

**INCORPORATED VILLAGE OF  
STEWART MANOR**  
*COUNTY OF NASSAU - STATE OF NEW YORK*

*FINANCIAL STATEMENTS*  
**Year Ended May 31, 2009**

**INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK**

**Year Ended May 31, 2009**

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**ACCOUNTANT'S COMPILATION REPORT**

The Board of Trustees  
Incorporated Village of Stewart Manor  
Stewart Manor NY

We have compiled the accompanying financial statements, of the governmental activities, each major fund, and fiduciary fund of the Incorporated Village of Stewart Manor (Village) as of and for the year ended May 31, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the Village. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information, are not required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have compiled this supplementary information from information that is the representation of the Village, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on this supplementary information.



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LUNDY & CO., CPA's, P.C.

Jericho, New York  
August 12,, 2009

## **INCORPORATED VILLAGE OF STEWART MANOR**

Management's Discussion and Analysis  
For Year Ended May 31, 2009  
(Unaudited)

As management of the Incorporated Village of Stewart Manor (the "Village"), we offer readers of the Village's financial statement this narrative overview and analysis of the financial activities of the Village for the year ended May 31, 2009.

### **FINANCIAL HIGHLIGHTS**

- The assets of the Village exceeded its liabilities at May 31, 2009 fiscal year by \$1,234,750 (net assets). Of this amount, \$374,987 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the Village's fund designation and fiscal policies.
- The Village's total net assets increased by \$222,392.
- As of the close of the current fiscal year, the Village's governmental funds reported an ending fund balance of \$405,954 (an increase of \$30,858 in comparison with the prior year). Of this amount \$405,954 is unreserved and available for use within the Village's designation and policies.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$405,954 or approximately 20% the total general fund expenditures.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**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 of whether the financial position of the Village is improving or deteriorating.

## INCORPORATED VILLAGE OF STEWART MANOR

Management's Discussion and Analysis  
For Year Ended May 31, 2009  
(Unaudited)

The Statement of Activities presents information showing how the Village's net assets changed during the year. All changes in net assets are reported when 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 the future periods.

Both of the government-wide financial statements distinguish function/programs of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, health, transportation, culture and recreation and home and community. The Village has no business-type activities.

The government-wide financial statements can be found on pages 9 and 10 of this report.

**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 two categories – governmental funds and fiduciary.

**Governmental Funds** – Governmental funds are used to account for essentially the same function/programs reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on 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 effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains four governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Fund, Debt Service Fund and Special Revenue Fund.

The Village adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 - 16 of this report.

## INCORPORATED VILLAGE OF STEWART MANOR

Management's Discussion and Analysis  
For Year Ended May 31, 2009  
(Unaudited)

**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 statement because the resources of these funds are not available to support the Village's own programs.

**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. The notes to the financial statements can be found on pages 17 - 27 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At May 31, 2009, the Village's assets exceeded liabilities by \$1,234,750.

Currently, the largest portion of the Village's net assets of \$859,763 reflects its investment in capital assets e.g. land, building improvements and machinery and equipment. Capital assets are used to provide service to citizens; consequently these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### VILLAGE'S NET ASSETS

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
Current and Other Assets	\$ 532,147	\$ 757,039
Capital Assets	<u>4,765,406</u>	<u>4,258,581</u>
Total Assets	<u>5,297,553</u>	<u>5,015,620</u>
Current and Other Liabilities	613,293	713,966
Long Term Liabilities	<u>3,449,510</u>	<u>3,289,296</u>
Total Liabilities	<u>4,062,803</u>	<u>4,003,262</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	859,763	727,114
Restricted	-	29,360
Unrestricted	<u>374,987</u>	<u>255,884</u>
Total Net Assets	<u>\$1,234,750</u>	<u>\$1,012,358</u>

## INCORPORATED VILLAGE OF STEWART MANOR

Management's Discussion and Analysis  
 For Year Ended May 31, 2009  
 (Unaudited)

None of the Village's net assets are subject to external restrictions on how they may be used. The unrestricted net assets of \$374,987 may be used to meet the government's ongoing obligation to citizens and creditors.

As of May 31, 2009 and 2008, the Village is able to report a positive balance in all three categories of net assets.

**Analysis of the Village's Operations** – The following table provides a summary of the Village's operations for the year ended May 31, 2009 and 2008. Governmental activities increased the Village's net assets by \$222,392.

### VILLAGE'S CHANGES IN NET ASSETS

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 412,517	\$ 388,087
Operating Grants and Contributions	24,005	41,699
Capital Grants and Contributions	30,000	32,848
General Revenues:		
Real Property Taxes	1,291,188	1,044,163
Other Real Property Tax Items	8,279	6,146
Non-Property Tax Items	58,230	80,404
Unrestricted Investment Earnings	16,122	49,726
Rental of Village Property	223,185	171,906
State Aid	77,415	102,723
Miscellaneous	<u>52,051</u>	<u>60,792</u>
Total Revenues	<u>2,192,992</u>	<u>1,978,494</u>
Expenses:		
General Government	560,782	670,836
Public Safety	359,418	269,162
Health	250	25
Transportation	229,072	175,638
Economic Assistance and Development	15,995	25,238
Culture and Recreation	189,523	154,877
Home and Community	445,545	361,606
Interest on Long-Term Debt	<u>170,015</u>	<u>139,562</u>
Total Expenses	<u>1,970,600</u>	<u>1,796,944</u>
Increases in Net Assets	222,392	181,550
Prior Period Adjustment	-	66,848
Net Assets – June 1 <sup>st</sup>	<u>1,012,358</u>	<u>763,960</u>
Net Assets – May 31 <sup>st</sup>	<u>\$1,234,750</u>	<u>\$1,012,358</u>

## INCORPORATED VILLAGE OF STEWART MANOR

Management's Discussion and Analysis  
For Year Ended May 31, 2009  
(Unaudited)

### 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.

At the end of the current fiscal year, the Village's governmental funds reported an ending fund balance of \$405,954 an increase of \$30,858 in comparison to the prior year. Of this amount \$405,954 (100%) constitutes unreserved fund balance. Of the unreserved balance, \$-0- has been designated by the Board for subsequent year's expenditures and other uses leaving an unreserved, undesignated amount of \$405,954.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$405,954 and total fund balance was \$405,954. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to the fund's total operational expenditures. Unreserved fund balance represents approximately 20% of total expenditures.

The General Fund's fund balance increased by \$60,217 during the current fiscal year, which is more than originally anticipated primarily because actual expenditures were greater than originally budgeted.

The Capital Fund's fund balance remained unchanged during the current fiscal year.

The Debt Service Fund's fund balance decreased by \$29,359 during the current fiscal year. The Village determined that the Debt Service Fund will no longer be used and transferred the remaining funds to the General Fund. The General Fund will be used for all future debt service payments.

The Special Revenue Fund's fund balance remained unchanged during the current fiscal year.

**General Fund Budgetary Highlights** – The General Fund budget was increased by \$5,000 primarily to finance operating transfers out to the Capital Fund.

During the year revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

### CAPITAL ASSET AND DEBT ADMINISTRATION

The Village's investment in capital assets for its governmental activities as of May 31, 2009, amounts to \$4,765,406 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings, furnishings and equipment, fire department equipment, vehicles and equipment, and special equipment.

## INCORPORATED VILLAGE OF STEWART MANOR

Management's Discussion and Analysis  
For Year Ended May 31, 2009  
(Unaudited)

### Capital Assets at Year-End Net of Accumulated Depreciation

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
Land	\$ 31	\$ 31
Construction in Progress	-	1,831,703
Infrastructure	863,777	927,843
Buildings	2,201,160	668,627
Furnishings and Equipment	354,748	72,529
Fire Department Equipment	158,136	171,444
Vehicles and Equipment	1,147,979	543,393
Special Equipment	<u>39,575</u>	<u>43,011</u>
Total	<u>\$4,765,406</u>	<u>\$4,258,581</u>

Additional information on the Village's capital assets can be found in Note 6 on page 22 of this report.

### DEBT ADMINISTRATION

At the end of the current fiscal year, the Village had total bonded debt of \$3,120,000.

### Outstanding Debt at Year End

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
Capital Lease – Equipment Purchase	\$ 785,643	\$ 206,467
General Obligations	<u>3,120,000</u>	<u>3,325,000</u>
Total	<u>\$3,905,643</u>	<u>\$3,531,467</u>

Additional information on the Village's long term-debt can be found in Note 7.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the 2010 budget, General Fund revenues are budgeted to increase by 1% from the 2009 budget year with general property taxes making up about 65% of general fund budgeted revenues.

**INCORPORATED VILLAGE OF STEWART MANOR**

Management's Discussion and Analysis  
For Year Ended May 31, 2009  
(Unaudited)

**REQUEST FOR INFORMATION**

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the Village's finances. Questions concerning any information provided in this report should be addressed to the Village at 120 Covert Avenue, Stewart Manor, NY 11530.

**INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK**

**STATEMENT OF NET ASSETS**

**May 31, 2009**

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	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash	\$ 432,069
Tax Sale Certificates	9,052
Accounts Receivable	74,387
Prepaid Expenses	13,125
Due From Other Governments	3,514
Capital Assets, Net of Depreciation	<u>4,765,406</u>
Total Assets	<u>5,297,553</u>
<b><u>LIABILITIES</u></b>	
Accounts Payable	28,932
Due to NYS Employees Retirement System	6,664
Unearned Revenue	53,295
Accrued Interest Payable	45,843
Long-Term Liabilities:	
Due Within One Year	478,559
Due In More Than One Year	<u>3,449,510</u>
Total Liabilities	<u>4,062,803</u>
<b><u>NET ASSETS</u></b>	
Invested in Capital Assets, Net of Related Debt	859,763
Unrestricted	<u>374,987</u>
Total Net Assets	<u>\$ 1,234,750</u>

See notes to financial statements.

**INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK**

**STATEMENT OF ACTIVITIES**

**Year Ended May 31, 2009**

<u>Function/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes In Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Governmental Activities</u>
Governmental Activities:					
General Government Support:					
Justice Court	\$ 121,751	\$ 128,569	\$ -	\$ -	\$ 6,818
Other General Government	439,031	697	-	25,000	(413,334)
Public Safety:					
Fire Department	329,601	-	-	-	(329,601)
Building Department	26,855	34,343	-	-	7,488
Other Public Safety	2,962	47,777	-	-	44,815
Health	250	370	-	-	120
Transportation:					
Roads and Highways	211,858	-	-	5,000	(206,858)
Other Transportation	17,214	-	-	-	(17,214)
Economic Assistance and Development	15,995	-	-	-	(15,995)
Culture and Recreation:					
Pool	183,746	150,139	-	-	(33,607)
Other Culture and Recreation	5,777	-	-	-	(5,777)
Home and Community Services:					
Refuse Collection	386,491	45,972	-	-	(340,519)
Other Home and Community	59,054	4,650	24,005	-	(30,399)
Interest on Long-Term Debt	170,015	-	-	-	(170,015)
Total Governmental Activities	<u>\$ 1,970,600</u>	<u>\$ 412,517</u>	<u>\$ 24,005</u>	<u>\$ 30,000</u>	<u>(1,504,078)</u>
General Revenues:					
Taxes:					
Real Property Taxes					1,291,188
Other Real Property Tax Items					8,279
Non-Property Tax Items					58,230
Unrestricted Investment Earnings					16,122
Rental of Village Property					223,185
State Aid					77,415
Miscellaneous					52,051
Total General Revenues, Special Items and Transfers					<u>1,726,470</u>
Change In Net Assets					222,392
Net Assets - Beginning					<u>1,012,358</u>
Net Assets - Ending					<u>\$ 1,234,750</u>

See notes to financial statements.

**INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK**

**GOVERNMENTAL FUNDS BALANCE SHEET**

May 31, 2009

	Governmental Fund Types				<u>Totals</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Special Revenue</u>	
<b><u>ASSETS</u></b>					
Cash	\$ 420,544	\$ 9,327	\$ -	\$ 2,198	\$ 432,069
Tax Sale Certificates	9,052	-	-	-	9,052
Accounts Receivable	58,973	-	-	-	58,973
Prepaid Expenses	289	-	-	-	289
Due From Other Funds	11,525	-	-	-	11,525
Due From Other Governments	3,514	-	-	-	3,514
TOTAL ASSETS	\$ 503,897	\$ 9,327	\$ -	\$ 2,198	\$ 515,422
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 28,932	\$ -	\$ -	\$ -	\$ 28,932
Due To New York State ERS	6,664	-	-	-	6,664
Due to Other Funds	-	9,327	-	2,198	11,525
Deferred Revenue	62,347	-	-	-	62,347
Total Liabilities	97,943	9,327	-	2,198	109,468
Fund Equity:					
Fund Balance - Unreserved and Undesignated	405,954	-	-	-	405,954
Total Fund Equity	405,954	-	-	-	405,954
TOTAL LIABILITIES AND FUND EQUITY	\$ 503,897	\$ 9,327	\$ -	\$ 2,198	\$ 515,422

See notes to financial statements

**INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS**

**May 31, 2009**

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Total fund balance - total governmental funds	\$ 405,954
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	4,765,406
Interest payable on long-term debt does not require financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(45,843)
Tax Sale Certificates are not available to pay for current period expenditures and are deferred in the funds.	9,052
Prepaid items included in the Statement of Net Assets	12,836
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	15,414
Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	<u>(3,928,069)</u>
Net assets of governmental activities	<u>\$ 1,234,750</u>

See notes to financial statements

**INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK**

**GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**Year Ended May 31, 2009**

	<b>Governmental Fund Types</b>				<b>Totals</b>
	<b>General Fund</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Special Revenue</b>	
<b>Revenues:</b>					
Real Property Taxes	\$ 1,291,083	\$ -	\$ -	\$ -	\$ 1,291,083
Other Tax Items	8,279	-	-	-	8,279
Non Property Tax Items	67,816	-	-	-	67,816
Departmental Income	249,606	-	-	-	249,606
Use of Money and Property	238,238	-	1,072	-	239,310
Licenses and Permits	34,343	-	-	-	34,343
Fines and Forfeitures	128,569	-	-	-	128,569
Sale of Property and Compensation for Loss	49,020	-	-	-	49,020
Miscellaneous Local Sources	3,031	-	-	-	3,031
State Aid	82,415	-	-	-	82,415
Federal Aid	-	-	-	24,005	24,005
Total Revenues	<u>2,152,400</u>	<u>-</u>	<u>1,072</u>	<u>24,005</u>	<u>2,177,477</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government Support	462,260	-	-	-	462,260
Public Safety	193,532	646,479	-	-	840,011
Health	250	-	-	-	250
Transportation	142,621	-	-	-	142,621
Economic Assistance and Development	15,994	-	-	-	15,994
Culture and Recreation	133,461	53,105	-	-	186,566
Home and Community Services	347,965	123,735	-	24,005	495,705
Employee Benefits	170,591	-	-	-	170,591
Total Current	<u>1,466,674</u>	<u>823,319</u>	<u>-</u>	<u>24,005</u>	<u>2,313,998</u>
<b>Debt Service:</b>					
Principal	405,824	-	-	-	405,824
Interest	206,797	-	-	-	206,797
Total Debt Service	<u>612,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>612,621</u>
Total Expenditures	<u>\$ 2,079,295</u>	<u>\$ 823,319</u>	<u>\$ -</u>	<u>\$ 24,005</u>	<u>\$ 2,926,619</u>

See notes to financial statements.

**INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK**

**GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**Year Ended May 31, 2009**

	<u>Governmental Fund Types</u>				<u>Totals</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Special Revenue</u>	
<b>Other Financing Sources (Uses):</b>					
Proceeds of Installment Obligations	\$ -	\$ 780,000	\$ -	\$ -	\$ 780,000
Operating Transfers In	40,217	53,105	-	-	93,322
Operating Transfers (Out)	<u>(53,105)</u>	<u>(9,786)</u>	<u>(30,431)</u>	<u>-</u>	<u>(93,322)</u>
Total Other Financing Sources (Uses)	<u>(12,888)</u>	<u>823,319</u>	<u>(30,431)</u>	<u>-</u>	<u>780,000</u>
Net Change in Fund Balances	60,217	-	(29,359)	-	30,858
Fund Balances, June 1, 2008	<u>345,737</u>	<u>-</u>	<u>29,359</u>	<u>-</u>	<u>375,096</u>
Fund Balances, May 31, 2009	<u>\$ 405,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,954</u>

See notes to financial statements.

**INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
STATEMENT OF ACTIVITIES**

**Year Ended May 31, 2009**

Net change in fund balances - total governmental funds	\$	30,858
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		850,341
The net effect of various transactions involving capital assets (i.e., retirements and sales) is to (decrease) net assets.		(90,653)
Revenues are recorded in the governmental funds when earned, measurable and available to provide current financial resources. In the Statement of Activities, revenues are recognized when they are earned and measurable, regardless of when they become available. This is the change in deferred taxes at May 31, 2009.		105
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.		(252,863)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		405,824
Accrued interest payable is recognized for governmental activities, but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds. The change in the liability is recognized.		36,781
Proceeds from the issuance of long-term debt are recorded as revenue in the governmental funds, however these proceeds represent an increase in liabilities in the statement of net assets.		(780,000)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		15,414
Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Prepaid Insurance		12,836
Change in Long-Term Compensated Absences		<u>(6,251)</u>
Change in net assets of governmental activities	\$	<u>222,392</u>

See notes to financial statements.

INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

May 31, 2009

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	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash	\$ <u>64,541</u>
TOTAL ASSETS	\$ <u>64,541</u>
<b><u>LIABILITIES</u></b>	
Deposits Held and Due To Others	\$ <u>64,541</u>
TOTAL LIABILITIES	\$ <u>64,541</u>

See notes to financial statements.

**INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK**

**NOTES TO FINANCIAL STATEMENTS  
May 31, 2009**

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

The financial statements of the Incorporated Village of Stewart Manor, Stewart Manor, NY (the "Village") were prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village are discussed below.

**(A) Financial Reporting Entity**

The Village of Stewart Manor, which was established in 1927, is governed by the Village Law and other General laws of the State of New York and various local laws. The Board of Trustees is the legislative body responsible for overall operations, the Mayor serves as chief executive officer and the Treasurer serves as chief fiscal officer.

The following basic services are provided:

Roads and Highways	General Government	Sanitation
Building Department	Village Justice Court	Fire Department
Pool and Recreation		

All governmental activities and function/programs performed for the Village of Stewart Manor are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the Village of Stewart Manor, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 14.

**(B.) Basic Financial Statements**

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, fire and ambulance, justice court, roads and highways, pools and recreation and building department are classified as governmental activities. The Village has no business-type activities.

**I. Government-wide Financial Statements**

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's function/programs. The function/programs are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues. Program revenues must be directly associated with the function/programs (government support, public safety, etc.).

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

The net costs (by function/programs) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

**2. Fund Financial Statements**

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

**a. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

1. *General fund* is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.
2. *Capital fund* is used to account for financial resources to be used for the acquisition or construction of major capital assets.
3. *Debt Service fund* is used to account for the accumulation of interest earnings on project balances for the periodic payment of principal and interest on general long-term debt.
4. *Special Revenue fund* is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue fund of the Village includes the Community Development Fund, which is used to account for activities related to receipt and disbursement of Federal Community Development Block Grants.

The emphasis in fund financial statements is on the major funds. GASB No. 34 set forth minimum criteria for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus.

**b. Fiduciary Funds:**

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The generally accepted accounting principles applicable are those similar to a business in the private sector.

The Village maintains several agency funds that are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**(C.) Basis of Accounting**

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

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

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, except that:

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences such as vacation and sick leave which vests or accumulates, are charged as an expenditure when paid.

**(D.) Budgetary Data**

All budget amounts provided in this report have been modified where necessary. Budgets are adopted annually for the general fund. The debt service fund does not annually adopt a budget and the capital projects and special revenue funds are budgeted on a project basis. The Village's procedures in establishing the budgetary data reflected in the financial statements are as follows:

- a. On or before March 31<sup>st</sup>, the budget officer prepares estimates for each administrative unit.
- b. No later than March 31<sup>st</sup>, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1<sup>st</sup>. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- c. A public hearing is conducted by the Board of Trustees to obtain comments.
- d. No later than May 1<sup>st</sup>, the Board of Trustees adopts the budget of the Incorporated Village of Stewart Manor.
- e. All modifications of the budget must be approved by the Board of Trustees. (However, the Treasurer is authorized to transfer certain budgeted amounts within departments.)

**(E.) Receivables**

Receivables include amounts due from Federal, State, and other governments or entities for services provided by the Village. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred.

**(F.) Insurance**

The Village insures the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

**(G.) Prepaids**

Prepaids in the funds and government-wide statements represent insurance premiums paid for coverage that will benefit the subsequent period.

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

**(H.) Deferred Revenue/Unearned Income**

Deferred revenues are those where asset recognition criteria have been met, but which revenue recognition criteria have not been met. Such amounts consist primarily of taxes collected in advance, unearned income and amounts that have been deemed to be “measurable” but not “available” to finance current expenses pursuant to generally accepted accounting principles. Accordingly, the amount has been recorded as deferred revenue in the funds statement and unearned revenue in the government-wide statements.

**(I.) Long-Term Obligations**

The liabilities for long-term obligations consisting of capital lease obligations, compensated absences, and general obligation bonds payable are recognized in the government-wide financial statements.

In the governmental fund statements, long-term obligations are not reported as liabilities. Debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures in the governmental fund. Debt related to installment purchases are reported as other financing sources and expenditures in the governmental funds.

**(J.) Use of Estimates**

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**(K.) Capital Assets**

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Infrastructure	20 years
Buildings	15-50 years
Furnishings and Equipment	5-25 years
Fire Department Equipment	5-20 years
Vehicles and Equipment	5-20 years
Special Equipment	10-20 years

**Note 2. Real Property Taxes**

Village real property taxes are levied annually no later than May 15<sup>th</sup>, and become a lien on the first day of the levy year. Taxes are collected during the period June 1<sup>st</sup> to July 1<sup>st</sup> without penalty or interest. Thereafter penalty and interest are imposed pursuant to the Real Property Tax Law.

After the return of the tax warrant and certification to the Board of Trustees of the uncollected tax items, an annual sale of the tax liens is held pursuant to the provisions of the Real Property Tax Law.

**Note 3. Cash And Investments**

The Village investment policies are governed by state statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the United States Treasury and United States agencies, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 100 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Deposits and investments at year-end were entirely covered by federal deposit insurance and/or by collateral held by a custodial bank in the Village's name.

Bank balances for the Village's deposits with financial institutions as at May 31, 2009 totaled \$553,323 categorized as follows:

Checking Accounts - Interest Bearing	\$380,763
Savings Accounts - Interest Bearing	22,495
Money Market Accounts - Interest Bearing	<u>150,065</u>
Total Balances	<u>\$553,323</u>
Amount FDIC	<u>\$553,323</u>
	<u>\$553,323</u>

**Note 4. Fund Equity**

Encumbrances are commitments to expend resources and are recorded as a reservation of the Village's general or capital fund balances when purchase commitments are incurred by year-end, awaiting approved vendor performance.

Portions of governmental fund equity are also segregated for other future uses, and are therefore not available for further appropriation or expenditure. Amounts reserved represent portions of fund equity, which are segregated in accordance with law or generally accepted accounting principles. Designation of unreserved fund balances in governmental funds indicates the utilization of these resources in the subsequent year's budget.

**Note 5. Interfund Receivables and Payables**

Interfund receivables and payables at May 31, 2009 were as follows:

	<b><u>Due From Other Funds</u></b>	<b><u>Due To Other Funds</u></b>
General Fund	\$11,525	\$ -
Capital Fund	-	9,327
Special Revenue	<u>-</u>	<u>2,198</u>
	<u>\$11,525</u>	<u>\$11,525</u>

Interfund receivable and payable balances at May 31, 2009 represent interest earnings and residual capital project earnings that will be used to service the debt in the general fund.

**Note 6. Capital Assets**

Capital assets consist of the following:

	<u>Balance June 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance May 31, 2009</u>
<b>Non Depreciable Capital Assets</b>				
Land	\$ 31	\$ -	\$ -	\$ 31
Construction in Progress	<u>1,831,703</u>	<u>53,105</u>	<u>(1,884,808)</u>	<u>-</u>
Total Non Depreciable Capital Assets	<u>1,831,734</u>	<u>\$ 53,105</u>	<u>(\$1,884,808)</u>	<u>31</u>
<b>Depreciable Capital Assets</b>				
Infrastructure	1,366,821	\$ -	\$ -	1,366,821
Buildings	1,451,028	1,594,573	-	3,045,601
Furnishings and Equipment	161,090	302,639	(25,768)	437,961
Fire Department Equipment	299,039	6,298	(33,659)	271,678
Vehicles and Equipment	1,084,144	776,518	(276,744)	1,583,918
Special Equipment	<u>111,249</u>	<u>2,016</u>	<u>(15,931)</u>	<u>97,334</u>
Total Depreciable Capital Assets	<u>4,473,371</u>	<u>\$2,682,044</u>	<u>(\$ 352,102)</u>	<u>6,803,313</u>
Less Accumulated Depreciation				
Infrastructure	438,978	\$ 64,066	\$ -	503,044
Buildings	782,401	62,040	-	844,441
Furnishings and Equipment	88,561	20,392	(25,740)	83,213
Fire Department Equipment	127,595	19,606	(33,659)	113,542
Vehicles and Equipment	540,751	81,307	(186,119)	435,939
Special Equipment	<u>68,238</u>	<u>5,452</u>	<u>(15,931)</u>	<u>57,759</u>
Total Accumulated Depreciation	<u>2,046,524</u>	<u>\$ 252,863</u>	<u>(\$ 261,449)</u>	<u>2,037,938</u>
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>2,426,847</u>			<u>4,765,375</u>
Total Net Capital Assets	<u>\$4,258,581</u>			<u>\$4,765,406</u>

Depreciation expense was charged to function/programs as follows:

	<u>2009</u>
General Government Support	\$ 32,594
Public Safety	88,030
Transportation	67,534
Culture and Recreation	48,224
Home and Community Services	<u>16,481</u>
	<u>\$ 252,863</u>

**Note 7. Long-Term Debt**

**(a) Serial Bonds**

The Village borrows money in order to acquire land, construct buildings and improvements or purchase equipment. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefits of these capital assets.

**(b) Compensated Absences**

Pursuant to a resolution of the Village Board, Village employees are generally entitled to earn a maximum of 20 days of vacation leave. An individual who leaves the employ of the Village is entitled to be paid for unused vacation leave to a maximum of 28 days, based upon length of service.

For Governmental Funds the estimated value of earned and unused leave credits in the amount of \$22,426 is based on current salary rates.

**(c) Capital Lease – Equipment Purchase**

The Village is obligated under three capital leases for rescue vehicles, equipment and a sanitation truck.

Changes in Long-Term Debt - The following is a summary of changes in long-term liabilities for the year ended May 31, 2009:

	<b><u>Balance June 1<sup>st</sup></u></b>	<b><u>Issues or Additions</u></b>	<b><u>Payments or Decreases</u></b>	<b><u>Balance May 31<sup>st</sup></u></b>	<b><u>Due within One Year</u></b>
<b>Governmental Fund Types</b>					
Serial Bonds	\$3,325,000	\$ -	\$205,000	\$3,120,000	\$270,000
Compensated Absences	16,175	9,137	2,886	22,426	1,121
Capital Lease – Equipment Purchase	<u>206,467</u>	<u>780,000</u>	<u>200,824</u>	<u>785,643</u>	<u>207,438</u>
Total Governmental Fund Types	<u>\$3,547,642</u>	<u>\$789,137</u>	<u>\$408,710</u>	<u>\$3,928,069</u>	<u>\$478,559</u>

Long-term debt liabilities are liquidated through future budgetary appropriations in the general fund.

At May 31, 2009 bonds payable consisted of the following individual issues:

<b><u>Description of Issue</u></b>	<b><u>Original Issue</u></b>	<b><u>Issued Date</u></b>	<b><u>Final Maturity</u></b>	<b><u>Rate</u></b>	<b><u>Amount Outstanding</u></b>
<b><u>Serial Bonds</u></b>					
Building and Road Improvements, and Fire Vehicles	\$1,800,000	10/00	6/15	5.1%-5.3%	\$ 815,000
Building and Road Improvements	\$ 900,000	1/03	1/18	4%-5%	605,000
Pool Improvements	\$1,700,000	4/08	10/22	3.75%-4.1%	<u>1,700,000</u>
Total Serial Bonds					<u>\$3,120,000</u>

**Note 7. Long-Term Debt (Continued)**

The following table summarizes the Village's future debt service requirements for Serial Bonds as of May 31, 2009:

<u>Fiscal Year Ending</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2010	\$ 270,000	\$133,009	\$ 403,009
2011	290,000	120,651	410,651
2012	260,000	108,467	368,467
2013	275,000	96,715	371,715
2014	285,000	84,170	369,170
2015-2019	1,145,000	234,627	1,379,627
2020-2023	<u>595,000</u>	<u>49,835</u>	<u>644,835</u>
	<u>\$3,120,000</u>	<u>\$827,474</u>	<u>\$3,947,474</u>

The Village has acquired certain machinery, equipment and vehicles under capital leases. Accordingly, the obligation has been recorded as a liability as they are payable in 60 monthly installments. The outstanding obligations mature between 2010 and 2013.

Equipment and related accumulated depreciation under capital leases are as follows:

Machinery, Equipment and Vehicles	\$1,026,357
Less: Accumulated Depreciation	<u>(79,395)</u>
Net Value	<u>\$ 946,962</u>

At May 31, 2009 the capital lease-equipment purchase consisted of the following individual issues:

<u>Description of Issue</u>	<u>Original Issue</u>	<u>Issued Date</u>	<u>Final Maturity</u>	<u>Rate</u>	<u>Amount Outstanding</u>
<b><u>Capital Leases</u></b>					
Fire Department Vehicles	\$ 48,597	9/05	9/09	3.98%	\$ 10,486
Ambulance/Highway Truck	\$226,505	7/07	4/12	4.7%	142,635
Fire Truck/Sanitation Truck	\$780,000	7/08	4/13	2.78%	<u>632,522</u>
Total Capital Leases					<u>\$785,643</u>

The following is a schedule of payments due on the capital lease-equipment purchases outstanding as of May 31, 2009:

<u>Fiscal Year Ending</u>	<u>Capital Lease</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2010	\$207,473	\$22,341	\$229,814
2011	203,379	15,496	218,875
2012	210,030	8,845	218,875
2013	<u>164,761</u>	<u>2,873</u>	<u>167,634</u>
	<u>\$785,643</u>	<u>\$49,555</u>	<u>\$835,198</u>

**Note 8. Pension Plans**

**Plan Description**

The Village participates in the New York State and Local Employees' Retirement System (ERS), and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issued a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

**Funding Policy**

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for their first ten years of enrollment. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Village is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

2009	\$38,476
2008	\$59,243
2007	\$43,098

The Village's contributions made to the Systems were equal to 100 percent of the contributions required for each year.

**Note 9. Post Employment Benefits Other Than Pensions**

In addition to providing pension benefits, the Village provides health insurance coverage for retired employees with 20 or more years of service. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

During the year \$21,156 was paid on behalf of 4 retirees and recorded as an expenditure in the General Fund.

In June 2004, the Government Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for reporting non-pension postemployment benefits, such as health care premiums for retirees. The Village will be required to adopt the Statement for the year ending May 31, 2010. As of May 31, 2009, the Village has not completed the process of evaluating the impact that will result from the adoption of this Statement.

**Note 10. Commitments and Contingencies**

**(A) Tax Certiorari Proceedings**

There are presently pending against the Village of Stewart Manor a number of real property tax review proceedings requesting reductions in assessed valuations of various properties for both past and current years. The financial exposure in these cases is indeterminable at this time.

**(B) Federal and State Grants**

The Village is the recipient of various federal and state grants. These grants are administered by various agencies and consist primarily of grants relating to Community Development Block Grants. These grants are subject to various compliance and financial audits by the respective agencies administering the grants, which could result in certain disallowances. The Board believes that they have substantially complied with the rules and regulations as specified under the various grant agreements as well as the rules and regulations of the respective agency for each grant.

**(C) Other**

The Village is subject to litigation in the ordinary conduct of its affairs. Management does not believe however, that such litigation, individually, or in the aggregate, is likely to have a material effect on the financial statements.

**Note 11. License Agreements**

**Clubhouse**

The Incorporated Village of Stewart Manor is the owner of real property within the Village, which is for the use, and enjoyment of the public. The Clubhouse building situated on the real property contains a dining room, bar and other areas designed for the purposes of serving food and other refreshments. The Village has entered into a license agreement as amended, to have the facility operated and maintained by a private organization. This agreement commenced on the first day of June 1987 and was amended on September 6, 1994 and on September 7, 1999 and again on December 1, 2007. The licensee has exercised the option to renew this agreement for the period December 1, 2007 to November 30, 2012, for the sum of \$666,000 which shall be payable in sixty equal installments of \$11,100 on the first day of each month in advance. For the period of December 1, 2012 to November 30, 2017, the sum payable is \$822,000 payable in sixty installments of \$13,700 per month on the first day of each month in advance.

Furthermore, the licensee has an option to renew for the period December 1, 2017 to November 30, 2022 for the sum of \$960,000. The sum shall be payable in sixty equally monthly installments of \$16,000 payable on the first day of each month, in advance. The Village maintains a security deposit from the licensee, including accumulated interest thereon, as security for the license fee owed for the faithful performance by the licensee of each and every one of the terms, covenants and conditions in the agreement required to be performed by the licensee.

**Cell Tower**

On December 7, 2000, the Village Board authorized Nextel to install and construct three panel antennas on the Village Hall roof. Nextel is a telecommunication company that provides wireless communication services. This agreement granted the license renewals for five successive periods of five years each. The Village will receive an annual license fee for the first year of \$30,000 which shall be paid monthly in the amount of \$2,500, due on the first day of each month. The fee is increased, on each anniversary of the commencement date (December 1<sup>st</sup>), by an amount equal to four percent of the fee for the previous year. The Village maintains a security deposit from the licensee, including accumulated interest thereon, as security for the licensee fee owed and for the faithful performance by the licensee of each and every one of the terms, covenants and conditions in the agreement required to be performed by the licensee.

**Note 11. License Agreements (Continued)**

On October 19, 2008, the Village Board authorized Omnipoint to install and construct antennas on the Village Hall roof. Omnipoint is a telecommunication company that provides wireless communication services. The initial term of this license is for five years commencing on the receipt of the building permit. The licensee shall have the right to extend this license for three additional and successive five year terms. The licensee will pay the Village a onetime capital contribution payment of \$25,000 within thirty days after the receipt of the building permit from the licensor. The Village will receive a monthly license fee of \$3,000 to be adjusted annually to an amount equal to one hundred three percent of the monthly license fee in effect. The first payment of the license fee is due within 20 days following the commencement date (October 31<sup>st</sup>).

**Note 12. Fernwood Terrace – Stewart Manor Library Funding District**

The Village has a five year contract with the Garden City Public Library, which is a part of the Village of Garden City, to provide Library services to the residents of the Fernwood Terrace-Stewart Manor Library Funding District, a small part of the Incorporated Village of Stewart Manor which consists of 71 households which reside within the Garden City School District and previously did not have access to library services. These households are charged an ad valorem levy to cover the cost of the district on their Village tax bill. For the fiscal year 2008/2009, the cost was \$30,035 and was paid by the Village, who acts as custodian of the funds, as required, in two equal installments of \$15,018.

**Note 13. Cooperative Agreement for the Operation of a Television Studio**

The Village entered into an agreement with the Incorporated Village of Floral Park, Bellerose and South Floral Park to share the costs of producing and broadcasting television programming which would be of interest to its residents and provide a Public Educational and Governmental Access Channel. The four Villages have agreed that the television studio will be constructed in the Floral Park Village Hall with all of the four Villages contributing to the cost thereof. Funding for this project is provided by a portion of the Franchise Fees paid by Cablevision and Verizon to each Village as part of their franchise agreements. In the event of a shortfall in funding, the Mayors will meet to determine the amount in which to eliminate the shortfall. During the year \$15,994 was contributed to the studio operations.

**INCORPORATED VILLAGE OF STEWART MANOR  
COUNTY OF NASSAU - STATE OF NEW YORK**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**Year Ended May 31, 2009**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>				
Real Property Taxes	\$ 1,294,775	\$ 1,294,775	\$ 1,291,083	\$ (3,692)
Other Tax Items	2,000	2,000	8,279	6,279
Non Property Tax Items	64,531	64,531	67,816	3,285
Departmental Income	240,490	240,490	249,606	9,116
Use of Money and Property	192,308	192,308	238,238	45,930
Licenses and Permits	22,560	22,560	34,343	11,783
Fines and Forfeitures	136,180	136,180	128,569	(7,611)
Sale of Property and Compensation for Loss	50,250	50,250	49,020	(1,230)
Miscellaneous Local Sources	1,100	1,100	3,031	1,931
State Aid	106,983	111,983	82,415	(29,568)
<b>Other Financing Sources:</b>				
Appropriated Fund Balance	75,000	75,000	-	
Operating Transfers In	-	-	40,217	40,217
<b>Total Revenues and Other Sources</b>	<b>\$ 2,186,177</b>	<b>\$ 2,191,177</b>	<b>\$ 2,192,617</b>	<b>\$ 1,440</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government Support	527,452	478,495	462,260	16,235
Public Safety	200,097	197,778	193,532	4,246
Health	250	250	250	-
Transportation	146,497	143,707	142,621	1,086
Economic Assistance and Development	15,000	16,000	15,994	6
Culture and Recreation	117,765	133,790	133,461	329
Home and Community Services	376,103	365,803	347,965	17,838
Employee Benefits	189,878	188,220	170,591	17,629
<b>Total Current</b>	<b>1,573,042</b>	<b>1,524,043</b>	<b>1,466,674</b>	<b>57,369</b>
<b>Debt Service:</b>				
Principal	405,463	406,185	405,824	361
Interest	207,671	206,949	206,797	152
<b>Total Debt Service</b>	<b>613,134</b>	<b>613,134</b>	<b>612,621</b>	<b>513</b>
<b>Other Financing Uses:</b>				
Operating Transfers Out	-	54,000	53,105	895
<b>Total Expenditures and Other Uses</b>	<b>\$ 2,186,176</b>	<b>\$ 2,191,177</b>	<b>\$ 2,132,400</b>	<b>\$ 58,777</b>

See notes to financial statements.