

TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.

FINANCIAL STATEMENTS

MARCH 24, 2009 AND 2008

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
FINANCIAL STATEMENTS
MARCH 24, 2009 AND 2008**

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CORCORAN & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

SUITE 108, RIDGELY BUILDING, CONCORD PLAZA
3519 SILVERSIDE ROAD, WILMINGTON, DELAWARE 19810
TELEPHONE (302) 478-9515 FAX (302) 478-0262

WEST CHESTER, PENNSYLVANIA
TELEPHONE: (610) 696-5439

MEMBERS
AMERICAN INSTITUTE OF CPA'S
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PENNSYLVANIA INSTITUTE OF CPA'S

<http://www.corcoranpcpa.com>

INDEPENDENT AUDITORS' REPORT

Trustees of Arden
Village of Arden, Inc.
Arden
Wilmington, Delaware

We have audited the accompanying general purpose financial statements of the Trustees of Arden and Village of Arden, Inc. as of March 24, 2009 and 2008 and for the years then ended. These general purpose financial statements are the responsibility of the Trustees' and Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

We conducted our audits 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Trustees of Arden and Village of Arden, Inc. as of March 24, 2009 and 2008 and the results of their operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 2 through 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have 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.

May 14, 2009

Corcoran & Associates, P.A.

Within this section of the Trustees of Arden and Village of Arden, Inc. annual financial statements, the Trustees provide narrative discussion and analysis of the financial activities of the Village of Arden for the year ended March 24, 2009. The Village's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses primarily on the Village's and Trustees of Arden general fund.

Financial Highlights

- The Village's governmental funds reported total ending fund balances of \$1,622,461 this year. This compares to the prior year ending fund balance of \$965,860 showing an increase of \$656,601 during the current year.
- At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$236,307.
- Total assets of the Village increased by \$479,148 to \$1,904,835.
- Total liabilities of the Village decreased by \$177,453 to \$282,374 during the fiscal year.
- Capital assets, net of related debt, of \$749,611 include the Sherwood Forest land.
- The Trustees and Village received total bequests in the amount of \$590,637 during the fiscal year ending May 24, 2009.

Overview of the Financial Statements

Management Discussion and Analysis introduces the Trustees and Village's financial statements. The financial statements include (1) fund financial statements, (2) statement of expenses - general fund - budget and actual, and (3) notes to financial statements.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives.

The Village has governmental funds, which consist of a general fund, Trustees Designated Endowment fund, and special revenue funds. These funds report fiscal accountability focusing on the use of spendable resources of each fund during the year and balances of spendable resources available at the end of the year.

Budgetary comparison statements are included in the financial statements for the general fund. These statements demonstrate compliance with the Village's adopted and final budget.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements.

Financial Analysis of the Village's Funds

As discussed, governmental funds are reported in the financial statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming requirements. The general fund reported an ending unreserved fund balance of \$236,307. Special revenue fund balances at year end were \$31,613 for Municipal Street Aid, \$538 for the Village Center Fund, \$4,339 for the Memorial Garden Fund, \$11,028 for the Lecture Series Fund and \$370,006 for the Natural Spaces Fund. The Trustees reported an ending Designated Endowment Fund balance of \$220,938.

The following table provides a summary of the Village fund balances at March 24:

Summary of Fund Balances

	<u>General Fund</u>		<u>Special Revenue Funds</u>		<u>Totals</u>		<u>Amount</u>	<u>%</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>Change</u>
Current and other assets	\$ 627,932	486,909	417,524	79,399	1,045,456	566,308	\$ 479,148	84.6%
Capital Assets	859,379	859,379	-	-	859,379	859,379	-	0.0%
Total Assets	<u>1,487,311</u>	<u>1,346,288</u>	<u>417,524</u>	<u>79,399</u>	<u>1,904,835</u>	<u>1,425,687</u>	<u>479,148</u>	<u>84.6%</u>
Liabilities	170,687	339,226	1,919	2,609	172,606	341,835	(169,229)	-49.5%
Long-term liabilities	109,768	117,992	-	-	109,768	117,992	(8,224)	-7.0%
Total Liabilities	<u>280,455</u>	<u>457,218</u>	<u>1,919</u>	<u>2,609</u>	<u>282,374</u>	<u>459,827</u>	<u>(177,453)</u>	<u>-56.5%</u>
Fund Balances:								
General Fund, Unreserved	236,307	147,683	-	-	236,307	147,683	88,624	60.0%
Designated Endowment Fund	220,938	-	-	-	220,938	-	220,938	100.0%
Special Revenue Funds	-	-	412,548	76,790	412,548	76,790	335,758	437.2%
Reserved for restricted purposes	-	-	3,057	-	3,057	-	3,057	100.0%
Capital Assets net of related debt	749,611	741,387	-	-	749,611	741,387	8,224	1.1%
Total Fund Balances	<u>\$ 1,206,856</u>	<u>889,070</u>	<u>415,605</u>	<u>76,790</u>	<u>1,622,461</u>	<u>965,860</u>	<u>\$ 656,601</u>	<u>68.0%</u>

The following table provides a summary of the Village's excess (deficiency) of revenue over expenses for the year ended March 24:

Summary of Excess (Deficiency) of Revenue over Expenses

	<u>General Fund</u>		<u>Special Revenue Funds</u>		<u>Totals</u>		<u>Amount</u>	<u>%</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>Change</u>
Revenues:								
Allotment - State of DE	\$ -	-	21,414	19,943	21,414	19,943	\$ 1,471	7.4%
Grants - State of DE	2,343	13,271	1,000	-	3,343	13,271	(9,928)	-74.8%
Land Rents	566,071	488,752	-	-	566,071	488,752	77,319	15.8%
Installment - Roads right of way	-	4,587	-	-	-	4,587	(4,587)	-100.0%
Installment - Cable right of way	12,690	6,522	-	-	12,690	6,522	6,168	94.6%
Installment - Antenna right of way	5,749	5,528	-	-	5,749	5,528	221	4.0%
Investment income	19,829	13,860	2,088	1,835	21,917	15,695	6,222	39.6%
Rent and Maintenance payments	-	-	10,195	12,776	10,195	12,776	(2,581)	20.2%
Bequests	220,637	-	370,000	-	590,637	-	590,637	100.0%
Local donations	-	3,115	17,918	20,180	17,918	23,295	(5,377)	-23.1%
Other income	2,277	2,229	750	252	3,027	2,481	546	22.0%
Total Revenues	829,596	537,864	423,365	54,986	1,252,961	592,850	660,111	111.3%
Expenses:								
General	118,990	143,774	84,550	47,159	203,540	190,933	12,366	6.6%
Property taxes	350,710	335,825	-	-	350,710	335,825	14,885	4.4%
Administrative	42,110	44,530	-	-	42,110	44,530	(2,420)	-5.4%
Total Expenses	511,810	524,129	84,550	47,159	596,360	571,288	25,072	4.4%
Excess (Deficiency) of Revenues over Expenses	317,786	13,735	338,815	7,827	656,601	21,562	635,039	2945.2%
Fund Balances, Beginning	889,070	875,335	76,790	68,963	965,860	944,298	21,562	2.3%
Fund Balances, Ending	\$ 1,206,856	889,070	415,605	76,790	1,622,461	965,860	\$ 656,601	68.0%

General Fund Budgetary Highlights

The adopted General Fund budgeted expenses for fiscal year 2008 were approximately \$539,000. This was an increase of approximately \$21,000 over the previous year budget.

Capital Asset and Debt Administration

Capital Asset

The capital asset reported on the Village's Combined Balance Sheet is the land known as Sherwood Forest purchased in April, 2004.

Long-term debt

At the end of the fiscal year, the Village had an outstanding debt of \$109,768. See Note G.

Contacting the Village's Financial Management

This financial report is designed to provide a general overview of the Village's finances, comply with financial laws and regulations, and demonstrate the Village's commitment to public accountability. If you have questions about this report or would like additional information, contact The Trustees of Arden, at 2002 Orleans Road, Arden, DE 19810.

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
 COMBINED BALANCE SHEETS - GOVERNMENTAL FUND TYPES
 MARCH 31, 2009 AND 2008**

	Village of Arden, Inc.	
	Trustees of Arden	
	General Fund	Trustees Designated Endowment
ASSETS		
Cash	\$ 192,439	123
Investments	213,074	220,815
Accounts Receivable:		
- Land rents	-	-
Due from Special Revenue Funds	1,481	-
Capital Assets		
Land - Sherwood Forest	859,379	-
TOTAL ASSETS	\$ 1,266,373	220,938
LIABILITIES & FUND EQUITY		
LIABILITIES		
Accounts payable	62	-
Deferred revenue	251	-
Payroll taxes payable	167	-
Due to General Fund	-	-
Land rent received in advance	170,207	-
Loan payable - Arden Building and Loan	109,768	-
Total Liabilities	280,455	-
FUND BALANCES (DEFICITS)		
General fund, Unreserved	236,307	-
Designated Endowment Fund	-	220,938
Special revenue funds	-	-
Reserves for restricted purposes	-	-
Capital assets net of related debt	749,611	-
Total Fund Balances	985,918	-
TOTAL LIABILITIES & FUND EQUITY	\$ 1,266,373	220,938

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Village of Arden, Inc.					Totals	
Special Revenue Funds					(Memorandum Only)	
Municipal Street Aid Fund	Village Center Fund	Memorial Garden Fund	Lecture Series Fund	Natural Spaces Fund	March 24,	
					2009	2008
-	-	4,339	-	370,006	566,907	\$ 262,130
31,613	538	-	11,028	-	477,068	299,463
-	-	-	-	-	-	2,106
-	-	-	-	-	1,481	2,609
-	-	-	-	-	859,379	859,379
<u>31,613</u>	<u>538</u>	<u>4,339</u>	<u>11,028</u>	<u>370,006</u>	<u>1,904,835</u>	<u>1,425,687</u>
-	438	-	-	-	500	-
-	-	-	-	-	251	2,594
-	-	-	-	-	167	132
162	1,051	-	268	-	1,481	2,609
-	-	-	-	-	170,207	336,500
-	-	-	-	-	109,768	117,992
<u>162</u>	<u>1,489</u>	<u>-</u>	<u>268</u>	<u>-</u>	<u>282,374</u>	<u>459,827</u>
-	-	-	-	-	236,307	147,683
-	-	-	-	370,006	590,944	-
31,451	(4,008)	4,339	10,760	-	42,542	76,790
-	3,057	-	-	-	3,057	-
-	-	-	-	-	749,611	741,387
<u>31,451</u>	<u>(951)</u>	<u>4,339</u>	<u>10,760</u>	<u>370,006</u>	<u>1,622,461</u>	<u>965,860</u>
<u>31,613</u>	<u>538</u>	<u>4,339</u>	<u>11,028</u>	<u>370,006</u>	<u>1,904,835</u>	<u>\$ 1,425,687</u>

TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND
ALANCES - GOVERNMENTAL FUND TYPES
MARCH 31, 2009 AND 2008

	<u>Village of Arden, Inc.</u>	
	<u>Trustees of Arden</u>	
	General <u>Fund</u>	Trustees Designated <u>Endowment</u>
REVENUES		
Allotment - State of Delaware	\$ -	-
Grants	2,343	-
Land rentals	566,071	-
Installment on sale of road's right of way	-	-
Installment on sale of cable right of way	12,690	-
Installment on sale of antenna right of way	5,749	-
Investment income	19,528	301
Rent and Maintenance payments	-	-
Bequests	-	220,637
Local donations	-	-
Other income	<u>2,277</u>	<u>-</u>
TOTAL REVENUES	<u>608,658</u>	<u>220,938</u>
EXPENSES (Pages 8-9)		
General	118,990	-
Property taxes	350,710	-
Administrative	<u>42,110</u>	<u>-</u>
TOTAL EXPENSES	<u>511,810</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	96,848	220,938
FUND BALANCES (DEFICITS), BEGINNING		
General fund, Unreserved	147,683	-
Reserves for restricted purposes	-	-
Special revenue funds	-	-
Capital assets net of related debt	<u>741,387</u>	<u>-</u>
FUND BALANCES (DEFICITS), ENDING	<u>\$ 985,918</u>	<u>220,938</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Village of Arden, Inc.					Totals	
Special Revenue Funds					(Memorandum Only)	
Municipal Street Aid Fund	Village Center Fund	Memorial Garden Fund	Lecture Series Fund	Natural Spaces Fund	March 24,	
					2009	2008
21,414	-	-	-	-	21,414	\$ 19,943
-	1,000	-	-	-	3,343	13,271
-	-	-	-	-	566,071	488,752
-	-	-	-	-	-	4,587
-	-	-	-	-	12,690	6,522
-	-	-	-	-	5,749	5,528
507	547	-	1,028	6	21,917	15,695
-	10,195	-	-	-	10,195	12,776
-	-	-	-	370,000	590,637	-
-	14,168	3,750	-	-	17,918	23,295
-	750	-	-	-	3,027	2,481
<u>21,921</u>	<u>26,660</u>	<u>3,750</u>	<u>1,028</u>	<u>370,006</u>	<u>1,252,961</u>	<u>592,850</u>
21,740	59,363	3,179	268	-	203,540	190,933
-	-	-	-	-	350,710	335,825
-	-	-	-	-	42,110	44,530
<u>21,740</u>	<u>59,363</u>	<u>3,179</u>	<u>268</u>	<u>-</u>	<u>596,360</u>	<u>571,288</u>
181	(32,703)	571	760	370,006	656,601	21,562
-	-	-	-	-	147,683	124,283
-	-	-	-	-	-	18,000
31,270	31,752	3,768	10,000	-	76,790	68,963
-	-	-	-	-	741,387	733,052
<u>31,451</u>	<u>(951)</u>	<u>4,339</u>	<u>10,760</u>	<u>370,006</u>	<u>1,622,461</u>	<u>\$ 965,860</u>

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
STATEMENTS OF EXPENSES - GENERAL FUND
FOR THE YEARS ENDED MARCH 24, 2009 AND 2008**

	<u>General Expenses</u>	<u>Property Taxes</u>	<u>Administrative Expenses</u>	<u>Totals (Memorandum Only)</u> March 24,	
				<u>2009</u>	<u>2008</u>
Advisory Committee	\$ 139	-	-	139	\$ 178
Archives, General Fund committee expense	620	-	-	620	809
Buzz Ware Village Center	8,076	-	-	8,076	23,190
Civic:					
Commons and Forests	28,979	-	-	28,979	22,190
Grants	1,350	-	-	1,350	13,271
Roads	10,715	-	-	10,715	10,627
Trash collection	45,043	-	-	45,043	46,125
Playground committee expense	2,570	-	-	2,570	2,400
Registration committee expense	-	-	-	-	482
Safety committee expense	1,400	-	-	1,400	2,445
Salaries - Secretary	5,520	-	-	5,520	5,520
Salaries - Bookkeeping services	-	-	-	-	512
Donations:					
ACRA	1,500	-	-	1,500	1,500
Arden Library	600	-	-	600	600
Arden Page	1,500	-	-	1,500	1,500
Fire Companies	1,450	-	-	1,450	1,450
Rent - Gild Hall	1,300	-	-	1,300	1,300
Interest expense	7,991	-	-	7,991	9,414
School and county property taxes	-	350,710	-	350,710	335,825
Town expenses	237	-	-	237	261
Auditing	-	-	5,900	5,900	5,800
Insurance	-	-	9,782	9,782	10,735
Legal & professional fees	-	-	2,174	2,174	703
Office rent	-	-	2,436	2,436	2,436
Operations and fees	-	-	13,386	13,386	15,164
Payroll taxes	-	-	1,352	1,352	1,809
Salaries - Administrative assistant	-	-	7,080	7,080	7,883
TOTAL EXPENSES (Page 7)	<u>\$ 118,990</u>	<u>350,710</u>	<u>42,110</u>	<u>511,810</u>	<u>\$ 524,129</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
STATEMENTS OF EXPENSES - SPECIAL REVENUE FUNDS
FOR THE YEARS ENDED MARCH 24, 2009 AND 2008**

	<u>General Expenses</u>	<u>Property Taxes</u>	<u>Administrative Expenses</u>	<u>Totals (Memorandum Only) March 24,</u>	
				<u>2009</u>	<u>2008</u>
MUNICIPAL STREET AID FUND					
To general fund - road					
right of way	\$ -	-	-	-	\$ 4,587
Road expense	<u>21,740</u>	<u>-</u>	<u>-</u>	<u>21,740</u>	<u>17,566</u>
Total (Page 7)	<u>21,740</u>	<u>-</u>	<u>-</u>	<u>21,740</u>	<u>22,153</u>
VILLAGE CENTER FUND					
Maintenance and supplies	1,559	-	-	1,559	3,422
Utilities	9,170	-	-	9,170	9,370
License, permits and fees	367	-	-	367	438
Supplies	1,744	-	-	1,744	905
Salaries – Maintenance	7,404	-	-	7,404	6,942
Payroll taxes	778	-	-	778	531
Miscellaneous	1,114	-	-	1,114	1,056
Improvements	34,727	-	-	34,727	-
Grant expenses	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Total (Page 7)	<u>59,363</u>	<u>-</u>	<u>-</u>	<u>59,363</u>	<u>22,664</u>
MEMORIAL GARDEN FUND					
Memorial Garden expenses (Page 7)	<u>3,179</u>	<u>-</u>	<u>-</u>	<u>3,179</u>	<u>2,342</u>
LECTURE SERIES FUND					
Lecture Series expenses (Page 7)	\$ <u>268</u>	<u>-</u>	<u>-</u>	<u>268</u>	\$ <u>-</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
STATEMENT OF EXPENSES - BUDGET & ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MARCH 24, 2009**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Advisory Committee	\$ 300	139	\$ 161
Archives, General Fund committee expense	1,440	620	820
Board of Assessors	75	-	75
Buzz Ware Village Center	6,500	8,076	(1,576)
Civic:			
Commons and Forests	30,000	28,979	1,021
Grants	-	1,350	(1,350)
Roads	13,000	10,715	2,285
Trash collection	48,000	45,043	2,957
Community planning:			
General budget	1,600	-	1,600
Playground committee expense	3,000	2,570	430
Registration committee expense	1,000	-	1,000
Safety committee expense	4,400	1,400	3,000
Salaries - Secretary	5,004	5,520	(516)
Contingencies	3,000	-	3,000
Donations:			
ACRA	1,500	1,500	-
Arden Library	650	600	50
Arden Page	1,500	1,500	-
Fire Companies	1,600	1,450	150
Rent - Gild Hall	1,300	1,300	-
Interest expense	7,991	7,991	-
School and county property taxes	348,627	350,710	(2,083)
Town expenses	300	237	63
Auditing	5,500	5,900	(400)
Insurance	11,000	9,782	1,218
Legal & professional fees	13,000	2,174	10,826
Office rent	2,520	2,436	84
Operations and fees	17,250	13,386	3,864
Payroll taxes	1,292	1,352	(60)
Salaries - Administrative assistant	<u>7,308</u>	<u>7,080</u>	<u>228</u>
TOTAL	<u>\$ 538,657</u>	<u>511,810</u>	<u>\$ 26,847</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
STATEMENT OF EXPENSES - BUDGET & ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MARCH 24, 2008**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Advisory Committee	\$ 300	178	\$ 122
Archives, General Fund committee expense	1,440	809	631
Board of Assessors	50	-	50
Buzz Ware Village Center	26,400	23,190	3,210
Civic:			
Commons and Forests	19,000	22,190	(3,190)
Grants	950	13,271	(12,321)
Roads	18,000	10,627	7,373
Special Clean-up	500	-	500
Trash collection	46,000	46,125	(125)
Community planning:			
General budget	1,600	-	1,600
Playground committee expense	2,000	2,400	(400)
Registration committee expense	1,000	482	518
Safety committee expense	5,400	2,445	2,955
Salaries - Secretary	7,560	5,520	2,040
Salaries - Bookkeeping services	3,072	512	2,560
Contingencies	3,000	-	3,000
Donations:			
ACRA	1,500	1,500	-
Arden Library	600	600	-
Arden Page	1,500	1,500	-
Fire Companies	1,450	1,450	-
Rent - Gild Hall	1,300	1,300	-
Interest expense	9,077	9,414	(337)
School and county property taxes	310,491	335,825	(25,334)
Town expenses	300	261	39
Auditing	5,500	5,800	(300)
Insurance	11,000	10,735	265
Legal & professional fees	15,000	703	14,297
Office rent	2,436	2,436	-
Operations and fees	13,200	15,164	(1,964)
Payroll taxes	1,184	1,809	(625)
Salaries - Administrative assistant	<u>7,560</u>	<u>7,883</u>	<u>(323)</u>
TOTAL	\$ <u>518,370</u>	<u>524,129</u>	\$ <u>(5,759)</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 24, 2009**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Trustees of Arden and Village of Arden, Inc. conform to generally accepted accounting principles, as applicable to governmental units.

Basis of Presentation

The accounts of the Trustees of Arden and Village of Arden, Inc. are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenses as appropriate. The various funds are summarized by type in the financial statements. The following fund types are used by the Trustees of Arden and Village of Arden, Inc:

Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the Trustees of Arden and Village of Arden, Inc. and accounts for all revenues and expenses of the Trustees of Arden and the Village of Arden, Inc. not encompassed within other funds. All land rent revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Real estate taxes and general operating expenses that are not paid through other funds are paid from the general fund.

Special Revenue Funds - Special Revenue Funds are used to account for proceeds of specific revenue sources of the Village of Arden, Inc. that are restricted to expenses for specified purposes.

Basis of Accounting

The general purpose financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenses are recorded when the related fund liability is incurred.

Reporting Entity

The Trustees of Arden and Village of Arden, Inc. is the basic level of government which has financial accountability and control over all activities related to the Village of Arden in Arden, Delaware. The Trustees of Arden collect land rents primarily to pay county and school real estate taxes. They also receive funding from state government sources and must comply with the requirements of these funding source entities.

Budget

The Trustees of Arden and Village of Arden, Inc. are required to adopt an annual budget for the general fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 24, 2009**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data

Comparative totals for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the Trustees of Arden and Village of Arden, Inc.'s financial position and operations.

NOTE B - CASH

Deposits (cash and certificates of deposit) are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At March 24, 2009, the carrying amount of deposits was \$566,907 and the bank balances totaled \$576,544. At March 24, 2008, the carrying amount of deposits was \$262,130 and the bank balances totaled \$269,239.

NOTE C - INVESTMENTS

Investments of the Trustees of Arden at March 24 consist of the following:

	<u>2009</u>	<u>2008</u>
Stock (1,739.6298 shares - 2009; 1,597.2064 shares - 2008) - Arden Building and Loan Association (at cost, which approximates market value); redeemable at any time (60-day notice may be required); current dividend - 5.75% payable in June and December.	\$ 173,964	\$ 159,720
Mutual Fund (220,815.17 shares - 2009; 37,393.32 shares - 2008) - Vanguard Prime Money Market Fund (at cost, which equals market value) redeemable at any time; current dividend rate - 0.82%	220,815	37,393
Mutual Fund (39,110.43 shares - 2009; 37,362.18 shares - 2008) - Vanguard Federal Money Market Fund (at cost, which equals market value) redeemable at any time; current dividend rate - 0.64%	<u>39,110</u>	<u>37,363</u>
Total	<u>\$ 433,889</u>	<u>\$ 234,476</u>

Investments of the Village Center Fund at March 24 consist of the following:

	<u>2009</u>	<u>2008</u>
Stock - (5.3787 shares - 2009; 237.1693 shares - 2008) - Arden Building and Loan Association (at cost, which approximates market value); redeemable at any time (60-day notice may be required); current dividend - 5.75% payable in June and December	\$ <u>538</u>	\$ <u>23,717</u>

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 24, 2009**

NOTE C - INVESTMENTS (Continued)

Investments of the Municipal Street Aid Fund at March 24 consist of the following:

	<u>2009</u>	<u>2008</u>
Mutual Fund - (31,612.76 shares - 2009; 31,269.86 shares - 2008) - Vanguard Treasury Money Market Fund (at cost, which equals market value); redeemable at any time; current dividend rate – 0.27%	\$ <u>31,613</u>	\$ <u>31,270</u>

Investments of the Lecture Series Fund at March 24 consist of the following:

	<u>2009</u>	<u>2008</u>
Stock - (110.2785 shares - 2009; 100 shares - 2008) - Arden Building and Loan Association (at cost, which approximates market value); redeemable at any time (60 day notice may be required); current dividend - 5.75% payable in June and December	\$ <u>11,028</u>	\$ <u>10,000</u>

NOTE D – CAPITAL ASSET – SHERWOOD FOREST

In April, 2004, the Village of Arden, Inc. purchased the 5.02 acres of land known as Sherwood Forest, 2029 E. Marsh Road, Wilmington, Delaware from Avery Development Company for \$850,000. The purchase was funded by contributions from residents of Arden, grants from the State of Delaware and New Castle County, and a loan from the Arden Building and Loan Association.

NOTE E - LAND RENTS

The Village of Arden land rent is levied each March 25 on the full rental value of each individual leasehold in the Village. The full rental value is based upon the amount required to pay county and school taxes levied by outside taxing authorities, the amount required to maintain the community standard of living and the amount needed to maintain a prudent reserve to insure community expenditures. The value is affected by the general location of the leasehold, and by certain specific location factors.

Land rents are due on March 25 and become past due on April 25. Past due land rents are assessed a one percent penalty on the 25th of each month until paid.

Land rents receivable (including penalties) are \$-0- and \$2,609 as of March 24, 2009 and 2008, respectively.

NOTE F - DEFERRED REVENUE

During the year ended March 24, 2008, the Village of Arden, Inc. received a \$950 grant from the State of Delaware Department of Natural Resources & Environment Control - Division of Parks and Recreation. This grant is to be used solely for trail maintenance activities. At March 24, 2009, \$251 from this grant remained unexpended. The remaining funds are to be spent during the year ended March 24, 2010.

Total deferred revenue is \$251 and \$2,594 as of March 24, 2009 and 2008, respectively.

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 24, 2009**

NOTE G - LOAN PAYABLE - ARDEN BUILDING AND LOAN ASSOCIATION

In April, 2004 the Trustees of Arden and Village of Arden, Inc. obtained financing in the amount of \$150,000 from the Arden Building and Loan Association for the purchase of 5.02 acres of land known as Sherwood Forest. The loan is secured by the municipal income of the Village of Arden, Inc. or any other unencumbered income. The loan is payable in monthly installments of \$1,349 including interest at the rate of 7% per annum, and matures May 1, 2019.

The total balance due on this loan is \$109,768 as of March 24, 2009. Interest expense for the years ended March 24, 2009 and 2008 was \$7,991 and \$9,414, respectively.

NOTE H - MUNICIPAL STREET AID FUND

Revenue for this fund consists of a grant received from the State of Delaware. This grant is used for the general maintenance of the Village's roads.

Receipts for the years ended March 24 consist of the following:

	<u>2009</u>	<u>2008</u>
Municipal Street Aid Fund - state	\$ <u>21,414</u>	\$ <u>19,943</u>

NOTE I - VILLAGE CENTER FUND

Revenue for this fund is received from rental of the Buzz Ware Village Center, along with local donations. The revenues are used to support the operations and maintenance of the Buzz Ware Village Center.

NOTE J - MEMORIAL GARDEN FUND

This fund was established to support the expenses of maintaining the Arden Memorial Garden. It is funded by the donations of local residents.

NOTE K - LECTURE SERIES FUND

This fund was established to support the expenses of lecture series. Funding for the lecture series will come from dividends on the initial donation of \$10,000.

NOTE L - NATURAL SPACES FUND

Revenue for this fund was received from a bequest according to will of an Arden resident. Funds in the amount of \$370,000 were received during the fiscal year ending March 24, 2009. The bequest was received with the specific request that the funds be used for the preservation and care of the natural spaces within the Village of Arden.

**TRUSTEES OF ARDEN AND VILLAGE OF ARDEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 24, 2009**

NOTE M - CONCENTRATION OF CREDIT RISK

The Trustees of Arden grant credit to landholders, primarily for the collection of land rent.

The Trustees of Arden and Village of Arden, Inc. place their cash and temporary cash investments with high quality financial institutions. At times such cash balances may be in excess of FDIC insurance limits.

NOTE N - BEQUESTS

During the fiscal year ending March 24, 2009 the Trustees of Arden and Village of Arden, Inc. received bequests from the Estate of Johanne Schroeder, an Arden resident.

The Trust received a bequest, as designated beneficiary of Johanne's retirement account, in the amount of \$220,637. The bequest did not have any restrictions. The funds were designated by the Trustees of Arden to be used in accordance with the Arden Deed of Trust for the benefit of Arden residents.

The Village of Arden, Inc. received a bequest, the residuary of Johanne Schroeder's estate, in the amount of \$370,000 during the fiscal year ending March 24, 2009. These funds were restricted by the will of Johanne Schroeder to be used for the preservation and care of natural spaces within the Village of Arden (See Note L).