

VILLAGE OF ARDEN, INC.
FINANCIAL STATEMENTS
MARCH 24, 2012 AND 2011

**VILLAGE OF ARDEN, INC.
FINANCIAL STATEMENTS
MARCH 24, 2012 AND 2011**

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT DISCUSSION AND ANALYSIS.....	2-5
COMBINED BALANCE SHEETS - GOVERNMENTAL FUND TYPES	6
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES.....	7
STATEMENTS OF EXPENSES - GENERAL FUND.....	8
STATEMENTS OF EXPENSES - SPECIAL REVENUE FUNDS.....	9
STATEMENT OF EXPENSES - BUDGET & ACTUAL - GENERAL FUND FOR THE YEAR ENDED MARCH 24, 2012.....	10
STATEMENT OF EXPENSES - BUDGET & ACTUAL - GENERAL FUND FOR THE YEAR ENDED MARCH 24, 2011.....	11
NOTES TO FINANCIAL STATEMENTS	12-15

INDEPENDENT AUDITORS' REPORT

Village of Arden, Inc.
2119 The Highway
Arden, Delaware

We have audited the accompanying general purpose financial statements of Village of Arden, Inc. as of March 24, 2012 and 2011 and for the years then ended. These general purpose financial statements are the responsibility of the 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 Village of Arden, Inc. as of March 24, 2012 and 2011 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.

September 26, 2012

Within this section of Village of Arden, Inc. annual financial statements, the management provides narrative discussion and analysis of the financial activities of Village of Arden, Inc. for the year ended March 24, 2012. The Villages' financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses primarily on Village of Arden, Inc. general fund.

Financial Highlights

- The Village's governmental funds reported total ending fund balances of \$1,284,963 this year. This compares to the prior year ending fund balance of \$1,237,557 showing an increase of \$47,406 during the current year.
- At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$45,608.
- Total assets of the Village increased by \$42,842 to \$1,379,080.
- Total liabilities of the Village decreased by \$4,564 to \$94,117 during the fiscal year.

Overview of the Financial Statements

Management Discussion and Analysis introduces the 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 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 \$45,608. Special revenue fund balances at year end were \$31,193 for Municipal Street Aid, \$10,000 for Capital Maintenance & Repair Fund, \$2,725 for EECBG fund, \$6,311 for the Memorial Garden Fund, \$12,176 for the Lecture Series Fund, \$393,646 for the Natural Spaces Fund and \$5,425 for the Renovation Fund.

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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Change</u>
Current and other assets	\$ 58,225	47,869	461,476	428,990	519,701	476,859	\$ 42,842	9.0%
Capital Assets	859,379	859,379	-	-	859,379	859,379	-	-
Total Assets	<u>917,604</u>	<u>907,248</u>	<u>461,476</u>	<u>428,990</u>	<u>1,379,080</u>	<u>1,336,238</u>	<u>42,842</u>	9.0%
Liabilities	23,434	16,339	-	-	23,434	16,339	7,095	43.4%
Long-term liabilities	70,683	82,342	-	-	70,683	82,342	(11,659)	-14.2%
Total Liabilities	<u>94,117</u>	<u>98,681</u>	<u>-</u>	<u>-</u>	<u>94,117</u>	<u>98,681</u>	<u>(4,564)</u>	29.3%
Fund Balances:								
General Fund, Unreserved	45,608	41,617	-	-	45,608	41,617	3,991	9.6%
Designated Endowment Fund	-	-	393,646	395,167	393,646	395,167	(1,521)	-4.4%
Special Revenue Funds	-	-	67,830	33,823	67,830	33,823	34,007	100.5%
Capital Assets net of related debt	777,879	766,950	-	-	777,879	766,950	10,929	1.4%
Total Fund Balances	<u>\$ 823,487</u>	<u>808,567</u>	<u>461,476</u>	<u>428,990</u>	<u>1,284,963</u>	<u>1,237,557</u>	<u>\$ 47,406</u>	3.8%

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 24, 2012

VILLAGE OF ARDEN, INC.

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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>Change</u>
Revenues:								
Grants - State of DE	\$ 5,300	10,447	244,063	14,116	249,363	24,563	\$ 224,800	915.2%
Land rent allocation	166,402	165,000	-	-	166,402	165,000	1,402	.8%
Installment - Cable right of way	6,467	6,218	-	-	6,467	6,218	249	4.0%
Installment - Antenna right of way	5,718	7,760	-	-	5,718	7,760	(2,042)	-26.3%
Investment income	899	629	2,440	2,011	3,339	2,640	699	26.5%
Rent and Maintenance payments	11,845	22,256	16,650	4,762	28,495	27,018	1,477	5.5%
Local donations	4,712	3,475	3,871	5,898	8,583	9,373	(790)	-8.4%
Other income	500	568	-	1,292	500	1,860	(1,360)	-73.1%
Total Revenues	<u>201,843</u>	<u>216,353</u>	<u>267,024</u>	<u>28,079</u>	<u>468,867</u>	<u>244,432</u>	<u>224,435</u>	<u>91.8%</u>
Expenses:								
General	163,196	169,299	234,538	10,862	397,734	180,161	217,573	120.8%
Administrative	23,727	26,993	-	-	23,727	26,993	(3,266)	-12.1%
Total Expenses	<u>186,923</u>	<u>196,292</u>	<u>234,538</u>	<u>10,862</u>	<u>421,461</u>	<u>207,154</u>	<u>214,307</u>	<u>103.5%</u>
Excess (Deficiency) of Revenues over Expenses	14,920	20,061	32,486	17,217	47,406	37,278	10,128	27.2%
Fund Balances, Beginning	<u>808,567</u>	<u>788,506</u>	<u>428,990</u>	<u>411,773</u>	<u>1,237,557</u>	<u>1,200,279</u>	<u>37,278</u>	<u>3.1%</u>
Fund Balances, Ending	<u>\$ 823,487</u>	<u>808,567</u>	<u>461,476</u>	<u>428,990</u>	<u>1,284,963</u>	<u>1,237,557</u>	<u>\$ 47,406</u>	<u>3.8%</u>

General Fund Budgetary Highlights

The adopted General Fund budgeted expenses for fiscal year 2012 were approximately \$ 246,202. This was an increase of approximately \$22,400 over the previous year budget.

Capital Asset and Debt Administration

Capital Asset

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

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 Village Treasurer, at 2119 The Highway, Arden, DE 19810.

**VILLAGE OF ARDEN, INC.
 COMBINED BALANCE SHEETS - GOVERNMENTAL FUND TYPES
 MARCH 24, 2012 AND 2011**

	<u>General Fund</u>	<u>Municipal Street Aid Fund</u>
ASSETS		
Cash	\$ 56,935	31,193
Undeposited Funds	-	-
Account receivable	1,290	-
Capital Assets		
Land - Sherwood Forest	<u>859,379</u>	<u>-</u>
TOTAL ASSETS	\$ <u>917,604</u>	<u>31,193</u>
LIABILITIES & FUND EQUITY		
LIABILITIES		
Accounts payable	12,184	-
Payroll taxes payable	433	-
Loan payable - Arden Building and Loan (short term)	10,817	-
Loan payable - Arden Building and Loan (long term)	<u>70,683</u>	<u>-</u>
Total Liabilities	<u>94,117</u>	<u>-</u>
FUND BALANCES (DEFICITS)		
General fund, Unreserved	45,608	-
Designated Endowment Fund	-	-
Special revenue funds	-	31,193
Capital assets net of related debt	<u>777,879</u>	<u>-</u>
Total Fund Balances (Page 7)	<u>823,487</u>	<u>31,193</u>
TOTAL LIABILITIES & FUND EQUITY	\$ <u>917,604</u>	<u>31,193</u>

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

Special Revenue Funds						Totals (Memorandum Only)	
Capital Maintenance & Repair Fund	EECBG Program Fund	Memorial Garden Fund	Lecture Series Fund	Natural Spaces Fund	Renovation Fund	March 24,	
						<u>2012</u>	<u>2011</u>
10,000	(9,275)	6,311	12,176	393,646	5,425	506,411	\$ 475,020
-	-	-	-	-	-	-	1,839
-	12,000	-	-	-	-	13,290	-
-	-	-	-	-	-	859,379	859,379
<u>10,000</u>	<u>2,725</u>	<u>6,311</u>	<u>12,176</u>	<u>393,646</u>	<u>5,425</u>	<u>1,379,080</u>	<u>1,336,238</u>
-	-	-	-	-	-	12,184	5,971
-	-	-	-	-	-	433	281
-	-	-	-	-	-	10,817	10,087
-	-	-	-	-	-	70,683	82,342
-	-	-	-	-	-	94,117	98,681
-	-	-	-	-	-	45,608	41,617
-	-	-	-	393,646	-	393,646	395,167
10,000	2,725	6,311	12,176	-	5,425	67,830	33,823
-	-	-	-	-	-	777,879	766,950
<u>10,000</u>	<u>2,725</u>	<u>6,311</u>	<u>12,176</u>	<u>393,646</u>	<u>5,425</u>	<u>1,284,963</u>	<u>1,237,557</u>
<u>10,000</u>	<u>2,725</u>	<u>6,311</u>	<u>12,176</u>	<u>393,646</u>	<u>5,425</u>	<u>1,379,080</u>	\$ <u>1,336,238</u>

VILLAGE OF ARDEN, INC.
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUND TYPES
MARCH 24, 2012 AND 2011

	General Fund	Municipal Street Aid Fund
REVENUES		
Land rentals allocation from Trustees of Arden	\$ 166,402	-
Grants	5,300	16,949
Installment on sale of cable right of way	6,467	-
Installment on sale of antenna right of way	5,718	-
Investment income	899	-
Rent and Maintenance payments	11,845	-
Local donations	4,712	-
Other income	<u>500</u>	<u>-</u>
TOTAL REVENUES	<u>201,843</u>	<u>16,949</u>
EXPENSES (Pages 8-9)		
General	163,196	-
Administrative	<u>23,727</u>	<u>-</u>
TOTAL EXPENSES	<u>186,923</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES	14,920	16,949
FUND BALANCES, BEGINNING		
General fund, Unreserved	41,617	-
Designated Endowment Fund	-	-
Special revenue funds	-	14,244
Capital assets net of related debt	<u>766,950</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 823,487</u>	<u>31,193</u>

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

Special Revenue Funds						Totals (Memorandum Only)	
Capital Maintenance & Repair Fund	EECBG Program Fund	Memorial Garden Fund	Lecture Series Fund	Natural Spaces Fund	Renovation Fund	March 24,	
						2012	2011
-	-	-	-	-	-	166,402	\$ 165,000
-	227,114	-	-	-	-	249,363	24,563
-	-	-	-	-	-	6,467	6,218
-	-	-	-	-	-	5,718	7,760
-	-	-	-	2,440	-	3,339	2,640
10,000	-	-	-	-	6,650	28,495	27,018
-	-	3,871	-	-	-	8,583	9,373
-	-	-	-	-	-	500	1,860
<u>10,000</u>	<u>227,114</u>	<u>3,871</u>	<u>-</u>	<u>2,440</u>	<u>6,650</u>	<u>468,867</u>	<u>244,432</u>
-	224,389	3,651	166	3,961	2,371	397,734	180,161
-	-	-	-	-	-	23,727	26,993
-	<u>224,389</u>	<u>3,651</u>	<u>166</u>	<u>3,961</u>	<u>2,371</u>	<u>421,461</u>	<u>207,154</u>
10,000	2,725	220	(166)	(1,521)	4,279	47,406	37,278
-	-	-	-	-	-	41,617	30,963
-	-	-	-	395,167	-	395,167	393,827
-	-	6,091	12,342	-	1,146	33,823	17,946
-	-	-	-	-	-	766,950	757,543
<u>10,000</u>	<u>2,725</u>	<u>6,311</u>	<u>12,176</u>	<u>393,646</u>	<u>5,425</u>	<u>1,284,963</u>	<u>\$ 1,237,557</u>

**VILLAGE OF ARDEN, INC.
STATEMENTS OF EXPENSES - GENERAL FUND
FOR THE YEARS ENDED MARCH 24, 2012 AND 2011**

	<u>General Expenses</u>	<u>Administrative Expenses</u>	<u>Totals (Memorandum Only)</u> March 24,	
			<u>2012</u>	<u>2011</u>
Archives, General Fund committee expense	\$ 58	1,416	\$ 1,474	\$ 1,072
Buzz Ware Village Center				
Maintenance and supplies	-	-	-	2,715
Utilities	8,156	-	8,156	12,317
License, permits and fees	130	-	130	177
Supplies	1,008	-	1,008	925
Salaries – Maintenance	10,200	-	10,200	9,990
Payroll taxes	1,096	-	1,096	1,031
Miscellaneous	981	-	981	1,039
Improvements	1,337	-	1,337	962
Grant expenses	-	-	-	884
Civic:				
Commons and Forests	34,056	-	34,056	26,094
Roads	24,076	-	24,076	29,483
Trash collection	69,431	-	69,431	66,885
Playground committee expense	1,625	-	1,625	-
Salaries - Secretary	-	5,252	5,252	5,252
Salaries - Treasurer	-	5,252	5,252	5,209
Donations:				
ACRA	1,500	-	1,500	1,500
The Arden Club	500	-	500	700
Arden Library	800	-	800	1,500
Arden Page	1,500	-	1,500	1,600
Fire Companies	1,600	-	1,600	1,600
Interest expense	5,142	-	5,142	6,663
Auditing	-	5,316	5,316	8,024
Legal & professional fees	-	-	-	6,112
Repair & maintenance	-	5,331	5,331	3,622
Operations and fees	-	-	-	4,898
Payroll taxes	-	1,160	1,160	1,113
TOTAL EXPENSES (Page 7)	<u>\$ 163,196</u>	<u>23,727</u>	<u>\$ 186,923</u>	<u>\$ 196,292</u>

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

**VILLAGE OF ARDEN, INC.
 STATEMENTS OF EXPENSES - SPECIAL REVENUE FUNDS
 FOR THE YEARS ENDED MARCH 24, 2012 AND 2011**

	<u>General Expenses</u>	<u>March 24, 2012</u>	<u>Totals (Memorandum Only) 2011</u>
MUNICIPAL STREET AID FUND			
Road expense	\$ <u>-</u>	<u>-</u>	\$ <u>31,334</u>
Total (Page 7)	<u>-</u>	<u>-</u>	<u>31,334</u>
EECBG			
License, permits and fees	125	125	-
Salaries - Maintenance	195	195	-
Payroll taxes	21	21	-
Renovations	5,500	5,500	-
Professional fees	32,240	32,240	-
Equipment	41,895	41,895	-
Program expenses	<u>144,413</u>	<u>144,413</u>	<u>-</u>
	<u>224,389</u>	<u>224,389</u>	<u>-</u>
MEMORIAL GARDEN FUND			
	<u>3,651</u>	<u>3,651</u>	<u>2,886</u>
LECTURE SERIES FUND			
Lecture Series expenses (Page 7)	<u>166</u>	<u>166</u>	<u>-</u>
RENOVATION FUND			
Equipment purchases	270	270	-
Program services	<u>2,101</u>	<u>2,101</u>	<u>-</u>
Program expenses	<u>2,371</u>	<u>2,371</u>	<u>3,179</u>
NATURAL SPACES FUND			
Ground Maintenance	3,209	3,209	-
Renovations	<u>752</u>	<u>752</u>	<u>-</u>
Program expenses	<u>\$ 3,961</u>	<u>3,961</u>	<u>\$ -</u>

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

VILLAGE OF ARDEN, INC.
STATEMENT OF EXPENSES - BUDGET & ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MARCH 24, 2012

	<u>Budget</u>	<u>Actual</u>	Variable Favorable <u>(Unfavorable)</u>
Advisory Committee	\$ 200	-	200
Archives committee	1,440	1,416	24
Board of Assessors	50	-	50
Buzz Ware Village Center – Town Support	7,000	-	7,000
Buzz Ware Village Center			
Wages & related payroll taxes	14,133	11,296	2,837
Administrative expenses	630	400	230
Janitorial supplies	917	1,008	(91)
Utilities	10,322	8,156	2,166
Repairs & maintenance	5,000	1,337	3,663
Program expenses	2,800	377	2,423
Professional Fees	0	335	(335)
Capital, maintenance & repair fund	10,000	0	10,000
Civic:	51,250	54,732	(3,482)
Trash collection	72,000	69,431	2,569
Community planning:	1,000	58	942
Forest Committee	5,000	3,400	1,600
Playground committee expense	3,000	1,625	1,375
Registration committee expense	200	119	81
Safety committee expense	2,000	-	2,000
Salaries - Secretary	5,252	5,252	-
Salaries - Treasurer	5,252	5,252	-
Donations:			
ACRA	1,500	1,500	-
The Arden Club	500	500	-
Arden Library	800	800	-
Arden Page	1,500	1,500	-
Fire Companies	1,600	1,600	-
Mortgage Debt	16,176	5,142	11,034
Auditing	6,000	5,250	750
Operations and fees	9,500	5,277	4,223
Payroll taxes	1,680	1,160	520
Contingency	<u>9,500</u>	<u>-</u>	<u>9,500</u>
TOTAL	\$ <u>246,202</u>	<u>186,923</u>	\$ <u>59,279</u>

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

VILLAGE OF ARDEN, INC.
STATEMENT OF EXPENSES - BUDGET & ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MARCH 24, 2011

	<u>Budget</u>	<u>Actual</u>	Variable Favorable <u>(Unfavorable)</u>
Archives, General Fund			
committee expense	\$ 1,440	1,325	\$ 115
Buzz Ware Village Center			
Maintenance and supplies	4,000	2,715	1,285
Utilities	10,172	12,121	(1,949)
License, permits and fees	150	152	(2)
Supplies	917	925	(8)
Salaries – Maintenance	12,848	9,990	2,858
Payroll taxes	1,285	991	294
Miscellaneous	630	165	465
Improvements	1,000	962	38
Grant expenses	2,800	884	1,916
Civic:			
Forest	8,000	5,250	2,750
Roads	50,000	47,674	2,326
Trash collection	58,100	66,760	(8,660)
Committee:			
Advisory	300	120	180
Assessors	50	-	50
Buzz ware	7,000	-	7,000
Registration	1,000	-	1,000
Safety	2,000	14	1,986
Community planning	1,000	-	1,000
Playground	3,000	4,268	(1,268)
Salaries - Secretary	5,252	5,252	-
Salaries - Treasurer	5,252	5,209	43
Donations:			
ACRA	1,500	1,500	-
Arden Library	700	700	-
Arden Page	1,500	1,500	-
Fire Companies	1,600	1,600	-
Interest expense	16,176	6,663	9,513
Auditing	9,400	8,025	1,375
Legal & professional fees	-	6,112	(6,112)
Office rent	1,300	-	1,300
Operations and fees	4,250	4,345	(95)
Payroll taxes	1,680	1,070	610
Contingency	9,500	-	9,500
TOTAL	<u>\$ 223,802</u>	<u>196,292</u>	<u>\$ 27,510</u>

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

VILLAGE OF ARDEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 24, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

The accounts of 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 Village of Arden, Inc:

Governmental Fund Types:

General Fund - The General Fund is the general operating fund of Village of Arden, Inc. and accounts for all revenues and expenses of 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 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

Village of Arden, Inc. is the basic level of government which has financial accountability and control over all activities related to Village of Arden, Inc. in Arden, Delaware.

Budget

Village of Arden, Inc. is 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.

VILLAGE OF ARDEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 24, 2012

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 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, 2012, the carrying amount of deposits was \$505,511 and the bank balances totaled \$512,649. At March 24, 2011, the carrying amount of deposits was \$475,747 and the bank balances totaled \$480,583.

NOTE C - CAPITAL ASSET – SHERWOOD FOREST

In April, 2004, Village of Arden, Inc. purchased the 5.02 acres of land known as Sherwood Forest, 209 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 D - LAND RENTS

Village of Arden land rent is levied and collected by the Trustees of Arden 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. During the year ended March 24, 2012, land rent revenue of \$165,000 was allocated to Village of Arden, Inc. from the Trustees of Arden for general operations.

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.

NOTE E - 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 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 \$81,500 as of March 24, 2012. Interest expense for the years ended March 24, 2012 and 2011 was \$5,142 and \$6,663, respectively

VILLAGE OF ARDEN, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 24, 2012

NOTE F - 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>2012</u>	<u>2011</u>
Municipal Street Aid Fund - state	\$ <u>16,949</u>	\$ <u>14,116</u>

NOTE G - 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 H - 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 I - NATURAL SPACES FUND

Revenue for this fund was received from a bequest according to will of an Arden resident. Funds in the amount of \$-0- and \$-0- were received during the fiscal years ending March 24, 2012 and 2011, respectively. The bequest was received with the specific request that the funds be used for the preservation and care of the natural spaces within Village of Arden, Inc.

NOTE J - CONCENTRATION OF CREDIT RISK

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 K - BEQUESTS

During the fiscal year ending March 24, 2011 Village of Arden, Inc. received a bequest from the Estate of Johanne Schroeder, an Arden resident.

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, 2011. An additional \$20,000 was received during the fiscal year ending March 24, 2012. These funds were restricted by the will of Johanne Schroeder to be used for the preservation and care of natural spaces within Village of Arden, Inc. (See Note I).