

VILLAGE OF SCARSDALE, NEW YORK

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

YEAR ENDED MAY 31, 2007

WITH INDEPENDENT AUDITORS' REPORT



VILLAGE OF SCARSDALE, NEW YORK

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Scarsdale, New York as of and for the year ended May 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Scarsdale, New York as of May 31, 2007 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General and Capital Projects Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

*Bennett Kielson Storch DeSantis*

**The Government Services Division of  
O'Connor Davies Munns & Dobbins, LLP**  
October 9, 2007

**Village of Scarsdale, New York**  
**Management Discussion and Analysis (MD&A)**  
**May 31, 2007**

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### **Introduction**

As management of the Village of Scarsdale, New York (Village), we provide readers of the Village's financial statements this overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2007. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2007 are as follows:

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$41,349,545. Of this amount \$9,692,632 is unrestricted.
- As of the close of the 2006-2007 fiscal year, excluding the Capital Projects Fund, all of the Village's governmental funds reported combined unreserved ending fund balances of \$8,327,168, of which \$6,043,533 is undesignated and available for spending at the Village's discretion.
- At the end of the 2006-2007 fiscal year, the unreserved fund balance for the General Fund is \$6,938,758, or 18.52% of total General Fund expenditures and other financing uses. The General Fund unreserved and undesignated fund balance of \$4,759,073 is 12.7% of total General fund expenditures and other financing uses.

### **Overview of the Financial Statements**

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

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

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

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

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

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

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

#### *Governmental Funds*

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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



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

### *Proprietary Funds*

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

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

### *Fiduciary Funds*

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

## **Notes to the Financial Statements**

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

### **Other Information**

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

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$41,349,545 at the close of the most recent fiscal year. By far, the largest portion of the Village's net assets is its investment in

capital assets (land, buildings and improvements, infrastructure, machinery and equipment, vehicles and construction-in-progress), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

## Net Assets

May 31,

	2007			2006		
	Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business - Type Activities	Total
Current Assets	\$ 24,101,302	\$ 4,625,448	\$ 28,726,750	\$ 21,854,242	\$ 6,471,246	\$ 28,325,488
Capital Assets, Net	28,971,953	3,386,139	32,358,092	31,948,551	3,237,645	35,186,196
<b>Total Assets</b>	<b>53,073,255</b>	<b>8,011,587</b>	<b>61,084,842</b>	<b>53,802,793</b>	<b>9,708,891</b>	<b>63,511,684</b>
Current Liabilities	6,527,147	860,867	7,388,014	5,583,205	4,142,875	9,726,080
Long-Term Liabilities	11,038,575	1,308,708	12,347,283	11,507,013	1,412,835	12,919,848
<b>Total Liabilities</b>	<b>17,565,722</b>	<b>2,169,575</b>	<b>19,735,297</b>	<b>17,090,218</b>	<b>5,555,710</b>	<b>22,645,928</b>
<b>Net Assets:</b>						
Invested in Capital Assets						
Net of Related Debt	21,482,704	2,295,388	23,778,092	23,702,798	2,018,398	25,721,196
Restricted	7,928,821	-	7,928,821	7,935,724	-	7,935,724
Unrestricted	6,096,008	3,546,624	9,642,632	5,074,053	2,134,780	7,208,833
<b>Total net Assets</b>	<b>\$ 35,507,533</b>	<b>\$ 5,842,012</b>	<b>\$ 41,349,545</b>	<b>\$ 36,712,575</b>	<b>\$ 4,153,178</b>	<b>\$ 40,865,753</b>

A portion of the Village's net assets \$7,928,821 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is \$9,642,632.

# Change in Net Assets

## Fiscal Years Ended May 31,

	2007			2006		
	Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business - Type Activities	Total
<b>Revenues</b>						
<b>Program Revenues:</b>						
Changes for Services	\$ 6,907,737	\$ 5,695,523	\$ 12,603,260	\$ 6,114,432	\$ 4,170,858	\$ 10,285,290
Operating Grants and Contributions	100,882	-	100,882	75,882	-	75,882
Capital Grants and Contributions	1,944,154	-	1,944,154	729,839	-	729,839
<b>General Revenues:</b>						
Real Property Taxes	24,825,926	-	24,825,926	23,461,607	-	23,461,607
Other Tax Items	520,744	-	520,744	507,316	-	507,316
Tax Distrib - County	2,261,561	-	2,261,561	2,313,609	-	2,313,609
Non Property Items	616,677	-	616,677	620,571	-	620,571
<b>Unrestricted Use of Money and Property</b>	1,428,670	188,865	1,617,535	978,753	212,447	1,191,200
State Aid	1,563,626	-	1,563,626	1,386,942	-	1,386,942
Gain on Sale of Capital Assets	(2,949,506)	-	(2,949,506)	3,070,000	-	3,070,000
Transfers	306,875	(306,875)	-	296,395	(296,395)	-
<b>Total Revenues</b>	<b>37,527,346</b>	<b>5,577,513</b>	<b>43,104,859</b>	<b>39,555,346</b>	<b>4,086,910</b>	<b>43,642,256</b>
<b>Program Expenses:</b>						
General Government Support	7,789,576	-	7,789,576	8,852,026	-	8,852,026
Public Safety	14,645,839	-	14,645,839	13,851,200	-	13,851,200
Culture and Recreation	6,004,229	939,011	6,943,240	5,714,217	852,842	6,567,059
Home and Community Service	9,964,521	2,949,668	12,914,189	9,628,919	5,876,513	15,505,432
Interest	328,223	-	328,223	351,275	-	351,275
<b>Total Expenses</b>	<b>38,732,388</b>	<b>3,888,679</b>	<b>42,621,067</b>	<b>38,397,637</b>	<b>6,729,355</b>	<b>45,126,992</b>
<b>Change in Net Assets</b>	<b>(1,205,042)</b>	<b>1,688,834</b>	<b>483,792</b>	<b>1,157,709</b>	<b>(2,642,445)</b>	<b>(1,484,736)</b>
<b>Net Assets - Beginning</b>	<b>36,712,575</b>	<b>4,153,178</b>	<b>40,865,753</b>	<b>33,282,724</b>	<b>6,947,916</b>	<b>40,230,640</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>272,142</b>	<b>(152,293)</b>	<b>119,849</b>
<b>Net Assets - Ending</b>	<b>\$ 35,507,533</b>	<b>\$ 5,842,012</b>	<b>\$ 41,349,545</b>	<b>\$ 34,712,575</b>	<b>\$ 4,153,178</b>	<b>\$ 38,865,753</b>

## **Governmental Activities**

Governmental activities decreased the village's net assets by \$1,205,042 which accounts for all of the total decrease in net assets. The primary impact was the sale of the Robison lot for the Christie Place Development. Please see the section on Christie Place Development for more details on this transaction.

For the fiscal year ended May 31, 2007, revenues from governmental activities totaled \$37,527,346. Tax revenues (\$24,825,926), which are comprised of real property taxes and other tax items and non-property taxes, represent the largest revenue source (66%).

The largest components of governmental activities' expenses are public safety (38%), home and community services (26%) and general government support (20%).

### **Christie Place**

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

Rather than a traditional arrangement whereby the Purchaser pays the Seller a specified sum of money in exchange for the property, in this transaction the consideration under the PSDA from GDC to the Village consisted of the following: (1) the value of the Village Parking Area (consisting of 220 to 250 public parking spaces and additional spaces for retail uses) which GDC agreed to construct at its sole cost and expense; (2) any and all costs relating to the Public Amenities to be performed by Purchaser, as set forth and defined in Exhibit C to the PSDA (consisting of the inclusion of a police sub-station and two public restrooms in the Village Parking Area, as well as the installation of streetscape improvements along Christie Place and East Parkway); (3) a payment of \$100,000.00 payable at closing, to be used by Seller to partially fund median improvements the Seller will be making to East Parkway; (4) a payment of \$150,000.00 payable at closing, to be used by the Seller to partially fund: (i) intersection improvements the Seller will be making to the Christie Place, Chase Road, Woodland Place intersection; and (ii) repaving by Seller of the entire length of Christie Place from Chase Road to East Parkway, and the eastern section of East Parkway from Christie Place to Crane Road; and (5) cash payments to the Village on the first of each month during the construction period in the amount of \$10,000.00 per month for loss of revenue from the existing parking lot, commencing on the date of closing and continuing until a permanent or temporary certificate of occupancy is issued for the Village Parking Area.

Finally, the PSDA required GDC to deliver to the Village at closing a completion bond sufficient to ensure completion of the entire parking facility, the public amenities to be performed by GDC and the environmental clean-up to be performed by GDC (the "Completion Bond"); and a construction guaranty from Martin Ginsburg, personally, sufficient to fund all remaining elements of the project not covered by the completion bond (the "Completion Guaranty").

## **Business-Type Activities**

Business-type activities increased the Village's net assets by \$1,688,834. Revenues from business-type activities were \$5,577,513. Offsetting these revenues were expenses of \$3,888,679 for all operations. Construction on the upgrade of the Ardsley Road Pump Station will begin in the final quarter of the calendar year. Additionally, the majority of the work of replastering the pool was concluded in 2006-2007.

## **Financial Analysis of the Village's Funds**

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

### *Governmental Funds*

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$16,703,620, a net increase of \$1,454,821 from the prior year. Approximately 60% (\$10,092,631) of the total ending fund balance constitutes unreserved fund balance. Of the unreserved fund balance \$3,756,635 has been designated for subsequent year's expenditures. \$259,685 represents the amount estimated for use in the 2007/2008 General Fund budget and \$1,920,000 is designated for capital projects and other legal obligations. \$1,473,000 of the Capital Projects Fund balance is designated for the subsequent year, as is \$103,950 of the Library fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for prepaid expenditures (\$831,801), to liquidate contracts and purchase orders of the prior period (\$4,148,461), dedicated to pay for debt service (\$139,360), dedicated to land acquisition and improvements (\$421,699) or is restricted in its use under the terms of a trust agreement (\$1,069,668).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$6,938,758, representing 85% of the total General Fund Balance of \$8,208,494. Two useful measures of liquidity are the percentage of unreserved and undesignated fund balance to total expenditures and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a 12.7% unreserved and undesignated fund balance to total expenditures, while total fund balance represents 22% of that same amount.

The final General Fund budget anticipated the use of \$1,012,720 of fund balance. However, actual results of operations showed the addition of \$1,970,863 to fund balance. Revenues and other financing sources were \$39,428,957, which was \$1,846,005 greater than the final budget. The \$1,846,005 includes the receipt of \$366,989 from the sale of the Corell Road "strip" parcels. The major areas where revenues exceeded the budget were in licenses and permits, use of

money and property and fines and forfeitures. Expenditures and other financing uses were \$37,458,094, which was less than the final budget by \$1,137,578. General Government Support and Employee Benefits were less than the final budget by \$682,586 and \$295,020 respectively.

### *Proprietary Funds*

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

Total net assets of Water District No. 1 at year end were \$5,219,459. Net assets invested in capital assets, net of related debt, were \$1,744,958. The settlement of the Water Rates case which originated in 1993 cleared the path to upgrading the Ardsley Road pump station. The design work on the project is concluded and construction will start in the next several months. Revenue from the water rates increase contributed to the increase in net assets. Total net assets of the Pool fund at year-end were \$622,553. Net assets, invested in capital assets, net of related debt are \$550,430.

### **General Fund Budgetary Highlights**

The final budget for General Fund estimated revenues was unchanged at \$36,802,552.

The final appropriations budget for the General Fund decreased by \$10,465. The appropriations budget for general government support was increased by \$210,257, public safety was decreased by \$215,400, home and community services was increased by \$189,906, culture and recreation was decreased by \$55,703 and the combined budgets for employee benefits and debt service decreased by \$139,525.

### *Capital Assets*

The Village's investment in capital assets for governmental and business-type activities at May 31, 2007, net of \$47,246,643 of accumulated depreciation, was \$32,357,092. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, vehicles and construction-in-progress,

#### **Capital Assets**

	2007			2006		
	Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business - Type Activities	Total
<b>ASSET</b>						
Land	\$ 3,860,985	\$ 149,789	\$ 4,010,774	\$ 6,947,869	\$ 149,789	7,097,658
Buildings and Improvements	7,500,773	4,310,195	11,810,968	7,876,115	4,453,577	12,329,692
Land Improvements	2,951,958	-	2,951,958	1,253,183	-	1,253,183
Infrastructure	43,977,265	1,845,331	45,822,596	43,367,609	1,984,788	45,352,397
Machinery and Equipment	11,643,737	1,128,858	12,772,595	14,524,565	1,462,256	15,986,821
Constuction-in-progress	1,693,774	542,070	2,235,844	2,889,189	6,691	2,895,880
Less-accumulated deprecitaion	<u>(42,656,539)</u>	<u>(4,590,104)</u>	<u>(47,246,643)</u>	<u>(44,909,978)</u>	<u>(4,819,456)</u>	<u>(49,729,434)</u>
Total (net of depreciation)	<u>\$ 28,971,953</u>	<u>\$ 3,386,139</u>	<u>\$ 32,358,092</u>	<u>\$ 31,948,552</u>	<u>\$ 3,237,645</u>	<u>\$ 35,186,197</u>

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

#### *Long Term Debt*

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$8,580,000. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village. As a policy, principal and interest on debt issued by the enterprise funds must be repaid solely from revenues of that fund. Of the \$8,580,000 bonded debt outstanding at fiscal year end, \$1,090,751 represented debt of the Pool Fund.

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

#### **Requests for Information**

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

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## STATEMENT OF NET ASSETS

MAY 31, 2007

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and equivalents	\$ 18,612,116	\$ 4,280,147	\$ 22,892,263
Investments	36,701	-	36,701
Receivables:			
Property taxes, net of allowance for uncollectible amounts	2,111,573	-	2,111,573
Accounts	145,181	281,119	426,300
Special assessments	962,224	-	962,224
State aid	1,088,545	-	1,088,545
Due from other governments	250,117	-	250,117
Prepaid expenses	894,845	64,182	959,027
Capital assets (net of accumulated depreciation):			
Land	3,860,985	149,789	4,010,774
Land improvements	2,696,348	-	2,696,348
Buildings and improvements	4,491,730	1,916,295	6,408,025
Machinery and equipment	2,857,796	249,284	3,107,080
Infrastructure	13,371,320	528,701	13,900,021
Construction-in-progress	1,693,774	542,070	2,235,844
<b>Total Assets</b>	<b>53,073,255</b>	<b>8,011,587</b>	<b>61,084,842</b>
<b>LIABILITIES</b>			
Accounts payable	2,110,322	60,585	2,170,907
Accrued liabilities	1,190,620	168,815	1,359,435
Retainages payable	70,248	10,711	80,959
Accrued interest payable	83,748	14,768	98,516
Internal balances	7,742	(7,742)	-
Due to other governments	1,906,612	-	1,906,612
Due to retirement systems	414,731	-	414,731
Unearned revenues	630,758	613,730	1,244,488
Deposits	112,366	-	112,366
Non-current liabilities:			
Due within one year:			
Bonds payable	779,204	135,796	915,000
Compensated absences	354,933	21,316	376,249
Due in more than one year:			
Bonds payable	6,710,045	954,955	7,665,000
Compensated absences	3,194,393	196,641	3,391,034
<b>Total Liabilities</b>	<b>17,565,722</b>	<b>2,169,575</b>	<b>19,735,297</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	21,482,704	2,295,388	23,778,092
Restricted for:			
Capital projects	6,719,793	-	6,719,793
Debt service	139,360	-	139,360
Special purposes	1,069,668	-	1,069,668
Unrestricted	6,096,008	3,546,624	9,642,632
<b>Total Net Assets</b>	<b>\$ 35,507,533</b>	<b>\$ 5,842,012</b>	<b>\$ 41,349,545</b>

The accompanying notes are an integral part of this financial statement.

## VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government support	\$ 7,789,576	\$ 4,258,316	\$ 18,909	\$ 953,405
Public safety	14,645,839	2,532,567	3,250	-
Culture and recreation	6,004,229	30,782	58,723	576,915
Home and community services	9,964,521	86,072	20,000	413,834
Interest	328,223	-	-	-
Total Governmental Activities	38,732,388	6,907,737	100,882	1,944,154
Business-type activities:				
Water	2,949,668	4,823,695	-	-
Pool	939,011	871,828	-	-
Total Business-Type Activities	3,888,679	5,695,523	-	-
Total	\$ 42,621,067	\$ 12,603,260	\$ 100,882	\$ 1,944,154

## General Revenues:

Real property taxes

Other tax items:

Special assessments

Interest and penalties - Taxes

Non-property taxes:

Non-property tax distribution from County

Utilities gross receipts tax

Franchise fees

Unrestricted use of money and property

Gain on sale of real property

Unrestricted State aid

Transfers

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (2,558,946)	\$ -	\$ (2,558,946)
(12,110,022)	-	(12,110,022)
(5,337,809)	-	(5,337,809)
(9,444,615)	-	(9,444,615)
(328,223)	-	(328,223)
<u>(29,779,615)</u>	<u>-</u>	<u>(29,779,615)</u>
-	1,874,027	1,874,027
-	(67,183)	(67,183)
<u>-</u>	<u>1,806,844</u>	<u>1,806,844</u>
<u>(29,779,615)</u>	<u>1,806,844</u>	<u>(27,972,771)</u>
24,825,926	-	24,825,926
139,360	-	139,360
381,384	-	381,384
2,261,561	-	2,261,561
365,370	-	365,370
251,307	-	251,307
1,428,670	188,865	1,617,535
(2,949,506)	-	(2,949,506)
1,563,626	-	1,563,626
306,875	(306,875)	-
<u>28,574,573</u>	<u>(118,010)</u>	<u>28,456,563</u>
(1,205,042)	1,688,834	483,792
<u>36,712,575</u>	<u>4,153,178</u>	<u>40,865,753</u>
<u>\$ 35,507,533</u>	<u>\$ 5,842,012</u>	<u>\$ 41,349,545</u>

## VILLAGE OF SCARSDALE, NEW YORK

BALANCE SHEET  
GOVERNMENTAL FUNDS  
MAY 31, 2007

	General	Town	Capital Projects	Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 9,582,908	\$ 1,119,349	\$ 6,351,015	\$ 1,558,412
Investments	-	36,701	-	-
Taxes Receivable	195,205	1,916,368	-	-
Other Receivables:				
Accounts	143,219	-	-	1,962
Special assessments	962,224	-	-	-
State and Federal aid	1,088,545	-	-	-
Due from other funds	16,620	-	-	2,527
Due from other governments	92,443	-	-	-
	2,303,051	-	-	4,489
Prepaid Expenditures	794,700	-	-	37,101
<b>Total Assets</b>	<b>\$ 12,875,864</b>	<b>\$ 3,072,418</b>	<b>\$ 6,351,015</b>	<b>\$ 1,600,002</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,589,505	\$ -	\$ 227,363	\$ 140,175
Accrued liabilities	848,152	-	53,457	13,599
Retainages payable	-	-	70,248	-
Due to other funds	131,400	-	-	4,489
Due to other governments	-	1,906,612	-	-
Due to retirement systems	414,731	-	-	-
Deferred revenues - Taxes	195,205	-	-	-
Deferred revenues - Other	1,488,377	-	-	-
Deposits	-	-	-	112,366
<b>Total Liabilities</b>	<b>4,667,370</b>	<b>1,906,612</b>	<b>351,068</b>	<b>270,629</b>
Fund Balances:				
Reserved for:				
Encumbrances	335,676	-	3,812,785	-
Prepaid expenditures	794,700	-	-	37,101
Land acquisition and improvements	-	-	421,699	-
Trusts	-	-	-	1,069,668
Debt service	139,360	-	-	-
Unreserved, reported in:				
General Fund	6,938,758	-	-	-
Town Fund	-	1,165,806	-	-
Capital Projects Fund	-	-	1,765,463	-
Library Fund	-	-	-	222,604
<b>Total Fund Balances</b>	<b>8,208,494</b>	<b>1,165,806</b>	<b>5,999,947</b>	<b>1,329,373</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,875,864</b>	<b>\$ 3,072,418</b>	<b>\$ 6,351,015</b>	<b>\$ 1,600,002</b>

The accompanying notes are an integral part of this statement.

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Total  
Governmental  
Funds

---

\$ 18,611,684

---

36,701

---

2,111,573

---

145,181

962,224

1,088,545

19,147

92,443

---

2,307,540

---

831,801

---

\$ 23,899,299

\$ 1,957,043

915,208

70,248

135,889

1,906,612

414,731

195,205

1,488,377

112,366

---

7,195,679

---

4,148,461

831,801

421,699

1,069,668

139,360

6,938,758

1,165,806

1,765,463

222,604

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16,703,620

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\$ 23,899,299

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VILLAGE OF SCARSDALE, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES  
MAY 31, 2007

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Fund Balances - Total Governmental Funds \$ 16,703,620

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

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds 27,688,972

Internal service funds are used by management to charge the  
costs of the Village's Central Garage services to individual funds.  
The assets and liabilities of the internal service fund are included  
in governmental activities in the statement of net assets. 654,444

Other long-term assets are not available to pay for current-period  
expenditures and, therefore, are deferred in the funds:  
Real property taxes 195,205  
Special assessments 857,619

Long-term liabilities that are not due and payable in the current  
period and, therefore, are not reported in the funds.  
Bonds payable (7,096,249)  
Compensated absences (3,412,330)  
Accrued interest (83,748)

Net Assets of Governmental Activities \$ 35,507,533

The accompanying notes are an integral part of this statement.

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED MAY 31, 2007

	General	Town	Capital Projects	Non-Major Governmental Funds
<b>REVENUES</b>				
Real property taxes	\$ 24,410,382	\$ 447,871	\$ -	\$ -
Other tax items	183,575	337,169	-	-
Non-property taxes	2,878,238	-	-	-
Departmental income	2,809,509	2,343	-	62,386
Intergovernmental revenues	89,311	-	-	-
Use of money and property	1,609,082	294,105	303,193	51,238
Licenses and permits	1,923,983	-	-	-
Fines and forfeitures	809,481	-	-	-
Sale of property and compensation for loss	231,923	-	-	-
State aid	1,576,198	5,582	311,040	7,485
Federal aid	-	-	53,264	-
Miscellaneous	429,172	10,768	678,121	34,004
Total Revenues	36,950,854	1,097,838	1,345,618	155,113
<b>EXPENDITURES</b>				
Current:				
General government support	6,030,737	-	-	-
Public safety	9,476,505	-	-	-
Culture and recreation	2,266,200	-	-	2,231,439
Home and community services	6,066,185	-	-	-
Employee benefits	8,153,226	-	-	510,297
Capital Outlay	-	-	3,607,464	-
Debt Service:				
Principal	669,504	-	-	-
Interest	314,257	-	-	-
Total Expenditures	32,976,614	-	3,607,464	2,741,736
Excess (Deficiency) of Revenues Over Expenditures	3,974,240	1,097,838	(2,261,846)	(2,586,623)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of real property	366,989	-	-	-
Transfers in	2,111,114	-	1,882,000	2,663,335
Transfers out	(4,481,480)	(937,466)	(340,000)	(33,280)
Total Other Financing Sources (Uses)	(2,003,377)	(937,466)	1,542,000	2,630,055
Net Change in Fund Balances	1,970,863	160,372	(719,846)	43,432
Fund Balances - Beginning of Year, as reported	6,237,631	1,005,434	6,719,793	1,285,941
Prior Period Adjustment	-	-	-	-
Fund Balances - Beginning of Year, as restated	6,237,631	1,005,434	6,719,793	1,285,941
Fund Balances - End of Year	\$ 8,208,494	\$ 1,165,806	\$ 5,999,947	\$ 1,329,373

The accompanying notes are an integral part of this financial statement.



Total Governmental Funds		2006
\$	24,858,253	\$ 23,574,696
	520,744	507,316
	2,878,238	2,934,180
	2,874,238	2,981,873
	89,311	109,773
	2,257,618	1,525,157
	1,923,983	1,514,810
	809,481	652,110
	231,923	61,190
	1,900,305	1,848,040
	53,264	34,253
	1,152,065	558,734
	<u>39,549,423</u>	<u>36,302,132</u>
	6,030,737	6,017,059
	9,476,505	9,375,844
	4,497,639	4,362,359
	6,066,185	5,887,323
	8,663,523	8,176,442
	3,607,464	3,584,869
	669,504	610,345
	314,257	383,096
	<u>39,325,814</u>	<u>38,397,337</u>
	<u>223,609</u>	<u>(2,095,205)</u>
	366,989	3,070,000
	6,656,449	12,345,769
	<u>(5,792,226)</u>	<u>(10,918,552)</u>
	<u>1,231,212</u>	<u>4,497,217</u>
	<u>1,454,821</u>	<u>2,402,012</u>
	15,248,799	12,574,645
	-	272,142
	<u>15,248,799</u>	<u>12,846,787</u>
\$	<u>16,703,620</u>	\$ <u>15,248,799</u>

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VILLAGE OF SCARSDALE, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2007

---

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,454,821</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlay expenditures	3,040,253
Depreciation expense	<u>(3,177,627)</u>
	<u>(137,374)</u>
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
Special assessments	(109,389)
Real property taxes	77,062
Loss on disposal of land	<u>(2,666,283)</u>
	<u>(2,698,610)</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Principal paid on bonds	669,504
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.	
Compensated absences	(296,805)
Accrued interest	<u>8,747</u>
	<u>(288,058)</u>
Internal service funds are used by management to charge the costs of the Village's Central Garage to individual funds. The net revenue of the Internal Service Fund is reported within governmental activities.	
	<u>(205,325)</u>
Change in Net Assets of Governmental Activities	<u>\$ (1,205,042)</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL AND CAPITAL PROJECTS FUNDS  
YEAR ENDED MAY 31, 2007

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 24,409,874	\$ 24,409,874	\$ 24,410,382	\$ 508
Other tax items	460,300	460,300	183,575	(276,725)
Non-property taxes	2,841,000	2,841,000	2,878,238	37,238
Departmental income	2,804,253	2,804,253	2,809,509	5,256
Intergovernmental charges	144,625	144,625	89,311	(55,314)
Use of money and property	1,336,100	1,336,100	1,609,082	272,982
Licenses and permits	1,431,200	1,431,200	1,923,983	492,783
Fines and forfeitures	650,000	650,000	809,481	159,481
Sale of property and compensation for loss	70,000	70,000	231,923	161,923
State aid	2,383,200	2,383,200	1,576,198	(807,002)
Federal aid	-	-	-	-
Miscellaneous	272,000	272,000	429,172	157,172
<b>Total Revenues</b>	<b>36,802,552</b>	<b>36,802,552</b>	<b>36,950,854</b>	<b>148,302</b>
<b>EXPENDITURES</b>				
Current:				
General government support	6,503,066	6,713,323	6,030,737	682,586
Public safety	9,747,731	9,532,331	9,476,505	55,826
Culture and recreation	2,381,943	2,326,240	2,266,200	60,040
Home and community services	5,920,385	6,110,291	6,066,185	44,106
Employee benefits	8,587,771	8,448,246	8,153,226	295,020
Capital outlay	-	-	-	-
Debt Service:				
Principal	669,504	669,504	669,504	-
Interest	314,257	314,257	314,257	-
<b>Total Expenditures</b>	<b>34,124,657</b>	<b>34,114,192</b>	<b>32,976,614</b>	<b>1,137,578</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,677,895</b>	<b>2,688,360</b>	<b>3,974,240</b>	<b>1,285,880</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of real property	-	250,000	366,989	116,989
Bond proceeds	-	-	-	-
Transfers in	530,400	530,400	2,111,114	1,580,714
Transfers out	(3,487,480)	(4,481,480)	(4,481,480)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,957,080)</b>	<b>(3,701,080)</b>	<b>(2,003,377)</b>	<b>1,697,703</b>
<b>Net Change in Fund Balances</b>	<b>(279,185)</b>	<b>(1,012,720)</b>	<b>1,970,863</b>	<b>2,983,583</b>
<b>Fund Balances - Beginning of Year</b>	<b>279,185</b>	<b>1,012,720</b>	<b>6,237,631</b>	<b>5,224,911</b>
<b>Fund Balances - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,208,494</b>	<b>\$ 8,208,494</b>

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

Capital Projects Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
80,000	80,000	303,193	223,193
-	-	-	-
-	-	-	-
-	-	-	-
9,974,500	9,974,500	311,040	(9,663,460)
20,000	20,000	53,264	33,264
983,000	995,000	678,121	(316,879)
11,057,500	11,069,500	1,345,618	(9,723,882)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
21,568,400	22,212,209	3,607,464	18,604,745
-	-	-	-
-	-	-	-
21,568,400	22,212,209	3,607,464	18,604,745
(10,510,900)	(11,142,709)	(2,261,846)	8,880,863
-	-	-	-
6,765,000	6,765,000	-	(6,765,000)
997,000	997,000	1,882,000	885,000
-	-	(340,000)	(340,000)
7,762,000	7,762,000	1,542,000	(6,220,000)
(2,748,900)	(3,380,709)	(719,846)	2,660,863
2,748,900	3,380,709	6,719,793	3,339,084
\$ -	\$ -	\$ 5,999,947	\$ 5,999,947

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 MAY 31, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Pool	Totals	
<u>ASSETS</u>				
Current Assets:				
Cash and equivalents	\$ 3,440,703	\$ 839,444	\$ 4,280,147	\$ 432
Accounts receivable	281,119	-	281,119	-
Due from other governments	-	-	-	157,674
Due from other funds	22,400	-	22,400	109,000
Prepaid expenses	52,599	11,583	64,182	63,044
Total Current Assets	3,796,821	851,027	4,647,848	330,150
Capital Assets				
Land	31,789	118,000	149,789	-
Buildings	2,012,985	2,297,210	4,310,195	2,114,268
Machinery and equipment	955,570	173,288	1,128,858	230,245
Infrastructure	1,601,086	244,245	1,845,331	-
Construction-in-progress	328,242	213,828	542,070	-
	4,929,672	3,046,571	7,976,243	2,344,513
Less - Accumulated depreciation	(3,184,714)	(1,405,390)	(4,590,104)	(1,061,532)
Total Capital Assets, net of accumulated depreciation	1,744,958	1,641,181	3,386,139	1,282,981
Total Assets	5,541,779	2,492,208	8,033,987	1,613,131
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	16,245	44,340	60,585	281,100
Accrued liabilities	75,754	93,061	168,815	140,039
Accrued interest	-	14,768	14,768	7,552
Retained percentages	-	10,711	10,711	-
Due to other funds	11,849	2,809	14,658	-
Unearned revenues	515	613,215	613,730	-
Current maturities of bonds payable	-	135,796	135,796	87,000
Current portion of compensated absences	21,316	-	21,316	13,670
Total Current Liabilities	125,679	914,700	1,040,379	529,361
Noncurrent Liabilities:				
Bonds payable, less current maturities	-	954,955	954,955	306,000
Compensated absences, less current portion	196,641	-	196,641	123,326
	196,641	954,955	1,151,596	429,326
Total Liabilities	322,320	1,869,655	2,191,975	958,687
<u>NET ASSETS</u>				
Invested in Capital Assets, net of related debt	1,744,958	550,430	2,295,388	889,981
Unrestricted	3,474,501	72,123	3,546,624	(235,537)
Total Net Assets	\$ 5,219,459	\$ 622,553	\$ 5,842,012	\$ 654,444

The accompanying notes are an integral part of this financial statement.

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 PROPRIETARY FUNDS  
 YEAR ENDED MAY 31, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Pool	Totals	
Operating Revenues - Charges for services	\$ 4,823,695	\$ 871,828	\$ 5,695,523	\$ 2,170,471
Operating Expenses:				
Taxes on Village property	48,801	2,808	51,609	-
Personal services	737,297	329,194	1,066,491	895,003
Contractual services	37,314	70,348	107,662	1,021,647
Supplies	141,299	31,248	172,547	-
Utilities	79,411	39,619	119,030	-
Employee benefits	258,019	36,337	294,356	352,061
Insurance	36,500	19,000	55,500	-
Repairs and maintenance	6,899	69,807	76,706	-
Equipment maintenance	140,282	30,590	170,872	-
Depreciation	201,832	219,876	421,708	172,941
Purchase of water	1,090,790	-	1,090,790	-
Property services	155,250	-	155,250	-
Miscellaneous	15,974	45,066	61,040	-
Total Operating Expenses:	2,949,668	893,893	3,843,561	2,441,652
Loss from Operations	1,874,027	(22,065)	1,851,962	(271,181)
Non-Operating Revenues (Expenses):				
Interest income	157,216	31,649	188,865	2,669
Interest expense	-	(45,118)	(45,118)	(22,713)
Total Non-Operating Revenues (Expenses)	157,216	(13,469)	143,747	(20,044)
Loss Before Transfers	2,031,243	(35,534)	1,995,709	(291,225)
Transfers:				
Transfer in	4,000	10,725	14,725	109,000
Transfer out	(281,200)	(40,400)	(321,600)	(23,100)
Total Transfers	(277,200)	(29,675)	(306,875)	85,900
Change in Net Assets	1,754,043	(65,209)	1,688,834	(205,325)
Net Assets - Beginning of Year	3,465,416	687,762	4,153,178	859,769
Net Assets - End of Year	\$ 5,219,459	\$ 622,553	\$ 5,842,012	\$ 654,444

The accompanying notes are an integral part of this statement.

## VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED MAY 31, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Pool	Totals	
Cash Flows From Operating Activities:				
Cash received from charges for services	\$ 4,684,210	\$ 871,828	\$ 5,556,038	\$ 2,159,489
Cash payments for goods or services	(5,309,536)	(142,339)	(5,451,875)	(916,886)
Cash payments to employees	(897,162)	(360,934)	(1,258,096)	(1,118,033)
Net Cash Provided by Operating Activities	(1,522,488)	368,555	(1,153,933)	124,570
Cash Flows From Non-Capital Financing Activities:				
Transfers in	4,000	10,725	14,725	-
Transfers out	(281,200)	(40,400)	(321,600)	(23,100)
Net Cash Used by Non-Capital Financing Activities	(277,200)	(29,675)	(306,875)	(23,100)
Cash Flows From Capital and Related Financing Activities:				
Principal paid on bonds	-	(128,496)	(128,496)	(87,000)
Interest paid on indebtedness	-	(46,724)	(46,724)	(24,470)
Acquisition and construction of capital assets	(356,375)	(213,826)	(570,201)	-
Net Cash Used in Capital and Related Financing Activities	(356,375)	(389,046)	(745,421)	(111,470)
Cash Flow From Investing Activities - Interest income	157,216	31,649	188,865	2,669
Net Increase (Decrease) in Cash and Equivalents	(1,998,847)	(18,517)	(2,017,364)	(7,331)
Cash and Equivalents - Beginning of Year	5,439,550	857,961	6,297,511	7,763
Cash and Equivalents - End of Year	\$ 3,440,703	\$ 839,444	\$ 4,280,147	\$ 432
Reconciliation of Loss from Operations to Net Cash Provided by Operating Activities:				
Income (loss) from operations	\$ 1,874,027	\$ (22,065)	\$ 1,851,962	\$ (271,181)
Adjustments to reconcile loss from operations to net cash provided by operating activities:				
Depreciation	201,832	219,876	421,708	172,941
Changes in operating assets and liabilities:				
Accounts receivable	(117,600)	-	(117,600)	-
Due from other governments	-	-	-	(10,982)
Due from other funds	(22,400)	-	-	-
Prepaid expenses	(42,383)	(11,583)	(53,966)	(44,339)
Accounts payable	(27,159)	10,745	(16,414)	149,100
Accrued liabilities	(3,425,538)	92,538	(3,333,000)	137,770
Retained percentages	-	10,711	-	-
Due to other funds	11,849	2,809	-	-
Unearned revenues	515	65,524	66,039	-
Compensated absences	24,369	-	24,369	(8,739)
Net Cash Provided by Operating Activities	\$ (1,522,488)	\$ 368,555	\$ (1,153,933)	\$ 124,570

The accompanying notes are an integral part of this statement.



VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUND  
MAY 31, 2007

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and Equivalents	\$ 3,306,592
Investments	2,927,179
Accounts Receivable	55,188
Securities and Mortgages	<u>64,913</u>
Total Assets	<u><u>\$ 6,353,872</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 211,960
Deposits	6,130,018
Other Liabilities	<u>11,894</u>
Total Liabilities	<u><u>\$ 6,353,872</u></u>

The accompanying notes are an integral part of this statement.

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

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

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

**A. Financial Reporting Entity**

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

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole, except for interfund services provided and used. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Assets presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or

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

privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Village does not allocate indirect expenses to functions in the Statement of Activities.

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

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

**C. Fund Financial Statements**

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, liabilities, fund balances/net assets, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Proprietary and fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

**Fund Categories**

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

General Fund - The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

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

**Town Fund** - The Town Fund is used to record the collection and remittance of taxes for the Scarsdale School District and the County of Westchester and for certain revenues statutorily required to be recorded in the Town Fund. Information for the Town Fund is as of and for the year ended December 31, 2006.

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

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

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

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

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

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

- b. **Proprietary Funds** - Proprietary funds include enterprise and internal service funds. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The operations of the Water and Pool Funds are recorded as enterprise funds. The Village has established its Central Garage Fund as an internal service fund. The Village applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise funds.
- c. **Fiduciary Funds** (Not Included in Government-Wide Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others.

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

**E. Assets, Liabilities and Net Assets or Fund Balances**

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

The Village's investment policies are governed by State statutes. The Village has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

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

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

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

MAY 31, 2007

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

**Due From/To Other Funds** - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2007, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Class</u>	<u>Life in Years</u>
Land Improvements	20
Buildings and Improvements	10-40
Infrastructure	20-40
Machinery and Equipment	5-10



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

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

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

Deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported deferred revenues of \$195,205 for uncollected Village tax liens, \$38,719 for prepaid rent, \$626,794 for advance collections of tennis and day camp fees and \$822,864 for uncollected special assessments in the General Fund. The Village has also recorded \$613,215 for the advance collection of pool permits in the Pool Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

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

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

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

**F. Encumbrances**

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

**G. Use of Estimates**

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

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

- a) Prior to March 20<sup>th</sup>, the budget officer submits to the Village Clerk a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the means of financing for the General, Library and Capital Projects funds.
- b) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15<sup>th</sup>.
- c) After the public hearing and on or before May 1<sup>st</sup>, the Trustees meet to consider and adopt the budget, at which time they are required to file the document with the Village Clerk.
- d) Formal budgetary integration is employed during the year as a management control device for the General, Library and Capital Projects funds.
- e) Budgets for the General, Capital Projects and Library funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted by the Board of Trustees for the Special Purpose, Town and Proprietary funds.

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2007

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

- f) The Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- g) Appropriations in the General, Capital Projects and Library funds lapse at the end of the fiscal year, except that outstanding encumbrances, if any, are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

**B. Property Tax Limitation**

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2007 fiscal year was \$126,884,105 which exceeded the actual levy by \$102,549,231. The Town component is not limited to the maximum amount of real property taxes which may be raised.

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

Taxes receivable at May 31, 2007 consisted of the following:

Taxes - Overdue	\$ 181,819
Tax Liens	13,386
Taxes - School	1,704,239
Taxes - County	<u>212,129</u>
	<u>\$ 2,111,573</u>

**B. Due From/To Other Funds**

The balances reflected as due from/to other funds at May 31, 2007 were as follows:

	<u>Due From</u>	<u>Due To</u>
General	\$ 16,620	\$ 131,400
Non-Major Governmental	2,527	4,489
Business-type	22,400	14,658
Internal Service (Garage)	<u>109,000</u>	<u>-</u>
	<u>\$ 150,547</u>	<u>\$ 150,547</u>

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2007**Note 3 - Detailed Notes on All Funds (Continued)**

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

**C. Capital Assets**

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

Class	Balance June 1, 2006	Additions	Deletions	Balance May 31, 2007
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 6,947,869	\$ 236,000	\$ 3,322,884	\$ 3,860,985
Construction-in-progress	2,889,189	423,281	1,618,696	1,693,774
Total Capital Assets, not being depreciated	<u>\$ 9,837,058</u>	<u>\$ 659,281</u>	<u>\$ 4,941,580</u>	<u>\$ 5,554,759</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 7,876,115	\$ 635,847	\$ 1,011,189	\$ 7,500,773
Land Improvements	1,253,183	1,698,775	-	2,951,958
Infrastructure	43,367,609	619,118	9,462	43,977,265
Machinery and Equipment	14,524,565	954,856	3,835,684	11,643,737
Total Capital Assets, being depreciated	<u>67,021,472</u>	<u>3,908,596</u>	<u>4,856,335</u>	<u>66,073,733</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	3,442,317	717,706	1,150,980	3,009,043
Land Improvements	37,330	223,741	5,461	255,610
Infrastructure	29,211,042	1,423,698	28,795	30,605,945
Machinery and Equipment	12,219,290	985,423	4,418,772	8,785,941
Total Accumulated Depreciation	<u>44,909,979</u>	<u>3,350,568</u>	<u>5,604,008</u>	<u>42,656,539</u>
Total Capital Assets, being depreciated, net	<u>\$ 22,111,493</u>	<u>\$ 558,028</u>	<u>\$ (747,673)</u>	<u>\$ 23,417,194</u>
Governmental Capital Assets, net	<u>\$ 31,948,551</u>	<u>\$ 1,217,309</u>	<u>\$ 4,193,907</u>	<u>\$ 28,971,953</u>

VILLAGE OF SCARSDALE, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2007

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

Class	Balance June 1, 2006	Additions	Deletions	Balance May 31, 2007
<b>Business-Type Activities:</b>				
Capital Assets, not being depreciated				
Land	\$ 149,789	\$ -	\$ -	\$ 149,789
Construction-in-progress	6,691	535,379	-	542,070
Total Capital Assets, not being depreciated	<u>\$ 156,480</u>	<u>\$ 535,379</u>	<u>\$ -</u>	<u>\$ 691,859</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 4,453,575	\$ -	\$ 143,380	\$ 4,310,195
Infrastructure	1,984,788	-	139,457	1,845,331
Machinery and Equipment	1,462,258	34,823	368,223	1,128,858
Total Capital Assets, being depreciated	<u>7,900,621</u>	<u>34,823</u>	<u>651,060</u>	<u>7,284,384</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	2,286,163	251,116	143,379	2,393,900
Infrastructure	1,338,930	117,157	139,457	1,316,630
Machinery and Equipment	1,194,363	53,435	368,224	879,574
Total Accumulated Depreciation	<u>4,819,456</u>	<u>421,708</u>	<u>651,060</u>	<u>4,590,104</u>
Total Capital Assets, being depreciated, net	<u>\$ 3,081,165</u>	<u>\$ (386,885)</u>	<u>\$ -</u>	<u>\$ 2,694,280</u>
Business-Type Capital Assets, net	<u>\$ 3,237,645</u>	<u>\$ 148,494</u>	<u>\$ -</u>	<u>\$ 3,386,139</u>

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

Governmental Activities:

General Government Support	\$ 837,642
Public Safety	502,585
Culture and Recreation	335,057
Home and Community Services	<u>1,657,284</u>

Total Depreciation Expense -  
Governmental Activities

\$ 3,350,568

Business-type Activities:

Water Fund	\$ 201,832
Pool Fund	<u>219,876</u>

Total Depreciation Expense -  
Business-type Activities

\$ 421,708

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

The Village has active construction projects as of May 31, 2007. These projects include new construction and renovations. At year end, the Village had \$3,812,785 in construction encumbrances.

**D. Pension Plans**

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

**Funding Policy** - The Systems are non-contributory except for employees who joined ERS after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion (GTLI) and regular pension contributions. Contribution rates for the plans' year ended March 31, 2007 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	13.2 %
	2 75I	12.1
	3 A14	9.7
	4 A15	9.7
	<u>Tier/Plan</u>	<u>Rate</u>
PFRS	1 384D	20.2 %
	2 384D	15.0
	2 384E	16.0
	2 375J	11.3

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

	<u>ERS</u>	<u>PFRS</u>
2007	\$ 989,615	\$ 1,138,930
2006	936,846	1,178,260
2005	1,213,457	1,141,095

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2007**Note 3 - Detailed Notes on All Funds (Continued)**

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

The current PFRS contributions for the Village of Scarsdale, New York were charged to the General Fund. The current ERS contributions were distributed as follows: \$930,670 to the General Fund, \$18,525 to the Water Fund, \$35,600 to the Library and \$18,300 to the Garage Fund.

**E. Long-Term Liabilities**

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2007:

	Balance June 1, 2006	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2007	Due Within One-Year
Governmental Activities:					
Bonds Payable	\$ 8,245,753	\$ -	\$ 756,504	\$ 7,489,249	\$ 779,204
Compensated Absences	3,261,260	614,115	326,049	3,549,326	354,933
	<u>\$ 11,507,013</u>	<u>\$ 614,115</u>	<u>\$ 1,082,553</u>	<u>\$ 11,038,575</u>	<u>\$ 1,134,137</u>
Business-Type Activities:					
Bonds Payable	\$ 1,219,247	\$ -	\$ 128,496	\$ 1,090,751	\$ 135,796
Compensated Absences	193,588	43,728	19,359	217,957	21,316
Total Long-Term Liabilities	<u>\$ 1,412,835</u>	<u>\$ 43,728</u>	<u>\$ 147,855</u>	<u>\$ 1,308,708</u>	<u>\$ 157,112</u>

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

**Bonds Payable**

Bonds payable at May 31, 2007 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2007
Various Village Purposes	1992	\$ 4,645,000	July 2012	5.25%	\$ 850,000
Various Village Purposes	1996	1,370,000	September, 2015	4.9% - 5.3%	325,000
Various Village Purposes	1997	1,175,000	January 2013	4.6% - 5.0%	450,000
Various Village Purposes	2001	5,650,000	August 2013	3.875% - 4.25%	3,735,000
Various Village Purposes	2002	1,550,000	July 2017	3.25% - 4.375%	1,285,000
Various Village Purposes	2004	2,000,000	September 2027	4.0% - 4.5%	1,935,000
					<u>\$ 8,580,000</u>

NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2007

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

Interest expenditures/expense of \$382,088 were recorded in the fund financial statements, as detailed below. Interest expense of \$373,341 was recorded in the government-wide financial statements.

<u>Fund</u>	<u>Amount</u>
Governmental Funds -	
General-Village	\$ 314,257
Proprietary Funds -	
Enterprise-Pool Fund	45,118
Internal Service-Central Garage Fund	22,713
	<u>\$ 382,088</u>

**Payments to Maturity**

The annual requirements to amortize all bonded debt outstanding as of May 31, 2007, including interest payments of \$2,157,870 are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Total
2008	\$ 779,204	\$ 306,238	\$ 135,796	\$ 41,683	\$ 915,000	\$ 347,921
2009	803,363	272,286	141,637	36,220	945,000	308,506
2010	826,062	236,973	148,938	30,408	975,000	267,381
2011	818,761	201,264	156,239	24,305	975,000	225,569
2012	821,460	165,343	163,540	17,807	985,000	183,150
2013-2017	2,030,399	453,127	344,601	14,663	2,375,000	467,790
2018-2022	595,000	226,047	-	-	595,000	226,047
2023-2027	555,000	119,581	-	-	555,000	119,581
2028.-2029	260,000	11,925	-	-	260,000	11,925
	<u>\$ 7,489,249</u>	<u>\$ 1,992,784</u>	<u>\$ 1,090,751</u>	<u>\$ 165,086</u>	<u>\$ 8,580,000</u>	<u>\$ 2,157,870</u>

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

**Compensated Absences**

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



NOTES TO FINANCIAL STATEMENTS (Continued)  
MAY 31, 2007**Note 3 - Detailed Notes on All Funds (Continued)**

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

**F. Revenues and Expenditures****Interfund Transfers**

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

Transfers Out	Transfers In					Total
	General	Capital Projects	Non-Major Governmental	Internal Service	Business-Type	
General	\$ -	\$ 1,727,000	\$ 2,634,755	\$ 109,000	\$ 10,725	\$ 4,481,480
Town	937,466	-	-	-	-	937,466
Capital Projects	340,000	-	-	-	-	340,000
Non-Major Governmental	4,700	-	28,580	-	-	33,280
Internal Service	23,100	-	-	-	-	23,100
Business-Type	162,600	155,000	-	-	4,000	321,600
Reconciling Item:						
Village/Town (Note 1)	643,248	-	-	-	-	643,248
	<u>\$ 2,111,114</u>	<u>\$ 1,882,000</u>	<u>\$ 2,663,335</u>	<u>\$ 109,000</u>	<u>\$ 14,725</u>	<u>\$ 6,780,174</u>

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

**Post-Employment Health Care Benefits**

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. The cost of providing post-employment health care benefits is shared between the Village and the retired employees. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as expenditures/expenses as claims are paid. During the year, \$1,617,993 was paid on behalf of 180 retirees and this amount was recorded as an expenditure/expense in the various funds.

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

**G. Net Assets**

The components of net assets are detailed below:

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

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

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

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

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

**H. Fund Balances**

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

**Reserved**

Encumbrances outstanding have been reserved as it is the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transaction.

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

The Reserve for Land Acquisitions and Improvements has been established pursuant to General Municipal Law to set aside funds to be used for future capital projects.

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

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

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

**Unreserved - Designated**

Designations of fund balance are not legally required segregations, but represent intended use for a specific purpose. The following reflects Village's designations at May 31, 2007.

Designated for Subsequent Year's Expenditures - At May 31, 2007, the Village Board has designated that \$259,685 of the fund balance of the General Fund, \$1,473,000 of the fund balance of the Capital Projects Fund, \$1,688,338 of the fund balance of the Water Fund and \$103,950 of the fund balance of the Library Fund be appropriated for the ensuing year's budget.

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

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Litigation**

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

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

**B. Risk Management**

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

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## VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND  
COMPARATIVE BALANCE SHEET  
May 31, 2007 AND 2006

	2007	2006
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 9,581,528	\$ 7,816,549
Petty cash	1,380	1,255
	<u>9,582,908</u>	<u>7,817,804</u>
Taxes Receivable	<u>195,205</u>	<u>118,146</u>
Other Receivables:		
Accounts	143,219	94,161
Special assessments	962,224	1,131,168
State and Federal aid	1,088,545	938,703
Due from other funds	16,620	-
Due from other governments	92,443	86,530
	<u>2,303,051</u>	<u>2,250,562</u>
Prepaid Expenditures	<u>794,700</u>	<u>338,654</u>
Total Assets	<u>\$ 12,875,864</u>	<u>\$ 10,525,166</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,589,505	\$ 826,568
Accrued liabilities	848,152	550,681
Due to other funds	131,400	691,986
Due to retirement systems	414,731	435,892
Deferred revenues - Taxes	195,205	118,146
Deferred revenues - Other	1,488,377	1,664,262
Total Liabilities	<u>4,667,370</u>	<u>4,287,535</u>
Fund Balance:		
Reserved for encumbrances	335,676	327,270
Reserved for prepaid expenditures	794,700	338,654
Reserved for debt service	139,360	138,500
Unreserved:		
Designated for subsequent year's expenditures	259,685	259,685
Designated for capital projects	1,920,000	285,000
Undesignated	4,759,073	4,888,522
Total Fund Balance	<u>8,208,494</u>	<u>6,237,631</u>
Total Liabilities and Fund Balance	<u>\$ 12,875,864</u>	<u>\$ 10,525,166</u>

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

YEARS ENDED MAY 31, 2007 AND 2006

	2007			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 24,409,874	\$ 24,409,874	\$ 24,410,382	\$ 508
Other tax items	460,300	460,300	183,575	(276,725)
Non-property taxes	2,841,000	2,841,000	2,878,238	37,238
Departmental income	2,804,253	2,804,253	2,809,509	5,256
Intergovernmental revenues	144,625	144,625	89,311	(55,314)
Use of money and property	1,336,100	1,336,100	1,609,082	272,982
Licenses and permits	1,431,200	1,431,200	1,923,983	492,783
Fines and forfeitures	650,000	650,000	809,481	159,481
Sale of property and compensation for loss	70,000	70,000	231,923	161,923
State aid	2,383,200	2,383,200	1,576,198	(807,002)
Miscellaneous	272,000	272,000	429,172	157,172
Total Revenues	36,802,552	36,802,552	36,950,854	148,302
Expenditures:				
Current:				
General government support	6,503,066	6,713,323	6,030,737	682,586
Public safety	9,747,731	9,532,331	9,476,505	55,826
Culture and recreation	2,381,943	2,326,240	2,266,200	60,040
Home and community services	5,920,385	6,110,291	6,066,185	44,106
Employee benefits	8,587,771	8,448,246	8,153,226	295,020
Debt service:				
Principal	669,504	669,504	669,504	-
Interest	314,257	314,257	314,257	-
Total Expenditures	34,124,657	34,114,192	32,976,614	1,137,578
Excess of Revenues Over Expenditures	2,677,895	2,688,360	3,974,240	1,285,880
Other Financing Sources (Uses):				
Sale of real property	-	250,000	366,989	116,989
Transfers in	530,400	530,400	2,111,114	1,580,714
Transfers out	(3,487,480)	(4,481,480)	(4,481,480)	-
Total Other Financing Uses	(2,957,080)	(3,701,080)	(2,003,377)	1,697,703
Net Change in Fund Balance	(279,185)	(1,012,720)	1,970,863	2,983,583
Fund Balance - Beginning of Year, as reported	279,185	1,012,720	6,237,631	5,224,911
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning of Year, as restated	279,185	1,012,720	6,237,631	5,224,911
Fund Balance - End of Year	\$ -	\$ -	\$ 8,208,494	\$ 8,208,494

2006			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 23,172,123	\$ 23,172,123	\$ 23,156,085	\$ (16,038)
447,606	447,606	185,769	(261,837)
2,722,700	2,722,700	2,934,180	211,480
2,528,305	2,528,305	2,912,267	383,962
150,625	150,625	109,773	(40,852)
890,100	890,100	1,194,474	304,374
963,000	963,000	1,514,810	551,810
680,000	680,000	652,110	(27,890)
69,000	69,000	61,190	(7,810)
2,046,850	2,046,850	1,408,660	(638,190)
242,500	242,500	357,799	115,299
<u>33,912,809</u>	<u>33,912,809</u>	<u>34,487,117</u>	<u>574,308</u>
6,344,660	6,089,595	6,017,059	72,536
9,152,868	9,432,926	9,375,844	57,082
2,168,656	2,196,817	2,187,455	9,362
5,826,166	5,918,705	5,887,323	31,382
7,896,066	7,741,343	7,740,340	1,003
660,345	610,345	610,345	-
393,095	393,095	383,096	9,999
<u>32,441,856</u>	<u>32,382,826</u>	<u>32,201,462</u>	<u>181,364</u>
<u>1,470,953</u>	<u>1,529,983</u>	<u>2,285,655</u>	<u>755,672</u>
-	3,070,000	3,070,000	-
640,545	640,545	2,692,330	2,051,785
(3,108,825)	(9,492,825)	(9,492,825)	-
<u>(2,468,280)</u>	<u>(5,782,280)</u>	<u>(3,730,495)</u>	<u>2,051,785</u>
<u>(997,327)</u>	<u>(4,252,297)</u>	<u>(1,444,840)</u>	<u>2,807,457</u>
997,327	4,252,297	7,410,329	3,158,032
-	-	272,142	272,142
<u>997,327</u>	<u>4,252,297</u>	<u>7,682,471</u>	<u>3,430,174</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,237,631</u>	<u>\$ 6,237,631</u>

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET  
 YEAR ENDED MAY 31, 2007  
 (With Comparative Actuals for 2006)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2006 Actual
PROPERTY TAXES	\$ 24,409,874	\$ 24,409,874	\$ 24,410,382	\$ 508	\$ 23,156,085
OTHER TAX ITEMS					
Special assessments	140,300	140,300	139,360	(940)	138,500
Interest and penalties	320,000	320,000	44,215	(275,785)	47,269
	460,300	460,300	183,575	(276,725)	185,769
NON-PROPERTY TAXES					
Non-property tax distribution from County	2,290,000	2,290,000	2,261,561	(28,439)	2,313,609
Public utility taxes	331,000	331,000	365,370	34,370	391,632
Cable TV franchise fees	220,000	220,000	251,307	31,307	228,939
	2,841,000	2,841,000	2,878,238	37,238	2,934,180
DEPARTMENTAL INCOME					
Clerks fees	3,500	3,500	3,200	(300)	4,300
Police Department fees	5,000	5,000	6,748	1,748	7,440
Fire Department fees	4,500	4,500	6,275	1,775	5,300
Safety inspection fees	70,000	70,000	175,291	105,291	107,590
Public Works fees	6,000	6,000	10,270	4,270	11,915
Parking fees	1,131,000	1,131,000	1,087,822	(43,178)	1,238,673
Parks and recreation fees	1,419,853	1,419,853	1,348,981	(70,872)	1,352,441
Zoning and Appeals Board fees	11,000	11,000	20,075	9,075	16,385
Planning Board fees	11,700	11,700	7,790	(3,910)	14,810
Disposal site fees	35,000	35,000	48,587	13,587	49,905
Board of Architectural Review fees	12,700	12,700	22,012	9,312	12,252
Alarm monitoring fees	94,000	94,000	72,458	(21,542)	91,256
	2,804,253	2,804,253	2,809,509	5,256	2,912,267



# INTERGOVERNMENTAL REVENUES

Snow removal	25,000	25,000	23,686	(1,314)	44,148
Board of Education	119,625	119,625	65,625	(54,000)	65,625
	<u>144,625</u>	<u>144,625</u>	<u>89,311</u>	<u>(55,314)</u>	<u>109,773</u>

# USE OF MONEY AND PROPERTY

Interest earnings	908,000	908,000	1,131,896	223,896	793,908
Rental income	428,000	428,000	477,186	49,186	400,566
Commissions	100	100	-	(100)	-
	<u>1,336,100</u>	<u>1,336,100</u>	<u>1,609,082</u>	<u>272,982</u>	<u>1,194,474</u>

# LICENSES AND PERMITS

Occupational licenses	4,500	4,500	7,120	2,620	5,265
Dog licenses	6,200	6,200	5,761	(439)	5,371
Marriage licenses	3,000	3,000	-	(3,000)	-
Building permits	1,080,000	1,080,000	1,474,732	394,732	1,141,962
Alarm user annual permits	240,000	240,000	246,011	6,011	246,312
Other permits	97,500	97,500	190,359	92,859	115,900
	<u>1,431,200</u>	<u>1,431,200</u>	<u>1,923,983</u>	<u>492,783</u>	<u>1,514,810</u>

# FINES AND FORFEITURES

Justice Court fines	575,000	575,000	736,637	161,637	565,027
Alarm fines	75,000	75,000	72,844	(2,156)	87,083
	<u>650,000</u>	<u>650,000</u>	<u>809,481</u>	<u>159,481</u>	<u>652,110</u>

# SALE OF PROPERTY AND COMPENSATION FOR LOSS

Minor sales	25,000	25,000	6,593	(18,407)	29,609
Sale of equipment - Trucks and cars	20,000	20,000	126,750	106,750	14,460
Worker's compensation insurance recoveries	25,000	25,000	8,580	(16,420)	17,121
Payment for loss of revenue - Christy Place	-	-	90,000	90,000	-
	<u>70,000</u>	<u>70,000</u>	<u>231,923</u>	<u>161,923</u>	<u>61,190</u>

(Continued)

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VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)  
YEAR ENDED MAY 31, 2007  
(With Comparative Actuals for 2006)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2006 Actual
STATE AID					
Per capita	159,200	159,200	141,455	\$ (17,745)	117,914
Mortgage tax	2,208,000	2,208,000	1,422,171	(785,829)	1,269,028
STAR reimbursement	4,000	4,000	-	(4,000)	-
Traffic safety	-	-	-	-	15,116
Youth programs	12,000	12,000	12,572	572	6,602
	<u>2,383,200</u>	<u>2,383,200</u>	<u>1,576,198</u>	<u>(807,002)</u>	<u>1,408,660</u>
MISCELLANEOUS					
Refunds of prior year's expenditures	10,000	10,000	10,707	707	44,230
Refunds of Worker's compensation premiums	-	-	-	-	-
Gifts and donations	-	-	755	755	-
Employee health insurance reimbursements	150,000	150,000	184,968	34,968	142,994
Other	112,000	112,000	232,742	120,742	170,575
	<u>272,000</u>	<u>272,000</u>	<u>429,172</u>	<u>157,172</u>	<u>357,799</u>
	<u>36,802,552</u>	<u>36,802,552</u>	<u>36,950,854</u>	<u>148,302</u>	<u>34,487,117</u>
TOTAL REVENUES					
	-	250,000	366,989	116,989	3,070,000
OTHER FINANCING SOURCES					
Sale of real property	-	-	1,580,714	1,580,714	2,051,280
Transfers:					
Town Fund	-	-	340,000	-	457,000
Capital Projects Fund	340,000	340,000	4,700	-	4,530
Non-Major Governmental Funds	4,700	4,700	36,400	-	35,160
Pool Fund	36,400	36,400	126,200	-	121,960
Water Fund	126,200	126,200	23,100	-	22,400
Garage Fund	23,100	23,100			
	<u>530,400</u>	<u>530,400</u>	<u>2,111,114</u>	<u>1,580,714</u>	<u>2,692,330</u>
	<u>530,400</u>	<u>780,400</u>	<u>2,478,103</u>	<u>1,697,703</u>	<u>5,762,330</u>
TOTAL OTHER FINANCING SOURCES					
	<u>\$ 37,332,952</u>	<u>\$ 37,582,952</u>	<u>\$ 39,428,957</u>	<u>\$ 1,846,005</u>	<u>\$ 40,249,447</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES					

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2007

(With Comparative Actuals for 2006)

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)	2006 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Municipal court	\$ 370,470	\$ 386,430	\$ 383,694	\$ 2,736	\$ 358,758
Village manager	695,965	720,044	706,147	13,897	717,741
Village treasurer	526,680	529,660	502,794	26,866	497,392
Assessor	208,050	218,122	217,133	989	190,825
Village clerk	180,387	197,142	172,404	24,738	155,390
Village attorney	321,307	384,356	383,700	656	329,423
Human resources	217,579	230,655	220,824	9,831	228,688
Information technology	351,008	347,648	327,253	20,395	364,178
Building and safety inspection	460,321	439,028	437,004	2,024	386,385
Planning	185,855	267,884	264,435	3,449	163,818
Human services	378,576	378,576	378,576	-	377,547
Utilities	170,000	170,000	164,486	5,514	187,500
Liability insurance	532,446	532,446	388,359	144,087	546,291
Central garage	1,152,472	1,152,472	1,152,472	-	1,117,133
Miscellaneous	751,950	758,860	331,456	427,404	395,990
	<u>6,503,066</u>	<u>6,713,323</u>	<u>6,030,737</u>	<u>682,586</u>	<u>6,017,059</u>
<b>PUBLIC SAFETY</b>					
Police	5,268,343	5,030,366	4,991,110	39,256	4,851,736
Fire	4,479,388	4,501,965	4,485,395	16,570	4,524,108
	<u>9,747,731</u>	<u>9,532,331</u>	<u>9,476,505</u>	<u>55,826</u>	<u>9,375,844</u>

## CULTURE AND RECREATION

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

447,989	475,522	472,251	3,271	491,545
639,580	592,158	588,802	3,356	568,360
83,663	84,385	81,515	2,870	91,783
357,988	350,057	316,692	33,365	275,098
547,014	528,827	522,314	6,513	474,493
46,393	41,475	38,045	3,430	37,348
259,316	253,816	246,581	7,235	248,828
<u>2,381,943</u>	<u>2,326,240</u>	<u>2,266,200</u>	<u>60,040</u>	<u>2,187,455</u>

## HOME AND COMMUNITY SERVICES

Administration  
 Engineer  
 Facilities maintenance  
 Highway  
 Sanitation

326,703	370,833	370,830	3	363,504
261,696	281,360	281,089	271	281,304
966,064	976,966	965,731	11,235	916,189
2,395,352	2,486,948	2,470,023	16,925	2,385,090
1,970,570	1,994,184	1,978,512	15,672	1,941,236
<u>5,920,385</u>	<u>6,110,291</u>	<u>6,066,185</u>	<u>44,106</u>	<u>5,887,323</u>

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## EMPLOYEE BENEFITS

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

2,195,717	2,152,783	2,056,120	96,663	2,115,106
1,438,854	1,299,329	1,253,103	46,226	1,267,231
522,400	522,400	516,989	5,411	474,914
4,108,200	4,132,475	4,132,475	-	3,799,085
35,000	61,159	61,158	1	48,809
250,000	242,500	97,718	144,782	-
37,600	37,600	35,663	1,937	35,195
<u>8,587,771</u>	<u>8,448,246</u>	<u>8,153,226</u>	<u>295,020</u>	<u>7,740,340</u>

## DEBT SERVICE

Serial Bonds:  
 Principal  
 Interest

669,504	669,504	669,504	-	610,345
314,257	314,257	314,257	-	383,096
983,761	983,761	983,761	-	993,441

## TOTAL EXPENDITURES

<u>34,124,657</u>	<u>34,114,192</u>	<u>32,976,614</u>	<u>1,137,578</u>	<u>32,201,462</u>
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VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)  
 YEAR ENDED MAY 31, 2007  
 (With Comparative Actuals for 2006)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
OTHER FINANCING USES					
Transfers out:					
Capital Projects Fund	\$ 842,000	\$ 1,727,000	\$ 1,727,000	\$ -	\$ 7,046,000
Internal Service		109,000	109,000	-	-
Non-Major Governmental Funds	2,634,755	2,634,755	2,634,755	-	2,436,100
Pool Fund	10,725	10,725	10,725	-	10,725
Total Other Financing Uses	3,487,480	4,481,480	4,481,480	-	9,492,825
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 37,612,137	\$ 38,595,672	\$ 37,458,094	\$ 1,137,578	\$ 41,694,287

VILLAGE OF SCARSDALE, NEW YORK

TOWN FUND  
COMPARATIVE BALANCE SHEET  
MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 1,119,349	\$ 627,160
Investments	36,701	-
Taxes Receivable:		
School district	1,704,239	1,590,115
County	212,129	217,488
	<u>1,916,368</u>	<u>1,807,603</u>
Total Assets	<u>\$ 3,072,418</u>	<u>\$ 2,434,763</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Due to other governments	\$ 1,906,612	\$ 1,429,329
Fund Balance - Unreserved and undesignated	<u>1,165,806</u>	<u>1,005,434</u>
Total Liabilities and Fund Balance	<u>\$ 3,072,418</u>	<u>\$ 2,434,763</u>

VILLAGE OF SCARSDALE, NEW YORK

TOWN FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MAY 31, 2007 AND 2006

	2007	2006
Revenues:		
Real property taxes	\$ 447,871	\$ 418,611
Other tax items	337,169	321,547
Departmental income	2,343	2,630
Use of money and property	294,105	181,291
State aid	5,582	5,128
Miscellaneous	10,768	39
Total Revenues	1,097,838	929,246
Expenditures -	-	-
Excess of Revenues Over Expenditures	1,097,838	929,246
Other Financing Uses -		
Transfers out	(937,466)	(942,858)
Net Change in Fund Balance	160,372	(13,612)
Fund Balance - Beginning of Year	1,005,434	1,019,046
Fund Balance - End of Year	\$ 1,165,806	\$ 1,005,434



VILLAGE OF SCARSDALE, NEW YORK

CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 6,351,015	\$ 7,065,875
Receivables:		
Accounts	-	8,383
State and Federal aid	-	43,440
Other governments	-	39,750
	-	91,573
Total Assets	<u>\$ 6,351,015</u>	<u>\$ 7,157,448</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 227,363	\$ 234,418
Accrued liabilities	53,457	73,067
Retainages payable	70,248	130,170
Total Liabilities	<u>351,068</u>	<u>437,655</u>
Fund Balance:		
Reserved for encumbrances	3,812,785	1,300,006
Reserved for land acquisition and improvements	421,699	163,169
Unreserved:		
Designated for subsequent years' budget	1,473,000	2,665,000
Unreserved and undesignated	292,463	2,591,618
Total Fund Balance	<u>5,999,947</u>	<u>6,719,793</u>
Total Liabilities and Fund Balance	<u>\$ 6,351,015</u>	<u>\$ 7,157,448</u>

VILLAGE OF SCARSDALE, NEW YORK

CAPITAL PROJECTS FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET TO ACTUAL

YEARS ENDED MAY 31, 2007 AND 2006

	2007			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Use of money and property	\$ 80,000	\$ 80,000	\$ 303,193	\$ 223,193
State aid	9,974,500	9,974,500	311,040	(9,663,460)
Federal aid	20,000	20,000	53,264	33,264
Miscellaneous	983,000	995,000	678,121	(316,879)
Total Revenues	11,057,500	11,069,500	1,345,618	(9,723,882)
Expenditures - Capital Outlay	21,568,400	22,212,209	3,607,464	18,604,745
Deficiency of Revenues Over Expenditures	(10,510,900)	(11,142,709)	(2,261,846)	8,880,863
Other Financing Sources (Uses):				
Bond proceeds	6,765,000	6,765,000	-	(6,765,000)
Transfers in	997,000	997,000	1,882,000	885,000
Transfers out	-	-	(340,000)	(340,000)
Total Other Financing Sources	7,762,000	7,762,000	1,542,000	(6,220,000)
Net Change in Fund Balance	(2,748,900)	(3,380,709)	(719,846)	2,660,863
Fund Balance - Beginning of Year	2,748,900	3,380,709	6,719,793	3,339,084
Fund Balance - End of Year	\$ -	\$ -	\$ 5,999,947	\$ 5,999,947

2006

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 37,900	\$ 37,900	\$ 108,568	\$ 70,668
9,961,000	9,961,000	426,040	(9,534,960)
-	-	34,253	34,253
775,000	795,000	125,238	(669,762)
10,773,900	10,793,900	694,099	(10,099,801)
21,451,900	24,617,115	3,584,869	21,032,246
(10,678,000)	(13,823,215)	(2,890,770)	10,932,445
8,203,000	7,753,000	-	(9,311,330)
1,098,000	4,412,000	7,196,000	1,254,000
(328,495)	(328,495)	(457,000)	-
8,972,505	11,836,505	6,739,000	(5,097,505)
(1,705,495)	(1,986,710)	3,848,230	5,834,940
1,705,495	1,986,710	2,871,563	884,853
\$ -	\$ -	\$ 6,719,793	\$ 6,719,793

VILLAGE OF SCARSDALE, NEW YORK

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
MAY 31, 2007  
(With Comparative Totals for 2006)

	<u>Special Revenue Funds</u>		
	<u>Library</u>	<u>Special Purpose</u>	<u>Permanent</u>
<u>ASSETS</u>			
Cash and Equivalents	\$ 284,333	\$ 701,479	\$ 572,600
Receivables:			
Accounts	-	1,962	-
Due from other funds	-	2,527	-
	-	4,489	-
Prepaid Expenditures	37,101	-	-
Total Assets	<u>\$ 321,434</u>	<u>\$ 705,968</u>	<u>\$ 572,600</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 45,603	\$ 94,572	\$ -
Accrued liabilities	13,599	-	-
Due to other funds	2,527	1,962	-
Deposits	-	112,366	-
Total Liabilities	<u>61,729</u>	<u>208,900</u>	<u>-</u>
Fund Balances:			
Reserved for prepaid expenditures	37,101	-	-
Reserved for trusts	-	497,068	572,600
Unreserved:			
Designated for subsequent year's expenditures	103,950	-	-
Undesignated	118,654	-	-
Total Fund Balances	<u>259,705</u>	<u>497,068</u>	<u>572,600</u>
Total Liabilities and Fund Balances	<u>\$ 321,434</u>	<u>\$ 705,968</u>	<u>\$ 572,600</u>

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Total Non-Major  
Governmental Funds

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<u>2007</u>	<u>2006</u>
<u>\$ 1,558,412</u>	<u>\$ 1,537,774</u>
1,962	2,096
<u>2,527</u>	<u>-</u>
<u>4,489</u>	<u>2,096</u>
<u>37,101</u>	<u>23,835</u>
<u>\$ 1,600,002</u>	<u>\$ 1,563,705</u>

\$ 140,175	\$ 160,418
13,599	4,980
4,489	-
<u>112,366</u>	<u>112,366</u>
<u>270,629</u>	<u>277,764</u>

37,101	23,835
1,069,668	1,077,431
103,950	110,000
<u>118,654</u>	<u>74,675</u>
<u>1,329,373</u>	<u>1,285,941</u>
<u>\$ 1,600,002</u>	<u>\$ 1,563,705</u>

VILLAGE OF SCARSDALE, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED MAY 31, 2007  
 (With Comparative Totals for 2006)

	<u>Special Revenue Funds</u>		
	<u>Library</u>	<u>Special Purpose</u>	<u>Permanent</u>
Revenues:			
Departmental income	\$ 62,386	\$ -	\$ -
Use of money and property	22,513	145	28,580
State aid	7,485	-	-
Miscellaneous	30,782	3,222	-
	<u>123,166</u>	<u>3,367</u>	<u>28,580</u>
Total Revenues			
Expenditures:			
Current:			
Culture and recreation	2,191,729	39,710	-
Employee benefits	510,297	-	-
	<u>2,702,026</u>	<u>39,710</u>	<u>-</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,578,860)</u>	<u>(36,343)</u>	<u>28,580</u>
Other Financing Sources (Uses):			
Transfers in	2,634,755	28,580	-
Transfers out	(4,700)	-	(28,580)
	<u>2,630,055</u>	<u>28,580</u>	<u>(28,580)</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	51,195	(7,763)	-
Fund Balances - Beginning of Year	<u>208,510</u>	<u>504,831</u>	<u>572,600</u>
Fund Balances - End of Year	<u>\$ 259,705</u>	<u>\$ 497,068</u>	<u>\$ 572,600</u>

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Total Non-Major  
Governmental Funds

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2007	2006
\$ 62,386	\$ 66,976
51,238	40,824
7,485	8,212
34,004	75,658
<hr/>	<hr/>
155,113	191,670
<hr/>	<hr/>
2,231,439	2,174,904
510,297	436,102
<hr/>	<hr/>
2,741,736	2,611,006
<hr/>	<hr/>
(2,586,623)	(2,419,336)
<hr/>	<hr/>
2,663,335	2,457,439
(33,280)	(25,869)
<hr/>	<hr/>
2,630,055	2,431,570
<hr/>	<hr/>
43,432	12,234
<hr/>	<hr/>
1,285,941	1,273,707
<hr/>	<hr/>
\$ 1,329,373	\$ 1,285,941
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VILLAGE OF SCARSDALE, NEW YORK

LIBRARY FUND  
COMPARATIVE BALANCE SHEET  
MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 284,023	\$ 304,987
Petty cash	310	310
	<u>284,333</u>	<u>305,297</u>
Prepaid Expenditures	<u>37,101</u>	<u>23,835</u>
Total Assets	<u>\$ 321,434</u>	<u>\$ 329,132</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 45,603	\$ 115,642
Accrued liabilities	13,599	4,980
Due to other funds	<u>2,527</u>	<u>-</u>
Total Liabilities	<u>61,729</u>	<u>120,622</u>
Fund Balance:		
Reserved for prepaid expenditures	37,101	23,835
Unreserved:		
Designated for subsequent year's expenditures	103,950	110,000
Undesignated	<u>118,654</u>	<u>74,675</u>
Total Fund Balance	<u>259,705</u>	<u>208,510</u>
Total Liabilities and Fund Balance	<u>\$ 321,434</u>	<u>\$ 329,132</u>

VILLAGE OF SCARSDALE, NEW YORK

LIBRARY FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

YEARS ENDED MAY 31, 2007 AND 2006

	2007			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 65,000	\$ 65,000	\$ 62,386	\$ (2,614)
Use of money and property	15,000	15,000	22,513	7,513
State aid	7,110	7,110	7,485	375
Miscellaneous	22,960	22,960	30,782	7,822
Total Revenues	110,070	110,070	123,166	13,096
Expenditures:				
Current:				
Culture and recreation	2,337,040	2,331,960	2,191,729	140,231
Employee benefits	529,085	529,085	510,297	18,788
Total Expenditures	2,866,125	2,861,045	2,702,026	159,019
Deficiency of Revenues Over Expenditures	(2,756,055)	(2,750,975)	(2,578,860)	(172,115)
Other Financing Sources (Uses):				
Transfers in	2,650,755	2,650,755	2,634,755	(16,000)
Transfers out	(4,700)	(4,700)	(4,700)	-
Total Other Financing Sources	2,646,055	2,646,055	2,630,055	(16,000)
Net Change in Fund Balance	(110,000)	(104,920)	51,195	156,115
Fund Balance - Beginning of Year	110,000	104,920	208,510	103,590
Fund Balance - End of Year	\$ -	\$ -	\$ 259,705	\$ 259,705

2006

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 65,000	\$ 65,000	\$ 66,976	\$ 1,976
9,575	9,575	17,389	7,814
7,110	7,110	8,212	1,102
14,700	14,700	41,017	26,317
96,385	96,385	133,594	37,209
2,214,130	2,246,278	2,155,677	90,601
439,000	439,000	436,102	2,898
2,653,130	2,685,278	2,591,779	93,499
(2,556,745)	(2,588,893)	(2,458,185)	(130,708)
2,452,100	2,452,100	2,436,100	(16,000)
(4,530)	(4,530)	(4,530)	-
2,447,570	2,447,570	2,431,570	(16,000)
(109,175)	(141,323)	(26,615)	114,708
109,175	141,323	235,125	93,802
\$ -	\$ -	\$ 208,510	\$ 208,510

VILLAGE OF SCARSDALE, NEW YORK

SPECIAL PURPOSE FUND  
COMPARATIVE BALANCE SHEET  
MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 701,479</u>	<u>\$ 659,877</u>
Receivables:		
Accounts	1,962	2,096
Due from other funds	<u>2,527</u>	<u>-</u>
	<u>4,489</u>	<u>2,096</u>
Total Assets	<u><u>\$ 705,968</u></u>	<u><u>\$ 661,973</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 94,572	\$ 44,776
Due to other funds	1,962	-
Deposits	<u>112,366</u>	<u>112,366</u>
Total Liabilities	208,900	157,142
Fund Balance - Reserved for trusts	<u>497,068</u>	<u>504,831</u>
Total Liabilities and Fund Balance	<u><u>\$ 705,968</u></u>	<u><u>\$ 661,973</u></u>

VILLAGE OF SCARSDALE, NEW YORK

SPECIAL PURPOSE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEARS ENDED MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Use of money and property	\$ 145	\$ 2,096
Miscellaneous	<u>3,222</u>	<u>34,641</u>
Total Revenues	3,367	36,737
Expenditures -		
Current -		
Culture and recreation	<u>39,710</u>	<u>19,227</u>
Excess (Deficiency) of Revenues Over Expenditures	(36,343)	17,510
Other Financing Sources - Transfers in	<u>28,580</u>	<u>21,339</u>
Net Change in Fund Balance	(7,763)	38,849
Fund Balance - Beginning of year	<u>504,831</u>	<u>465,982</u>
Fund Balance - End of year	<u>\$ 497,068</u>	<u>\$ 504,831</u>

VILLAGE OF SCARSDALE, NEW YORK

PERMANENT FUND  
COMPARATIVE BALANCE SHEET  
May 31, 2007 AND 2006

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	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 572,600</u>	<u>\$ 572,600</u>
<u>FUND BALANCE</u>		
Reserved for Trusts	<u>\$ 572,600</u>	<u>\$ 572,600</u>

VILLAGE OF SCARSDALE, NEW YORK

PERMANENT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE

YEARS ENDED MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Revenues - Use of money and property	\$ 28,580	\$ 21,339
Expenditures	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	28,580	21,339
Other Financing Uses - Transfers out	<u>(28,580)</u>	<u>(21,339)</u>
Net Change in Fund Balance	-	-
Fund Balance - Beginning of Year	<u>572,600</u>	<u>572,600</u>
Fund Balance - End of Year	<u><u>\$ 572,600</u></u>	<u><u>\$ 572,600</u></u>

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - WATER FUND  
COMPARATIVE STATEMENT OF NET ASSETS  
MAY 31, 2007 AND 2006

	2007	2006
<u>ASSETS</u>		
Current Assets:		
Cash - Demand deposits	\$ 3,440,703	\$ 5,439,550
Accounts receivable	281,119	163,519
Due from other funds	22,400	-
Prepaid expenses	52,599	10,216
Total Current Assets	3,796,821	5,613,285
Capital Assets:		
Land	31,789	31,789
Buildings	2,012,985	2,042,411
Machinery and equipment	955,570	1,174,734
Infrastructure	1,601,086	1,740,543
Construction-in-progress	328,242	6,691
	4,929,672	4,996,168
Less - Accumulated depreciation	(3,184,714)	(3,405,753)
Total Capital Assets, net of accumulated depreciation	1,744,958	1,590,415
Total Assets	5,541,779	7,203,700
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	16,245	43,404
Accrued liabilities	75,754	3,501,292
Due to other funds	11,849	-
Unearned revenues	515	-
Current portion of compensated absences	21,316	19,359
Total Current Liabilities	125,679	3,564,055
Noncurrent Liabilities -		
Compensated absences, less current portion	196,641	174,229
Total Liabilities	322,320	3,738,284
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	1,744,958	1,590,415
Unrestricted	3,474,501	1,875,001
Total Net Assets	\$ 5,219,459	\$ 3,465,416



VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - WATER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET ASSETS  
YEARS ENDED MAY 31, 2007 AND 2006

	2007	2006
Operating Revenues -		
Charges for services	\$ 4,823,695	\$ 3,373,277
Operating Expenses:		
Taxes on Village property	48,801	36,965
Personal services	737,297	659,952
Contractual services	37,314	27,292
Supplies	141,299	76,077
Utilities	79,411	95,746
Employee benefits	258,019	211,273
Insurance	36,500	30,380
Repairs and maintenance	6,899	15,792
Equipment maintenance	140,282	38,984
Depreciation	201,832	140,348
Purchase of water	1,090,790	4,378,361
Property services	155,250	150,000
Miscellaneous	15,974	15,343
Total Operating Expenses	2,949,668	5,876,513
Income (Loss) from Operations	1,874,027	(2,503,236)
Non-Operating Revenues - Interest income	157,216	195,555
Income (Loss) Before Transfers	2,031,243	(2,307,681)
Transfers:		
Transfer in	4,000	4,000
Transfer out	(281,200)	(271,960)
Total Transfers	(277,200)	(267,960)
Change in Net Assets	1,754,043	(2,575,641)
Net Assets - Beginning of Year	3,465,416	6,041,057
Net Assets - End of Year	\$ 5,219,459	\$ 3,465,416

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - WATER FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
YEARS ENDED MAY 31, 2007 AND 2006

	2007	2006
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 4,684,210	\$ 3,357,300
Cash payments for goods or services	(5,309,536)	(1,513,600)
Cash payments to employees	(897,162)	(869,814)
Net Cash Provided by (Used in) Operating Activities	(1,522,488)	973,886
Cash Flows From Non-Capital Financing Activities:		
Transfers in	4,000	4,000
Transfers out	(281,200)	(271,960)
Net Cash Used by Non-Capital Financing Activities	(277,200)	(267,960)
Cash Flows From Capital and Related Financing Activities -		
Acquisition and construction of capital assets	(356,375)	(158,051)
Cash Flow From Investing Activities:		
Interest income	157,216	195,555
Sale of investments	-	492,222
Net Cash Provided by Investing Activities	157,216	687,777
Net Change in Cash	(1,998,847)	1,235,652
Cash - Beginning of Year	5,439,550	4,203,898
Cash - End of Year	\$ 3,440,703	\$ 5,439,550
Reconciliation of Income (Loss) from Operations to Net Cash		
Provided by (Used in) Operating Activities:		
Income (loss) from operations	\$ 1,874,027	\$ (2,503,236)
Adjustments to reconcile income (loss) from operations to net		
cash provided by (used in) operating activities:		
Depreciation	201,832	140,348
Changes in operating assets and liabilities:		
Accounts receivable	(117,600)	(15,977)
Due from other funds	(22,400)	-
Prepaid expenses	(42,383)	(10,216)
Accounts payable	(27,159)	(137,767)
Accrued liabilities	(3,425,538)	3,485,965
Due to other funds	11,849	-
Unearned revenues	515	-
Compensated absences	24,369	14,769
Net Cash (Used) Provided by Operating Activities	\$ (1,522,488)	\$ 973,886

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - POOL FUND  
COMPARATIVE STATEMENT OF NET ASSETS  
MAY 31, 2007 AND 2006

	2007	2006
<u>ASSETS</u>		
Current Assets:		
Cash:		
Demand deposits	\$ 839,244	\$ 857,761
Petty cash	200	200
	839,444	857,961
Prepaid expenses	11,583	-
Total Current Assets	851,027	857,961
Capital Assets:		
Land	118,000	118,000
Buildings	2,297,210	2,411,166
Machinery and equipment	173,288	287,522
Infrastructure	244,245	244,245
Construction-in-progress	213,828	-
	3,046,571	3,060,933
Less - Accumulated depreciation	(1,405,390)	(1,413,703)
Total Capital Assets, net of accumulated depreciation	1,641,181	1,647,230
Total Assets	2,492,208	2,505,191
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	44,340	33,595
Accrued liabilities	93,061	520
Accrued interest	14,768	16,376
Retained percentages	10,711	-
Due to other funds	2,809	-
Unearned revenues	613,215	547,691
Current maturities of bonds payable	135,796	128,496
Total Current Liabilities	914,700	726,678
Noncurrent Liabilities -		
Bonds payable, less current maturities	954,955	1,090,751
Total Liabilities	1,869,655	1,817,429
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	550,430	427,983
Unrestricted	72,123	259,779
Total Net Assets	\$ 622,553	\$ 687,762

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - POOL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET ASSETS  
YEARS ENDED MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Operating Revenues -		
Charges for services	<u>\$ 871,828</u>	<u>\$ 797,581</u>
Operating Expenses:		
Taxes on Village property	2,808	-
Personal services	329,194	348,828
Contract services	70,348	65,570
Supplies	31,248	37,064
Utilities	39,619	41,500
Employee benefits	36,337	38,882
Insurance	19,000	19,000
Repairs and maintenance	69,807	40,910
Equipment maintenance	30,590	23,920
Depreciation	219,876	164,680
Miscellaneous	<u>45,066</u>	<u>22,588</u>
Total Operating Expenses	<u>893,893</u>	<u>802,942</u>
Loss from Operations	<u>(22,065)</u>	<u>(5,361)</u>
Non-Operating Revenues (Expenses):		
Interest income	31,649	16,892
Interest expense	<u>(45,118)</u>	<u>(49,900)</u>
Total Non-Operating Expenses	<u>(13,469)</u>	<u>(33,008)</u>
Loss Before Transfers	<u>(35,534)</u>	<u>(38,369)</u>
Transfers:		
Transfer in	10,725	10,725
Transfer out	<u>(40,400)</u>	<u>(39,160)</u>
Total Transfers	<u>(29,675)</u>	<u>(28,435)</u>
Change in Net Assets	<u>(65,209)</u>	<u>(66,804)</u>
Net Assets - Beginning of Year, as reported	687,762	906,859
Prior Period Adjustment	<u>-</u>	<u>(152,293)</u>
Net Assets - Beginning of Year, as restated	<u>687,762</u>	<u>754,566</u>
Net Assets - End of Year	<u>\$ 622,553</u>	<u>\$ 687,762</u>

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - POOL FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
YEARS ENDED MAY 31, 2007 AND 2006

	2007	2006
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 871,828	\$ 799,012
Cash payments for goods or services	(142,339)	(78,027)
Cash payments to employees	(360,934)	(392,741)
Net Cash Provided by Operating Activities	368,555	328,244
Cash Flows From Non-Capital Financing Activities:		
Transfers in	10,725	10,725
Transfers out	(40,400)	(39,160)
Net Cash Used by Non-Capital Financing Activities	(29,675)	(28,435)
Cash Flows From Capital and Related Financing Activities:		
Principal paid on bonds	(128,496)	(122,655)
Interest paid on indebtedness	(46,724)	(51,433)
Acquisition and construction of capital assets	(213,826)	-
Net Cash Used in Capital and Related Financing Activities	(389,046)	(174,088)
Cash Flow From Investing Activities -		
Interest income	31,649	16,892
Net Increase (Decrease) in Cash	(18,517)	142,613
Cash - Beginning of Year	857,961	715,348
Cash - End of Year	\$ 839,444	\$ 857,961
Reconciliation of Loss from Operations to Net Cash Provided by Operating Activities:		
Loss from operations	\$ (22,065)	\$ (5,361)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	219,876	164,680
Changes in operating assets and liabilities:		
Accounts receivable	-	1,431
Prepaid expenses	(11,583)	-
Accounts payable	10,745	(3,503)
Accrued liabilities	92,538	(5,033)
Retained percentages	10,711	-
Due to other funds	2,809	-
Unearned revenues	65,524	176,030
Net Cash Provided by Operating Activities	\$ 368,555	\$ 328,244

VILLAGE OF SCARSDALE, NEW YORK

INTERNAL SERVICE FUND - CENTRAL GARAGE FUND  
COMPARATIVE STATEMENT OF NET ASSETS  
YEARS ENDED MAY 31, 2007 AND 2006

	2007	2006
<u>ASSETS</u>		
Current Assets:		
Cash:		
Demand deposits	\$ 332	\$ 7,663
Petty cash	100	100
	432	7,763
Due from other governments	157,674	146,692
Due from other funds	109,000	-
Prepaid expenses	63,044	18,705
Total Current Assets	330,150	173,160
Capital Assets:		
Buildings	2,114,268	2,302,959
Machinery and equipment	230,245	354,226
	2,344,513	2,657,185
Less - Accumulated depreciation	(1,061,532)	(1,201,263)
Total Capital Assets, net of accumulated depreciation	1,282,981	1,455,922
Total Assets	1,613,131	1,629,082
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	281,100	132,000
Accrued liabilities	140,039	2,269
Accrued interest	7,552	9,309
Current maturities of bonds payable	87,000	87,000
Current portion of compensated absences	13,670	14,574
Total Current Liabilities	529,361	245,152
Noncurrent Liabilities:		
Bonds payable, less current maturities	306,000	393,000
Compensated absences, less current portion	123,326	131,161
Total Noncurrent Liabilities	429,326	524,161
Total Liabilities	958,687	769,313
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	889,981	975,922
Unrestricted	(235,537)	(116,153)
Total Net Assets	\$ 654,444	\$ 859,769

VILLAGE OF SCARSDALE, NEW YORK

INTERNAL SERVICE FUND - CENTRAL GARAGE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET ASSETS  
YEARS ENDED MAY 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Operating Revenues -		
Charges for services	<u>\$ 2,170,471</u>	<u>\$ 2,094,627</u>
Operating Expenses:		
Personal services	895,003	779,345
Contractual services	1,021,647	1,011,123
Employee benefits	352,061	295,391
Depreciation	<u>172,941</u>	<u>66,217</u>
Total Operating Expenses	<u>2,441,652</u>	<u>2,152,076</u>
Loss from Operations	<u>(271,181)</u>	<u>(57,449)</u>
Non-Operating Revenues (Expenses):		
Interest income	2,669	3,554
Interest expense	<u>(22,713)</u>	<u>(25,782)</u>
Total Non-Operating Expenses	<u>(20,044)</u>	<u>(22,228)</u>
Loss Before Transfers	<u>(291,225)</u>	<u>(79,677)</u>
Transfers:		
Transfers in	109,000	-
Transfers out	<u>(23,100)</u>	<u>(22,400)</u>
Total Transfers	<u>85,900</u>	<u>(22,400)</u>
Change in Net Assets	<u>(205,325)</u>	<u>(102,077)</u>
Net Assets - Beginning of Year	<u>859,769</u>	<u>961,846</u>
Net Assets - End of Year	<u><u>\$ 654,444</u></u>	<u><u>\$ 859,769</u></u>

VILLAGE OF SCARSDALE, NEW YORK

INTERNAL SERVICE FUND - CENTRAL GARAGE FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
YEARS ENDED MAY 31, 2007 AND 2006

	2007	2006
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 2,159,489	\$ 2,053,989
Cash payments for goods or services	(916,886)	(991,039)
Cash payments to employees	(1,118,033)	(1,027,063)
Net Cash Provided by Operating Activities	124,570	35,887
Cash Flows From Non-Capital Financing Activities -		
Transfers out	(23,100)	(22,400)
Cash Flows From Capital and Related Financing Activities:		
Principal paid on bonds	(87,000)	(87,000)
Interest paid on indebtedness	(24,470)	(27,484)
Net Cash Used in Capital and Related Financing Activities	(111,470)	(114,484)
Cash Flow From Investing Activities -		
Interest income	2,669	3,554
Net Change in Cash	(7,331)	(97,443)
Cash - Beginning of Year	7,763	105,206
Cash - End of Year	\$ 432	\$ 7,763
Reconciliation of Loss from Operations to Net Cash Provided by Operating Activities:		
Loss from operations	\$ (271,181)	\$ (57,449)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	172,941	66,217
Changes in operating assets and liabilities:		
Due from other governments	(10,982)	(40,638)
Prepaid expenses	(44,339)	(18,705)
Accounts payable	149,100	36,918
Accrued liabilities	137,770	2,271
Compensated absences	(8,739)	47,273
Net Cash Provided by Operating Activities	\$ 124,570	\$ 35,887