital projects	519,377
Public Library	146,463
Debt service	80,582
Special purpose	301,068
Unrestricted	<u>(3,549,661)</u>
Total Net Position	<u>\$ 6,520,323</u>

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

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Village of Larchmont, 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	\$ 2,454,251	\$ 135,364	\$ 220	\$ -	\$ (2,318,667)
Public safety	9,469,688	477,548	403,758	-	(8,588,382)
Health	40,000	-	-	-	(40,000)
Transportation	2,071,202	898,018	90,912	203	(1,082,069)
Culture and recreation	3,276,129	1,523,852	73,010	42,194	(1,637,073)
Home and community services	3,556,655	2,234,640	656	-	(1,321,359)
Interest	129,065	-	-	3,918	(125,147)
<b>Total Governmental Activities</b>	<b>\$ 20,996,990</b>	<b>\$ 5,269,422</b>	<b>\$ 568,556</b>	<b>\$ 46,315</b>	<b>(15,112,697)</b>
General revenues					
Real property and special assessment taxes					12,119,341
Other tax items					
Interest and penalties on real property taxes					26,955
Non-property taxes					
Utilities gross receipts tax					120,350
Non-property tax distribution from County					783,567
Unrestricted use of money and property					11,786
Sale of property and compensation for loss					7,425
Unrestricted State aid					286,249
Miscellaneous					53,939
Insurance recoveries					53,043
<b>Total General Revenues</b>					<b>13,462,655</b>
Change in Net Position					(1,650,042)
Net Position - Beginning					8,170,365
Net Position - Ending					<b>\$ 6,520,323</b>

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

Village of Larchmont, New York

Balance Sheet  
 Governmental Funds  
 May 31, 2013

	General Fund	Water Fund	Public Library Fund
<b>ASSETS</b>			
Cash and equivalents	\$ 1,639,592	\$ 151,185	\$ 823,269
Taxes receivable	10,354	-	-
Other receivables			
Accounts	288,390	150	-
Water rents	-	646,238	-
Due from State and Federal governments	260,816	-	-
Due from other governments	197,539	-	-
Due from other funds	1,053,480	51,307	43,515
Prepaid expenditures	140,101	4,211	27,378
	<u>3,590,272</u>	<u>853,091</u>	<u>894,162</u>
<b>Total Assets</b>	<b>\$ 3,590,272</b>	<b>\$ 853,091</b>	<b>\$ 894,162</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable	\$ 428,146	\$ 141,267	\$ 7,463
Due to other funds	-	761,932	92,136
Due to retirement systems	314,700	17,410	37,588
Bond interest and matured bonds payable	-	-	-
Unearned revenues	7,815	-	-
Unearned tax revenues	10,354	-	-
Bond anticipation notes payable	-	-	-
	<u>761,015</u>	<u>920,609</u>	<u>137,187</u>
<b>Total Liabilities</b>	<b>761,015</b>	<b>920,609</b>	<b>137,187</b>
<b>Fund balances (deficits)</b>			
Nonspendable	140,101	4,211	27,378
Restricted	-	-	-
Assigned	200,000	-	729,597
Unassigned	2,489,156	(71,729)	-
	<u>2,829,257</u>	<u>(67,518)</u>	<u>756,975</u>
<b>Total Fund Balances (Deficits)</b>	<b>2,829,257</b>	<b>(67,518)</b>	<b>756,975</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 3,590,272</b>	<b>\$ 853,091</b>	<b>\$ 894,162</b>

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

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 553,867	\$ 490,314	\$ 3,658,227
-	-	10,354
-	-	288,540
-	-	646,238
-	-	260,816
-	-	197,539
66,800	398,646	1,613,748
-	-	171,690
<u>\$ 620,667</u>	<u>\$ 888,960</u>	<u>\$ 6,847,152</u>
\$ 96,343	\$ -	\$ 673,219
253,696	505,984	1,613,748
-	-	369,698
-	1,326	1,326
-	-	7,815
-	-	10,354
1,760,000	-	1,760,000
<u>2,110,039</u>	<u>507,310</u>	<u>4,436,160</u>
-	-	171,690
-	381,650	381,650
-	-	929,597
(1,489,372)	-	928,055
<u>(1,489,372)</u>	<u>381,650</u>	<u>2,410,992</u>
<u>\$ 620,667</u>	<u>\$ 888,960</u>	<u>\$ 6,847,152</u>

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**Village of Larchmont, New York**

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

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Fund Balances - Total Governmental Funds	\$ 2,410,992
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>15,385,485</u>
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unearned in the funds.	
Real property taxes	<u>10,354</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(39,854)
Bonds payable	(4,861,494)
New York State loan payable	(60,106)
Compensated absences	(1,355,054)
Other post employment benefit obligations payable	<u>(4,970,000)</u>
	<u>(11,286,508)</u>
Net Position of Governmental Activities	<u>\$ 6,520,323</u>

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

Village of Larchmont, New York

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

	General Fund	Water Fund	Public Library Fund
<b>REVENUES</b>			
Real property taxes	\$ 12,119,030	\$ -	\$ -
Other tax items	26,955	-	-
Non-property taxes	903,917	-	-
Departmental income	1,278,466	1,878,818	1,196,009
Intergovernmental charges	86,180	-	-
Use of money and property	146,478	656	568
Licenses and permits	331,569	-	-
Fines and forfeitures	450,158	-	-
Sale of property and compensation for loss	7,425	-	7,282
State aid	379,086	-	4,380
Federal aid	401,763	-	-
Miscellaneous	53,939	1,792	18,346
<b>Total Revenues</b>	<b>16,184,966</b>	<b>1,881,266</b>	<b>1,226,585</b>
<b>EXPENDITURES</b>			
Current			
General government support	1,851,333	89,769	21,552
Public safety	5,244,886	-	-
Health	40,000	-	-
Transportation	1,096,588	-	-
Culture and recreation	556,045	-	1,444,726
Home and community services	1,668,682	1,634,680	-
Employee benefits	3,730,973	238,628	540,624
Debt service			
Principal	555,537	41,796	-
Interest	139,321	19,938	-
Refunding bond issuance costs	-	-	-
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>14,883,365</b>	<b>2,024,811</b>	<b>2,006,902</b>
Excess (Deficiency) of Revenues Over Expenditures	1,301,601	(143,545)	(780,317)
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding bonds issued	-	-	-
Issuance premium	-	-	-
Payment to refunded bond escrow agent	-	-	-
Insurance recoveries	53,043	-	-
Transfers in	1,675	49,077	838,181
Transfers out	(907,431)	-	(51,675)
<b>Total Other Financing Sources (Uses)</b>	<b>(852,713)</b>	<b>49,077</b>	<b>786,506</b>
<b>Net Change in Fund Balances</b>	<b>448,888</b>	<b>(94,468)</b>	<b>6,189</b>
Fund Balances (Deficits) - Beginning of Year	2,380,369	26,950	750,786
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 2,829,257</b>	<b>\$ (67,518)</b>	<b>\$ 756,975</b>

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

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 12,119,030
-	-	26,955
-	-	903,917
-	-	4,353,293
-	-	86,180
203	5,134	153,039
-	-	331,569
-	-	450,158
-	-	14,707
-	-	383,466
40,769	-	442,532
1,425	39,426	114,928
<u>42,397</u>	<u>44,560</u>	<u>19,379,774</u>
-	-	1,962,654
-	-	5,244,886
-	-	40,000
-	-	1,096,588
-	63,138	2,063,909
-	100	3,303,462
-	-	4,510,225
-	-	597,333
-	-	159,259
-	56,494	56,494
403,718	-	403,718
<u>403,718</u>	<u>119,732</u>	<u>19,438,528</u>
<u>(361,321)</u>	<u>(75,172)</u>	<u>(58,754)</u>
-	2,020,000	2,020,000
-	112,836	112,836
-	(2,076,342)	(2,076,342)
-	-	53,043
125,000	103,497	1,117,430
(103,497)	(54,827)	(1,117,430)
<u>21,503</u>	<u>105,164</u>	<u>109,537</u>
(339,818)	29,992	50,783
<u>(1,149,554)</u>	<u>351,658</u>	<u>2,360,209</u>
<u>\$ (1,489,372)</u>	<u>\$ 381,650</u>	<u>\$ 2,410,992</u>

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## Village of Larchmont, 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

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

Net Change in Fund Balances - Total Governmental Funds	\$ 50,783
<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 is the amount by which depreciation expense exceeded capital outlay in the current period.</p>	
Capital outlay expenditures	608,286
Depreciation expense	<u>(1,290,321)</u>
	<u>(682,035)</u>
<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	<u>311</u>
<p>Bond and loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
Payment to refunded bond escrow agent	2,076,342
Issuance premium	(112,836)
Refunding bonds issued	(2,020,000)
Principal paid on bonds	580,000
Principal paid on New York State loan	<u>17,333</u>
	<u>540,839</u>
<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	30,194
Compensated absences	(260,134)
Other post employment benefit obligations	<u>(1,330,000)</u>
	<u>(1,559,940)</u>
Change in Net Position of Governmental Activities	<u>\$ (1,650,042)</u>

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

Village of Larchmont, New York

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
General, Water and Public Library Funds  
Year Ended May 31, 2013

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 12,116,750	\$ 12,116,750	\$ 12,119,030	\$ 2,280
Other tax items	20,000	20,000	26,955	6,955
Non-property taxes	871,000	871,000	903,917	32,917
Departmental income	1,219,450	1,219,450	1,278,466	59,016
Intergovernmental charges	89,500	89,500	86,180	(3,320)
Use of money and property	148,000	148,000	146,478	(1,522)
Licenses and permits	418,000	418,000	331,569	(86,431)
Fines and forfeitures	501,500	501,500	450,158	(51,342)
Sale of property and compensation for loss	5,000	5,000	7,425	2,425
State aid	340,762	340,762	379,086	38,324
Federal aid	-	-	401,763	401,763
Miscellaneous	59,000	59,000	53,939	(5,061)
<b>Total Revenues</b>	<b>15,788,962</b>	<b>15,788,962</b>	<b>16,184,966</b>	<b>396,004</b>
<b>EXPENDITURES</b>				
Current				
General government support	2,231,379	2,231,379	1,851,333	380,046
Public safety	4,978,425	4,978,425	5,244,886	(266,461)
Health	40,000	40,000	40,000	-
Transportation	1,096,433	1,096,433	1,096,588	(155)
Culture and recreation	537,011	537,011	556,045	(19,034)
Home and community services	1,640,334	1,640,334	1,668,682	(28,348)
Employee benefits	3,784,306	3,784,306	3,730,973	53,333
Debt service				
Principal	530,537	530,537	555,537	(25,000)
Interest	190,606	190,606	139,321	51,285
<b>Total Expenditures</b>	<b>15,029,031</b>	<b>15,029,031</b>	<b>14,883,365</b>	<b>145,666</b>
Excess (Deficiency) of Revenues Over Expenditures	759,931	759,931	1,301,601	541,670
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	15,000	15,000	53,043	38,043
Transfers in	132,500	132,500	1,675	(130,825)
Transfers out	(907,431)	(907,431)	(907,431)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(759,931)</b>	<b>(759,931)</b>	<b>(852,713)</b>	<b>(92,782)</b>
Net Change in Fund Balances	-	-	448,888	448,888
Fund Balances (Deficits) - Beginning of Year	-	-	2,380,369	2,380,369
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,829,257</b>	<b>\$ 2,829,257</b>

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

Water				Public Library			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,080,988	2,080,988	1,878,818	(202,170)	1,201,785	1,201,785	1,196,009	(5,776)
-	-	-	-	-	-	-	-
750	750	656	(94)	1,000	1,000	568	(432)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	8,350	8,350	7,282	(1,068)
-	-	-	-	4,200	4,200	4,380	180
-	-	-	-	-	-	-	-
-	-	1,792	1,792	7,500	7,500	18,346	10,846
<u>2,081,738</u>	<u>2,081,738</u>	<u>1,881,266</u>	<u>(200,472)</u>	<u>1,222,835</u>	<u>1,222,835</u>	<u>1,226,585</u>	<u>3,750</u>
91,623	91,623	89,769	1,854	26,806	26,806	21,552	5,254
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,494,379	1,502,129	1,444,726	57,403
1,492,191	1,492,191	1,634,680	(142,489)	-	-	-	-
231,601	231,601	238,628	(7,027)	587,081	587,081	540,624	46,457
-	-	-	-	-	-	-	-
41,796	41,796	41,796	-	-	-	-	-
20,082	20,082	19,938	144	-	-	-	-
<u>1,877,293</u>	<u>1,877,293</u>	<u>2,024,811</u>	<u>(147,518)</u>	<u>2,108,266</u>	<u>2,116,016</u>	<u>2,006,902</u>	<u>109,114</u>
204,445	204,445	(143,545)	(347,990)	(885,431)	(893,181)	(780,317)	112,864
-	-	-	-	-	-	-	-
47,802	47,802	49,077	1,275	830,431	838,181	838,181	-
(135,000)	(135,000)	-	135,000	(55,000)	(55,000)	(51,675)	3,325
(87,198)	(87,198)	49,077	136,275	775,431	783,181	786,506	3,325
117,247	117,247	(94,468)	(211,715)	(110,000)	(110,000)	6,189	116,189
(117,247)	(117,247)	26,950	144,197	110,000	110,000	750,786	640,786
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (67,518)</u>	<u>\$ (67,518)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 756,975</u>	<u>\$ 756,975</u>

**Village of Larchmont, New York**

Statement of Assets and Liabilities

Fiduciary Fund

May 31, 2013

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Due from other funds	\$ 171,691
<b>LIABILITIES</b>	
Employee payroll deductions	\$ 13,351
Deposits	<u>158,340</u>
Total Liabilities	<u>\$ 171,691</u>

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

**Note 1 - Summary of Significant Accounting Policies**

The Village of Larchmont, New York ("Village") was established in 1891 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 Mayor 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, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village conform to generally accepted accounting principles for local 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. 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 is excluded from the government-wide 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. 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 explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in 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 and is used to account for and report all financial resources not accounted for and reported in another fund.

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 major special revenue funds of the Village are as follows:

Water Fund - The Water Fund is used to record the water utility operations of the Village, which render services on a user charge basis to the general public. The major revenues of this fund are metered water sales.

Public Library Fund - The Public Library Fund is used to account for the activities of the Village's public library and is primarily funded by the levy of real property taxes.

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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

Special Revenue Fund -

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.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others. The Agency Fund is used to account for employee payroll tax withholding and various other deposits that are payable to other jurisdictions.

**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 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 flow of 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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**Deposits 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.

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 Villages aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2013.

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

**Taxes Receivable** - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in June. The Village is responsible for the billing and collection of its own taxes. The Village also has the responsibility for conducting in-rem foreclosure proceedings.

**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 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.

Village of Larchmont, New York

Notes to Financial Statements (Continued)

May 31, 2013

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the 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 the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

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

Land and construction-in-progress are not depreciated. Property, plant, 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	20-50
Machinery and Equipment	8-15
Infrastructure	10-65

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 sheets.

**Unearned Revenues** - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned

**Note 1 - Summary of Significant Accounting Policies (Continued)**

revenues consist of amounts received in advance and/or revenues from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported unearned revenues of \$10,354 for real property taxes and \$7,815 for fees received in advance in the General Fund. These 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 the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from 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 time upon separation from service. The liability for such accumulated time 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, public library, debt service and special purpose. The balance is classified as unrestricted.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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 in 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 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 Village's board.

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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**F. Encumbrances**

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, Water 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.

**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 October 7, 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 proposed expenditures and the means of financing.
- 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 General, Water, Public Library and Debt Service funds.

## Village of Larchmont, New York

Notes to Financial Statements (Continued)

May 31, 2013

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### **Note 2 - Stewardship, Compliance and Accountability (Continued)**

- f) Budgets for General, Water, Public Library and Debt Service 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 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 General, Water, Public Library and Debt Service 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 \$47,386,222 which exceeded the actual levy by \$35,308,692.

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.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States 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

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board of Trustees first enacts, by a vote of at least sixty percent of the total voting power of the Village Board of Trustees, a local law to override such limit for such coming fiscal year.

**C. Application of Accounting Standards**

For the year ended December 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 Deficits**

The undesignated deficit in the Capital Projects Fund of \$1,489,372 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 or eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits where no bond anticipation notes are outstanding 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. Fund Deficits**

The Water fund had an unassigned deficit at May 31, 2013 of \$71,729.

**F. Expenditures in Excess of Budget**

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

General Fund		
General Government Support		
Justice	\$	10,340
Treasurer		8,836
Law		20,429
Buildings		865
Unallocated Insurance		17,631
Taxes and Assessments on Village Property		36,596
Public Safety		
Fire Department		329,155
Transportation		
Sidewalk maintenance		10,527
Street lighting		23,051
Sidewalk maintenance		4,980

**Village of Larchmont, New York**

Notes to Financial Statements (Continued)  
 May 31, 2013

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

Culture and Recreation		
Parks	\$	83,367
Home and Community Services		
Refuse and Garbage		1,574
Community Beautification		56,790
Employee Benefits		
State Retirement – Police and fire		56,121
Workers' compensation benefits		6,072
Unemployment benefits		3,148
Debt Service- Principal		
Serial bonds		25,000
Capital Projects Fund		
Reservoir/Caretaker		33,989
DPW Building Improvements		596
Purchase of Parking Meters		236
Streetscape Improvements		32,706
Purchase of Payloader		461
Ten Wheeler Dump Truck		1,540
Tennis Courts at Flint Park		74,936
Tunnel at Train Station		154
Sherwood Pump Station Pipe		851
Water Fund		
Home and Community Services		142,489
Employee Benefits		7,027
Library Fund		
Employee Benefits		
Workers' Compensation Benefits		53

**Note 3 - Detailed Notes on All Funds**

**A. Taxes Receivable**

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

Tax Liens	\$	<u>10,354</u>
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**B. Due From/To Other Funds**

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

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,053,480	\$ -
Water	51,307	761,932
Public Library	43,515	92,136
Capital Projects	66,800	253,696
Other Governmental	398,646	505,984
	<u>\$ 1,613,748</u>	<u>\$ 1,613,748</u>

Village of Larchmont, New York

Notes to Financial Statements (Continued)  
 May 31, 2013

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

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	Balance May 31, 2013
Capital Assets, not being depreciated:			
Land	\$ 57,213	\$ -	\$ 57,213
Construction-in-progress	398,682	168,553	567,235
Total Capital Assets, not being depreciated	<u>\$ 455,895</u>	<u>\$ 168,553</u>	<u>\$ 624,448</u>
Capital Assets, being depreciated:			
Buildings and improvements	\$ 11,773,165	\$ 50,319	\$ 11,823,484
Machinery and equipment	5,935,911	156,129	6,092,040
Infrastructure	13,766,794	233,285	14,000,079
Total Capital Assets, being depreciated	<u>31,475,870</u>	<u>439,733</u>	<u>31,915,603</u>
Less Accumulated Depreciation for:			
Buildings and improvements	2,097,114	491,371	2,588,485
Machinery and equipment	3,740,579	407,343	4,147,922
Infrastructure	10,026,552	391,607	10,418,159
Total Accumulated Depreciation	<u>15,864,245</u>	<u>1,290,321</u>	<u>17,154,566</u>
Total Capital Assets, being depreciated, net	<u>\$ 15,611,625</u>	<u>\$ (850,588)</u>	<u>\$ 14,761,037</u>
Capital Assets, net	<u>\$ 16,067,520</u>	<u>\$ (682,035)</u>	<u>\$ 15,385,485</u>

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

General Government Support	\$ 10,578
Public Safety	145,073
Transportation	564,734
Culture and Recreation	519,918
Home and Community Services	50,018
	<u>\$ 1,290,321</u>

**Village of Larchmont, New York**

Notes to Financial Statements (Continued)  
 May 31, 2013

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

**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"). The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees 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 regular pension contributions. Contribution rates for the plans' year ended March 31, 2013 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75I	23.2%
	3 A14	18.6
	4 A15	18.6
	5 A15	15.1
	6 A15	10.1
PFRS	2 384D	25.1
	5 384D	20.1
	6 384D	14.6

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

	<u>ERS</u>	<u>PFRS</u>
2013	\$ 633,557	\$ 1,079,676
2012	566,711	949,256
2011	389,984	848,755

The ERS and PFRS contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

Of the current year ERS contribution, \$379,042 was charged to the General Fund, \$83,203 was charged to the Water Fund and \$171,312 was charged to the Public Library Fund. The PFRS contribution was charged to the General Fund.

Village of Larchmont, New York

Notes to Financial Statements (Continued)  
 May 31, 2013

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

**E. 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
Various capital projects	2010	02/20/14	0.76 %	\$ 735,000	\$ 53,000	\$ 682,000
Burchell project	2011	10/17/13	0.78	300,000	7,000	293,000
Various capital projects	2012	09/12/13	0.81	785,000	-	785,000
				<u>\$ 1,820,000</u>	<u>\$ 60,000</u>	<u>\$ 1,760,000</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 \$19,193 and \$169 were recorded in the General and Water funds, respectively and \$19,362 was recorded in the government-wide financial statements for governmental activities.

**F. Long-Term Liabilities**

The changes in the Village's long-term indebtedness during the year ended May 31, 2013 are summarized as follows:

	Balance June 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2013	Due Within One-Year
Bonds Payable	\$ 5,385,000	\$ 2,020,000	\$ 2,575,000	\$ 4,830,000	\$ 580,000
Deferred amounts on refunding	-	31,494	-	31,494	-
	<u>5,385,000</u>	<u>2,051,494</u>	<u>2,575,000</u>	<u>4,861,494</u>	<u>580,000</u>
New York State Loan Payable	77,439	-	17,333	60,106	17,767
Compensated Absences	1,094,920	369,534	109,400	1,355,054	136,000
Other Post Employment Benefit Obligations Payable	3,640,000	1,850,000	520,000	4,970,000	-
Total Long-Term Liabilities	<u>\$ 10,197,359</u>	<u>\$ 4,271,028</u>	<u>\$ 3,221,733</u>	<u>\$ 11,246,654</u>	<u>\$ 733,767</u>

Each governmental fund's liability for compensated absences and other post employment benefit obligations is liquidated by the General, Water or Public Library funds. The Village's indebtedness for bonds and loans are liquidated by the General and Water funds.

**Village of Larchmont, New York**

Notes to Financial Statements (Continued)  
 May 31, 2013

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

**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
Various Village Purposes	2005	\$ 2,200,000	September, 2018	3.250 - 3.75 %	\$ 335,000
Various Village Purposes	2010	2,968,275	September, 2024	2.500 - 4.00	2,500,000
Various Village Purposes - Refunding	2012	2,020,000	June, 2018	1.000 - 3.00	1,995,000
					<u>\$ 4,830,000</u>

Interest expenditures of \$118,192 and \$19,769 were recorded in the fund financial statements in the General and Water funds, respectively. Interest expense of \$107,767 was recorded in the government-wide financial statements for governmental activities.

**New York State Loan**

The Village, during the 1998-1999 fiscal year, received a loan from New York State in the amount of \$100,000 for the reconstruction of Village Hall. The loan is due in annual installments of \$6,415 through February 2019; including interest at 2.50%. The balance due at May 31, 2013 is \$35,330.

The Village, during the 2004-2005 fiscal year, received a loan from New York State in the amount of \$112,500 for firehouse renovations. The loan is due in annual installments of \$12,854 through May 2015, including interest at 2.50%. The balance due at May 31, 2013 is \$24,776.

Interest expenditures of \$1,936 were recorded in the fund financial statements in the General Fund and in the government-wide financial statements for governmental activities.

**Payments to Maturity**

The annual requirements to amortize all bonded debt and State loans outstanding as of May 31, 2013, including interest payments of \$755,812 are as follows:

Year Ending May 31,	Bonds		New York State Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 580,000	\$ 135,550	\$ 17,767	\$ 1,502	\$ 597,767	\$ 137,052
2015	585,000	121,700	18,211	1,058	603,211	122,758
2016	605,000	105,513	5,812	603	610,812	106,116
2017	585,000	88,363	5,957	458	590,957	88,821
2018	605,000	72,800	6,106	309	611,106	73,109
2019-2023	1,380,000	208,000	6,253	156	1,386,253	208,156
2024-2025	490,000	19,800	-	-	490,000	19,800
	<u>\$ 4,830,000</u>	<u>\$ 751,726</u>	<u>\$ 60,106</u>	<u>\$ 4,086</u>	<u>\$ 4,890,106</u>	<u>\$ 755,812</u>

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

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

**Advance Refunding**

During the 2012-13 fiscal year, the Village issued \$2,020,000 in serial bonds with interest rates ranging from 1.0% to 3.0%, depending on maturity. The proceeds were used to advance refund \$80,000 of 1996 bonds, \$600,000 of 1999 bonds, \$555,000 of 2002 bonds and \$760,000 of 2004 bonds bearing interest at rates ranging from 3.25% to 5.25%. The net proceeds of \$2,076,342 (net of \$112,836 re-offering premium and after payment of \$56,494 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1996, 1999, 2002 and 2004 serial bonds. As a result, the 1996, 1999, 2002 and 2004 serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$31,494 and the premium received was \$112,836. These amounts are being netted against the new debt and amortized over the remaining life of the refunded debt.

The Village advance refunded the 1996, 1999, 2002 and 2004 serial bonds to reduce its total debt service payments and to obtain a net present value economic gain of \$134,923.

**Compensated Absences**

In accordance with existing collective bargaining agreements, all employees may accumulate an unlimited amount of sick days. Upon retirement, the Fire Department employees are compensated for 80% of regular sick days, which is used against the cost of his/her health insurance and the remaining 20% of sick days, which is paid upon retirement, respectively, of such unused sick time. The balance of the accumulated sick leave is applied to the cost of health insurance. Upon retirement, the Police Department employees are compensated for 80% of regular sick days, 20% of the remaining sick days and 39.5% of pre-2005 sick days, respectively, of such unused sick time. Vacation time may be accumulated to a maximum of ten days for Public Library employees and up to 2 years accumulation from the end of the year in which it was earned for Police. The value of the compensated absences has been reflected in the government-wide financial statements.

**Other Post Employment Benefit Obligations Payable**

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. Substantially all of the Village's 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 \$28,610 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 Larchmont, New York

Notes to Financial Statements (Continued)

May 31, 2013

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### 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. 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</u> <u>May 31,</u>	<u>Medical</u>
2013	9.50 %
2014	9.00
2015	8.50
2016	8.00
2017	7.50
2018	7.00
2019	6.50
2020	6.00
2021	5.50
2022 +	5.00

The amortization basis is the level percentage of payroll basis over 30 years with an open amortization approach. There are 26 years remaining in the amortization period. The Village currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

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

Active Employees	81
Retired Employees	<u>69</u>
	<u><u>150</u></u>

Village of Larchmont, New York

Notes to Financial Statements (Continued)  
 May 31, 2013

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

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2012	\$ 19,700,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability	<u>\$ 19,700,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 8,230,000</u>
UAAL as a Percentage of Covered Payroll	<u>239.37%</u>
Annual Required Contribution	\$ 1,900,000
Interest on Net OPEB Obligation	160,000
Adjustment to Annual Required Contribution	<u>(210,000)</u>
Annual OPEB Cost	1,850,000
Contributions Made	<u>(520,000)</u>
Increase in Net OPEB Obligation	1,330,000
Net OPEB Obligation - Beginning of year	<u>3,640,000</u>
Net OPEB Obligation - End of year	<u>\$ 4,970,000</u>

<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	\$ 1,850,000	28.1 %	\$ 4,970,000
2012	1,820,000	28.6	3,640,000
2011	1,280,000	34.4	2,340,000

**G. 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 Larchmont, New York**

Notes to Financial Statements (Continued)

May 31, 2013

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

Transfers Out	Transfers in					Total
	General Fund	Water Fund	Public Library Fund	Capital Projects Fund	Other Governmental Funds	
General Fund	\$ -	\$ 2,000	\$ 830,431	\$ 75,000	\$ -	\$ 907,431
Public Library Fund	1,675	-	-	50,000	-	51,675
Capital Projects Fund	-	-	-	-	103,497	103,497
Other Governmental Funds	-	47,077	7,750	-	-	54,827
	<u>\$ 1,675</u>	<u>\$ 49,077</u>	<u>\$ 838,181</u>	<u>\$ 125,000</u>	<u>\$ 103,497</u>	<u>\$ 1,117,430</u>

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

**H. 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 amount restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

*Restricted for Public Library* - the component of Net Position that reports the amount restricted for Public Library use.

*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 reports the difference between assets and liabilities of certain programs with constraints placed on their use by either external parties and/or statute.

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

Village of Larchmont, New York

Notes to Financial Statements (Continued)  
May 31, 2013

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

**I. Fund Balances**

	2013						2012					
	General Fund	Water Fund	Library Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Water Fund	Library Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable												
Prepaid expenditures	\$ 140,101	\$ 4,211	\$ 27,378	\$ -	\$ -	\$ 171,690	\$ 23,138	\$ 1,723	\$ 3,384	\$ -	\$ -	\$ 28,245
Restricted												
Trusts	-	-	-	-	301,068	301,068	-	-	-	-	331,414	331,414
Debt service	-	-	-	-	80,582	80,582	-	-	-	-	20,244	20,244
Total Restricted	-	-	-	-	381,650	381,650	-	-	-	-	351,658	351,658
Assigned												
Subsequent year's expenditures	200,000	-	110,000	-	-	310,000	-	-	110,000	-	-	110,000
Major funds	-	-	619,597	-	-	619,597	-	25,227	637,402	-	-	662,629
Total Assigned	200,000	-	729,597	-	-	929,597	-	25,227	747,402	-	-	772,629
Unassigned	2,489,156	(71,729)	-	(1,489,372)	-	928,055	2,357,231	-	-	(1,149,554)	-	1,207,677
Total Fund Balances	\$ 2,829,257	\$ (67,518)	\$ 756,975	\$ (1,489,372)	\$ 381,650	\$ 2,410,992	\$ 2,380,369	\$ 26,950	\$ 750,786	\$ (1,149,554)	\$ 351,658	\$ 2,360,209

## Village of Larchmont, New York

Notes to Financial Statements (Continued)

May 31, 2013

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### **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. The unreserved components of fund balance as also detailed below.

Prepaid Expenditures has been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

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

Subsequent year's expenditures represent that at May 31, 2013, the Village Board has assigned the above amounts to be appropriated for the ensuing year's budget and for future court awarded property tax refunds.

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

#### **J. Joint Ventures**

The Village of Mamaroneck and the Village of Larchmont participate in the Larchmont-Mamaroneck Joint Garbage Disposal Commission. The purpose of the joint venture is to provide incineration of garbage and refuse from the Village and the Village Garbage District.

The following is an audited summary of cash basis financial information included in the financial statements of the joint venture.

Balance Sheet Date - December 31, 2012

Total Assets	\$	1,954,001
Total Liabilities		1,653,143
Net Position		300,858
Total Revenues		3,088,055
Total Expenditures		3,664,732
Change in Net Position		(576,677)

The Village, together with the Village of Mamaroneck and the Village of Mamaroneck, formed the Tri-Municipal Larchmont-Mamaroneck Cable TV Board of Control. The Board was organized to administer the franchise agreement with UA-Columbia Cablevision of Westchester. The franchise fees received are used to operate three public cable-TV channels serving the community interests of Larchmont and Mamaroneck.

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

The following is an audited summary of financial information included in the financial statements of the joint venture.

Balance Sheet Date - December 31, 2012:

Total Assets	\$	146,565
Total Liabilities		6,739
Net Position		139,826
Total Revenues		551,208
Total Expenses		539,965
Net Increase in Net Position		11,243

**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 damage 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 in which the payments are made.

**B. Contingencies**

In connection with a grant from Westchester County for park improvements, the Village is obligated to implement a workforce housing plan by May 31, 2013 to construct at a minimum 35 units of affordable housing, and to take ownership from the County of a portion of a County road within the Village boundaries by May 31, 2013.

The Village participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. 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.

**C. Risk Management**

The Village purchases various insurance coverages to reduce its exposure to loss. The Village maintains general liability insurance coverage with policy limits of \$2 million and law enforcement liability insurance coverage with policy limits of \$1 million. The public officials legal liability policy provides coverage up to \$1 million. In addition, the Village maintains an umbrella liability policy, which provides coverage up to \$20 million. The Village also purchases conventional workers' compensation and medical insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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**Village of Larchmont, 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	-	\$ 15,330,000	\$ 15,330,000	- %	8,390,000	182.72 %
June 1, 2011	-	19,010,000	19,010,000	-	8,140,000	233.54
June 1, 2012	-	19,700,000	19,700,000	-	8,230,000	239.37

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Village of Larchmont, New York

General Fund  
Comparative Balance Sheet  
May 31,

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,639,592	\$ 1,282,295
Taxes receivable	10,354	10,043
Other receivables		
Accounts	288,390	170,195
Due from State and Federal governments	260,816	192,872
Due from other governments	197,539	198,039
Due from other funds	1,053,480	1,251,291
	<u>1,800,225</u>	<u>1,812,397</u>
Prepaid expenditures	140,101	23,138
Total Assets	<u>\$ 3,590,272</u>	<u>\$ 3,127,873</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 428,146	\$ 484,401
Due to other funds	-	21,619
Due to retirement systems	314,700	222,991
Unearned revenues	7,815	8,450
Unearned tax revenues	10,354	10,043
Total Liabilities	<u>761,015</u>	<u>747,504</u>
Fund balance		
Nonspendable	140,101	23,138
Assigned	200,000	-
Unassigned	2,489,156	2,357,231
Total Fund Balance	<u>2,829,257</u>	<u>2,380,369</u>
Total Liabilities and Fund Balance	<u>\$ 3,590,272</u>	<u>\$ 3,127,873</u>

Village of Larchmont, 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	
<b>REVENUES</b>				
Real property taxes	\$ 12,116,750	\$ 12,116,750	\$ 12,119,030	\$ 2,280
Other tax items	20,000	20,000	26,955	6,955
Non-property taxes	871,000	871,000	903,917	32,917
Departmental income	1,219,450	1,219,450	1,278,466	59,016
Intergovernmental charges	89,500	89,500	86,180	(3,320)
Use of money and property	148,000	148,000	146,478	(1,522)
Licenses and permits	418,000	418,000	331,569	(86,431)
Fines and forfeitures	501,500	501,500	450,158	(51,342)
Sale of property and compensation for loss	5,000	5,000	7,425	2,425
State aid	340,762	340,762	379,086	38,324
Federal aid	-	-	401,763	401,763
Miscellaneous	59,000	59,000	53,939	(5,061)
<b>Total Revenues</b>	<u>15,788,962</u>	<u>15,788,962</u>	<u>16,184,966</u>	<u>396,004</u>
<b>EXPENDITURES</b>				
Current				
General government support	2,231,379	2,231,379	1,851,333	380,046
Public safety	4,978,425	4,978,425	5,244,886	(266,461)
Health	40,000	40,000	40,000	-
Transportation	1,096,433	1,096,433	1,096,588	(155)
Culture and recreation	537,011	537,011	556,045	(19,034)
Home and community services	1,640,334	1,640,334	1,668,682	(28,348)
Employee benefits	3,784,306	3,784,306	3,730,973	53,333
Debt service				
Principal	530,537	530,537	555,537	(25,000)
Interest	190,606	190,606	139,321	51,285
<b>Total Expenditures</b>	<u>15,029,031</u>	<u>15,029,031</u>	<u>14,883,365</u>	<u>145,666</u>
Excess of Revenues Over Expenditures	<u>759,931</u>	<u>759,931</u>	<u>1,301,601</u>	<u>541,670</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	15,000	15,000	53,043	38,043
Transfers in	132,500	132,500	1,675	(130,825)
Transfers out	(907,431)	(907,431)	(907,431)	-
<b>Total Other Financing Uses</b>	<u>(759,931)</u>	<u>(759,931)</u>	<u>(852,713)</u>	<u>(92,782)</u>
Net Change in Fund Balance	-	-	448,888	448,888
Fund Balance - Beginning of Year	-	-	2,380,369	2,380,369
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,829,257</u>	<u>\$ 2,829,257</u>

2012

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 12,013,155	\$ 12,013,155	\$ 12,040,681	\$ 27,526
20,000	20,000	24,350	4,350
950,000	950,000	880,018	(69,982)
1,152,200	1,152,200	1,271,820	119,620
94,500	94,500	80,795	(13,705)
148,000	148,000	146,564	(1,436)
223,000	223,000	345,365	122,365
576,500	576,500	450,520	(125,980)
5,000	5,000	7,687	2,687
340,762	340,762	388,520	47,758
-	-	98,644	98,644
50,000	50,000	56,819	6,819
<u>15,573,117</u>	<u>15,573,117</u>	<u>15,791,783</u>	<u>218,666</u>
2,238,783	2,238,783	2,195,558	43,225
5,178,244	5,178,244	5,319,104	(140,860)
40,000	40,000	40,000	-
1,085,111	1,085,111	978,062	107,049
554,895	554,895	453,862	101,033
1,667,170	1,667,170	1,723,720	(56,550)
3,623,478	3,623,478	3,369,003	254,475
528,251	528,251	528,251	-
211,532	211,532	202,305	9,227
<u>15,127,464</u>	<u>15,127,464</u>	<u>14,809,865</u>	<u>317,599</u>
<u>445,653</u>	<u>445,653</u>	<u>981,918</u>	<u>536,265</u>
15,000	15,000	83,722	68,722
125,000	125,000	139,847	14,847
(885,653)	(888,472)	(885,083)	3,389
<u>(745,653)</u>	<u>(748,472)</u>	<u>(661,514)</u>	<u>86,958</u>
(300,000)	(302,819)	320,404	623,223
<u>300,000</u>	<u>302,819</u>	<u>2,059,965</u>	<u>1,757,146</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,380,369</u>	<u>\$ 2,380,369</u>

Village of Larchmont, 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
<b>REAL PROPERTY TAXES</b>					
Real property taxes	\$ 12,077,530	\$ 12,077,530	\$ 12,080,894	\$ 3,364	\$ 12,001,463
Special assessment taxes	39,220	39,220	38,136	(1,084)	39,218
	12,116,750	12,116,750	12,119,030	2,280	12,040,681
<b>OTHER TAX ITEMS</b>					
Interest and penalties on real property taxes	20,000	20,000	26,955	6,955	24,350
<b>NON-PROPERTY TAXES</b>					
Utilities gross receipts tax	111,000	111,000	120,350	9,350	101,046
Non-property tax distribution from County	760,000	760,000	783,567	23,567	778,972
	871,000	871,000	903,917	32,917	880,018
<b>DEPARTMENTAL INCOME</b>					
Clerk fees	500	500	1,240	740	733
Tax advertising charges	-	-	36	36	33
Other fees	2,500	2,500	3,450	950	3,075
Police fees	5,100	5,100	55	(5,045)	1,875
Fire department fees	19,000	19,000	27,625	8,625	20,341
Public works service charges	8,000	8,000	2,537	(5,463)	13,562
Parking lots and garages	320,000	320,000	335,186	15,186	338,719
Decal parking	215,000	215,000	247,160	32,160	216,795
On-street parking	311,000	311,000	315,672	4,672	322,025
Parks and recreation charges	-	-	250	250	550
Tennis fees	45,000	45,000	27,075	(17,925)	34,265
Day camp	135,850	135,850	128,020	(7,830)	100,243
Five mile run	-	-	19,799	19,799	-
Zoning fees	4,000	4,000	4,835	835	6,220
Planning fees	5,000	5,000	11,181	6,181	57,095
Field payments	145,000	145,000	152,095	7,095	153,959
Other fees	500	500	-	(500)	-
Emergency tenant protection fees	3,000	3,000	2,250	(750)	2,330
	1,219,450	1,219,450	1,278,466	59,016	1,271,820

**INTERGOVERNMENTAL CHARGES**

Police services for other governments	17,000	17,000	18,212	1,212	15,705
Snow removal for other governments	10,000	10,000	7,234	(2,766)	2,376
Services for other governments	62,500	62,500	60,734	(1,766)	62,714
	89,500	89,500	86,180	(3,320)	80,795

**USE OF MONEY AND PROPERTY**

Earnings on investments	35,000	35,000	11,786	(23,214)	19,907
Rental of real property	111,000	111,000	134,088	23,088	125,804
Commissions	2,000	2,000	604	(1,396)	853

**LICENSES AND PERMITS**

Business and occupational licenses	148,000	148,000	146,478	(1,522)	146,564
Permit fees	6,000	6,000	9,620	3,620	6,280
Alarm permits	400,000	400,000	310,404	(89,596)	327,845
Architectural review fees	5,000	5,000	4,245	(755)	5,140
	7,000	7,000	7,300	300	6,100
	418,000	418,000	331,569	(86,431)	345,365

**FINES AND FORFEITURES**

Fines and forfeited bail	500,000	500,000	449,868	(50,132)	449,860
Other	1,500	1,500	290	(1,210)	660
	501,500	501,500	450,158	(51,342)	450,520

**SALE OF PROPERTY AND COMPENSATION**

<b>FOR LOSS</b>					
Sale of scrap and excess materials	5,000	5,000	4,970	(30)	7,052
Centennial book sales	-	-	15	15	-
Minor sales	-	-	2,440	2,440	635
	5,000	5,000	7,425	2,425	7,687

**STATE AID**

Per capita	72,500	72,500	72,949	449	72,949
Mortgage tax	175,000	175,000	213,300	38,300	197,828
Youth programs	2,762	2,762	-	(2,762)	2,159
Public safety	-	-	1,705	1,705	-
Consolidated highway improvement aid	90,500	90,500	90,912	412	91,077
Other	-	-	220	220	-
Emergency disaster assistance	-	-	-	-	24,507
	340,762	340,762	379,086	38,324	388,520

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Village of Larchmont, New York

General Fund  
 Schedule of Revenues and Other Financing Sources 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
<b>FEDERAL AID</b>					
Law enforcement block grant	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Emergency disaster assistance	-	-	401,763	401,763	73,644
	-	-	401,763	401,763	98,644
<b>MISCELLANEOUS</b>					
Gifts and donations	-	-	-	-	50
Refund of prior year's expenditures	39,000	39,000	25,329	(13,671)	27,879
Medicare Part D reimbursement	20,000	20,000	28,610	8,610	28,890
	59,000	59,000	53,939	(5,061)	56,819
<b>TOTAL REVENUES</b>	<b>15,788,962</b>	<b>15,788,962</b>	<b>16,184,966</b>	<b>396,004</b>	<b>15,791,783</b>
<b>OTHER FINANCING SOURCES</b>					
Insurance recoveries	15,000	15,000	53,043	38,043	83,722
Transfers in					
Water Fund	120,000	120,000	-	(120,000)	120,000
Public Library Fund	5,000	5,000	1,675	(3,325)	1,394
Special Purpose Fund	7,500	7,500	-	(7,500)	18,453
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>147,500</b>	<b>147,500</b>	<b>54,718</b>	<b>(92,782)</b>	<b>223,569</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 15,936,462</b>	<b>\$ 15,936,462</b>	<b>\$ 16,239,684</b>	<b>\$ 303,222</b>	<b>\$ 16,015,352</b>

Village of Larchmont, 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
<b>GENERAL GOVERNMENT SUPPORT</b>					
Board of Trustees	\$ 5,700	\$ 5,700	\$ 4,176	\$ 1,524	\$ 5,524
Justice	201,468	201,468	211,808	(10,340)	206,824
Treasurer	169,796	169,796	178,632	(8,836)	164,880
Budget	21,484	21,484	20,313	1,171	18,305
Purchasing	2,050	2,050	1,089	961	453
Assessor	50,500	50,500	22,435	28,065	23,332
Clerk	152,172	152,172	147,551	4,621	144,039
Law	80,350	80,350	100,779	(20,429)	90,655
Personnel	84,818	84,818	74,776	10,042	75,620
Engineer	158,310	158,310	50,160	108,150	45,676
Elections	10,900	10,900	4,116	6,784	5,149
Buildings	136,487	136,487	137,352	(865)	124,086
Village Center	15,200	15,200	13,134	2,066	10,552
Central garage	340,585	340,585	285,511	55,074	339,834
Central communications system	67,150	67,150	55,481	11,669	59,416
Central printing and mailing	36,750	36,750	28,112	8,638	27,789
Central data processing	199,000	199,000	159,406	39,594	146,244
Unallocated insurance	221,000	221,000	238,631	(17,631)	219,820
Municipal association dues	3,300	3,300	2,637	663	2,840
Judgments and claims	10,000	10,000	557	9,443	5,177
Taxes and assessments on Village property	40,000	40,000	76,596	(36,596)	70,592
Refunds of real property taxes	200,000	200,000	17,785	182,215	387,236
Metropolitan commuter transportation mobility tax	24,359	24,359	20,296	4,063	21,515
	2,231,379	2,231,379	1,851,333	380,046	2,195,558

<b>PUBLIC SAFETY</b>							
Police	3,346,243	3,346,243	3,297,407	48,836	3,372,603		
Traffic control	20,450	20,450	11,006	9,444	17,497		
Fire department	1,499,258	1,499,258	1,828,413	(329,155)	1,818,742		
Control of dogs	16,600	16,600	14,945	1,655	18,010		
Safety inspection	95,874	95,874	93,115	2,759	92,252		
	4,978,425	4,978,425	5,244,886	(266,461)	5,319,104		
<b>HEALTH</b>							
Community Counseling Center	40,000	40,000	40,000	-	40,000		
<b>TRANSPORTATION</b>							
Street administration	108,518	108,518	102,340	6,178	101,590		
Street maintenance	613,383	613,383	623,910	(10,527)	573,633		
Snow removal	85,500	85,500	54,786	30,714	8,845		
Street lighting	179,602	179,602	202,653	(23,051)	183,153		
Sidewalk maintenance	30,500	30,500	35,480	(4,980)	33,647		
Off-street parking	78,930	78,930	77,419	1,511	77,194		
	1,096,433	1,096,433	1,096,588	(155)	978,062		
<b>CULTURE AND RECREATION</b>							
Parks	284,497	284,497	367,864	(83,367)	264,643		
Playgrounds and recreation	91,500	91,500	87,875	3,625	72,109		
Band concerts	5,350	5,350	1,901	3,449	1,999		
Celebrations	7,000	7,000	3,333	3,667	5,854		
Youth programs	148,664	148,664	95,072	53,592	109,257		
	537,011	537,011	556,045	(19,034)	453,862		
<b>HOME AND COMMUNITY SERVICES</b>							
Zoning	5,000	5,000	2,749	2,251	3,704		
Board of Architectural Review	2,150	2,150	1,770	380	1,341		
Planning	6,150	6,150	5,834	316	48,108		
Sanitary sewers	13,000	13,000	7,772	5,228	9,057		
Storm sewers	10,600	10,600	9,309	1,291	5,511		
Refuse and garbage	1,398,610	1,398,610	1,400,184	(1,574)	1,442,652		
Community beautification	81,500	81,500	138,290	(56,790)	111,137		
Street cleaning	81,624	81,624	80,204	1,420	75,386		
Shade trees	36,200	36,200	19,800	16,400	21,904		
Emergency tenant protection fees	3,000	3,000	270	2,730	2,420		
Exhibits and receptions	2,500	2,500	2,500	-	2,500		
	1,640,334	1,640,334	1,668,682	(28,348)	1,723,720		

(Continued)

Village of Larchmont, 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
<b>EMPLOYEE BENEFITS</b>					
State retirement	\$ 411,761	\$ 411,761	\$ 379,042	\$ 32,719	\$ 360,046
State retirement - Police and fire	1,023,555	1,023,555	1,079,676	(56,121)	949,256
Social security	548,084	548,084	480,611	67,473	470,266
Workers' compensation benefits	346,174	346,174	352,246	(6,072)	261,990
Life insurance	1,700	1,700	1,425	275	1,370
Unemployment benefits	5,000	5,000	8,148	(3,148)	2,819
Hospital, medical and dental insurance	1,448,032	1,448,032	1,429,825	18,207	1,323,256
	<u>3,784,306</u>	<u>3,784,306</u>	<u>3,730,973</u>	<u>53,333</u>	<u>3,369,003</u>
<b>DEBT SERVICE</b>					
Principal					
Serial bonds	513,204	513,204	538,204	(25,000)	511,341
New York State loan	17,333	17,333	17,333	-	16,910
	<u>530,537</u>	<u>530,537</u>	<u>555,537</u>	<u>(25,000)</u>	<u>528,251</u>
Interest					
Serial bonds	169,477	169,477	118,192	51,285	187,846
New York State loan	1,936	1,936	1,936	-	2,359
Bond anticipation notes	19,193	19,193	19,193	-	12,100
	<u>190,606</u>	<u>190,606</u>	<u>139,321</u>	<u>51,285</u>	<u>202,305</u>
<b>TOTAL EXPENDITURES</b>	<u>15,029,031</u>	<u>15,029,031</u>	<u>14,883,365</u>	<u>145,666</u>	<u>14,809,865</u>
<b>OTHER FINANCING USES</b>					
Transfers out					
Water Fund	2,000	2,000	2,000	-	2,000
Capital Projects Fund	75,000	75,000	75,000	-	68,319
Public Library Fund	830,431	830,431	830,431	-	814,764
	<u>907,431</u>	<u>907,431</u>	<u>907,431</u>	<u>-</u>	<u>885,083</u>
<b>TOTAL OTHER FINANCING USES</b>					
	<u>\$ 15,936,462</u>	<u>\$ 15,936,462</u>	<u>\$ 15,790,796</u>	<u>\$ 145,666</u>	<u>\$ 15,694,948</u>

**Village of Larchmont, New York**

Water Fund  
 Comparative Balance Sheet  
 May 31,

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 151,185	\$ 353,598
Receivables		
Accounts	150	150
Water rents	646,238	577,545
Due from other funds	<u>51,307</u>	<u>49,181</u>
	<u>697,695</u>	<u>626,876</u>
Prepaid expenditures	<u>4,211</u>	<u>1,723</u>
Total Assets	<u>\$ 853,091</u>	<u>\$ 982,197</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>		
Liabilities		
Accounts payable	\$ 141,267	\$ 141,896
Due to other funds	761,932	807,163
Due to retirement systems	<u>17,410</u>	<u>6,188</u>
Total Liabilities	<u>920,609</u>	<u>955,247</u>
Fund balance (deficit)		
Nonspendable	4,211	1,723
Assigned	-	25,227
Unassigned	<u>(71,729)</u>	<u>-</u>
Total Fund Balance (Deficit)	<u>(67,518)</u>	<u>26,950</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 853,091</u>	<u>\$ 982,197</u>

Village of Larchmont, New York

Water 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	
<b>REVENUES</b>				
Departmental income	\$ 2,080,988	\$ 2,080,988	\$ 1,878,818	\$ (202,170)
Use of money and property	750	750	656	(94)
Miscellaneous	-	-	1,792	1,792
<b>Total Revenues</b>	<b>2,081,738</b>	<b>2,081,738</b>	<b>1,881,266</b>	<b>(200,472)</b>
<b>EXPENDITURES</b>				
Current				
General government support	91,623	91,623	89,769	1,854
Home and community services	1,492,191	1,492,191	1,634,680	(142,489)
Employee benefits	231,601	231,601	238,628	(7,027)
Debt service				
Principal	41,796	41,796	41,796	-
Interest	20,082	20,082	19,938	144
<b>Total Expenditures</b>	<b>1,877,293</b>	<b>1,877,293</b>	<b>2,024,811</b>	<b>(147,518)</b>
Excess (Deficiency) of Revenues Over Expenditures	204,445	204,445	(143,545)	(347,990)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	47,802	47,802	49,077	1,275
Transfers out	(135,000)	(135,000)	-	135,000
<b>Total Other Financing Sources (Uses)</b>	<b>(87,198)</b>	<b>(87,198)</b>	<b>49,077</b>	<b>136,275</b>
<b>Net Change in Fund Balance</b>	<b>117,247</b>	<b>117,247</b>	<b>(94,468)</b>	<b>(211,715)</b>
Fund Balance (Deficit) - Beginning of Year	(117,247)	(117,247)	26,950	144,197
<b>Fund Balance (Deficit) - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (67,518)</b>	<b>\$ (67,518)</b>

2012

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,973,838	\$ 1,973,838	\$ 1,836,555	\$ (137,283)
750	750	727	(23)
-	-	7,190	7,190
<u>1,974,588</u>	<u>1,974,588</u>	<u>1,844,472</u>	<u>(130,116)</u>
104,861	104,861	88,498	16,363
1,434,315	1,434,315	1,371,883	62,432
220,674	220,674	217,387	3,287
59,659	59,659	43,659	16,000
27,041	27,041	24,728	2,313
<u>1,846,550</u>	<u>1,846,550</u>	<u>1,746,155</u>	<u>100,395</u>
<u>128,038</u>	<u>128,038</u>	<u>98,317</u>	<u>(29,721)</u>
61,000	61,000	49,077	(11,923)
<u>(135,000)</u>	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>
<u>(74,000)</u>	<u>(74,000)</u>	<u>(85,923)</u>	<u>(11,923)</u>
54,038	54,038	12,394	(41,644)
<u>(54,038)</u>	<u>(54,038)</u>	<u>14,556</u>	<u>68,594</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,950</u>	<u>\$ 26,950</u>

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**Village of Larchmont, New York**

Public Library Fund  
Comparative Balance Sheet  
May 31,

---

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 823,269	\$ 779,953
Due from other funds	43,515	54,349
Prepaid expenditures	<u>27,378</u>	<u>3,384</u>
Total Assets	<u>\$ 894,162</u>	<u>\$ 837,686</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 7,463	\$ 6,625
Due to other funds	92,136	58,593
Due to retirement systems	<u>37,588</u>	<u>21,682</u>
Total Liabilities	<u>137,187</u>	<u>86,900</u>
Fund balance		
Nonspendable	27,378	3,384
Assigned	<u>729,597</u>	<u>747,402</u>
Total Fund Balance	<u>756,975</u>	<u>750,786</u>
Total Liabilities and Fund Balance	<u>\$ 894,162</u>	<u>\$ 837,686</u>

Village of Larchmont, New York

Public Library 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	
<b>REVENUES</b>				
Departmental income	\$ 1,201,785	\$ 1,201,785	\$ 1,196,009	\$ (5,776)
Use of money and property	1,000	1,000	568	(432)
Sale of property and compensation for loss	8,350	8,350	7,282	(1,068)
State aid	4,200	4,200	4,380	180
Miscellaneous	7,500	7,500	18,346	10,846
<b>Total Revenues</b>	<b>1,222,835</b>	<b>1,222,835</b>	<b>1,226,585</b>	<b>3,750</b>
<b>EXPENDITURES</b>				
Current				
General government support	26,806	26,806	21,552	5,254
Culture and recreation	1,494,379	1,502,129	1,444,726	57,403
Employee benefits	587,081	587,081	540,624	46,457
<b>Total Expenditures</b>	<b>2,108,266</b>	<b>2,116,016</b>	<b>2,006,902</b>	<b>109,114</b>
Deficiency of Revenues Over Expenditures	(885,431)	(893,181)	(780,317)	112,864
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	830,431	838,181	838,181	-
Transfers out	(55,000)	(55,000)	(51,675)	3,325
<b>Total Other Financing Sources</b>	<b>775,431</b>	<b>783,181</b>	<b>786,506</b>	<b>3,325</b>
<b>Net Change in Fund Balance</b>	<b>(110,000)</b>	<b>(110,000)</b>	<b>6,189</b>	<b>116,189</b>
Fund Balance - Beginning of Year	110,000	110,000	750,786	640,786
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 756,975</b>	<b>\$ 756,975</b>

2012

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,180,150	\$ 1,180,150	\$ 1,170,559	\$ (9,591)
1,000	1,000	756	(244)
8,350	8,350	9,975	1,625
4,239	4,239	4,275	36
6,500	6,500	19,226	12,726
1,200,239	1,200,239	1,204,791	4,552
39,784	39,784	31,158	8,626
1,499,432	1,530,566	1,386,566	144,000
557,787	557,787	491,953	65,834
2,097,003	2,128,137	1,909,677	218,460
(896,764)	(927,898)	(704,886)	223,012
814,764	845,898	845,898	-
(55,000)	(55,000)	(51,394)	3,606
759,764	790,898	794,504	3,606
(137,000)	(137,000)	89,618	226,618
137,000	137,000	661,168	524,168
\$ -	\$ -	\$ 750,786	\$ 750,786

Village of Larchmont, New York

Public Library 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
<b>DEPARTMENTAL INCOME</b>					
Library charges	\$ 55,000	\$ 55,000	\$ 49,224	\$ (5,776)	\$ 45,409
Services to other governments	1,146,785	1,146,785	1,146,785	-	1,125,150
	<u>1,201,785</u>	<u>1,201,785</u>	<u>1,196,009</u>	<u>(5,776)</u>	<u>1,170,559</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	1,000	1,000	568	(432)	756
	<u>1,000</u>	<u>1,000</u>	<u>568</u>	<u>(432)</u>	<u>756</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>					
Minor sales	4,500	4,500	3,529	(971)	3,755
Sale of materials and supplies	3,850	3,850	3,753	(97)	6,220
	<u>8,350</u>	<u>8,350</u>	<u>7,282</u>	<u>(1,068)</u>	<u>9,975</u>
<b>STATE AID</b>					
Library aid	4,200	4,200	4,380	180	4,275
	<u>4,200</u>	<u>4,200</u>	<u>4,380</u>	<u>180</u>	<u>4,275</u>
<b>MISCELLANEOUS</b>					
Gifts and donations	7,500	7,500	11,205	3,705	4,564
Medicare part D reimbursement	-	-	7,141	7,141	14,662
	<u>7,500</u>	<u>7,500</u>	<u>18,346</u>	<u>10,846</u>	<u>19,226</u>
<b>TOTAL REVENUES</b>	<u>1,222,835</u>	<u>1,222,835</u>	<u>1,226,585</u>	<u>3,750</u>	<u>1,204,791</u>

**OTHER FINANCING SOURCES**

Transfers in

General Fund

Special Purpose Fund

830,431	830,431	830,431	830,431	-	814,764
-	7,750	7,750	7,750	-	31,134
<hr/>					

**TOTAL OTHER FINANCING SOURCES**

830,431	838,181	838,181	838,181	-	845,898
<hr/>					

**TOTAL REVENUES AND  
OTHER FINANCING SOURCES**

\$ 2,053,266	\$ 2,061,016	\$ 2,064,766	\$ 3,750	\$ 2,050,689
<hr/>				

**Village of Larchmont, New York**

Public Library 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
<b>GENERAL GOVERNMENT SUPPORT</b>					
Unallocated insurance	\$ 23,000	\$ 23,000	\$ 21,237	\$ 1,763	\$ 21,885
Taxes and assessments on Village property	-	-	-	-	5,824
Metropolitan commuter transportation mobility tax	3,806	3,806	315	3,491	3,449
	26,806	26,806	21,552	5,254	31,158
	1,494,379	1,502,129	1,444,726	57,403	1,386,566
<b>CULTURE AND RECREATION</b>					
Library operations	203,063	203,063	171,312	31,751	137,884
	85,645	85,645	79,363	6,282	77,727
	5,000	5,000	5,053	(53)	4,877
	1,800	1,800	-	1,800	-
	291,573	291,573	284,896	6,677	271,465
	587,081	587,081	540,624	46,457	491,953
	2,108,266	2,116,016	2,006,902	109,114	1,909,677
<b>TOTAL EXPENDITURES</b>					
<b>OTHER FINANCING USES</b>					
Transfers out					
General Fund	5,000	5,000	1,675	3,325	1,394
Capital Projects Fund	50,000	50,000	50,000	-	50,000
	55,000	55,000	51,675	3,325	51,394
<b>TOTAL OTHER FINANCING USES</b>					
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>					
	\$ 2,163,266	\$ 2,171,016	\$ 2,058,577	\$ 112,439	\$ 1,961,071

**Village of Larchmont, New York**

Capital Projects Fund  
Comparative Balance Sheet  
May 31,

---

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 553,867	\$ 916,934
Due from other funds	<u>66,800</u>	<u>84,619</u>
Total Assets	<u>\$ 620,667</u>	<u>\$ 1,001,553</u>
<b>LIABILITIES AND FUND DEFICIT</b>		
Liabilities		
Accounts payable	\$ 96,343	\$ 134,448
Due to other funds	253,696	196,659
Bond anticipation notes payable	<u>1,760,000</u>	<u>1,820,000</u>
Total Liabilities	2,110,039	2,151,107
Fund deficit		
Unassigned	<u>(1,489,372)</u>	<u>(1,149,554)</u>
Total Liabilities and Fund Deficit	<u>\$ 620,667</u>	<u>\$ 1,001,553</u>

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**Village of Larchmont, 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>
<b>REVENUES</b>		
Use of money and property	\$ 203	\$ 384
State aid	-	6,374
Federal aid	40,769	47,786
Miscellaneous	1,425	-
	<u>42,397</u>	<u>54,544</u>
<b>EXPENDITURES</b>		
Capital outlay	<u>403,718</u>	<u>1,068,251</u>
Deficiency of Revenues Over Expenditures	<u>(361,321)</u>	<u>(1,013,707)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	125,000	133,319
Transfers out	<u>(103,497)</u>	<u>(47,077)</u>
	<u>21,503</u>	<u>86,242</u>
Net Change in Fund Balance	(339,818)	(927,465)
Fund Deficit - Beginning of Year	<u>(1,149,554)</u>	<u>(222,089)</u>
Fund Deficit - End of Year	<u>\$ (1,489,372)</u>	<u>\$ (1,149,554)</u>

**Village of Larchmont, New York**

Capital Projects Fund

Project-Length Schedule

Inception of Project Through May 31, 2013

---

<u>PROJECT</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
Technology Budget	\$ 859,856	\$ 562,997	\$ 296,859
Purchase of Garbage Truck	107,500	105,451	2,049
Purchase of Firefighting Equipment	44,643	44,158	485
Reservoir/Caretaker	22,568	56,557	(33,989)
Purchase of Garbage Truck	200,000	184,632	15,368
Purchase of Garbage Truck	300,000	279,357	20,643
DPW Machinery and Equipment	130,313	123,571	6,742
Pine Broom Pump Control Replacement	29,623	25,929	3,694
DPW Building Improvement	25,564	26,160	(596)
Leak Detection Equipment	14,500	11,559	2,941
Fire Department Apparatus Floor	85,000	63,766	21,234
Purchase of Elgin Sweeper	76,000	75,646	354
Village Yard Reconstruction	300,500	293,642	6,858
Purchase of Parking Meters	151,833	152,069	(236)
Library Maintenance Program	1,211,066	1,040,964	170,102
Reconstruction of Village Hall	1,819,669	1,819,659	10
Purchase of Library Computers	118,745	96,562	22,183
Flint Park Expansion and Improvement	5,368,302	5,312,711	55,591
Village Hall Heating System	100,000	77,936	22,064
Streetscape Improvement	1,020,000	1,052,706	(32,706)
Garbage Truck	145,000	141,502	3,498
Purchase of Payloader	116,000	116,461	(461)
Garbage Truck - 2005	155,000	154,428	572
Reconstruction of Storm Sewers	140,000	124,655	15,345
Storm Water Clean-up	551,000	550,746	254
Reconstruction of Streets and Roads	49,000	1,262	47,738
Public Safety - Fire House Renovations	112,500	110,658	1,842
Burchell Project	3,458,800	3,406,876	51,924
American LaFrance Fire Pumper	571,000	554,454	16,546
Ten Wheeler Dump Truck	145,000	146,540	(1,540)

Revenues	Fund Balance (Deficit) at May 31, 2013	Bond Anticipation Notes Outstanding at May 31, 2013
\$ 727,855	\$ 164,858	\$ -
107,500	2,049	-
44,643	485	-
22,568	(33,989)	-
-	(184,632)	200,000
-	(279,357)	300,000
-	(123,571)	130,313
-	(25,929)	29,623
-	(26,160)	25,564
-	(11,559)	14,500
-	(63,766)	85,000
76,000	354	-
300,500	6,858	-
151,833	(236)	-
1,211,066	170,102	-
1,819,669	10	-
118,745	22,183	-
5,368,302	55,591	-
100,000	22,064	-
1,020,000	(32,706)	-
145,000	3,498	-
116,000	(461)	-
155,000	572	-
140,000	15,345	-
551,000	254	-
49,000	47,738	-
112,500	1,842	-
3,165,800	(241,076)	293,000
110,000	(444,454)	445,000
145,000	(1,540)	-

(Continued)

**Village of Larchmont, New York**

Capital Projects Fund

Project-Length Schedule (Continued)

Inception of Project Through May 31, 2013

---

<u>PROJECT</u>	<u>Authorization</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
Purchase of Garbage Truck	\$ 180,000	\$ 177,826	\$ 2,174
Reservoir/Flood	543,204	529,541	13,663
ELSAG NA Law Enforcement	19,999	19,712	287
Palmer Avenue Streetscape	855,000	320,349	534,651
Purchase of Garbage Truck	180,000	175,569	4,431
Lorenzen Park Development	600,000	132,825	467,175
Tennis Courts at Flint Park	252,650	327,586	(74,936)
Westchester Joint Water Works Modifications	125,000	114,889	10,111
Tunnel at Train Station	50,000	50,154	(154)
DPW Machinery and Equipment	265,922	259,979	5,943
Village Hall Maintenance and Improvement	180,000	44,034	135,966
Sherwood Pump Station Pipe	-	851	(851)
Going Green	14,112	14,112	-
Parking Paystation	200,000	115,226	84,774
Tank/ Pump Replacement Byron	1,265,000	4,615	1,260,385
Meter Replacement/ Tech Upgrade	800,000	16,303	783,697
Infrastructure Improvement District System	350,000	100	349,900
Totals	<u>\$ 23,309,869</u>	<u>\$ 19,017,285</u>	<u>\$ 4,292,584</u>

Revenues	Fund Balance (Deficit) at May 31, 2013	Bond Anticipation Notes Outstanding at May 31, 2013
\$ 180,000	\$ 2,174	\$ -
543,204	13,663	-
19,999	287	-
2,045	(318,304)	-
19,000	(156,569)	161,000
-	(132,825)	-
252,650	(74,936)	-
125,000	10,111	-
50,000	(154)	-
239,922	(20,057)	23,000
180,000	135,966	-
-	(851)	-
11,112	(3,000)	-
147,000	31,774	53,000
-	(4,615)	-
-	(16,303)	-
-	(100)	-
<u>\$ 17,527,913</u>	<u>\$ (1,489,372)</u>	<u>\$ 1,760,000</u>

**Village of Larchmont, New York**

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

---

	Special Purpose Fund	Debt Service Fund
<b>ASSETS</b>		
Cash and equivalents	\$ 469,515	\$ 20,799
Due from other funds	<u>144,950</u>	<u>253,696</u>
Total Assets	<u>\$ 614,465</u>	<u>\$ 274,495</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Due to other funds	\$ 313,397	\$ 192,587
Bond interest and matured bonds payable	<u>-</u>	<u>1,326</u>
Total Liabilities	313,397	193,913
Fund balances		
Restricted	<u>301,068</u>	<u>80,582</u>
Total Liabilities and Fund Balances	<u>\$ 614,465</u>	<u>\$ 274,495</u>

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Total Non-Major  
Governmental Funds

---

<u>2013</u>	<u>2012</u>
\$ 490,314	\$ 711,597
<u>398,646</u>	<u>196,659</u>
<u>\$ 888,960</u>	<u>\$ 908,256</u>
\$ 505,984	\$ 552,065
<u>1,326</u>	<u>4,533</u>
507,310	556,598
<u>381,650</u>	<u>351,658</u>
<u>\$ 888,960</u>	<u>\$ 908,256</u>

**Village of Larchmont, New York**

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Governmental Funds  
Year Ended May 31, 2013  
(With Comparative Totals for 2012)

	Special Purpose Fund	Debt Service Fund
<b>REVENUES</b>		
Use of money and property	\$ 1,216	\$ 3,918
Miscellaneous	39,426	-
	<u>40,642</u>	<u>3,918</u>
<b>EXPENDITURES</b>		
Current		
Culture and recreation	63,138	-
Home and community services	100	-
Debt service		
Refunding bond issuance costs	-	56,494
	<u>63,238</u>	<u>56,494</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,596)</u>	<u>(52,576)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Refunding bonds issued	-	2,020,000
Issuance premium	-	112,836
Payment to refunded bond escrow agent	-	(2,076,342)
Transfers in	-	103,497
Transfers out	(7,750)	(47,077)
	<u>(7,750)</u>	<u>112,914</u>
Net Change in Fund Balances	(30,346)	60,338
Fund Balances - Beginning of Year	<u>331,414</u>	<u>20,244</u>
Fund Balances - End of Year	<u>\$ 301,068</u>	<u>\$ 80,582</u>

Total Non-Major Governmental Funds	
2013	2012
\$ 5,134	\$ 2,566
39,426	265,038
44,560	267,604
63,138	223,272
100	10,728
56,494	-
119,732	234,000
(75,172)	33,604
2,020,000	-
112,836	-
(2,076,342)	-
103,497	47,077
(54,827)	(96,664)
105,164	(49,587)
29,992	(15,983)
351,658	367,641
\$ 381,650	\$ 351,658

**Village of Larchmont, New York**

Special Purpose Fund  
Comparative Balance Sheet  
May 31,

---

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 469,515	\$ 694,099
Due from other funds	<u>144,950</u>	<u>-</u>
Total Assets	<u>\$ 614,465</u>	<u>\$ 694,099</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Due to other funds	\$ 313,397	\$ 362,685
Fund balance		
Restricted	<u>301,068</u>	<u>331,414</u>
Total Liabilities and Fund Balance	<u>\$ 614,465</u>	<u>\$ 694,099</u>

**Village of Larchmont, 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>
<b>REVENUES</b>		
Use of money and property	\$ 1,216	\$ 1,061
Miscellaneous	<u>39,426</u>	<u>265,038</u>
Total Revenues	<u>40,642</u>	<u>266,099</u>
<b>EXPENDITURES</b>		
Current		
Culture and recreation	63,138	223,272
Home and community services	<u>100</u>	<u>10,728</u>
Total Expenditures	<u>63,238</u>	<u>234,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(22,596)	32,099
<b>OTHER FINANCING USES</b>		
Transfers out	<u>(7,750)</u>	<u>(49,587)</u>
Net Change in Fund Balance	(30,346)	(17,488)
Fund Balance - Beginning of Year	<u>331,414</u>	<u>348,902</u>
Fund Balance - End of Year	<u>\$ 301,068</u>	<u>\$ 331,414</u>

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Village of Larchmont, New York

Debt Service Fund  
Comparative Balance Sheet  
May 31,

---

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 20,799	\$ 17,498
Due from other funds	<u>253,696</u>	<u>196,659</u>
Total Assets	<u>\$ 274,495</u>	<u>\$ 214,157</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Due to other funds	\$ 192,587	\$ 189,380
Bond interest and matured bonds payable	<u>1,326</u>	<u>4,533</u>
Total Liabilities	193,913	193,913
Fund balance		
Restricted	<u>80,582</u>	<u>20,244</u>
Total Liabilities and Fund Balance	<u>\$ 274,495</u>	<u>\$ 214,157</u>

Village of Larchmont, New York

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

	2013			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 3,918	\$ 3,918
<b>EXPENDITURES</b>				
Debt service				
Refunding bond issuance costs	-	56,494	56,494	-
Excess (Deficiency) of Revenues Over Expenditures	-	(56,494)	(52,576)	3,918
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	2,020,000	2,020,000	-
Issuance premium	-	112,836	112,836	-
Payment to refunded bond escrow agent	-	(2,076,342)	(2,076,342)	-
Transfers in	45,803	45,803	103,497	57,694
Transfers out	(45,803)	(45,803)	(47,077)	(1,274)
Total Other Financing Sources	-	56,494	112,914	56,420
Net Change in Fund Balance	-	-	60,338	60,338
Fund Balance - Beginning of Year	-	-	20,244	20,244
Fund Balance - End of Year	\$ -	\$ -	\$ 80,582	\$ 80,582

2012

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 1,505	\$ 1,505
-	-	-	-
-	-	1,505	1,505
-	-	-	-
-	-	-	-
59,000	59,000	47,077	(11,923)
(59,000)	(59,000)	(47,077)	11,923
-	-	-	-
-	-	1,505	1,505
-	-	18,739	18,739
\$ -	\$ -	\$ 20,244	\$ 20,244

