

Village of Larchmont, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2014

Village of Larchmont, New York

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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, 2014, 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, 2014, 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
August 27, 2014

Village of Larchmont, New York

Management's Discussion and Analysis (MD&A) May 31, 2014

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, 2014. 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 2013-14 by \$4,995,963. At May 31, 2013, assets exceeded liabilities by \$6,520,323. This is a decrease in net position of \$1,524,360. Providing the impetus of the overall decrease in net position incurred was the impact attributable to Other Post-Employment Benefits (OPEB) obligations and Bonds and Notes Payable which increased by \$1,450,000 and \$1,978,692, respectively, during the course of the current fiscal year. In addition, the level of combined fund balances as of the fiscal year-end contributed positively to offset approximately \$2,114,832 or 61.7% of the potential negative impact from OPEB and Bonds and Notes Payable. The positive impact attributable to fund balances was mainly influenced by the fund balance condition occurring within the Capital Fund which experienced an increase of approximately \$2,050,660 due to the recognition of long-term debt (serial bonds) instruments as a source or means of permanent financing (revenue) immediately upon their conversion from short-term debt or Bond Anticipation Notes (BANs).
- ❖ As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$4,525,824. Exclusive of the Capital Projects Fund, the combined ending fund balance was \$3,964,536. Of this amount, the unassigned portion of the combined fund balance was \$2,628,734, 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 \$2,628,734 (100%), exclusive of any further adjustments or provisions for deficits that may have occurred in other funds. Overall, the Village's combined fund balance increased by \$2,114,832 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. As stated previously the overall increase in fund balance within the current fiscal year 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 recognized as a source of funding only and immediately upon conversion to long-term, permanent financing. This difference in the treatment and recognition of long-term debt as a source of revenue as contrasted with the lack of recognition for short-term debt may directly influence the creation of a positive or deficit fund balance within the Capital Fund in a given year. During the course of the fiscal year 2013-14, the Village issued serial bonds

in support of capital expenditure activities occurring within the Capital Fund in the aggregate amount of \$2,581,708.

- ❖ For the 2013-14 Fiscal Year the General Fund experienced an increase in fund balance of \$79,268. The Water Fund, while continuing to experience severe repetitive losses due to sustained leaks within the water distribution system's infrastructure during the winter season was able to gain some traction and generate movement into positive fund balance territory. This positive fund balance was generated, notwithstanding the additional expenses incurred due to the occurrence of leaks during the winter season aggregating approximately \$107,600. This cost associated with leaks was somewhat mitigated in the 2013-14 fiscal year in their overall effect on the finances of the Water Fund as compared to the previous fiscal year where similar costs equaled approximately \$138,000. Growth in terms of the level of fund balance was mostly achieved due to the salutary effect of a twenty-five (25.0%) percent rate increase over the past twelve months, and as a result the Water Fund's fiscal year operation realized a positive fund balance of \$42,171, an increase of approximately \$110,000 over the previous fiscal year. The Library's fund balance decreased by \$81,538, although less than the appropriated fund balance amount of \$115,000, while the Capital Fund increased markedly by \$2,050,660 to a fund balance level of \$561,288. The combined effect of the Special Purpose and Debt Service Funds contributed on a net basis both negatively and negligibly toward combined ending fund balance as an increase of \$12,506 and a decrease of \$55,753 were realized, respectively.

The increase in fund balance within the General Fund is primarily attributable to the positive variances occurring within the following revenue accounts when actual results are compared to budgetary expectations: Non-property Tax, \$68,170, Departmental Income, \$77,842, Licenses and Permits, \$93,068, and State Aid, \$91,119. These beneficial results as alluded to above were offset by the negative variances produced within various other revenue items such as Fines & Forfeitures which continued to disappoint optimistic expectations, yielding a negative variance of \$88,322, and the Fund's inability to compensate for the amount of fund balance appropriated which was equivalent to \$200,000. In addition, from a cost perspective overall expenses were basically in-line with budgeted expenditures as a marginal positive variance of \$30,412 was realized. The fund balance within the Water Fund increased to \$42,171 however, the adverse influences of costs incurred as a result of severe repetitive leaks occurring within the infrastructure of the water distribution system, aggregating approximately \$107,600, precluded any further traction towards ameliorating this weakened fund balance condition. As stated previously, the Library's fund balance decreased by approximately \$81,538 and was mainly the result of the appropriation of \$115,000 from the Library's fund balance as part of the original fiscal year's revenue budget.

- ❖ At the end of the fiscal years 2014 and 2013, total fund balances for the General Fund were \$2,908,525 and \$2,829,257 as adjusted, respectively, or 17.2% and 17.9% of total General Fund expenditures and other financing uses.
- ❖ During the current fiscal year, the Village issued new long term debt in the form of serial bonds in the amount of \$2,581,708, over an amortization period of approximately sixteen (16) years at an average interest rate of 3.17%. Outstanding principal on long-term debt in the form of serial bonds (\$6,831,708) and state loans (\$42,339) aggregated \$6,874,047. In the aggregate, retirement of the principal on long-term debt obligations, bonds (\$580,000) and notes (\$17,767) payable, in meeting debt service requirements decreased the outstanding principal on both serial bonds and state loans by \$597,767, however, when the new issue alluded to above is considered outstanding debt increased by a net amount of

\$1,983,941. 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 that is fully funded in anticipation of the call date of September 15, 2014. However, the one remaining principal payment that is a direct obligation of the Village is recognized as outstanding as of May 31, 2014 and is therefore part of the serial bond balance of \$6,831,708. In addition, over the course of the current fiscal year compensated absences decreased marginally by a net amount of \$15,434 as compared to a net increase of \$260,134 for the previous fiscal year. This decrease in the associated costs of compensated absences can most likely be attributed to the benefit derived in the current fiscal year which was experienced in the form of natural attrition in the Public Safety Sector through service retirements, 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 sixth year and contributed \$1,450,000 towards long-term liabilities. In summary, long-term liabilities increased from \$11,327,996 to \$14,727,697 or by a net increase of \$3,399,701 (30.0%). This compares to a modest increase in the preceding fiscal year of only \$1,049,295.

- ❖ During the current fiscal year, the Village did not issue or re-issue any short-term debt obligations in the form of Bond Anticipation Notes (BANs) to finance the costs associated with capital projects. However, as referenced to in the preceding paragraph, the Village did issue long-term debt or serial bonds in the aggregate amount of \$2,581,708 which in effect refinanced the debt outstanding on Bond Anticipation Notes (BANs) over an extended amortization period of almost sixteen (16) years and was comprised of principal outstanding net of pay-downs on existing BANs of \$1,561,358 and new money to finance approved capital projects of \$1,020,350.

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 \$4,995,963 at the close of the fiscal year 2013-2014 as compared to \$6,520,323 for the fiscal year 2012-2013. This represents a decrease in net assets of \$1,524,360 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,	
	2014	2013
Current Assets	\$ 5,506,963	\$ 5,233,404
Capital Assets, net	15,220,021	15,385,485
Total Assets	20,726,984	20,618,889
Current Liabilities	1,071,109	2,851,912
Long-Term Liabilities	14,727,697	11,246,654
Total Liabilities	15,798,806	14,098,566
Net Position		
Net Investment in Capital Assets	8,319,729	9,022,494
Restricted	1,702,155	1,047,490
Unrestricted	(5,025,921)	(3,549,661)
Total Net Position	\$ 4,995,963	\$ 6,520,323

The investment in capital assets, net of related debt, constitutes 166.5% of net position. Those net positions which are restricted to use represent 34.1%. The remaining balance of net position is unrestricted assets representing negative 100.6% and may be used to meet the Village's ongoing obligations to citizens and creditors.

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

	2014	2013
REVENUES		
Program Revenues		
Charges for services	\$ 5,987,127	\$ 5,269,422
Operating grants and contributions	391,791	568,556
Capital grants and contributions	206,092	46,315
Total Program Revenues	<u>6,585,010</u>	<u>5,884,293</u>
General Revenues:		
Real property taxes	12,437,370	12,119,341
Other tax items	21,405	26,955
Non-property taxes	959,170	903,917
Unrestricted use of money and property	10,170	11,786
Sale of property and compensation for loss	21,615	7,425
Unrestricted State aid	357,118	286,249
Insurance recoveries	81,782	53,043
Miscellaneous	75,343	53,939
Total General Revenues	<u>13,963,973</u>	<u>13,462,655</u>
Total Revenues	<u>20,548,983</u>	<u>19,346,948</u>
PROGRAM EXPENSES		
General government support	2,709,410	2,454,251
Public safety	9,598,148	9,469,688
Health	45,000	40,000
Transportation	2,143,369	2,071,202
Culture and recreation	3,633,058	3,276,129
Home and community services	3,740,304	3,556,655
Interest	204,054	129,065
Total Expenses	<u>22,073,343</u>	<u>20,996,990</u>
Change in Net Position	(1,524,360)	(1,650,042)
Net Position - Beginning	<u>6,520,323</u>	<u>8,170,365</u>
Net Position - Ending	<u>\$ 4,995,963</u>	<u>\$ 6,520,323</u>

Governmental Activities

Governmental activities decreased the Village's net position by \$1,524,360 in 2014 and decreased the Village's net position by \$1,650,042 in 2013.

For the fiscal years ended May 31, 2014 and 2013, revenues from governmental activities totaled \$20,548,983 and \$19,346,948, respectively. Tax revenues of \$13,417,945 (65.3%) in 2014 and \$13,050,213 (67.5%) in 2013, 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 \$22,073,343 and \$20,996,990 in fiscal years 2014 and 2013, respectively, are public safety, \$9,598,148 (43.5%) in 2014 and \$9,469,688 (45.1%) in 2013, home and community services, \$3,740,304 (16.9%) in 2014 and \$3,556,655 (16.9%) in 2013, culture and recreation, \$3,633,058 (16.5%) in 2014 and \$3,276,129 (15.6%) in 2013, general government support \$2,709,410 (12.3%) in 2014 and \$2,454,251 (11.7%) in 2013, and transportation, \$2,143,369 (9.7%) in 2014, and \$2,071,202 (9.9%) in 2013.

The major changes are as follows:

Revenues:

- Real property taxes increased to \$12,437,370 in 2014 from \$12,119,341 in 2013, or by \$318,029 (2.6%) which was directly due to an increase in the Village's tax levy.
- Non-property taxes increased to \$959,170 in 2014 from \$903,917 in 2013 or by \$55,253 (6.1%) which was mainly due to improving County sales tax distributions across the 2014 over 2013 fiscal years as the economic tremors experienced in 2008 continue to have less of an adverse carry-over and depressed economic effect on this revenue item. Comparatively speaking, sales tax revenue increased by \$60,885 or by 7.8%. Improved State Aid increases of \$70,869 (24.8%) are directly related to the vacillating and uncertain state of mortgage tax distributions which increased overall by \$66,195 (31.0%) and continue to be reflective of the impact of the prior softening and flattening of activity in the housing industry for both the new construction and resale markets. In illustration of this point of uncertainty, in the first half of the year the Village experienced a significant mortgage tax revenue increase of \$49,425 (40.3%), but a regression which reflected a marginal increase of \$16,770 (18.5%) in the second half of the year, when each is compared to the respective year earlier period.

Expenses:

- Expenses for the Public Safety Sector increased from \$9,469,688 to \$9,598,148 or by \$128,460 (1.4%). Within Culture and Recreation expenses increased from \$3,276,129 to \$3,633,058, or by \$356,929 (10.9%). Transportation increased from \$2,071,202 to \$2,143,369 or by a \$72,167 (3.5%), and Home and Community Services increased from \$3,556,655 to \$3,740,304 or by \$183,649 (5.2%). 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 \$117,456 (6.8%) net of employee contributions and retirement related costs increased by approximately \$217,226 (12.7%) when each is compared to the prior fiscal year.

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 \$4,525,824, this represents an increase in overall combined fund balance of \$2,114,832. As stated previously, fund balance exclusive of the Capital Projects Fund aggregates

\$3,964,536. Of this amount, \$2,628,734 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 (\$154,494), 2) a reserve for debt service (\$24,829) and a reserve for trust agreements (\$313,574), 3) assignment of fund balances for use exclusively for purposes related to the Library Fund (\$654,585), Water Fund (\$38,320) and assignment of appropriated fund balance (\$150,000) 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 \$2,628,734, representing 90.4% of the total General Fund balance of \$2,908,525. The difference between these two fund balance amounts, or \$279,791 (9.6%), represents that portion of the General Fund's Fiscal Year 2013-2014 fund balance that is reserved for prepaid expenses, \$129,791 (4.5%), and that is assigned or designated, \$150,000 (5.1%), for use in the subsequent fiscal year's budget.

When the fiscal year 2013-2014 General Fund Budget was adopted, it anticipated the use of \$200,000 of appropriated fund balance. Actual results of operations disclosed a moderate increase in the fund balance of \$79,268. Contributing to this increase in fund balance within the General Fund was a marginal cost savings in overall spending which yielded a positive variance of \$30,412. In the Fiscal Year 2013-2014, actual expenditures of \$16,875,535, inclusive of inter-fund transfers, were well within budgeted parameters of \$16,905,947. This positive variance was primarily achieved as the result of expenditures for consultant services within the Engineer's Department being less than budgeted by approximately \$45,106. 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, exclusive of that portion of the fund balance (\$200,000) appropriated for the current year's budget. While the Village's Fiscal Year 2013-2014 Budget was adopted with the original intent of 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 \$31,960, \$18,117, \$68,170, \$15,602, and \$79,495, respectively, in support of the revenue program.

As fallout from the recessionary climate, sluggish economic growth and tepid economic activity that the Village has encountered over the past six 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 decreased from \$756,975 to \$675,437, or by \$81,538 (10.8%). Sources of revenue for the Library Fund were received as planned as actual revenue of \$2,098,169, inclusive of inter-fund transfers, produced a negligible, negative variance of \$1,585 when compared to its amended budget amount of \$2,099,754, exclusive of the revenue item which designated an appropriation of fund balance in the amount of \$115,000. It should be noted that the revenue shortfall was a planned action and natural corollary of the Library Fund's decision to appropriate \$115,000 of its fund balance in order to balance the 2013-14 Fiscal Year budget as originally adopted. The expense side of the budget contributed \$35,047 towards reducing the

potential overall deficit from \$115,000 for the Fiscal Year Ending May 31, 2014. Both the revenue and expense sides of the budget within the Library Fund were unable to compensate for this imbalance or deficit created by the appropriation of fund balance within the Fiscal Year 2013-14 Budget.

The fund balance within the Water Fund increased significantly by \$109,689, or from negative \$67,518 to positive \$42,171 in Fiscal Year 2013-2014. Total revenue of \$2,305,114, inclusive of transfers, sufficiently offset total expenses of \$2,195,425, inclusive of transfers, thereby creating an increase in fund balance within the operation of the Water Fund, for the current fiscal year, as previously stated.

Growth of the fund balance within the Water Fund was chiefly the result of a twenty-five (25%) percent increase in the water rate charged for consumption which was effective beginning in November 2013. This increase in revenue is equivalent to approximately \$538,700 in additional revenue.

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 \$107,600 in the current fiscal year. This compares to similar expenses incurred in the prior year of approximately \$138,000. This condition can be substantiated by the fact that actual expenses for purchases of water exceeded budgeted expectations by approximately \$73,910 in Fiscal Year 2013-14 as compared to a negative budget variance of \$112,971 for this expense item in the prior fiscal year. Overall, actual costs in the aggregate of \$2,195,425, inclusive of inter-fund transfers were mainly in line with budgeted expenses of \$2,136,658, inclusive of inter-fund transfers. Further, the Water Fund's inability to gain additional traction towards improving its fund balance condition is impacted by budgeted (\$20,000), indirect costs such as dam maintenance which totaled \$34,905 in the current fiscal year and as a result contributed a negative \$14,905 towards fund balance.

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 previous MD&As, 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 weakened fund balance trend or condition for most of the past six 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 a restricted fund balance of \$561,288 which is an increase from a fund deficit \$1,489,372, or by \$2,050,660 (137.7%), when compared to the previous fiscal year. The reason for this increase in 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 purchase or construction costs associated with 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. In illustration of this point, the Village in the current fiscal year issued permanent, long-term debt in the amount of \$2,581,708, thus redeeming \$1,760,000 in outstanding short-term debt or Bond Anticipation Notes (BANs) or \$1,561,358 if proceeds net of pay-downs are considered, the difference of \$1,020,350 was issued in support of other capital fund projects.

The existence of any 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. As of the close of the current fiscal year, the Village of Larchmont had no outstanding Bond Anticipation Notes (BANs).

Capital Assets and Debt Administration

Capital Assets

The Village's investment in capital assets for governmental activities at May 31, 2014, net of accumulated depreciation, was \$15,220,021. 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,	
	2014	2013
Land	\$ 57,213	\$ 57,213
Buildings and improvements	11,825,162	11,823,484
Infrastructure	14,257,433	14,000,079
Machinery and equipment	6,191,027	6,092,040
Construction-in-progress	847,437	567,235
Less - accumulated depreciation	(17,958,251)	(17,154,566)
Total (net of depreciation)	\$ 15,220,021	\$ 15,385,485

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 \$6,831,708. 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 \$42,339. These long-term debt instruments totaled \$6,874,047 at the end of fiscal year 2014 and had an average weighted rate of 2.86%. In the aggregate, long-term debt outstanding increased by \$1,983,941 net of the bond refunding transacted during the course of the fiscal year 2012-2013 and the new serial bond issue and debt repayments occurring throughout fiscal year 2013-14. At the conclusion of the current fiscal year, there was no short-term debt outstanding in the form of Bond Anticipation Notes (BANs).

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, 2014, the Village Board designated that \$150,000 of the fund balance of the General Fund, negative \$273,356 of the fund balance of the Water Fund, and \$90,000 of the fund balance of the Library Fund to be appropriated for the ensuing year's budget. The tax rate for the 2014-2015 Fiscal Year in the Village of Larchmont's General Fund is \$332.30 per \$1,000 of taxable assessed valuation. This represents a tax rate increase of 4.72% over the prior fiscal year's tax rate of \$317.31. 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 was unable to adhere to the parameters as prescribed for the inaugural time in the three years of its existence and monitoring. Predicated on the metrics involved in the calculation, the Village could have grown its Tax Levy from \$12,400,316 to 12,802,422 or by 402,106 (3.24%) which is inclusive of natural growth as prescribed of \$245,185 (1.98%) and prior year carry-over of \$156,921 (1.26%). In actuality, the Village exhausted all of its growth within the economic parameters of the property tax cap maximum limit, which ultimately translated into a tax levy that exceeded the limit by \$115,834 (0.9%).

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.

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Village of Larchmont, New York

Statement of Net Position

May 31, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 3,932,743
Receivables	
Taxes	10,671
Accounts	287,478
Water rents	780,689
Due from State and Federal governments	127,849
Due from other governments	213,039
Prepaid expenses	154,494
Capital assets	
Not being depreciated	904,650
Being depreciated, net	<u>14,315,371</u>
Total Assets	<u>20,726,984</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding bonds	<u>67,785</u>
LIABILITIES	
Accounts payable	650,097
Due to retirement systems	319,043
Bond interest and matured bonds payable	1,328
Accrued interest payable	100,641
Non-current liabilities	
Due within one year	837,919
Due in more than one year	<u>13,889,778</u>
Total Liabilities	<u>15,798,806</u>
NET POSITION	
Net investment in capital assets	8,319,729
Restricted	
Capital projects	1,321,581
Water	42,171
Debt service	24,829
Special purpose	313,574
Unrestricted	<u>(5,025,921)</u>
Total Net Position	<u>\$ 4,995,963</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, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 2,709,410	\$ 136,714	\$ -	\$ -	\$ (2,572,696)
Public safety	9,598,148	459,818	228,355	-	(8,909,975)
Health	45,000	-	-	-	(45,000)
Transportation	2,143,369	948,779	115,966	52	(1,078,572)
Culture and recreation	3,633,058	1,650,080	47,259	205,373	(1,730,346)
Home and community services	3,740,304	2,791,736	211	-	(948,357)
Interest	204,054	-	-	667	(203,387)
Total Governmental Activities	\$ 22,073,343	\$ 5,987,127	\$ 391,791	\$ 206,092	(15,488,333)
General revenues					
Real property and special assessment taxes					12,437,370
Other tax items					21,405
Interest and penalties on real property taxes					21,405
Non-property taxes					
Utilities gross receipts tax					114,718
Non-property tax distribution from County					844,452
Unrestricted use of money and property					10,170
Sale of property and compensation for loss					21,615
Unrestricted State aid					357,118
Miscellaneous					75,343
Insurance recoveries					81,782
Total General Revenues					13,963,973
Change in Net Position					(1,524,360)
Net Position - Beginning					6,520,323
Net Position - Ending					\$ 4,995,963

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

Village of Larchmont, New York

Balance Sheet
 Governmental Funds
 May 31, 2014

	General Fund	Water Fund	Public Library Fund
ASSETS			
Cash and equivalents	\$ 2,179,965	\$ 37,644	\$ 775,950
Taxes receivable	10,671	-	-
Other receivables			
Accounts	286,783	695	-
Water rents	-	780,689	-
Due from State and Federal governments	127,849	-	-
Due from other governments	213,039	-	-
Due from other funds	724,943	104	43,515
Prepaid expenditures	129,791	3,851	20,852
 Total Assets	 <u>\$ 3,673,041</u>	 <u>\$ 822,983</u>	 <u>\$ 840,317</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 310,936	\$ 196,888	\$ 38,636
Due to other funds	168,744	569,721	95,569
Due to retirement systems	274,165	14,203	30,675
Bond interest and matured bonds payable	-	-	-
 Total Liabilities	 753,845	 780,812	 164,880
Deferred inflows of resources			
Deferred tax revenues	10,671	-	-
 Total Liabilities and Deferred Inflows of Resources	 <u>764,516</u>	 <u>780,812</u>	 <u>164,880</u>
Fund balances			
Nonspendable	129,791	3,851	20,852
Restricted	-	-	-
Assigned	150,000	38,320	654,585
Unassigned	2,628,734	-	-
 Total Fund Balances	 <u>2,908,525</u>	 <u>42,171</u>	 <u>675,437</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 3,673,041</u>	 <u>\$ 822,983</u>	 <u>\$ 840,317</u>

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

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 593,468	\$ 345,716	\$ 3,932,743
-	-	10,671
-	-	287,478
-	-	780,689
-	-	127,849
-	-	213,039
80,000	8,543	857,105
-	-	154,494
<u>\$ 673,468</u>	<u>\$ 354,259</u>	<u>\$ 6,364,068</u>
\$ 103,637	\$ -	\$ 650,097
8,543	14,528	857,105
-	-	319,043
-	1,328	1,328
<u>112,180</u>	<u>15,856</u>	<u>1,827,573</u>
-	-	10,671
<u>112,180</u>	<u>15,856</u>	<u>1,838,244</u>
-	-	154,494
561,288	338,403	899,691
-	-	842,905
-	-	2,628,734
<u>561,288</u>	<u>338,403</u>	<u>4,525,824</u>
<u>\$ 673,468</u>	<u>\$ 354,259</u>	<u>\$ 6,364,068</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, 2014

Fund Balances - Total Governmental Funds	<u>\$ 4,525,824</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>15,220,021</u>
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred in the funds. Real property taxes	<u>10,671</u>
Governmental funds report the effect of loss a on a refunded bond when debt is first issued, whereas this amount is deferred and amortized in the statement of activities Deferred amounts on refunding bonds	<u>67,785</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(100,641)
Bonds payable	(6,925,738)
New York State loan payable	(42,339)
Compensated absences	(1,339,620)
Other post employment benefit obligations payable	<u>(6,420,000)</u>
	<u>(14,828,338)</u>
Net Position of Governmental Activities	<u><u>\$ 4,995,963</u></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, 2014

	General Fund	Water Fund	Public Library Fund
REVENUES			
Real property taxes	\$ 12,437,053	\$ -	\$ -
Other tax items	21,405	-	-
Non-property taxes	959,170	-	-
Departmental income	1,351,557	2,302,903	1,223,002
Intergovernmental charges	99,804	-	-
Use of money and property	146,245	211	533
Licenses and permits	461,068	-	-
Fines and forfeitures	413,178	-	-
Sale of property and compensation for loss	21,615	-	4,381
State aid	474,119	-	4,595
Federal aid	226,860	-	3,074
Miscellaneous	75,343	-	15,567
Total Revenues	16,687,417	2,303,114	1,251,152
EXPENDITURES			
Current			
General government support	2,177,188	119,553	39,921
Public safety	5,322,710	-	-
Health	45,000	-	-
Transportation	1,188,488	-	-
Culture and recreation	622,209	-	1,516,861
Home and community services	1,742,287	1,625,311	-
Employee benefits	4,082,694	250,301	571,805
Debt service			
Principal	554,971	42,796	-
Interest	129,677	18,839	-
Capital outlay	-	-	-
Total Expenditures	15,865,224	2,056,800	2,128,587
Excess (Deficiency) of Revenues Over Expenditures	822,193	246,314	(877,435)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Insurance recoveries	49,315	-	-
Transfers in	218,071	2,000	847,017
Transfers out	(1,010,311)	(138,625)	(51,120)
Total Other Financing Sources (Uses)	(742,925)	(136,625)	795,897
Net Change in Fund Balances	79,268	109,689	(81,538)
FUND BALANCES (DEFICITS)			
Beginning of Year	2,829,257	(67,518)	756,975
End of Year	\$ 2,908,525	\$ 42,171	\$ 675,437

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

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 12,437,053
-	-	21,405
-	-	959,170
-	-	4,877,462
-	-	99,804
52	1,060	148,101
-	-	461,068
-	-	413,178
-	-	25,996
30,930	-	509,644
56,829	-	286,763
117,614	18,716	227,240
<u>205,425</u>	<u>19,776</u>	<u>20,466,884</u>
-	-	2,336,662
-	-	5,322,710
-	-	45,000
-	-	1,188,488
-	6,603	2,145,673
-	-	3,367,598
-	-	4,904,800
-	-	597,767
-	-	148,516
958,328	-	958,328
<u>958,328</u>	<u>6,603</u>	<u>21,015,542</u>
<u>(752,903)</u>	<u>13,173</u>	<u>(548,658)</u>
2,581,708	-	2,581,708
32,467	-	81,782
229,919	40,531	1,337,538
(40,531)	(96,951)	(1,337,538)
<u>2,803,563</u>	<u>(56,420)</u>	<u>2,663,490</u>
2,050,660	(43,247)	2,114,832
<u>(1,489,372)</u>	<u>381,650</u>	<u>2,410,992</u>
<u>\$ 561,288</u>	<u>\$ 338,403</u>	<u>\$ 4,525,824</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, 2014

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 2,114,832</u>
<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	1,132,240
Depreciation expense	<u>(1,297,704)</u>
	<u>(165,464)</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>317</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>	
Bonds issued	(2,581,708)
Principal paid on bonds	580,000
Principal paid on New York State loan	17,767
Amortization of loss on refunding and issuance premium	<u>5,249</u>
	<u>(1,978,692)</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	(60,787)
Compensated absences	15,434
Other post employment benefit obligations	<u>(1,450,000)</u>
	<u>(1,495,353)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (1,524,360)</u></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, 2014

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 12,437,370	\$ 12,437,370	\$ 12,437,053	\$ (317)
Other tax items	25,000	25,000	21,405	(3,595)
Non-property taxes	891,000	891,000	959,170	68,170
Departmental income	1,273,715	1,273,715	1,351,557	77,842
Intergovernmental charges	92,500	92,500	99,804	7,304
Use of money and property	142,000	142,000	146,245	4,245
Licenses and permits	368,000	368,000	461,068	93,068
Fines and forfeitures	501,500	501,500	413,178	(88,322)
Sale of property and compensation for loss	5,000	5,000	21,615	16,615
State aid	383,000	383,000	474,119	91,119
Federal aid	242,850	242,850	226,860	(15,990)
Miscellaneous	42,139	42,139	75,343	33,204
Total Revenues	16,404,074	16,404,074	16,687,417	283,343
EXPENDITURES				
Current				
General government support	2,233,472	2,233,472	2,177,188	56,284
Public safety	5,250,156	5,250,156	5,322,710	(72,554)
Health	45,000	45,000	45,000	-
Transportation	1,112,294	1,112,294	1,188,488	(76,194)
Culture and recreation	579,197	579,197	622,209	(43,012)
Home and community services	1,762,439	1,762,439	1,742,287	20,152
Employee benefits	4,212,685	4,212,685	4,082,694	129,991
Debt service				
Principal	554,971	554,971	554,971	-
Interest	138,733	138,733	129,677	9,056
Total Expenditures	15,888,947	15,888,947	15,865,224	23,723
Excess (Deficiency) of Revenues Over Expenditures	515,127	515,127	822,193	307,066
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	15,000	15,000	49,315	34,315
Transfers in	228,436	228,436	218,071	(10,365)
Transfers out	(958,563)	(1,017,000)	(1,010,311)	6,689
Total Other Financing Sources (Uses)	(715,127)	(773,564)	(742,925)	30,639
Net Change in Fund Balances	(200,000)	(258,437)	79,268	337,705
FUND BALANCES (DEFICITS)				
Beginning of Year	200,000	258,437	2,829,257	2,570,820
End of Year	\$ -	\$ -	\$ 2,908,525	\$ 2,908,525

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,184,425	2,184,425	2,302,903	118,478	1,224,687	1,224,687	1,223,002	(1,685)
-	-	-	-	-	-	-	-
150	150	211	61	1,000	1,000	533	(467)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5,850	5,850	4,381	(1,469)
-	-	-	-	4,200	4,200	4,595	395
-	-	-	-	-	-	3,074	3,074
-	-	-	-	17,000	17,000	15,567	(1,433)
<u>2,184,575</u>	<u>2,184,575</u>	<u>2,303,114</u>	<u>118,539</u>	<u>1,252,737</u>	<u>1,252,737</u>	<u>1,251,152</u>	<u>(1,585)</u>
103,302	103,302	119,553	(16,251)	41,749	41,749	39,921	1,828
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,513,487	1,513,487	1,516,861	(3,374)
1,573,026	1,573,026	1,625,311	(52,285)	-	-	-	-
253,339	253,339	250,301	3,038	604,518	604,518	571,805	32,713
42,796	42,796	42,796	-	-	-	-	-
25,570	25,570	18,839	6,731	-	-	-	-
<u>1,998,033</u>	<u>1,998,033</u>	<u>2,056,800</u>	<u>(58,767)</u>	<u>2,159,754</u>	<u>2,159,754</u>	<u>2,128,587</u>	<u>31,167</u>
186,542	186,542	246,314	59,772	(907,017)	(907,017)	(877,435)	29,582
-	-	-	-	-	-	-	-
2,000	2,000	2,000	-	847,017	847,017	847,017	-
(138,625)	(138,625)	(138,625)	-	(55,000)	(55,000)	(51,120)	3,880
<u>(136,625)</u>	<u>(136,625)</u>	<u>(136,625)</u>	<u>-</u>	<u>792,017</u>	<u>792,017</u>	<u>795,897</u>	<u>3,880</u>
49,917	49,917	109,689	59,772	(115,000)	(115,000)	(81,538)	33,462
(49,917)	(49,917)	(67,518)	(17,601)	115,000	115,000	756,975	641,975
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,171</u>	<u>\$ 42,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 675,437</u>	<u>\$ 675,437</u>

Village of Larchmont, New York

Statement of Assets and Liabilities

Fiduciary Fund

May 31, 2014

	<u>Agency Fund</u>
ASSETS	
Cash and equivalents	\$ 129,765
Account Receivable	<u>61,833</u>
 Total Assets	 <u><u>\$ 191,598</u></u>
 LIABILITIES	
Employee payroll deductions	\$ 35,992
Deposits	<u>155,606</u>
 Total Liabilities	 <u><u>\$ 191,598</u></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 explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

General Fund - The General Fund constitutes the primary operating fund of the Village 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.

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

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, 2014.

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, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of amounts received in advance and/or 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 \$10,671 for real property taxes in the General Fund. This amount had been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The Village reported deferred outflows of resources of \$67,785 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, water, debt service and special purpose. The balance is classified as unrestricted.

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

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

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

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The 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, represents amounts constrained either by the policies of the Village's Board for amounts assigned for balancing the subsequent year's budget or the Village's Treasurer for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

F. Encumbrances

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 August 27, 2014.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- b) The Board of Trustees, on or before March 31st, meets to discuss and review the tentative budget.
- c) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- d) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget.
- e) Formal budgetary integration is employed during the year as a management control device for General, Water, Public Library and Debt Service funds.
- 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 2014 fiscal year was \$47,462,275 which exceeded the actual levy by \$35,024,905.

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 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, 2014, the Village implemented GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*”. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities. This statement also recognizes as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

D. 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	\$	25,873
Treasurer		7,325
Budget		1,360
Law		17,784
Personnel		44,488
Buildings		19,127
Central Garage		22,604
Taxes and Assessments on Village Property		42,628
Public Safety		
Police		1,700
Fire Department		74,219
Control of Dogs		2,561
Safety Inspection		2,111

Village of Larchmont, New York

Notes to Financial Statements (Continued)
May 31, 2014

Note 2 - Stewardship, Compliance and Accountability (Continued)

General Fund (Continued)	
Transportation	
Snow removal	\$ 56,746
Street lighting	27,662
Off Street parking	24,272
Culture and Recreation	
Parks	78,891
Home and Community Services	
Planning	110
Refuse and Garbage	24,070
Emergency tenant protection fees	1,380
Employee Benefits	
State retirement	19,589
Workers' compensation benefits	2,743
Water Fund	
General Governmental Support	16,251
Home and Community Services	52,285
Public Library Fund	
General Government Support	
Taxes and assessments on Village property	9,898
Culture and Recreation	
Library operations	3,374
Employee Benefits	
Social security	444
Capital Projects Fund	
Reservoir/Caretaker	33,989
DPW Building Improvements	891
Purchase of Parking Meters	236
Streetscape Improvement	33,031
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
Debt Service Fund	55,753

E. Capital Projects Fund Deficits

The deficits in various individual projects arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

Village of Larchmont, New York

Notes to Financial Statements (Continued)
 May 31, 2014

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at May 31, 2014 consisted of the following:

Tax Liens	\$ <u>10,671</u>
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B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2014 were as follows:

Fund	Due From	Due To
General	\$ 724,943	\$ 168,744
Water	104	569,721
Public Library	43,515	95,569
Capital Projects	80,000	8,543
Other Governmental	8,543	14,528
	<u>\$ 857,105</u>	<u>\$ 857,105</u>

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

C. Capital Assets

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

	Balance June 1, 2013	Additions	Deletions	Balance May 31, 2014
Capital Assets, not being depreciated				
Land	\$ 57,213	\$ -	\$ -	\$ 57,213
Construction-in-progress	567,235	364,654	84,452	847,437
Total Capital Assets, not being depreciated	<u>\$ 624,448</u>	<u>\$ 364,654</u>	<u>\$ 84,452</u>	<u>\$ 904,650</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 11,823,484	\$ 1,678	\$ -	\$ 11,825,162
Machinery and equipment	6,092,040	593,006	494,019	6,191,027
Infrastructure	14,000,079	257,354	-	14,257,433
Total Capital Assets, being depreciated	<u>31,915,603</u>	<u>852,038</u>	<u>494,019</u>	<u>32,273,622</u>
Less Accumulated Depreciation for				
Buildings and improvements	2,588,485	498,562	-	3,087,047
Machinery and equipment	4,147,922	397,470	494,019	4,051,373
Infrastructure	10,418,159	401,672	-	10,819,831
Total Accumulated Depreciation	<u>17,154,566</u>	<u>1,297,704</u>	<u>494,019</u>	<u>17,958,251</u>
Total Capital Assets, being depreciated, net	<u>\$ 14,761,037</u>	<u>\$ (445,666)</u>	<u>\$ -</u>	<u>\$ 14,315,371</u>
Capital Assets, net	<u>\$ 15,385,485</u>	<u>\$ (81,012)</u>	<u>\$ 84,452</u>	<u>\$ 15,220,021</u>

Note 3 - Detailed Notes on All Funds (Continued)

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

General Government Support	\$ 10,639
Public Safety	145,903
Transportation	567,965
Culture and Recreation	522,893
Home and Community Services	<u>50,304</u>
	<u>\$ 1,297,704</u>

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, 2014 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75I	25.3%
	3 A14	20.3
	4 A15	20.3
	5 A15	16.6
	6 A15	11.0
PFRS	2 384D	27.3
	5 384D	22.0
	6 384D	15.4

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

	<u>ERS</u>	<u>PFRS</u>
2014	\$ 749,337	\$ 1,181,122
2013	633,557	1,079,676
2012	566,711	949,256

Village of Larchmont, New York

Notes to Financial Statements (Continued)
 May 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

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, \$464,077 was charged to the General Fund, \$90,277 was charged to the Water Fund and \$194,983 was charged to the Public Library Fund. The PFRS contribution was charged to the General Fund.

E. Short-Term Capital Borrowings - Bond Anticipation Notes

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

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Balance June 1, 2013</u>	<u>Redemptions</u>	<u>Balance May 31, 2014</u>
Various capital projects	2010	\$ 682,000	\$ 682,000	\$ -
Burchell project	2011	293,000	293,000	-
Various capital projects	2012	785,000	785,000	-
		<u>\$ 1,760,000</u>	<u>\$ 1,760,000</u>	<u>\$ -</u>

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

Interest expenditures of \$11,347 and \$117 were recorded in the General and Water funds, respectively and \$11,464 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, 2014 are summarized as follows:

	<u>Balance June 1, 2013</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance May 31, 2014</u>	<u>Due Within One-Year</u>
Bonds Payable	\$ 4,830,000	\$ 2,581,708	\$ 580,000	\$ 6,831,708	\$ 686,708
Plus Unamortized premium on bonds	112,836	-	18,806	94,030	-
	<u>4,942,836</u>	<u>2,581,708</u>	<u>598,806</u>	<u>6,925,738</u>	<u>686,708</u>

Village of Larchmont, New York

Notes to Financial Statements (Continued)
 May 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

	Balance June 1, 2013	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2014	Due Within One-Year
New York State Loan Payable	\$ 60,106	\$ -	\$ 17,767	\$ 42,339	\$ 18,211
Compensated Absences	1,355,054	120,566	136,000	1,339,620	133,000
Other Post Employment Benefit Obligations Payable	4,970,000	1,910,000	460,000	6,420,000	-
Total Long-Term Liabilities	\$ 11,327,996	\$ 4,612,274	\$ 1,212,573	\$ 14,727,697	\$ 837,919

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.

Bonds Payable

Bonds payable at May 31, 2014 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2014
Various Village Purposes	2005	\$ 2,200,000	September, 2018	3.250 - 3.75 %	\$ 170,000
Various Village Purposes	2010	2,968,275	September, 2024	2.500 - 4.00	2,325,000
Various Village Purposes - Refunding	2012	2,020,000	June, 2018	1.000 - 3.00	1,755,000
Various Village Purposes	2013	2,581,708	September, 2029	0.300 - 2.55	2,581,708
					<u>\$ 6,831,708</u>

Interest expenditures of \$116,828 and \$18,722 were recorded in the fund financial statements in the General and Water funds, respectively. Interest expense of \$196,337 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, 2014 is \$29,798.

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, 2014 is \$12,541.

Interest expense/expenditures of \$1,502 were recorded in the fund financial statements in the General Fund and in the government-wide financial statements for governmental activities.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt and State loans outstanding as of May 31, 2014, including interest payments of \$1,369,478 are as follows:

Year Ending May 31,	Bonds		New York State Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 686,708	\$ 192,781	\$ 18,211	\$ 1,058	\$ 704,919	\$ 193,839
2016	745,000	176,800	5,812	603	750,812	177,403
2017	725,000	156,850	5,957	458	730,957	157,308
2018	750,000	138,488	6,106	309	756,106	138,797
2019	640,000	122,362	6,253	156	646,253	122,518
2020-2025	2,325,000	471,713	-	-	2,325,000	471,713
2026-2030	960,000	107,900	-	-	960,000	107,900
	<u>\$ 6,831,708</u>	<u>\$ 1,366,894</u>	<u>\$ 42,339</u>	<u>\$ 2,584</u>	<u>\$ 6,874,047</u>	<u>\$ 1,369,478</u>

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.

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 \$11,776 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

Note 3 - Detailed Notes on All Funds (Continued)

measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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>
2014	9.50 %
2015	9.00
2016	8.50
2017	8.00
2018	7.50
2019	7.00
2020	6.50
2021	6.00
2022	5.50
2023 +	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.

Village of Larchmont, New York

Notes to Financial Statements (Continued)
 May 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The number of participants as of May 31, 2014 was as follows:

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

Amortization Component:	
Actuarial Accrued Liability as of June 1, 2013	\$ 20,600,000
Assets at Market Value	<u> </u>
Unfunded Actuarial Accrued Liability	<u>\$ 20,600,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 8,420,000</u>
UAAL as a Percentage of Covered Payroll	<u>244.66%</u>
Annual Required Contribution	\$ 1,980,000
Interest on Net OPEB Obligation	220,000
Adjustment to Annual Required Contribution	<u>(290,000)</u>
Annual OPEB Cost	1,910,000
Contributions Made	<u>(460,000)</u>
Increase in Net OPEB Obligation	1,450,000
Net OPEB Obligation - Beginning of year	<u>4,970,000</u>
Net OPEB Obligation - End of year	<u>\$ 6,420,000</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>
2014	\$ 1,910,000	24.1 %	\$ 6,420,000
2013	1,850,000	28.1	4,970,000
2012	1,820,000	28.6	3,640,000

Note 3 - Detailed Notes on All Funds (Continued)

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:

Transfers Out	Transfers in					Total
	General Fund	Water Fund	Public Library Fund	Capital Projects Fund	Other Governmental Funds	
General Fund	\$ -	\$ 2,000	\$ 847,017	\$ 161,294	\$ -	\$ 1,010,311
Water Fund	120,000	-	-	-	-	120,000
Public Library Fund	1,120	-	-	50,000	-	51,120
Capital Projects Fund	-	-	-	-	40,531	40,531
Other Governmental Funds	96,951	-	-	18,625	-	115,576
	<u>\$ 218,071</u>	<u>\$ 2,000</u>	<u>\$ 847,017</u>	<u>\$ 229,919</u>	<u>\$ 40,531</u>	<u>\$ 1,337,538</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 Water - the component of the net position that represents funds restricted for water purposes under New York State law or by external parties and/or statutes.

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 amounts 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, 2014

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2014						2013					
	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	\$ 129,791	\$ 3,851	\$ 20,852	\$ -	\$ -	\$ 154,494	\$ 140,101	\$ 4,211	\$ 27,378	\$ -	\$ -	\$ 171,690
Restricted												
Capital projects	-	-	-	561,288	-	561,288	-	-	-	-	-	-
Trusts	-	-	-	-	313,574	313,574	-	-	-	-	301,068	301,068
Debt service	-	-	-	-	24,829	24,829	-	-	-	-	80,582	80,582
Total Restricted	-	-	-	-	338,403	338,403	-	-	-	-	381,650	381,650
Assigned												
Subsequent year's expenditures	150,000	-	90,000	-	-	240,000	200,000	-	115,000	-	-	315,000
Major funds	-	38,320	564,585	-	-	602,905	-	-	614,597	-	-	614,597
Total Assigned	150,000	38,320	654,585	-	-	842,905	200,000	-	729,597	-	-	929,597
Unassigned	2,628,734	-	-	561,288	-	3,190,022	2,489,156	(71,729)	-	(1,489,372)	-	928,055
Total Fund Balances	\$ 2,908,525	\$ 80,491	\$ 675,437	\$ 561,288	\$ 338,403	\$ 4,525,824	\$ 2,829,257	\$ (67,518)	\$ 756,975	\$ (1,489,372)	\$ 381,650	\$ 2,410,992

Note 3 - Detailed Notes on All Funds (Continued)

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

Prepaid Expenditures has been 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, 2014, the Village Board has assigned the above amounts to be appropriated for the ensuing year's budget.

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

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, 2013:

Total Assets	\$	1,751,632
Total Liabilities		2,094,251
Net Position		(342,619)
Total Revenues		3,242,163
Total Expenditures		3,885,640
Change in Net Position		(643,477)

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, 2013:

Total Assets	\$	163,056
Total Liabilities		5,325
Net Position		157,731
Total Revenues		614,172
Total Expenses		596,267
Net Increase in Net Position		17,905

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, 2014 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, 2014.

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 \$3 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.

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, 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
June 1, 2013	-	20,600,000	20,600,000	-	8,420,000	244.66

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Village of Larchmont, New York

General Fund
Comparative Balance Sheet
May 31,

	2014	2013
ASSETS		
Cash and equivalents	\$ 2,179,965	\$ 1,639,592
Taxes receivable	10,671	10,354
Other receivables		
Accounts	286,783	288,390
Due from State and Federal governments	127,849	260,816
Due from other governments	213,039	197,539
Due from other funds	724,943	1,053,480
	<u>1,352,614</u>	<u>1,800,225</u>
Prepaid expenditures	129,791	140,101
Total Assets	<u>\$ 3,673,041</u>	<u>\$ 3,590,272</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 310,936	\$ 428,146
Due to other funds	168,744	-
Due to retirement systems	274,165	314,700
Unearned revenues	-	7,815
Total Liabilities	753,845	750,661
Deferred inflows of resources		
Deferred tax revenues	10,671	10,354
Total Liabilities and Deferred inflows of resources	<u>764,516</u>	<u>761,015</u>
Fund balance		
Nonspendable	129,791	140,101
Assigned	150,000	200,000
Unassigned	2,628,734	2,489,156
Total Fund Balance	<u>2,908,525</u>	<u>2,829,257</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 3,673,041</u>	<u>\$ 3,590,272</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,

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 12,437,370	\$ 12,437,370	\$ 12,437,053	\$ (317)
Other tax items	25,000	25,000	21,405	(3,595)
Non-property taxes	891,000	891,000	959,170	68,170
Departmental income	1,273,715	1,273,715	1,351,557	77,842
Intergovernmental charges	92,500	92,500	99,804	7,304
Use of money and property	142,000	142,000	146,245	4,245
Licenses and permits	368,000	368,000	461,068	93,068
Fines and forfeitures	501,500	501,500	413,178	(88,322)
Sale of property and compensation for loss	5,000	5,000	21,615	16,615
State aid	383,000	383,000	474,119	91,119
Federal aid	242,850	242,850	226,860	(15,990)
Miscellaneous	42,139	42,139	75,343	33,204
Total Revenues	16,404,074	16,404,074	16,687,417	283,343
EXPENDITURES				
Current				
General government support	2,233,472	2,233,472	2,177,188	56,284
Public safety	5,250,156	5,250,156	5,322,710	(72,554)
Health	45,000	45,000	45,000	-
Transportation	1,112,294	1,112,294	1,188,488	(76,194)
Culture and recreation	579,197	579,197	622,209	(43,012)
Home and community services	1,762,439	1,762,439	1,742,287	20,152
Employee benefits	4,212,685	4,212,685	4,082,694	129,991
Debt service				
Principal	554,971	554,971	554,971	-
Interest	138,733	138,733	129,677	9,056
Total Expenditures	15,888,947	15,888,947	15,865,224	23,723
Excess of Revenues Over Expenditures	515,127	515,127	822,193	307,066
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	15,000	15,000	49,315	34,315
Transfers in	228,436	228,436	218,071	(10,365)
Transfers out	(958,563)	(1,017,000)	(1,010,311)	6,689
Total Other Financing Uses	(715,127)	(773,564)	(742,925)	30,639
Net Change in Fund Balance	(200,000)	(258,437)	79,268	337,705
FUND BALANCE				
Beginning of Year	200,000	258,437	2,829,257	2,570,820
End of Year	\$ -	\$ -	\$ 2,908,525	\$ 2,908,525

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 12,116,750	\$ 12,116,750	\$ 12,119,030	\$ 2,280
20,000	20,000	26,955	6,955
871,000	871,000	903,917	32,917
1,219,450	1,219,450	1,278,466	59,016
89,500	89,500	86,180	(3,320)
148,000	148,000	146,478	(1,522)
418,000	418,000	331,569	(86,431)
501,500	501,500	450,158	(51,342)
5,000	5,000	7,425	2,425
340,762	340,762	379,086	38,324
-	-	401,763	401,763
59,000	59,000	53,939	(5,061)
<u>15,788,962</u>	<u>15,788,962</u>	<u>16,184,966</u>	<u>396,004</u>
2,231,379	2,231,379	1,851,333	380,046
4,978,425	4,978,425	5,244,886	(266,461)
40,000	40,000	40,000	-
1,096,433	1,096,433	1,096,588	(155)
537,011	537,011	556,045	(19,034)
1,640,334	1,640,334	1,668,682	(28,348)
3,784,306	3,784,306	3,730,973	53,333
530,537	530,537	555,537	(25,000)
190,606	190,606	139,321	51,285
<u>15,029,031</u>	<u>15,029,031</u>	<u>14,883,365</u>	<u>145,666</u>
<u>759,931</u>	<u>759,931</u>	<u>1,301,601</u>	<u>541,670</u>
15,000	15,000	53,043	38,043
132,500	132,500	1,675	(130,825)
(907,431)	(907,431)	(907,431)	-
<u>(759,931)</u>	<u>(759,931)</u>	<u>(852,713)</u>	<u>(92,782)</u>
-	-	448,888	448,888
-	-	2,380,369	2,380,369
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,829,257</u>	<u>\$ 2,829,257</u>

Village of Larchmont, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended May 31, 2014
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
REAL PROPERTY TAXES					
Real property taxes	\$ 12,400,316	\$ 12,400,316	\$ 12,399,999	\$ (317)	\$ 12,080,894
Special assessment taxes	37,054	37,054	37,054	-	38,136
	<u>12,437,370</u>	<u>12,437,370</u>	<u>12,437,053</u>	<u>(317)</u>	<u>12,119,030</u>
OTHER TAX ITEMS					
Interest and penalties on real property taxes	25,000	25,000	21,405	(3,595)	26,955
NON-PROPERTY TAXES					
Utilities gross receipts tax	111,000	111,000	114,718	3,718	120,350
Non-property tax distribution from County	780,000	780,000	844,452	64,452	783,567
	<u>891,000</u>	<u>891,000</u>	<u>959,170</u>	<u>68,170</u>	<u>903,917</u>
DEPARTMENTAL INCOME					
Clerk fees	500	500	1,100	600	1,240
Tax advertising charges	-	-	12	12	36
Other fees	3,000	3,000	2,575	(425)	3,450
Police fees	5,100	5,100	102	(4,998)	55
Fire department fees	19,000	19,000	28,027	9,027	27,625
Public works service charges	8,000	8,000	-	(8,000)	2,537
Parking lots and garages	330,000	330,000	350,552	20,552	335,186
Decal parking	253,115	253,115	262,845	9,730	247,160
On-street parking	321,000	321,000	317,920	(3,080)	315,672
Parks and recreation charges	-	-	150	150	250
Tennis fees	34,000	34,000	23,755	(10,245)	27,075
Day camp	121,000	121,000	149,906	28,906	128,020
Five mile run	20,000	20,000	26,305	6,305	19,799
Zoning fees	6,000	6,000	6,675	675	4,835
Planning fees	5,000	5,000	16,225	11,225	11,181
Field payments	145,000	145,000	163,118	18,118	152,095
Emergency tenant protection fees	3,000	3,000	2,290	(710)	2,250
	<u>1,273,715</u>	<u>1,273,715</u>	<u>1,351,557</u>	<u>77,842</u>	<u>1,278,466</u>

INTERGOVERNMENTAL CHARGES

Police services for other governments	20,000	20,000	18,971	(1,029)	18,212
Snow removal for other governments	10,000	10,000	17,462	7,462	7,234
Services for other governments	62,500	62,500	63,371	871	60,734
	92,500	92,500	99,804	7,304	86,180

USE OF MONEY AND PROPERTY

Earnings on investments	20,000	20,000	10,170	(9,830)	11,786
Rental of real property	120,000	120,000	135,602	15,602	134,088
Commissions	2,000	2,000	473	(1,527)	604
	142,000	142,000	146,245	4,245	146,478

LICENSES AND PERMITS

Business and occupational licenses	6,000	6,000	6,610	610	9,620
Permit fees	350,000	350,000	441,808	91,808	310,404
Alarm permits	5,000	5,000	5,550	550	4,245
Architectural review fees	7,000	7,000	7,100	100	7,300
	368,000	368,000	461,068	93,068	331,569

FINES AND FORFEITURES

Fines and forfeited bail	500,000	500,000	412,718	(87,282)	449,868
Other	1,500	1,500	460	(1,040)	290
	501,500	501,500	413,178	(88,322)	450,158

SALE OF PROPERTY AND COMPENSATION**FOR LOSS**

Sale of scrap and excess materials	5,000	5,000	4,911	(89)	4,970
Centennial book sales	-	-	-	-	15
Minor sales	-	-	16,704	16,704	2,440
	5,000	5,000	21,615	16,615	7,425

STATE AID

Per capita	72,500	72,500	77,623	5,123	72,949
Mortgage tax	200,000	200,000	279,495	79,495	213,300
Public safety	-	-	1,035	1,035	1,705
Consolidated highway improvement aid	110,500	110,500	115,966	5,466	90,912
Other	-	-	-	-	220
	383,000	383,000	474,119	91,119	379,086

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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, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
FEDERAL AID					
Law enforcement block grant	\$ -	\$ -	\$ 2,539	\$ 2,539	\$ -
SAFER grant	242,850	242,850	224,321	(18,529)	-
Emergency disaster assistance	-	-	-	-	401,763
	<u>242,850</u>	<u>242,850</u>	<u>226,860</u>	<u>(15,990)</u>	<u>401,763</u>
MISCELLANEOUS					
Refund of prior year's expenditures	42,139	42,139	35,201	(6,938)	25,329
Medicare Part D reimbursement	-	-	11,776	11,776	28,610
Other	-	-	28,366	28,366	-
	<u>42,139</u>	<u>42,139</u>	<u>75,343</u>	<u>33,204</u>	<u>53,939</u>
	<u>16,404,074</u>	<u>16,404,074</u>	<u>16,687,417</u>	<u>283,343</u>	<u>16,184,966</u>
TOTAL REVENUES					
	15,000	15,000	49,315	34,315	53,043
OTHER FINANCING SOURCES					
Insurance recoveries					
Transfers in					
Water Fund	120,000	120,000	120,000	-	-
Debts Service Fund	95,936	95,936	96,951	1,015	-
Public Library Fund	5,000	5,000	1,120	(3,880)	1,675
Special Purpose Fund	7,500	7,500	-	(7,500)	-
	<u>243,436</u>	<u>243,436</u>	<u>267,386</u>	<u>23,950</u>	<u>54,718</u>
TOTAL OTHER FINANCING SOURCES					
	\$ 16,647,510	\$ 16,647,510	\$ 16,954,803	\$ 307,293	\$ 16,239,684

Village of Larchmont, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended May 31, 2014
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
GENERAL GOVERNMENT SUPPORT					
Board of Trustees	\$ 5,700	\$ 5,700	\$ 4,493	\$ 1,207	\$ 4,176
Justice	201,468	201,468	227,341	(25,873)	211,808
Treasurer	171,296	171,296	178,621	(7,325)	178,632
Budget	22,046	22,046	23,406	(1,360)	20,313
Purchasing	2,050	2,050	785	1,265	1,089
Assessor	50,500	50,500	22,496	28,004	22,435
Clerk	152,172	152,172	128,557	23,615	147,551
Law	80,350	80,350	98,134	(17,784)	100,779
Personnel	84,818	84,818	129,306	(44,488)	74,776
Engineer	158,310	158,310	103,528	54,782	50,160
Elections	10,900	10,900	3,887	7,013	4,116
Buildings	132,853	132,853	151,980	(19,127)	137,352
Village Center	15,000	15,000	13,706	1,294	13,134
Central garage	285,332	285,332	307,936	(22,604)	285,511
Central communications system	67,150	67,150	58,478	8,672	55,481
Central printing and mailing	36,750	36,750	31,174	5,576	28,112
Central data processing	199,000	199,000	154,448	44,552	159,406
Unallocated insurance	254,071	254,071	249,938	4,133	238,631
Municipal association dues	3,300	3,300	2,637	663	2,637
Judgments and claims	10,000	10,000	5,463	4,537	557
Taxes and assessments on Village property	40,000	40,000	82,628	(42,628)	76,596
Refunds of real property taxes	200,000	200,000	179,884	20,116	17,785
Metropolitan commuter transportation mobility tax	23,987	23,987	18,362	5,625	20,296
	<u>2,233,472</u>	<u>2,233,472</u>	<u>2,177,188</u>	<u>56,284</u>	<u>1,851,333</u>

PUBLIC SAFETY

Police	3,404,756	3,404,756	3,406,456	(1,700)	3,297,407
Traffic control	20,450	20,450	12,413	8,037	11,006
Fire department	1,712,476	1,712,476	1,786,695	(74,219)	1,828,413
Control of dogs	16,600	16,600	19,161	(2,561)	14,945
Safety inspection	95,874	95,874	97,985	(2,111)	93,115
	<u>5,250,156</u>	<u>5,250,156</u>	<u>5,322,710</u>	<u>(72,554)</u>	<u>5,244,886</u>

HEALTH

Community Counseling Center	45,000	45,000	45,000	-	40,000
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TRANSPORTATION

Street administration	108,556	108,556	100,062	8,494	102,340
Street maintenance	662,706	662,706	638,714	23,992	623,910
Snow removal	85,500	85,500	142,246	(56,746)	54,786
Street lighting	179,602	179,602	207,264	(27,662)	202,653
Sidewalk maintenance	-	-	-	-	35,480
Off-street parking	75,930	75,930	100,202	(24,272)	77,419
	<u>1,112,294</u>	<u>1,112,294</u>	<u>1,188,488</u>	<u>(76,194)</u>	<u>1,096,588</u>

CULTURE AND RECREATION

Parks	345,847	345,847	424,738	(78,891)	367,864
Playgrounds and recreation	105,000	105,000	84,624	20,376	87,875
Band concerts	5,350	5,350	2,077	3,273	1,901
Celebrations	7,000	7,000	6,345	655	3,333
Youth programs	116,000	116,000	104,425	11,575	95,072
	<u>579,197</u>	<u>579,197</u>	<u>622,209</u>	<u>(43,012)</u>	<u>556,045</u>

HOME AND COMMUNITY SERVICES

Zoning	5,000	5,000	2,920	2,080	2,749
Board of Architectural Review	2,150	2,150	1,843	307	1,770
Planning	6,150	6,150	6,260	(110)	5,834
Sanitary sewers	13,000	13,000	9,753	3,247	7,772
Storm sewers	10,600	10,600	4,775	5,825	9,309
Refuse and garbage	1,504,215	1,504,215	1,528,285	(24,070)	1,400,184
Community beautification	97,000	97,000	89,165	7,835	138,290
Street cleaning	81,624	81,624	76,716	4,908	80,204
Shade trees	37,200	37,200	15,690	21,510	19,800
Emergency tenant protection fees	3,000	3,000	4,380	(1,380)	270
Exhibits and receptions	2,500	2,500	2,500	-	2,500
	<u>1,762,439</u>	<u>1,762,439</u>	<u>1,742,287</u>	<u>20,152</u>	<u>1,668,682</u>

(Continued)

Village of Larchmont, New York

General Fund

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

Year Ended May 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 444,488	\$ 444,488	\$ 464,077	\$ (19,589)	\$ 379,042
State retirement - Police and fire	1,251,554	1,251,554	1,181,122	70,432	1,079,676
Social security	539,706	539,706	500,518	39,188	480,611
Workers' compensation benefits	382,353	382,353	385,096	(2,743)	352,246
Life insurance	1,700	1,700	1,439	261	1,425
Unemployment benefits	5,000	5,000	3,769	1,231	8,148
Hospital, medical and dental insurance	1,587,884	1,587,884	1,546,673	41,211	1,429,825
	4,212,685	4,212,685	4,082,694	129,991	3,730,973
DEBT SERVICE					
Principal					
Serial bonds	537,204	537,204	537,204	-	538,204
New York State loan	17,767	17,767	17,767	-	17,333
	554,971	554,971	554,971	-	555,537
Interest					
Serial bonds	116,828	116,828	116,828	-	118,192
New York State loan	1,502	1,502	1,502	-	1,936
Bond anticipation notes	20,403	20,403	11,347	9,056	19,193
	138,733	138,733	129,677	9,056	139,321
TOTAL EXPENDITURES	15,888,947	15,888,947	15,865,224	23,723	14,883,365
OTHER FINANCING USES					
Transfers out					
Water Fund	2,000	2,000	2,000	-	2,000
Capital Projects Fund	109,546	167,983	161,294	6,689	75,000
Public Library Fund	847,017	847,017	847,017	-	830,431
TOTAL OTHER FINANCING USES	958,563	1,017,000	1,010,311	6,689	907,431
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 16,847,510	\$ 16,905,947	\$ 16,875,535	\$ 30,412	\$ 15,790,796

Village of Larchmont, New York

Water Fund
Comparative Balance Sheet
May 31,

	2014	2013
ASSETS		
Cash and equivalents	\$ 37,644	\$ 151,185
Receivables		
Accounts	695	150
Water rents	780,689	646,238
Due from other funds	104	51,307
	<u>781,488</u>	<u>697,695</u>
Prepaid expenditures	<u>3,851</u>	<u>4,211</u>
Total Assets	<u>\$ 822,983</u>	<u>\$ 853,091</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 196,888	\$ 141,267
Due to other funds	569,721	761,932
Due to retirement systems	14,203	17,410
Total Liabilities	<u>780,812</u>	<u>920,609</u>
Fund balance (deficit)		
Nonspendable	3,851	4,211
Assigned	38,320	-
Unassigned	-	(71,729)
Total Fund Balance (Deficit)	<u>42,171</u>	<u>(67,518)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 822,983</u>	<u>\$ 853,091</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,**

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 2,184,425	\$ 2,184,425	\$ 2,302,903	\$ 118,478
Use of money and property	150	150	211	61
Miscellaneous	-	-	-	-
Total Revenues	2,184,575	2,184,575	2,303,114	118,539
EXPENDITURES				
Current				
General government support	103,302	103,302	119,553	(16,251)
Home and community services	1,573,026	1,573,026	1,625,311	(52,285)
Employee benefits	253,339	253,339	250,301	3,038
Debt service				
Principal	42,796	42,796	42,796	-
Interest	25,570	25,570	18,839	6,731
Total Expenditures	1,998,033	1,998,033	2,056,800	(58,767)
Excess (Deficiency) of Revenues Over Expenditures	186,542	186,542	246,314	59,772
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000	2,000	2,000	-
Transfers out	(138,625)	(138,625)	(138,625)	-
Total Other Financing Sources (Uses)	(136,625)	(136,625)	(136,625)	-
Net Change in Fund Balance	49,917	49,917	109,689	59,772
FUND BALANCE (DEFICIT)				
Beginning of year	(49,917)	(49,917)	(67,518)	(17,601)
End of Year	\$ -	\$ -	\$ 42,171	\$ 42,171

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,080,988	\$ 2,080,988	\$ 1,878,818	\$ (202,170)
750	750	656	(94)
-	-	1,792	1,792
<u>2,081,738</u>	<u>2,081,738</u>	<u>1,881,266</u>	<u>(200,472)</u>
91,623	91,623	89,769	1,854
1,492,191	1,492,191	1,634,680	(142,489)
231,601	231,601	238,628	(7,027)
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>204,445</u>	<u>204,445</u>	<u>(143,545)</u>	<u>(347,990)</u>
47,802	47,802	49,077	1,275
(135,000)	(135,000)	-	135,000
<u>(87,198)</u>	<u>(87,198)</u>	<u>49,077</u>	<u>136,275</u>
117,247	117,247	(94,468)	(211,715)
<u>(117,247)</u>	<u>(117,247)</u>	<u>26,950</u>	<u>144,197</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (67,518)</u>	<u>\$ (67,518)</u>

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Village of Larchmont, New York

Public Library Fund
Comparative Balance Sheet
May 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 775,950	\$ 823,269
Due from other funds	43,515	43,515
Prepaid expenditures	<u>20,852</u>	<u>27,378</u>
Total Assets	<u>\$ 840,317</u>	<u>\$ 894,162</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 38,636	\$ 7,463
Due to other funds	95,569	92,136
Due to retirement systems	<u>30,675</u>	<u>37,588</u>
Total Liabilities	<u>164,880</u>	<u>137,187</u>
Fund balance		
Nonspendable	20,852	27,378
Assigned	<u>654,585</u>	<u>729,597</u>
Total Fund Balance	<u>675,437</u>	<u>756,975</u>
Total Liabilities and Fund Balance	<u>\$ 840,317</u>	<u>\$ 894,162</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,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 1,224,687	\$ 1,224,687	\$ 1,223,002	\$ (1,685)
Use of money and property	1,000	1,000	533	(467)
Sale of property and compensation for loss	5,850	5,850	4,381	(1,469)
State aid	4,200	4,200	4,595	395
Federal aid	-	-	3,074	3,074
Miscellaneous	17,000	17,000	15,567	(1,433)
Total Revenues	1,252,737	1,252,737	1,251,152	(1,585)
EXPENDITURES				
Current				
General government support	41,749	41,749	39,921	1,828
Culture and recreation	1,513,487	1,513,487	1,516,861	(3,374)
Employee benefits	604,518	604,518	571,805	32,713
Total Expenditures	2,159,754	2,159,754	2,128,587	31,167
Deficiency of Revenues Over Expenditures	(907,017)	(907,017)	(877,435)	29,582
OTHER FINANCING SOURCES (USES)				
Transfers in	847,017	847,017	847,017	-
Transfers out	(55,000)	(55,000)	(51,120)	3,880
Total Other Financing Sources	792,017	792,017	795,897	3,880
Net Change in Fund Balance	(115,000)	(115,000)	(81,538)	33,462
FUND BALANCE				
Beginning of Year	115,000	115,000	756,975	641,975
End of Year	\$ -	\$ -	\$ 675,437	\$ 675,437

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,201,785	\$ 1,201,785	\$ 1,196,009	\$ (5,776)
1,000	1,000	568	(432)
8,350	8,350	7,282	(1,068)
4,200	4,200	4,380	180
-	-	-	-
7,500	7,500	18,346	10,846
<u>1,222,835</u>	<u>1,222,835</u>	<u>1,226,585</u>	<u>3,750</u>
26,806	26,806	21,552	5,254
1,494,379	1,502,129	1,444,726	57,403
587,081	587,081	540,624	46,457
<u>2,108,266</u>	<u>2,116,016</u>	<u>2,006,902</u>	<u>109,114</u>
<u>(885,431)</u>	<u>(893,181)</u>	<u>(780,317)</u>	<u>112,864</u>
830,431	838,181	838,181	-
(55,000)	(55,000)	(51,675)	3,325
<u>775,431</u>	<u>783,181</u>	<u>786,506</u>	<u>3,325</u>
(110,000)	(110,000)	6,189	116,189
<u>110,000</u>	<u>110,000</u>	<u>750,786</u>	<u>640,786</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 756,975</u>	<u>\$ 756,975</u>

Village of Larchmont, New York

Public Library Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended May 31, 2014
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
DEPARTMENTAL INCOME					
Library charges	\$ 55,000	\$ 55,000	\$ 53,315	\$ (1,685)	\$ 49,224
Services to other governments	1,169,687	1,169,687	1,169,687	-	1,146,785
	<u>1,224,687</u>	<u>1,224,687</u>	<u>1,223,002</u>	<u>(1,685)</u>	<u>1,196,009</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	1,000	1,000	533	(467)	568
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Minor sales	2,000	2,000	373	(1,627)	3,529
Sale of materials and supplies	3,850	3,850	4,008	158	3,753
	<u>5,850</u>	<u>5,850</u>	<u>4,381</u>	<u>(1,469)</u>	<u>7,282</u>
STATE AID					
Library aid	4,200	4,200	4,595	395	4,380
FEDERAL AID					
Emergency disaster assistance	-	-	3,074	3,074	4,380
MISCELLANEOUS					
Gifts and donations	10,000	10,000	8,567	(1,433)	11,205
Medicare part D reimbursement	7,000	7,000	7,000	-	7,141
	<u>17,000</u>	<u>17,000</u>	<u>15,567</u>	<u>(1,433)</u>	<u>18,346</u>
TOTAL REVENUES	<u>1,252,737</u>	<u>1,252,737</u>	<u>1,251,152</u>	<u>(1,585)</u>	<u>1,226,585</u>

OTHER FINANCING SOURCES

Transfers in					
General Fund	847,017	847,017	847,017	-	830,431
Special Purpose Fund	-	-	-	-	7,750
	<u>847,017</u>	<u>847,017</u>	<u>847,017</u>	<u>-</u>	<u>838,181</u>

TOTAL OTHER FINANCING SOURCES

**TOTAL REVENUES AND
OTHER FINANCING SOURCES**

	<u>\$ 2,099,754</u>	<u>\$ 2,099,754</u>	<u>\$ 2,098,169</u>	<u>\$ (1,585)</u>	<u>\$ 2,064,766</u>
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Village of Larchmont, New York

Public Library Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended May 31, 2014
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
GENERAL GOVERNMENT SUPPORT					
Unallocated insurance	\$ 23,000	\$ 23,000	\$ 22,055	\$ 945	\$ 21,237
Taxes and assessments on Village property	5,000	5,000	14,898	(9,898)	-
Metropolitan commuter transportation mobility tax	3,749	3,749	2,968	781	315
Contingency	10,000	10,000	-	10,000	-
	<u>41,749</u>	<u>41,749</u>	<u>39,921</u>	<u>1,828</u>	<u>21,552</u>
CULTURE AND RECREATION					
Library operations	1,513,487	1,513,487	1,516,861	(3,374)	1,444,726
EMPLOYEE BENEFITS					
State retirement	215,842	215,842	194,983	20,859	171,312
Social security	84,341	84,341	84,785	(444)	79,363
Workers' compensation benefits	5,000	5,000	3,925	1,075	5,053
Disability insurance	1,800	1,800	-	1,800	-
Hospital, medical and dental insurance	297,535	297,535	288,112	9,423	284,896
	<u>604,518</u>	<u>604,518</u>	<u>571,805</u>	<u>32,713</u>	<u>540,624</u>
TOTAL EXPENDITURES	<u>2,159,754</u>	<u>2,159,754</u>	<u>2,128,587</u>	<u>31,167</u>	<u>2,006,902</u>
OTHER FINANCING USES					
Transfers out					
General Fund	5,000	5,000	1,120	3,880	1,675
Capital Projects Fund	50,000	50,000	50,000	-	50,000
	<u>55,000</u>	<u>55,000</u>	<u>51,120</u>	<u>3,880</u>	<u>51,675</u>
TOTAL OTHER FINANCING USES					
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 2,214,754</u>	<u>\$ 2,214,754</u>	<u>\$ 2,179,707</u>	<u>\$ 35,047</u>	<u>\$ 2,058,577</u>

Village of Larchmont, New York

Capital Projects Fund
Comparative Balance Sheet
May 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 593,468	\$ 553,867
Due from other funds	<u>80,000</u>	<u>66,800</u>
Total Assets	<u>\$ 673,468</u>	<u>\$ 620,667</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 103,637	\$ 96,343
Due to other funds	8,543	253,696
Bond anticipation notes payable	<u>-</u>	<u>1,760,000</u>
Total Liabilities	<u>112,180</u>	<u>2,110,039</u>
Fund balance (deficit)		
Restricted	561,288	-
Unassigned	<u>-</u>	<u>(1,489,372)</u>
Total Fund Balance (Deficit)	<u>561,288</u>	<u>(1,489,372)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 673,468</u>	<u>\$ 620,667</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>2014</u>	<u>2013</u>
REVENUES		
Use of money and property	\$ 52	\$ 203
State aid	30,930	-
Federal aid	56,829	40,769
Miscellaneous	<u>117,614</u>	<u>1,425</u>
Total Revenues	205,425	42,397
EXPENDITURES		
Capital outlay	<u>958,328</u>	<u>403,718</u>
Deficiency of Revenues Over Expenditures	<u>(752,903)</u>	<u>(361,321)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	2,581,708	-
Insurance recoveries	32,467	-
Transfers in	229,919	125,000
Transfers out	<u>(40,531)</u>	<u>(103,497)</u>
Total Other Financing Sources	<u>2,803,563</u>	<u>21,503</u>
Net Change in Fund Balance	2,050,660	(339,818)
FUND BALANCE (DEFICITS)		
Beginning of Year	<u>(1,489,372)</u>	<u>(1,149,554)</u>
End of Year	<u>\$ 561,288</u>	<u>\$ (1,489,372)</u>

Village of Larchmont, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through May 31, 2014

PROJECT	Authorization	Expenditures and Transfers	Unexpended Balance
Technology Budget	\$ 859,856	\$ 590,375	\$ 269,481
Purchase of Garbage Truck	107,500	105,451	2,049
Purchase of Firefighting Equipment	44,643	44,642	1
Reservoir/Caretaker	22,568	56,557	(33,989)
Purchase of Garbage Truck	200,000	186,994	13,006
Purchase of Garbage Truck	300,000	282,901	17,099
DPW Machinery and Equipment	139,597	125,117	14,480
Pine Brook Pump Control Replacement	29,623	26,279	3,344
DPW Building Improvement	25,564	26,455	(891)
Leak Detection Equipment	14,500	11,693	2,807
US DOJ Technology Grant	100,000	87,157	12,843
Fire Department Apparatus Floor	85,000	64,770	20,230
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	1,261,066	1,060,623	200,443
Reconstruction of Village Hall	1,819,669	1,819,659	10
Purchase of Library Computers	118,745	102,712	16,033
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	1,053,031	(33,031)
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	156,300	139,075	17,225
Storm Water Clean-up	551,000	550,746	254
Reconstruction of Streets and Roads	49,000	41,793	7,207
Public Safety - Fire House Renovations	112,500	110,658	1,842
Burchell Project	3,458,800	3,402,553	56,247
American LaFrance Fire Pumper	571,000	560,137	10,863

Methods of Financing						Fund
Proceeds of Obligations	Transfers	State and Federal Aid	Other	Revenues	Fund Balance (Deficit) at May 31, 2014	
\$ 75,000	\$ 655,500	\$ 41,985	\$ -	\$ 772,485	\$ 182,110	
107,500	-	-	-	107,500	2,049	
-	-	43,995	648	44,643	1	
-	-	-	22,568	22,568	(33,989)	
189,900	-	-	-	189,900	2,906	
295,300	-	-	-	295,300	12,399	
139,597	-	-	-	139,597	14,480	
19,832	-	-	-	19,832	(6,447)	
24,500	-	-	-	24,500	(1,955)	
-	-	-	-	-	(11,693)	
			86,548	86,548	(609)	
80,700	-	-	-	80,700	15,930	
76,000	-	-	-	76,000	354	
200,000	100,500	-	-	300,500	6,858	
150,000	1,833	-	-	151,833	(236)	
250,000	837,292	77,016	96,758	1,261,066	200,443	
1,627,505	18,964	173,200	-	1,819,669	10	
-	118,745	-	-	118,745	16,033	
1,600,000	3,100	300,375	3,464,827	5,368,302	55,591	
100,000	-	-	-	100,000	22,064	
770,000	-	250,000	-	1,020,000	(33,031)	
145,000	-	-	-	145,000	3,498	
116,000	-	-	-	116,000	(461)	
155,000	-	-	-	155,000	572	
140,000	-	16,300	-	156,300	17,225	
260,000	-	291,000	-	551,000	254	
49,000	-	-	-	49,000	7,207	
-	-	112,500	-	112,500	1,842	
656,471	98,171	429,446	2,258,464	3,442,552	39,999	
506,000	32,000	-	-	538,000	(22,137)	

Village of Larchmont, New York

Capital Projects Fund

Project-Length Schedule (Continued)

Inception of Project Through May 31, 2014

PROJECT	Authorization	Expenditures and Transfers	Unexpended Balance
Ten Wheeler Dump Truck	\$ 145,000	\$ 146,540	\$ (1,540)
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	436,876	418,124
Purchase of Garbage Truck	180,000	177,714	2,286
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	122,561	2,439
Tunnel at Train Station	50,000	50,154	(154)
DPW Machinery and Equipment	265,922	260,318	5,604
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	116,419	83,581
Tank/ Pump Replacement Byron	1,265,000	94,173	1,170,827
Meter Replacement/ Tech Upgrade	800,000	22,614	777,386
Infrastructure Improvement District System	350,000	49,563	300,437
DPW Machinery/Apparatus/Equipment	317,303	191,419	125,884
Fire Rescue Vehicle and SUV	317,092	45,172	271,920
DPW Gas Tank	65,605	3,949	61,656
VH FEMA Generator and HMP	233,747	71,103	162,644
DPW Oil/Water Separator	60,000	37,353	22,647
Library Roof	227,199	227,199	-
Electrical Infrastructure and Reservoir	39,297	28,755	10,542
Purchase of Garbage Truck 2014	150,000	550	149,450
Totals	<u>\$ 24,895,696</u>	<u>\$ 20,102,692</u>	<u>\$ 4,793,004</u>

Methods of Financing					
Proceeds of Obligations	Transfers	State and Federal Aid	Other	Revenues	Fund Balance (Deficit) at May 31, 2014
111,000	34,000	-	-	\$ 145,000	\$ (1,540)
\$ 171,000	\$ 9,000	\$ -	\$ -	180,000	2,174
-	-	512,007	31,197	543,204	13,663
-	-	19,999	-	19,999	287
320,350	-	1,754	291	322,395	(114,481)
151,000	19,000	-	-	170,000	(7,714)
-	-	-	-	-	(132,825)
-	-	-	252,650	252,650	(74,936)
125,000	-	-	-	125,000	2,439
-	50,000	-	-	50,000	(154)
246,275	2,500	-	11,147	259,922	(396)
180,000	-	-	-	180,000	135,966
-	-	-	-	-	(851)
-	2,819	-	8,293	11,112	(3,000)
27,000	147,000	-	-	174,000	57,581
-	-	-	-	-	(94,173)
-	-	-	-	-	(22,614)
-	-	-	-	-	(49,563)
317,303	-	-	-	317,303	125,884
317,092	-	-	-	317,092	271,920
65,605	-	-	-	65,605	61,656
-	58,748	49,999	-	108,747	37,644
-	-	-	-	-	(37,353)
-	-	-	117,614	117,614	(109,585)
-	-	6,830	32,467	39,297	10,542
-	-	-	-	-	(550)
<u>\$ 9,764,930</u>	<u>\$ 2,189,172</u>	<u>\$ 2,326,406</u>	<u>\$ 6,383,472</u>	<u>\$ 20,663,980</u>	<u>\$ 561,288</u>

Village of Larchmont, New York

Combining Balance Sheet
Non-Major Governmental Funds
May 31, 2014
(With Comparative Totals for 2013)

	Special Purpose Fund	Debt Service Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and equivalents	\$ 328,102	\$ 17,614
Due from other funds	<u> -</u>	<u> 8,543</u>
Total Assets	<u><u>\$ 328,102</u></u>	<u><u>\$ 26,157</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	\$ 14,528	\$ -
Bond interest and matured bonds payable	<u> -</u>	<u> 1,328</u>
Total Liabilities	14,528	1,328
 Fund balances		
Restricted	<u> 313,574</u>	<u> 24,829</u>
Total Liabilities and Fund Balances	<u><u>\$ 328,102</u></u>	<u><u>\$ 26,157</u></u>

Total Non-Major
Governmental Funds

2014		2013	
\$	345,716	\$	490,314
	8,543		398,646
<hr/>		<hr/>	
\$	354,259	\$	888,960
<hr/>		<hr/>	
\$	14,528	\$	505,984
	1,328		1,326
<hr/>		<hr/>	
	15,856		507,310
	338,403		381,650
<hr/>		<hr/>	
\$	354,259	\$	888,960
<hr/>		<hr/>	

Village of Larchmont, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended May 31, 2014
(With Comparative Totals for 2013)

	Special Purpose Fund	Debt Service Fund
REVENUES		
Use of money and property	\$ 393	\$ 667
Miscellaneous	18,716	-
Total Revenues	<u>19,109</u>	<u>667</u>
EXPENDITURES		
Current		
Culture and recreation	6,603	-
Home and community services	-	-
Debt service		
Refunding bond issuance costs	-	-
Total Expenditures	<u>6,603</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>12,506</u>	<u>667</u>
OTHER FINANCING SOURCES (USES)		
Refunding bonds issued	-	-
Issuance premium	-	-
Payment to refunded bond escrow agent	-	-
Transfers in	-	40,531
Transfers out	-	(96,951)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(56,420)</u>
Net Change in Fund Balances	12,506	(55,753)
FUND BALANCES		
Beginning of Year	<u>301,068</u>	<u>80,582</u>
End of Year	<u>\$ 313,574</u>	<u>\$ 24,829</u>

Total Non-Major
Governmental Funds

	2014		2013
\$	1,060	\$	5,134
	18,716		39,426
	19,776		44,560
	6,603		63,138
	-		100
	-		56,494
	6,603		119,732
	13,173		(75,172)
	-		2,020,000
	-		112,836
	-		(2,076,342)
	40,531		103,497
	(96,951)		(54,827)
	(56,420)		105,164
	(43,247)		29,992
	381,650		351,658
\$	338,403	\$	381,650

Village of Larchmont, New York

Special Purpose Fund
Comparative Balance Sheet
May 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 328,102	\$ 469,515
Due from other funds	<u>-</u>	<u>144,950</u>
Total Assets	<u>\$ 328,102</u>	<u>\$ 614,465</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ 14,528	\$ 313,397
Fund balance		
Restricted	<u>313,574</u>	<u>301,068</u>
Total Liabilities and Fund Balance	<u>\$ 328,102</u>	<u>\$ 614,465</u>

Village of Larchmont, New York

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

	<u>2014</u>	<u>2013</u>
REVENUES		
Use of money and property	\$ 393	\$ 1,216
Miscellaneous	<u>18,716</u>	<u>39,426</u>
Total Revenues	<u>19,109</u>	<u>40,642</u>
EXPENDITURES		
Current		
Culture and recreation	6,603	63,138
Home and community services	<u>-</u>	<u>100</u>
Total Expenditures	<u>6,603</u>	<u>63,238</u>
Excess (Deficiency) of Revenues Over Expenditures	12,506	(22,596)
OTHER FINANCING USES		
Transfers out	<u>-</u>	<u>(7,750)</u>
Net Change in Fund Balance	12,506	(30,346)
FUND BALANCE		
Beginning of Year	<u>301,068</u>	<u>331,414</u>
End of Year	<u>\$ 313,574</u>	<u>\$ 301,068</u>

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Village of Larchmont, New York

Debt Service Fund
Comparative Balance Sheet
May 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 17,614	\$ 20,799
Due from other funds	<u>8,543</u>	<u>253,696</u>
Total Assets	<u>\$ 26,157</u>	<u>\$ 274,495</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ -	\$ 192,587
Bond interest and matured bonds payable	<u>1,328</u>	<u>1,326</u>
Total Liabilities	1,328	193,913
Fund balance		
Restricted	<u>24,829</u>	<u>80,582</u>
Total Liabilities and Fund Balance	<u>\$ 26,157</u>	<u>\$ 274,495</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,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 667	\$ 667
EXPENDITURES				
Debt service				
Refunding bond issuance costs	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	667	667
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	95,936	95,936	40,531	(55,405)
Transfers out	(95,936)	(95,936)	(96,951)	(1,015)
Total Other Financing Sources (Uses)	-	-	(56,420)	(56,420)
Net Change in Fund Balance	-	-	(55,753)	(55,753)
FUND BALANCE				
Beginning of Year	-	-	80,582	80,582
End of Year	\$ -	\$ -	\$ 24,829	\$ 24,829

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 3,918	\$ 3,918
-	56,494	56,494	-
-	(56,494)	(52,576)	3,918
-	2,020,000	2,020,000	-
-	112,836	112,836	-
-	(2,076,342)	(2,076,342)	-
45,803	45,803	103,497	57,694
(45,803)	(45,803)	(47,077)	(1,274)
-	56,494	112,914	56,420
-	-	60,338	60,338
-	-	20,244	20,244
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,582</u>	<u>\$ 80,582</u>

