

Town of Pound Ridge, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2019

Town of Pound Ridge, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Highway Funds	24
Statement of Assets and Liabilities - Fiduciary Fund	26
Notes to Financial Statements	27
Required Supplementary Information	
Other Post Employment Benefits	
Schedule of Funding Progress - Last Three Fiscal Years	55
New York State and Local Employees' Retirement System	
Schedule of the Town's Proportionate Share of the Net Pension Liability	56
Schedule of Contributions	56
New York State and Local Police and Fire Retirement System	
Schedule of the Town's Proportionate Share of the Net Pension Liability	57
Schedule of Contributions	57
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	58
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	59
Schedule of Revenues Compared to Budget	61
Schedule of Expenditures and Other Financing Uses Compared to Budget	63
Highway Fund	
Comparative Balance Sheet	66
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	67
Capital Projects Fund	
Comparative Balance Sheet	69
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	70

Town of Pound Ridge, New York

Table of Contents (Concluded)

Non-Major Governmental Funds	
Combining Balance Sheet	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	72
Special Purpose Fund	
Comparative Balance Sheet	73
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	74
Public Parking District Fund	
Comparative Balance Sheet	75
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	76

Independent Auditors' Report

The Honorable Supervisor and Town Board
of the Town of Pound Ridge, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Pound Ridge, New York ("Town") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2019, and the respective changes in financial position, and the respective budgetary comparison for the General and Highway funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1H in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("Coronavirus"). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit for the year ended December 31, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules for the year ended December 31, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2019 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended December 31, 2018 (not presented herein), and have issued our report thereon dated December 31, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2018 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling

such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2018.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

January 5, 2022

Town of Pound Ridge, New York

Management's Discussion and Analysis (MD&A)
December 31, 2019

Introduction

The management of the Town of Pound Ridge offers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2019 to readers of the Town's financial statements. This document should be read in conjunction with the basic financial statements, which immediately follow this section in order to enhance the understanding of the Town's financial performance.

Financial Highlights

- ❖ On the government-wide financial statements, the assets and deferred outflows of resources of the Town were at a deficit as compared to the liabilities and deferred inflows of resources at the close of 2019 by (\$1,662,575.) This reflects a decrease in the total net position of \$78,876.
- ❖ As of the close of 2019, the Town's governmental funds reported combined ending fund balances of \$3,166,285, a decrease of \$672,242 from FY 2018.
- ❖ At the end of the current year, unassigned fund balance for the General Fund was \$885,568, which equates to 15.1% of total General Fund expenditures of \$5,880,203 exclusive of Transfers Out of \$72,500. The General Fund reported an ending total fund balance of \$4,431,860 which represents an increase of \$371,221 from FY 2018 ending fund balance of \$4,060,639.
- ❖ At the end of the current year, the Town had outstanding \$512,000 of statutory installment bonds and \$1,955,000 of bond anticipation notes. This represents a decrease in statutory installment bonds of \$259,426 and an increase of \$155,000 from the FY 2018 bond anticipation notes.
- ❖ For the year ended December 31, 2019 the Town reported in its Statement of Net Position a liability of \$628,691 for its proportionate share of the ERS and PFRS net pension liabilities. More detailed information about the Town's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to financial statements.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, 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 Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

The Town maintains three major governmental funds: the General Fund, the Highway Fund and the Capital Projects Fund. Major funds have their information presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The Public Parking District and the Special Purpose Fund are grouped together as non-major governmental Funds.

Budgetary comparison statements are provided for the General Fund, the Highway Fund and the Public Parking District. Budgetary comparison statements have been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements and include individual fund financial statements and schedules of "budgets to actual" comparisons.

Government-wide Financial Analysis

In accordance with GASB Statement No. 34, The Town of Pound Ridge has assets and deferred outflows of resources at a deficit balance related to liabilities and deferred inflows of resources by (\$1,662,575) for fiscal year ended 2019. This represents a decrease of \$78,876 below Net Position for the fiscal year ended 2018. Over time, Net Position may serve as a useful indicator of a government's financial position.

The following table reflects the condensed Statement of Net Position:

**Statement of Net Position
December 31,**

	2019	2018
Current Assets	\$ 25,878,891	\$ 26,057,571
Capital Assets, net	12,655,911	12,254,124
Total Assets	38,534,802	38,311,695
Deferred Outflows of Resources*	3,359,655	1,273,315
Current Liabilities	22,603,320	21,976,884
Long-term Liabilities	17,065,474	16,701,537
Total Liabilities	39,668,794	38,678,421
Deferred Inflows of Resources*	3,888,238	2,490,288
Net Position		
Net Invested in Capital Assets	10,188,911	9,682,698
Restricted	3,592,292	3,189,516
Unrestricted	(15,443,778)	(14,455,913)
Total Net Position	\$ (1,662,575)	\$ (1,583,699)

*Detailed information pertaining to the Town's Deferred Outflows/Inflows of Resources is presented in Notes 1 and 3 to the financial statements. The amounts are as follows:

Deferred Inflows/Outflows Amounts				
Retirement System	Outflows		Inflows	
	2019	2018	2019	2018
Employee (ERS)	\$ 656,093	\$ 915,486	\$ 175,342	\$ 699,419
Police (PFRS)	259,222	357,829	57,064	194,100
	915,315	1,273,315	232,406	893,519
Other Post Employment Benefits (OPEB)	2,444,340	-	3,655,832	1,596,769
	\$ 3,359,655	\$ 1,273,315	\$ 3,888,238	\$ 2,490,288

The largest component of the Town's Net Position is Net Invested in Capital Assets of \$10,188,911 in 2019 and \$9,682,698 in 2018 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted Net Position of \$3,592,292 in 2019 and \$3,189,516 in 2018, represent resources that are subject to external restrictions on their use. The restrictions are:

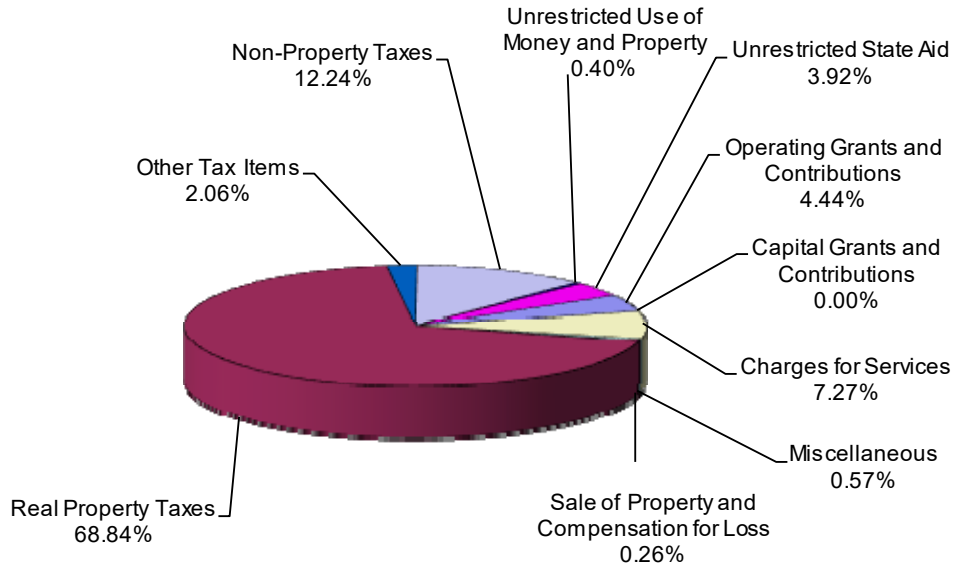
	<u>2019</u>	<u>2018</u>
Open Space	\$ 3,157,792	\$ 2,782,030
Special Revenues Funds		
Trusts	211,539	213,251
Public parking	<u>222,961</u>	<u>194,235</u>
	<u>\$ 3,592,292</u>	<u>\$ 3,189,516</u>

The remaining balances represents unrestricted deficits of (\$15,443,778) in 2019 and (14,455,913) in 2018. If available, unrestricted Net Position may be used to meet the Town's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town is able to report positive net position balances for the government as a whole as well as for its governmental activities.

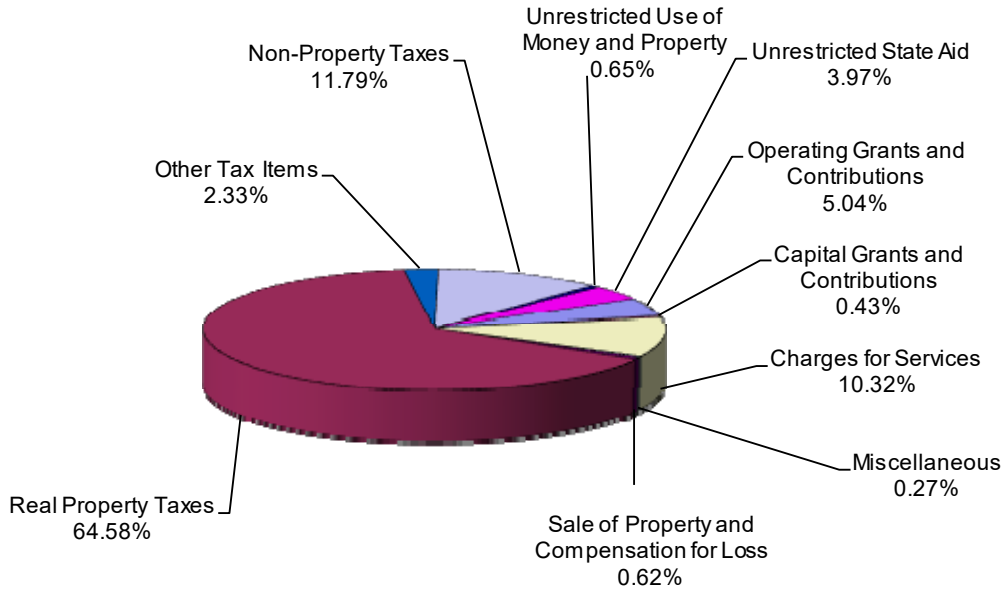
**Change in Net Position
Fiscal Year Ended December 31,**

	2019	2018
REVENUES		
Program Revenues		
Charges for Services	\$ 619,119	\$ 842,571
Operating Grants and Contributions	377,985	411,327
Capital Grants and Contributions	-	35,315
	997,104	1,289,213
General Revenues		
Real Property Taxes	5,865,200	5,271,951
Other Tax items	175,359	190,149
Non-Property Taxes	1,043,086	962,689
Unrestricted Use of Money and Property	34,357	52,736
Sale of Property and Compensation for Loss	22,185	50,937
Unrestricted State Aid	334,311	324,190
Miscellaneous	48,991	22,132
	7,523,489	6,874,784
Total General Revenues	7,523,489	6,874,784
Total Revenues	8,520,593	8,163,997
EXPENSES		
Program Expenses		
General Government Support	2,220,367	2,076,325
Public Safety	2,130,032	2,090,148
Health	156,165	136,869
Transportation	2,805,184	3,050,073
Economic Opportunity and Development	6,036	3,808
Culture and Recreation	942,042	974,962
Home and Community Services	259,556	240,281
Interest	80,087	32,445
	8,599,469	8,604,911
Total Expenses	8,599,469	8,604,911
Change in Net Position	(78,876)	(440,914)
NET POSITION		
Beginning as Reported	(1,583,699)	8,271,351
Cumulative Affect of Change in Accounting Principle*	-	(9,414,136)
	(1,583,699)	(1,142,785)
Beginning as Restated	(1,583,699)	(1,142,785)
Ending	\$ (1,662,575)	\$ (1,583,699)

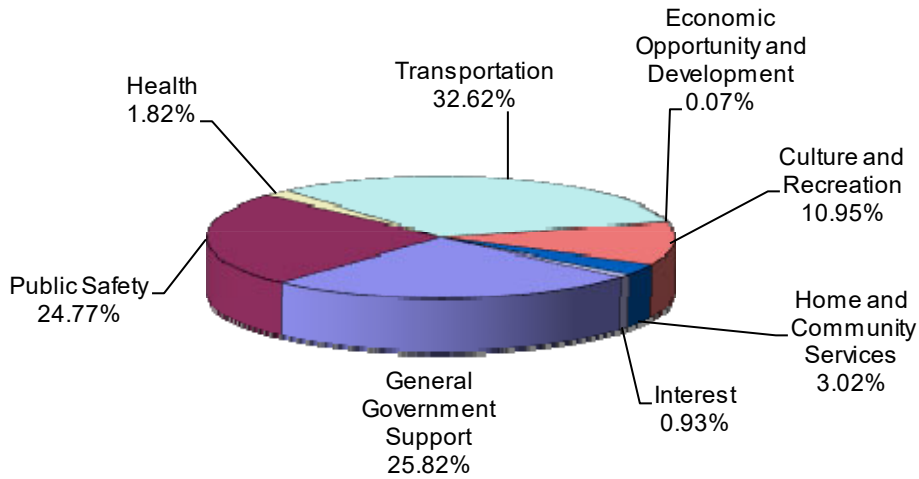
**Sources of Revenue for Year 2019
Governmental Activities**



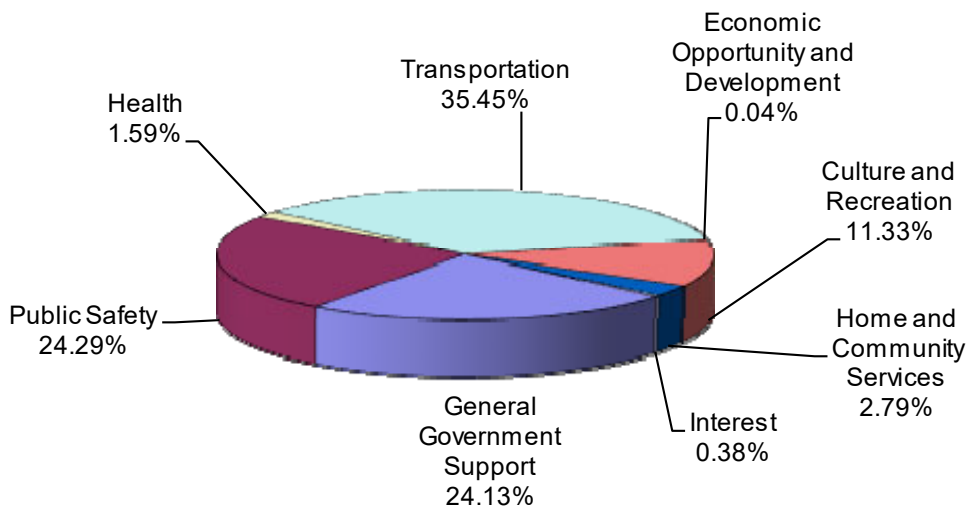
**Sources of Revenue for Year 2018
Governmental Activities**



Sources of Expenses for Year 2019 Governmental Activities



Sources of Expenses for Year 2018 Governmental Activities



Governmental Activities

Governmental activities decreased the Town's Net Position by \$78,876 in 2019 and \$440,914 in 2018. For the fiscal year ended December 31, 2018, revenues from governmental activities totaled \$8,520,593. Tax revenues (\$7,078,645), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (83.1%).

The largest components of governmental activities' in 2019 expenses are public safety (24.8%), general government support (25.8%) and transportation (32.6%). Public Safety includes the following: Police, Fire, Safety Inspection and Animal Control. General Government Support includes the following: Town Board, Town Justice, Supervisor, Finance, Town Offices, Clerk, Law, Data Processing, Central Printing and Mailing, Unallocated Insurance, Taxes on Town Property, Judgments and Claims and Contingency. Transportation includes the following: Highway Administration, Garage and Street Lighting.

Financial Analysis of the Town's Funds

Fund Balance Reporting

GASB issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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

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

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Director of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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

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

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,166,285. The unassigned fund balance has a deficit balance in the amount of (\$935,845). The nonspendable fund balance component consists of amounts for prepaid expenditures \$243,328. Fund balance of \$3,369,331 is restricted, in its use under the terms of a trust agreement \$211,539 and the land reserve for open space \$3,157,792.

The General Fund is the primary operating fund of the Town. At the end of FY 2019, unassigned fund balance of the General Fund was \$885,568, representing 20.0% of the total General Fund balance of \$4,431,860. When the FY 2019 General Fund budget was adopted, it anticipated to use \$340,000 of fund balance. Actual results of operations resulted in an increase in the Unassigned Fund Balance of \$371,221. Revenues were \$6,323,924, which was \$88,272 or 1.4% less than the final budget. Expenditures exclusive of Transfers Out were \$5,880,203 which was \$425,714 or 6.7%, less than the final budget.

The Capital Projects Fund has a deficit fund balance of (\$1,821,413). The majority of the capital projects are financed by short-term debt as of December 31, 2019.

General Fund Budgetary Highlights

The appropriations budget for general government support was decreased by \$69,600, public safety was increased by \$25,100, and culture and recreation was increased by \$27,200.

When the fiscal 2019 budget was adopted, it anticipated using \$340,000 of the unassigned fund balance of the General Fund. Actual results of operations resulted in an increase in fund balance of \$371,221 and an increase in unassigned fund balance of \$205,659 to a balance of \$885,568. Actual revenues for 2019 were \$88,272 less than the final budget and actual expenses exclusive of Transfers Out for 2019 were \$425,714 less than the final budget.

Some of the major variances in revenue:

- Real Property Tax revenue was higher than budgeted by \$94,717 due to the collection of liens reducing the balance.
- License and Permit Revenue was \$133,209 resulting in \$77,791 negative variance.
- State Aid revenue in 2019 was \$135,828 less than the original budget.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for governmental activities at December 31, 2019, net of accumulated depreciation, was \$12,655,911, an increase of \$401,787. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, infrastructure and construction-in-progress.

Major capital asset activity during the current fiscal year included the following:

Capital Assets December 31,

	2019	2018
Land	\$ 3,371,929	\$ 3,371,929
Construction-in-Progress	511,372	67,630
Buildings	1,030,088	1,066,394
Land Improvements	1,230,586	1,268,449
Machinery and Equipment	682,113	619,433
Infrastructure	5,829,823	5,860,289
Total	<u>\$ 12,655,911</u>	<u>\$ 12,254,124</u>

Long-term Debt /Short-Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$512,000, as compared to \$771,426 for FY2018. As required by New York State Law, all bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town.

The Town did not elect to amortize the allowable ERS and PFRS contribution. The balance from prior years due at December 31, 2018 was \$244,997.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law §104, the Town must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. At December 31, 2019, the Town five year average full valuation was \$2,048,691,842 thereby establishing a constitutional debt limit of \$143,408,429.

Economic Factors and Next Year's Budgets and Rates

Revenues have remained stable. Mortgage tax revenue remains at lower levels in FY2019 as compared with pre-recession revenue levels. The Town management recognizes the expectations for economic growth have improved but FY2020 budget levels are conservatively set to operate at lower revenue levels in the near term. The amount of long-term uncollected taxes were reduced in 2019 but remains at high levels and has the potential to affect cash flow for operations and fund balance reserves. Management has a plan in place to address outstanding tax accounts and is monitoring this trend for multi-year forecasting. Due to low interest rates, borrowing has been utilized with short-term and long-term financing. The Town management also is aware that health insurance costs need to be monitored closely as uncertainty in the market conditions exist. All of these factors were taken into consideration in developing the FY 2020 budget.

Requests for Information

This financial report is designed to provide a general overview of the Town of Pound Ridge's finances. Questions and comments concerning any of the information provided in this report should be addressed to Steven Conti, Director of Finance, Town of Pound Ridge, 179 Westchester Avenue, Pound Ridge, New York 10576.

Town of Pound Ridge, New YorkStatement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 12,373,797
Receivables	
Taxes, net	12,882,731
Accounts	15,970
Due from other governments	363,065
Prepaid expenses	243,328
Capital assets	
Not being depreciated	3,883,301
Being depreciated, net	8,772,610
	<u>38,534,802</u>
Total Assets	
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	915,315
OPEB related	2,444,340
	<u>3,359,655</u>
Total Deferred Outflows of Resources	
LIABILITIES	
Accounts payable	490,822
Due to other governments	19,998,486
Overpayments	3,838
Bond anticipation notes payable	1,955,000
Accrued interest payable	29,330
Claims payable	125,844
Non-current liabilities	
Due within one year	195,865
Due in more than one year	16,869,609
	<u>39,668,794</u>
Total Liabilities	
DEFERRED INFLOWS OF RESOURCES	
Pension related	232,406
OPEB related	3,655,832
	<u>3,888,238</u>
Total Deferred Inflows of Resources	
NET POSITION	
Net investment in capital assets	10,188,911
Restricted for	
Open space	3,157,792
Special Revenue Funds	
Public parking	222,961
Trusts	211,539
Unrestricted	(15,443,778)
	<u>(1,662,575)</u>
Total Net Position	<u>\$ (1,662,575)</u>

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

Town of Pound Ridge, New York

Statement of Activities
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General government support	\$ 2,220,367	\$ 186,125	\$ 203,086	\$ -
Public safety	2,130,032	12,064	-	-
Health	156,165	-	-	-
Transportation	2,805,184	12,036	167,981	-
Economic opportunity and development	6,036	-	-	-
Culture and recreation	942,042	382,800	6,918	-
Home and community services	259,556	26,094	-	-
Interest	80,087	-	-	-
Total Governmental Activities	\$ 8,599,469	\$ 619,119	\$ 377,985	\$ -
General revenues				
Real property taxes				5,865,200
Other tax items				
Payment in lieu of taxes				5,000
Interest and penalties on real property taxes				170,359
Non-property taxes				
Non-property tax distribution from County				933,886
Cable TV franchise fees				109,200
Unrestricted use of money and property				34,357
Sale of property and compensation for loss				22,185
Unrestricted State aid				334,311
Miscellaneous				48,991
Total General Revenues				<u>7,523,489</u>
Change in Net Position				(78,876)
NET POSITION				
Net Position - Beginning				<u>(1,583,699)</u>
Net Position - Ending				<u>\$ (1,662,575)</u>

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

Town of Pound Ridge, New York

Balance Sheet
 Governmental Funds
 December 31, 2019

	General	Highway	Capital Projects
ASSETS			
Cash and equivalents	\$ 11,391,600	\$ 293,881	\$ 253,451
Taxes receivable, net	12,882,731	-	-
Other receivables			
Accounts	-	15,970	-
Due from other funds	51,142	1,095,023	255,364
Due from other governments	363,065	-	-
	414,207	1,110,993	255,364
Prepaid expenditures	188,500	54,828	-
Total Assets	<u>\$ 24,877,038</u>	<u>\$ 1,459,702</u>	<u>\$ 508,815</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 169,400	\$ 52,250	\$ 269,051
Due to other funds	8,994	1,286,114	106,177
Due to other governments	19,998,486	-	-
Overpayments	3,838	-	-
Bond anticipation notes payable	-	-	1,955,000
Total Liabilities	20,180,718	1,338,364	2,330,228
Deferred inflows of resources			
Deferred tax revenues	264,460	-	-
Total Liabilities and Deferred Inflows of Resources	20,445,178	1,338,364	2,330,228
Fund balances (deficits)			
Nonspendable	188,500	54,828	-
Restricted	3,157,792	-	-
Assigned	200,000	66,510	-
Unassigned	885,568	-	(1,821,413)
Total Fund Balances (Deficits)	4,431,860	121,338	(1,821,413)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 24,877,038</u>	<u>\$ 1,459,702</u>	<u>\$ 508,815</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 434,865	\$ 12,373,797
-	12,882,731
-	15,970
-	1,401,529
-	363,065
-	1,780,564
-	243,328
<u>\$ 434,865</u>	<u>\$ 27,280,420</u>

\$ 121	\$ 490,822
244	1,401,529
-	19,998,486
-	3,838
-	1,955,000
365	23,849,675
-	264,460
<u>365</u>	<u>24,114,135</u>
-	243,328
211,539	3,369,331
222,961	489,471
-	(935,845)
<u>434,500</u>	<u>3,166,285</u>
<u>\$ 434,865</u>	<u>\$ 27,280,420</u>

Town of Pound Ridge, New York

Reconciliation of the Governmental Funds

Balance Sheet to the Government-Wide Statement of Net Position
December 31, 2019

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

Fund Balance - Total Governmental Funds	<u>\$ 3,166,285</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	3,883,301
Capital assets - depreciable	35,578,683
Accumulated depreciation	<u>(26,806,073)</u>
	<u>12,655,911</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	915,315
Deferred outflows - OPEB related	2,444,340
Deferred inflows - pension related	(232,406)
Deferred inflows - OPEB related	<u>(3,655,832)</u>
	<u>(528,583)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>264,460</u>
Long-term liabilities and other liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(29,330)
Claims payable	(125,844)
Bonds payable	(512,000)
Net pension liability	(628,691)
Retirement incentives and other pension obligations	(244,997)
Total OPEB Liability	<u>(15,679,786)</u>
	<u>(17,220,648)</u>
Net Position of Governmental Activities	<u><u>\$ (1,662,575)</u></u>

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

Town of Pound Ridge, New York

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended December 31, 2019

	General	Highway	Capital Projects
REVENUES			
Real property taxes	\$ 3,910,661	\$ 1,995,044	\$ -
Other tax items	175,359	-	-
Non-property taxes	1,043,086	-	-
Departmental income	425,705	12,036	-
Use of money and property	46,157	239	-
Interfund revenues	-	-	-
Licenses and permits	133,209	-	-
Fines and forfeitures	36,369	-	-
Sale of property and compensation for loss	22,185	55,195	-
State aid	414,172	167,480	-
Miscellaneous	117,021	-	-
	<u>6,323,924</u>	<u>2,229,994</u>	<u>-</u>
EXPENDITURES			
Current			
General government support	1,556,015	-	-
Public safety	1,407,632	-	-
Health	156,165	-	-
Transportation	180,751	1,461,932	-
Economic opportunity and development	6,036	-	-
Culture and recreation	628,415	-	-
Home and community services	185,980	-	-
Employee benefits	1,643,918	564,652	-
Debt service			
Principal	80,000	179,426	-
Interest	35,291	36,501	-
Capital outlay	-	-	1,130,460
	<u>5,880,203</u>	<u>2,242,511</u>	<u>1,130,460</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>443,721</u>	<u>(12,517)</u>	<u>(1,130,460)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	145,000
Transfers out	<u>(72,500)</u>	<u>(72,500)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(72,500)</u>	<u>(72,500)</u>	<u>145,000</u>
Net Change in Fund Balances	371,221	(85,017)	(985,460)
FUND BALANCES (DEFICITS)			
Beginning of Year	<u>4,060,639</u>	<u>206,355</u>	<u>(835,953)</u>
End of Year	<u>\$ 4,431,860</u>	<u>\$ 121,338</u>	<u>\$ (1,821,413)</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 44,030	\$ 5,949,735
-	175,359
-	1,043,086
-	437,741
7,180	53,576
-	-
-	133,209
-	36,369
-	77,380
-	581,652
-	117,021
51,210	8,605,128
-	1,556,015
-	1,407,632
-	156,165
15,566	1,658,249
-	6,036
8,630	637,045
-	185,980
-	2,208,570
-	259,426
-	71,792
-	1,130,460
24,196	9,277,370
27,014	(672,242)
-	145,000
-	(145,000)
-	-
27,014	(672,242)
407,486	3,838,527
\$ 434,500	\$ 3,166,285

Town of Pound Ridge, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2019

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

Net Change in Fund Balances - Total Governmental Funds	\$ (672,242)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	1,297,941
Depreciation expense	<u>(896,154)</u>
	<u>401,787</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>(84,535)</u>
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	
Principal paid on bonds	<u>259,426</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	(8,295)
Claims	(40,044)
Changes in pension liabilities and related deferred outflows and inflows of resources	(17,306)
Retirement incentives and other pension obligations	65,626
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>16,707</u>
	<u>16,688</u>
Change in Net Position of Governmental Activities	<u><u>\$ (78,876)</u></u>

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

Town of Pound Ridge, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Highway Funds
Year Ended December 31, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,815,944	\$ 3,815,944	\$ 3,910,661	\$ 94,717
Other tax items	230,000	230,000	175,359	(54,641)
Non-property taxes	950,000	950,000	1,043,086	93,086
Departmental income	420,200	420,200	425,705	5,505
Use of money and property	94,000	94,000	46,157	(47,843)
Interfund revenues	-	-	-	-
Licenses and permits	211,000	211,000	133,209	(77,791)
Fines and forfeitures	58,000	58,000	36,369	(21,631)
Sale of property and compensation for loss	17,800	17,800	22,185	4,385
State aid	569,252	550,000	414,172	(135,828)
Miscellaneous	46,000	65,252	117,021	51,769
Total Revenues	6,412,196	6,412,196	6,323,924	(88,272)
EXPENDITURES				
Current				
General government support	1,733,768	1,664,168	1,556,015	108,153
Public safety	1,408,698	1,433,798	1,407,632	26,166
Health	308,598	308,598	156,165	152,433
Transportation	180,347	187,147	180,751	6,396
Economic opportunity and development	6,650	6,650	6,036	614
Culture and recreation	681,345	708,545	628,415	80,130
Home and community services	220,058	230,558	185,980	44,578
Employee benefits	1,598,000	1,598,000	1,643,918	(45,918)
Debt service				
Principal	147,000	147,000	80,000	67,000
Interest	21,453	21,453	35,291	(13,838)
Total Expenditures	6,305,917	6,305,917	5,880,203	425,714
Excess of Revenues Over Expenditures	106,279	106,279	443,721	337,442
OTHER FINANCING USES				
Transfers out	(448,898)	(448,898)	(72,500)	376,398
Net Change in Fund Balances	(342,619)	(342,619)	371,221	713,840
FUND BALANCES				
Beginning of Year	342,619	342,619	4,060,639	3,718,020
End of Year	\$ -	\$ -	\$ 4,431,860	\$ 4,431,860

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

Highway Fund

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 1,995,044	\$ 1,995,044	\$ 1,995,044	\$ -
-	-	-	-
-	-	-	-
11,000	11,000	12,036	1,036
200	200	239	39
30,000	30,000	-	(30,000)
-	-	-	-
-	-	-	-
40,000	60,000	55,195	(4,805)
180,000	180,000	167,480	(12,520)
-	-	-	-
<u>2,256,244</u>	<u>2,276,244</u>	<u>2,229,994</u>	<u>(46,250)</u>
-	-	-	-
-	-	-	-
-	-	-	-
1,490,315	1,510,315	1,461,932	48,383
-	-	-	-
-	-	-	-
-	-	-	-
549,000	549,000	564,652	(15,652)
112,429	112,429	179,426	(66,997)
32,000	32,000	36,501	(4,501)
<u>2,183,744</u>	<u>2,203,744</u>	<u>2,242,511</u>	<u>(38,767)</u>
72,500	72,500	(12,517)	(85,017)
<u>(72,500)</u>	<u>(72,500)</u>	<u>(72,500)</u>	<u>-</u>
-	-	(85,017)	(85,017)
-	-	206,355	206,355
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,338</u>	<u>\$ 121,338</u>

Town of Pound Ridge, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2019

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 251,807
Accounts receivable	<u>92,465</u>
Total Assets	<u><u>\$ 344,272</u></u>
LIABILITIES	
Accounts payable	\$ 11,631
Deposits	<u>332,641</u>
Total Liabilities	<u><u>\$ 344,272</u></u>

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

Note 1 - Summary of Significant Accounting Policies

The Town of Pound Ridge, New York ("Town") was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below:

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

C. Fund Financial Statements

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

Fund Categories

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

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for in other funds.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than capital projects. The major Special Revenue Fund of the Town is:

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenue of this fund is real property taxes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town also reports the following non-major governmental funds.

Special Revenue Funds:

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

Public Parking District Fund - The Public Parking District Fund is provided to account for the operation and maintenance of the Town's parking district.

- b. Fiduciary Fund - (Not Included in Government-Wide Statements) - the Fiduciary funds is used to account for assets held by the Town in an agency capacity on behalf of others. The Town's Agency Fund is primarily utilized to account for various deposits that are payable to other jurisdictions or individuals.

D. Measurement Focus, Basis of Accounting and Financial Presentation

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenue when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, retirement incentives and other pension obligations, net pension liability and other post-employment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Town's deposits investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

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

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Town follows the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment to GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized,

Note 1 - Summary of Significant Accounting Policies (Continued)

collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2019.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town's investment policy limits the amount on deposit at each of its banking institutions.

Taxes Receivable - Real property taxes attach as an enforceable lien and are levied on January 1st. The Town collects county, town and special district taxes, which are due April 1st and payable without penalty to April 30th. School taxes for the period July 1st to June 30th levied on July 1st and are due on September 1st, with the first half payable without penalty until September 30th and the second half due the following January 1st and payable without penalty until January 31st. The Town guarantees the full payment of the County and school district warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting tax lien sales and in rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and satisfy the balance of forty percent by October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

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

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2019, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the fund financial statements are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

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

Land is not depreciated. Property, plant, equipment and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and land improvements	20-50
Machinery and equipment	5-20
Infrastructure	20-50

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

The Town has reported deferred inflows of resources of \$264,460 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Town has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the Town's pension and other postemployment benefit liabilities in Note 3F.

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

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

Compensated Absences - The Town does not compensate employees for unused vacation or sick leave upon separation from service.

Net Pension Liability - The net pension liability represents the Town's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68"*.

Other Post-Employment Benefit Liability ("OPEB") - In addition to providing pension benefits, the Town provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Town includes restricted for open space and special revenue funds.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

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

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

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Town Board for amounts assigned for balancing the subsequent year's

Note 1 - Summary of Significant Accounting Policies (Continued)

budget or the Director of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 5, 2022.

Coronavirus

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of Coronavirus. This was followed by the President of the United States declaring the outbreak of Coronavirus a national emergency on March 13, 2020.

Note 1 - Summary of Significant Accounting Policies (Continued)

Preceding these announcements, the Governor of the State of New York declared a state of emergency on March 7, 2020 and has since issued multiple Executive Orders regarding the pandemic. Furthermore, the Enacted 2020-21 New York State budget granted the Budget Director the authority to reduce state aid payments to local governments and school districts by any amount needed to achieve a balanced budget. The Budget Director is authorized, under Section 1(f) of Chapter 53 of the Laws of 2020, to withhold all or some of specific local aid payments during state fiscal year 2020-21, that began on April 1, 2020, if the budget is deemed unbalanced and if the Budget Director further determines that such withholding is necessary to respond to the direct and indirect economic financial and social effects of the Coronavirus pandemic (“Reduction Authority”).

The ultimate size of any permanent reductions would depend on the availability of unrestricted Federal Aid. The onset of the pandemic in the spring of 2020 coincided with the start of the new fiscal year for New York State. With the uncertainties that existed at that time with respect to additional federal assistance and an expected drop in economic activity, the Governor was given authority to make amendments subsequent to the adoption of the 2020-21 New York State budget, which did not take these factors into consideration. This authority included, but was not limited to, the ability to withhold a minimum of 20% of most state aid payments to municipalities to achieve cash flow savings that New York State needed for its budget. Many of these reductions were implemented beginning with payments made by the state in the late spring of 2020 and thus negatively impacted state aid revenues reported by local municipalities that year. However, in the first quarter of 2021, based on New York State’s projection of slightly better than expected revenue collections through the first nine months of its fiscal year and additional federal stimulus measures, New York State has indicated that it would restore 75% of the funds withheld from municipalities by March 31, 2021. This would serve to reduce, but not fully eliminate, the impact of the state aid reductions realized in 2020. There continues to be no assurance that state aid in the 2021-22 New York State budget will be restored to pre-pandemic levels. This potential reduction in state aid will need to be considered in managing local municipal budgets going forward.

In addition to these New York State actions, the Town’s economically sensitive revenues (i.e., sales tax distributions, mortgage tax, interest earnings, charges for services) are being negatively impacted. Meanwhile, the Town’s expenditures on health and safety measures (personal protective equipment, sanitizing supplies, custodial overtime, technology acquisitions to support a safe working environment) will increase significantly.

The outbreak of the Coronavirus and the dramatic steps taken by the Federal government and New York State to address it will continue to negatively affect New York State and its local economies. The full impact of the Coronavirus on New York State’s operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the Town’s future operations and finances as a result of the Coronavirus is extremely difficult to predict due to uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including New York State, to contain or mitigate its effects. The spread of the outbreak or reemergence later in the year could have a material adverse financial effect on New York State and local municipalities, including the Town. The Town is continuously monitoring the situation and will take such proactive measures as may be required to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the actual impact on the Town’s future financial position at this time.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway and the Public Parking District funds.
- i) Budgets for General, Highway and the Public Parking District funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund.
- j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Town Board.
- k) Appropriations in General, Highway and the Public Parking District funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- l) On or before November 20th, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.

- m) Formal budgetary integration is employed during the year as a management control device for General, Highway and the Public Parking District funds.

Budgeted amounts are as originally adopted or as amended by the Town Board.

B. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended (“Tax Levy Limitation Law”), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year’s budget or 120% of the consumer price index (“CPI”).

Under the Tax Levy Limitation Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district’s budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

C. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$1,821,413 arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. Expenditures in Excess of Budget

The following functional expenditures exceeded their budgetary authorizations by the amounts indicated:

General Fund:

General Government Support	
Unallocated insurance	\$ 2,216
Health	
Ambulance	2
Employee Benefits	
State retirement	21,936
Hospital, medical, and dental benefits	45,245
Debt Service - Interest	
Serial bonds	234
Bond anticipation notes	13,604

Highway Fund:

Current	
Employee benefits	15,652
Debt Service	
Principal	66,997
Interest	4,501
Total Expenditures	38,767

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2019 consisted of the following:

Town taxes - Current	\$ 70,575
School district taxes - Current	12,567,039
Property Acquired for Taxes	326,846
Tax liens and overdue taxes	<u>353,259</u>
	13,317,719
Less - Allowance for Uncollected Taxes	<u>(434,988)</u>
	<u>\$ 12,882,731</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

B. Interfund Receivables/Payables

The composition of due from/to other funds at December 31, 2019 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 51,142	\$ 8,994
Highway	1,095,023	1,286,114
Capital Projects	255,364	106,177
	<u>\$ 1,401,529</u>	<u>\$ 1,401,529</u>

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

C. Capital Assets

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

	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Balance December 31, 2019</u>
Capital Assets, not being depreciated			
Land	\$ 3,371,929	\$ -	\$ 3,371,929
Construction-in-progress	67,630	443,742	511,372
Total Capital Assets, not being depreciated	<u>\$ 3,439,559</u>	<u>\$ 443,742</u>	<u>\$ 3,883,301</u>
Capital Assets, being depreciated			
Buildings	\$ 2,556,435	\$ -	\$ 2,556,435
Land improvements	2,676,870	-	2,676,870
Machinery and equipment	3,564,866	285,829	3,850,695
Infrastructure	25,926,313	568,370	26,494,683
Total Capital Assets, being depreciated	<u>34,724,484</u>	<u>854,199</u>	<u>35,578,683</u>
Less Accumulated Depreciation for			
Buildings	1,490,041	36,306	1,526,347
Land improvements	1,408,421	37,863	1,446,284
Machinery and equipment	2,945,433	223,149	3,168,582
Infrastructure	20,066,024	598,836	20,664,860
Total Accumulated Depreciation	<u>25,909,919</u>	<u>896,154</u>	<u>26,806,073</u>
Total Capital Assets, being depreciated, net	<u>\$ 8,814,565</u>	<u>\$ (41,955)</u>	<u>\$ 8,772,610</u>
Capital Assets, net	<u>\$ 12,254,124</u>	<u>\$ 401,787</u>	<u>\$ 12,655,911</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation expense was charged to the Town’s functions and programs as follows:

General Government Support	\$ 44,808
Public Safety	26,885
Transportation	761,730
Culture and Recreation	<u>62,731</u>
 Total Depreciation Expense	 <u>\$ 896,154</u>

D. Short-Term Capital Borrowings - Bond Anticipation Notes

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

	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2019	Amount Issued	Redemptions	Balance December 31, 2019
Capital Projects Fund							
Various purposes	12/14	6/14/2019	2.63	\$ 145,000	\$ -	\$ 145,000	\$ -
Various purposes	6/18	6/12/2020	1.94	1,655,000	-	-	1,655,000
Various purposes	6/19	6/12/2020	1.94	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
				<u>\$ 1,800,000</u>	<u>\$ 300,000</u>	<u>\$ 145,000</u>	<u>\$ 1,955,000</u>

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

Interest expenditures of \$23,604 and \$23,604 were recorded in the fund financial statements in the General and Highway funds, respectively. Interest expense of \$53,824 was recorded in the government-wide financial statements.

E. Health Claim Liabilities

The government-wide financial statements reflect the liability for health benefit claims. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on various factors such as inflation, the process used in computing claims liabilities does not necessarily result in an exact amount. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed on both actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers and past experience.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

An analysis of the activity of unpaid health benefit claim liabilities in the government-wide financial statements is as follows:

	<u>2019</u>	<u>2018</u>
Balance - Beginning of Year	\$ 85,800	\$ 131,917
Provision for Claims and Claims Adjustment Expenses	644,094	468,440
Claims and Claims Adjustment Expenses Paid	<u>(604,050)</u>	<u>(514,557)</u>
Balance - End of Year	<u>\$ 125,844</u>	<u>\$ 85,800</u>

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term liabilities for the year ended December 31, 2019:

	<u>Balance January 1, 2019</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2019</u>	<u>Due Within One Year</u>
General Obligation					
Bonds Payable	\$ 771,426	\$ -	\$ 259,426	\$ 512,000	\$ 128,000
Net Pension Liability	308,272	320,419	-	628,691	-
Retirement Incentives and Other Pension Obligations	310,623	-	65,626	244,997	67,865
Other Post Employment Benefit Liability	-	-	-	-	-
	<u>15,311,216</u>	<u>712,551</u>	<u>343,981</u>	<u>15,679,786</u>	<u>-</u>
	<u>\$ 16,701,537</u>	<u>\$ 1,032,970</u>	<u>\$ 669,033</u>	<u>\$ 17,065,474</u>	<u>\$ 195,865</u>

Each governmental fund's liability for general obligation bonds payable, retirement incentives and other pension obligations and other post employment benefit obligations payable are liquidated by the General and Highway funds.

General Obligation Bonds Payable

General obligation bonds payable at December 31, 2019 is comprised of the following individual issue:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at December 31, 2019</u>
Various	2018	\$ 640,000	June, 2023	3.35 %	<u>\$ 512,000</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$11,687 and \$12,897 were recorded in the fund financial statements in the General and Highway Funds, respectively. Interest expense of \$26,263 was recorded in the government-wide financial statements.

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS and PFRS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The Town elected to amortize the maximum allowable ERS and PFRS contributions as noted in the table below.

Year	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2012	\$ 96,110	\$ 10,908	\$ 11,733	\$ 11,316
2013	162,169	16,891	53,776	17,398
2014	251,158	25,436	111,429	26,370
2015	126,344	12,391	68,059	12,781
	<u>\$ 635,781</u>	<u>\$ 65,626</u>	<u>\$ 244,997</u>	<u>\$ 67,865</u>

Payments to Maturity

The annual requirements to amortize all bonded and retirement incentives and other pension obligations debt outstanding as of December 31, 2019, including interest payments of \$63,566 are as follows:

Year Ended December 31,	General Obligation Bonds		Retirement Incentives and Other Pension Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 128,000	\$ 17,152	\$ 67,865	\$ 8,286	\$ 195,865	\$ 25,438
2021	128,000	12,864	58,857	5,971	186,857	18,835
2022	128,000	8,576	60,398	3,997	188,398	12,573
2023	128,000	4,288	43,408	1,976	171,408	6,264
2024	-	-	14,469	456	14,469	456
2025-2029	-	-	-	-	-	-
	<u>\$ 512,000</u>	<u>\$ 42,880</u>	<u>\$ 244,997</u>	<u>\$ 20,686</u>	<u>\$ 756,997</u>	<u>\$ 63,566</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

Legal Debt Margin

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five year average full valuation of taxable real property. At December 31, 2019, that amount was \$143,408,429. As of December 31, 2019, the total outstanding debt applicable to the limit was \$2,467,000, which is 1.7% of the total debt limit.

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2019 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75I	19.3 %
	4 A15	15.7
	5 A15	13.1
	6 A15	9.2
PFRS	2 384D	24.3
	6 384D	14.6

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2019, the Town reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2019	March 31, 2019
Net pension liability	\$ 468,153	\$ 160,538
Town's proportion of the net pension liability	0.0066074%	0.0095725%
Change in proportion since the prior measurement date	0.000078%	(0.000077)%

The net pension liability was measured as of March 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2019, the Town recognized its proportionate share of pension expense in the government-wide financial statements of \$397,163 for ERS and \$130,470 for PFRS. Pension expenditures of \$483,292 for ERS and \$117,467 for PFRS, inclusive of payments for retirement incentives and other pension obligations were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 318,936	\$ 117,467
Highway Fund	164,356	-
	<u>\$ 483,292</u>	<u>\$ 117,467</u>

At December 31, 2019, the Town reported its proportionate share of deferred outflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>		<u>Total</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 92,189	\$ 31,426	\$ 38,999	\$ 17,140	\$ 131,188	\$ 48,566
Net difference between projected and actual earnings on pension plan investments	-	120,154	-	32,152	-	152,306
Changes of assumptions	117,675	-	58,328	-	176,003	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	214,212	23,762	85,803	7,772	300,015	31,534
Town contributions subsequent to the measurement date	232,017	-	76,092	-	308,109	-
	<u>\$ 656,093</u>	<u>\$ 175,342</u>	<u>\$ 259,222</u>	<u>\$ 57,064</u>	<u>\$ 915,315</u>	<u>\$ 232,406</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
 December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The \$232,017 and \$76,092 reported as deferred outflows of resources related to ERS and PFRS, respectively, result from the Town’s accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	<u>ERS</u>	<u>PFRS</u>
2020	\$ 176,960	\$ 57,396
2021	(38,636)	16,016
2022	26,255	14,690
2023	84,155	28,035
2024	-	9,929
	<u>\$ 248,734</u>	<u>\$ 126,066</u>

The total pension liability for the ERS and PFRS measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2019	March 31, 2019
Actuarial valuation date	April 1, 2018	April 1, 2018
Investment rate of return	7.0%	7.0%
Salary scale	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustments	1.3%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	<u>4</u>	1.25
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,046,840</u>	<u>\$ 468,153</u>	<u>\$ (858,056)</u>
Town's proportionate share of the PFRS net pension liability (asset)	<u>\$ 580,159</u>	<u>\$ 160,538</u>	<u>\$ (189,895)</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 189,803,429,000	\$ 34,128,100,000	\$ 223,931,529,000
ERS fiduciary net position	<u>182,718,124,000</u>	<u>32,451,037,000</u>	<u>215,169,161,000</u>
Employers' net pension liability	<u>\$ 7,085,305,000</u>	<u>\$ 1,677,063,000</u>	<u>\$ 8,762,368,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>96.27%</u>	<u>95.09%</u>	<u>96.09%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2019 represent the employer contribution for the period of April 1, 2019 through December 31, 2019 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2018 were \$232,017 and \$76,092, respectively.

Voluntary Defined Contribution Plan

The Town also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 with earnings at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Post-Employment Health Care Benefits

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employee as noted below. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	45
Active employees	<u>33</u>
	<u>78</u>

The Town's total OPEB liability of \$15,679,786 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2019.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
 December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	2.00%
Discount rate	2.75%
Healthcare cost trend rates	4.5% for 2020, decreasing by up to .10% per year to an ultimate rate of 4.20% for 2065 and decreasing to 3.784% for 2075 and later years
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was based on the Fidelity General Obligation 20-year AA Municipal Bond Index.

Mortality rates were based on the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and then adjusted for mortality improvements with scale MP-2018 mortality improvement scale on a fully generational basis.

The actuarial assumptions used in the January 1, 2019 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2010 to March 31, 2015 experience study released by the Retirement Systems Actuary and published in their August 2015 report.

The Town's change in the total OPEB liability for the year ended December 31, 2019 is as follows:

Total OPEB Liability - Beginning of Year	\$ 15,311,216
Service cost	298,180
Interest	618,176
Changes of benefit terms	-
Differences between expected and actual experience	(3,385,948)
Changes in assumptions or other inputs	3,182,143
Benefit payments	<u>(343,981)</u>
Total OPEB Liability - End of Year	<u><u>\$ 15,679,786</u></u>

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current discount rate:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB Liability	<u>\$ 18,545,659</u>	<u>\$ 15,679,786</u>	<u>\$ 13,403,011</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.5% decreasing to 2.784%) or 1 percentage point higher (5.5% decreasing to 4.784%) than the current healthcare cost trend rates:

	1% Decrease (3.5% decreasing to 2.784%)	Healthcare Cost Trend Rates (4.5% decreasing to 3.784%)	1% Increase (5.5% decreasing to 4.784%)
Total OPEB Liability	<u>\$ 12,939,114</u>	<u>\$ 15,679,786</u>	<u>\$ 19,182,094</u>

For the year ended December 31, 2019, the Town recognized OPEB expense of \$327,274 in the government-wide financial statements. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 2,444,340	\$ 1,054,940
Differences between expected and actual experience	<u>-</u>	<u>2,600,892</u>
	<u>\$ 2,444,340</u>	<u>\$ 3,655,832</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2020	\$ (589,082)
2021	(560,364)
2022	(47,253)
2023	<u>(14,793)</u>
	<u>\$ (1,211,492)</u>

G. Interfund Transfers

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

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

<u>Transfers Out</u>	<u>Transfers In Capital Projects Fund</u>
General Fund	\$ 72,500
Highway Fund	<u>72,500</u>
	<u>\$ 145,000</u>

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures.

H. Net Position

The components of net position are detailed below:

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

Restricted for Open Space - the component of net position that is established pursuant to New York State law. These amounts represents funds received from the real property taxes and may be used only for the acquisition of land with the Town.

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

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2019					2018				
	General Fund	Highway Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable										
Prepaid expenditures	\$ 188,500	\$ 54,828	\$ -	\$ -	\$ 243,328	\$ 256,081	\$ 83,592	\$ -	\$ -	\$ 339,673
Restricted										
Open Space	3,157,792	-	-	-	3,157,792	2,782,030	-	-	-	2,782,030
Trusts	-	-	-	211,539	211,539	-	-	-	213,251	213,251
Total Restricted	3,157,792	-	-	211,539	3,369,331	2,782,030	-	-	213,251	2,995,281
Assigned										
Purchases on order										
General government support	-	-	-	-	-	2,619	-	-	-	2,619
Subsequent years' expenditures	200,000	66,510	-	15,000	281,510	340,000	-	-	15,000	355,000
Highway Fund (deficit)	-	-	-	-	-	-	122,763	-	-	122,763
Non Major Funds										
Parking District	-	-	-	207,961	207,961	-	-	-	179,235	179,235
Total Assigned	200,000	66,510	-	222,961	489,471	342,619	122,763	-	194,235	659,617
Unassigned	885,568	-	(1,821,413)	-	(935,845)	679,909	-	(835,953)	-	(156,044)
Total Fund Balances	\$ 4,431,860	\$ 121,338	\$ (1,821,413)	\$ 434,500	\$ 3,166,285	\$ 4,060,639	\$ 206,355	\$ (835,953)	\$ 407,486	\$ 3,838,527

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

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

Prepaid Expenditures has been established to account for costs paid in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Subsequent years' expenditures represent that at December 31, 2019, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget. The amount assigned for subsequent year's expenditures in the Highway Fund of \$104,000 has been limited to \$66,510 as it exceeded the fund balance available by \$37,490.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund and Highway Fund represents the deficit in the fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages occurring from false arrest, property damage or personal injury. All the claims currently pending have been referred to the insurance carrier and none are expected to have a material effect on the Town's financial position, if adversely settled.

There are also currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Town if existing assessment rolls are modified based upon the outcome of the litigation proceedings. However, the amount of possible refunds cannot be determined at the present time and any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

B. Risk Management

The Town purchases conventional insurance coverages to reduce its exposure to loss. The Town maintains general liability coverage up to \$3 million, public officials' liability and police professional liability policies each provide coverage up to \$2 million. The Town also maintains an umbrella policy which provides coverage up to \$30 million. Workers' compensation coverage is secured at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Town purchases conventional health insurance from various providers.

C. Contingencies

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Town's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Town of Pound Ridge, New York

Notes to Financial Statements (Concluded)
December 31, 2019

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 84, "Fiduciary Activities", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within governmental funds are now reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Town of Pound Ridge, New York

Required Supplementary Information - Schedule of Changes in the
Town's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)(2)

	<u>2019</u>	<u>2018</u>
Total OPEB Liability:		
Service cost	\$ 298,180	\$ 354,833
Interest	618,176	563,107
Changes of benefit terms	-	-
Differences between expected and actual experience	(3,385,948)	-
Changes of assumptions or other inputs	3,182,143 (4)	(2,138,598)
Benefit payments	<u>(343,981)</u>	<u>(251,212)</u>
Net Change in Total OPEB Liability	368,570	(1,471,870)
Total OPEB Liability – Beginning of Year	<u>15,311,216</u>	<u>16,783,086</u> (3)
Total OPEB Liability – End of Year	<u>\$ 15,679,786</u>	<u>\$ 15,311,216</u>
Town's covered-employee payroll	<u>\$ 2,386,561</u>	<u>\$ 2,357,729</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>657.00%</u>	<u>649.41%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) The discount rate decreased from 3.71% to 2.75% in 2019.

Town of Pound Ridge, New York

Required Supplementary Information
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

Schedule of the Town's Proportionate Share of the Net Pension Liability (2)

	2019	2018	2017	2016 (3)	2015
Town's proportion of the net pension liability	<u>0.0066074%</u>	<u>0.0065297%</u>	<u>0.0069891%</u>	<u>0.0075174%</u>	<u>0.0073580%</u>
Town's proportionate share of the net pension liability	<u>\$ 468,153</u>	<u>\$ 210,744</u>	<u>\$ 656,713</u>	<u>\$ 1,206,571</u>	<u>\$ 248,573</u>
Town's covered payroll	<u>\$ 2,381,729</u>	<u>\$ 2,424,695</u>	<u>\$ 2,403,073</u>	<u>\$ 2,325,621</u>	<u>\$ 2,343,071</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>19.66%</u>	<u>8.69%</u>	<u>27.33%</u>	<u>51.88%</u>	<u>10.61%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 414,495	\$ 438,751	\$ 431,463	\$ 478,300	\$ 420,382
Contributions in relation to the contractually required contribution	<u>(414,495)</u>	<u>(438,751)</u>	<u>(431,463)</u>	<u>(478,300)</u>	<u>(420,382)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 2,294,107</u>	<u>\$ 2,466,402</u>	<u>\$ 2,367,251</u>	<u>\$ 2,429,484</u>	<u>\$ 2,460,218</u>
Contributions as a percentage of covered payroll	<u>18.07%</u>	<u>17.79%</u>	<u>18.23%</u>	<u>19.69%</u>	<u>17.09%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31, measurement date within the current fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

See independent auditors' report.

Town of Pound Ridge, New York

Required Supplementary Information
 New York State and Local Police and Fire Retirement System
 Last Ten Fiscal Years (1)

Schedule of the Town's Proportionate Share of the Net Pension Liability (2)

	2019	2018	2017	2016 (3)	2015
Town's proportion of the net pension liability	<u>0.0095725%</u>	<u>0.0096490%</u>	<u>0.0104459%</u>	<u>0.0116927%</u>	<u>0.0110130%</u>
Town's proportionate share of the net pension liability	<u>\$ 160,538</u>	<u>\$ 97,528</u>	<u>\$ 215,607</u>	<u>\$ 346,196</u>	<u>\$ 30,314</u>
Town's covered payroll	<u>\$ 452,006</u>	<u>\$ 556,691</u>	<u>\$ 481,941</u>	<u>\$ 481,713</u>	<u>\$ 532,449</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>35.52%</u>	<u>17.52%</u>	<u>44.74%</u>	<u>71.87%</u>	<u>5.69%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>

Schedule of Contributions

	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 116,893</u>	<u>\$ 132,100</u>	<u>\$ 124,211</u>	<u>\$ 132,124</u>	<u>\$ 125,950</u>
Contributions in relation to the contractually required contribution	<u>(116,893)</u>	<u>(132,100)</u>	<u>(124,211)</u>	<u>(132,124)</u>	<u>(125,950)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 569,483</u>	<u>\$ 509,111</u>	<u>\$ 461,746</u>	<u>\$ 504,431</u>	<u>\$ 530,286</u>
Contributions as a percentage of covered payroll	<u>20.53%</u>	<u>25.95%</u>	<u>26.90%</u>	<u>26.19%</u>	<u>23.75%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31, measurement date within the current fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

See independent auditors' report.

Town of Pound Ridge, New York

General Fund
Comparative Balance Sheet
December 31,

	2019	2018
ASSETS		
Cash and equivalents	\$ 11,391,600	\$ 13,203,525
Taxes receivable		
Town taxes	423,834	576,357
School District taxes	12,567,039	10,949,626
Property acquired for taxes	326,846	326,846
	13,317,719	11,852,829
Allowance for uncollectible amounts	(434,988)	(445,806)
	12,882,731	11,407,023
Receivables		
Accounts	-	44,519
Due from other governments	363,065	324,258
Due from other funds	51,142	-
	414,207	368,777
Prepaid expenditures	188,500	256,081
Total Assets	<u>\$ 24,877,038</u>	<u>\$ 25,235,406</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 169,400	\$ 673,216
Due to other funds	8,994	819,392
Due to other governments	19,998,486	19,327,016
Overpayments	3,838	6,148
Total Liabilities	20,180,718	20,825,772
Deferred inflows of resources		
Deferred tax revenues	264,460	348,995
Total Liabilities and Deferred Inflows of Resources	<u>20,445,178</u>	<u>21,174,767</u>
Fund balance		
Nonspendable	188,500	256,081
Restricted	3,157,792	2,782,030
Assigned	200,000	342,619
Unassigned	885,568	679,909
Total Fund Balance	<u>4,431,860</u>	<u>4,060,639</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 24,877,038</u>	<u>\$ 25,235,406</u>

See independent auditors' report.

Town of Pound Ridge, New York

General Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended December 31,

	2019			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,815,944	\$ 3,815,944	\$ 3,910,661	\$ 94,717
Other tax items	230,000	230,000	175,359	(54,641)
Non-property taxes	950,000	950,000	1,043,086	93,086
Departmental income	420,200	420,200	425,705	5,505
Use of money and property	94,000	94,000	46,157	(47,843)
Licenses and permits	211,000	211,000	133,209	(77,791)
Fines and forfeitures	58,000	58,000	36,369	(21,631)
Sale of property and compensation for loss	17,800	17,800	22,185	4,385
State aid	569,252	550,000	414,172	(135,828)
Miscellaneous	46,000	65,252	117,021	51,769
Total Revenues	<u>6,412,196</u>	<u>6,412,196</u>	<u>6,323,924</u>	<u>(88,272)</u>
EXPENDITURES				
Current				
General government support	1,733,768	1,664,168	1,556,015	108,153
Public safety	1,408,698	1,433,798	1,407,632	26,166
Health	308,598	308,598	156,165	152,433
Transportation	180,347	187,147	180,751	6,396
Economic opportunity and development	6,650	6,650	6,036	614
Culture and recreation	681,345	708,545	628,415	80,130
Home and community services	220,058	230,558	185,980	44,578
Employee benefits	1,598,000	1,598,000	1,643,918	(45,918)
Debt service				
Principal	147,000	147,000	80,000	67,000
Interest	21,453	21,453	35,291	(13,838)
Total Expenditures	<u>6,305,917</u>	<u>6,305,917</u>	<u>5,880,203</u>	<u>425,714</u>
Excess of Revenues Over Expenditures	106,279	106,279	443,721	337,442
OTHER FINANCING USES				
Transfers out	<u>(448,898)</u>	<u>(448,898)</u>	<u>(72,500)</u>	<u>376,398</u>
Net Change in Fund Balance	(342,619)	(342,619)	371,221	713,840
FUND BALANCE				
Beginning of Year	<u>342,619</u>	<u>342,619</u>	<u>4,060,639</u>	<u>3,718,020</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,431,860</u>	<u>\$ 4,431,860</u>

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 3,719,507	\$ 3,719,507	\$ 3,848,953	\$ 129,446
185,000	185,000	190,149	5,149
915,000	915,000	962,689	47,689
411,200	411,200	438,849	27,649
20,000	20,000	56,136	36,136
186,000	186,000	271,994	85,994
53,000	53,000	60,888	7,888
17,500	17,500	50,937	33,437
378,252	515,252	414,556	(100,696)
44,000	44,000	32,737	(11,263)
<u>5,929,459</u>	<u>6,066,459</u>	<u>6,327,888</u>	<u>261,429</u>
1,646,336	1,569,436	1,515,988	53,448
1,339,398	1,511,498	1,454,596	56,902
141,869	141,869	136,869	5,000
211,992	215,992	209,917	6,075
7,150	7,150	3,808	3,342
680,550	687,350	640,662	46,688
185,402	204,402	178,173	26,229
1,574,000	1,586,000	1,502,115	83,885
115,000	115,000	115,000	-
13,000	13,000	12,901	99
<u>5,914,697</u>	<u>6,051,697</u>	<u>5,770,029</u>	<u>281,668</u>
14,762	14,762	557,859	543,097
<u>(494,762)</u>	<u>(494,762)</u>	<u>(127,500)</u>	<u>367,262</u>
(480,000)	(480,000)	430,359	910,359
<u>480,000</u>	<u>480,000</u>	<u>3,630,280</u>	<u>3,150,280</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,060,639</u>	<u>\$ 4,060,639</u>

Town of Pound Ridge, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended December 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2018 Actual
REAL PROPERTY TAXES	\$ 3,815,944	\$ 3,815,944	\$ 3,910,661	\$ 94,717	\$ 3,848,953
OTHER TAX ITEMS					
Payment in lieu of taxes	5,000	5,000	5,000	-	5,000
Interest and penalties on real property taxes	225,000	225,000	170,359	(54,641)	185,149
	<u>230,000</u>	<u>230,000</u>	<u>175,359</u>	<u>(54,641)</u>	<u>190,149</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	800,000	800,000	933,886	133,886	817,177
Cable TV franchise fees	150,000	150,000	109,200	(40,800)	145,512
	<u>950,000</u>	<u>950,000</u>	<u>1,043,086</u>	<u>93,086</u>	<u>962,689</u>
DEPARTMENTAL INCOME					
Clerk fees	7,000	7,000	4,747	(2,253)	6,124
Safety inspection fees	20,000	20,000	12,064	(7,936)	23,794
Parks and recreation charges	242,200	242,200	241,303	(897)	249,913
Pool fees	115,000	115,000	141,497	26,497	134,576
Zoning fees	1,000	1,000	960	(40)	1,600
Planning board fees	6,000	6,000	3,920	(2,080)	5,070
Refuse and garbage charges	29,000	29,000	21,214	(7,786)	17,772
	<u>420,200</u>	<u>420,200</u>	<u>425,705</u>	<u>5,505</u>	<u>438,849</u>
USE OF MONEY AND PROPERTY					
Interest earnings	80,000	80,000	34,357	(45,643)	52,736
Rental of real property	14,000	14,000	11,800	(2,200)	3,400
	<u>94,000</u>	<u>94,000</u>	<u>46,157</u>	<u>(47,843)</u>	<u>56,136</u>

LICENSES AND PERMITS

Business and occupational licenses	6,000	6,000	5,250	(750)	4,500
Dog and other licenses	5,000	5,000	3,964	(1,036)	4,407
Permits	200,000	200,000	123,995	(76,005)	263,087

	<u>211,000</u>	<u>211,000</u>	<u>133,209</u>	<u>(77,791)</u>	<u>271,994</u>
--	----------------	----------------	----------------	-----------------	----------------

FINES AND FORFEITURES

Fines and forfeited bail	58,000	58,000	36,369	(21,631)	60,888
--------------------------	--------	--------	--------	----------	--------

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Insurance recoveries	-	-	-	-	36,807
Sale of refuse for recycling	800	800	785	(15)	130
Miscellaneous	17,000	17,000	21,400	4,400	14,000

	<u>17,800</u>	<u>17,800</u>	<u>22,185</u>	<u>4,385</u>	<u>50,937</u>
--	---------------	---------------	---------------	--------------	---------------

STATE AID

Per capita	19,252	-	-	-	19,252
Mortgage tax	340,000	340,000	334,311	(5,689)	304,938
Other	210,000	210,000	79,861	(130,139)	90,366

	<u>569,252</u>	<u>550,000</u>	<u>414,172</u>	<u>(135,828)</u>	<u>414,556</u>
--	----------------	----------------	----------------	------------------	----------------

MISCELLANEOUS

Refund of prior year's expenditures	10,000	10,000	24,575	14,575	6,174
Gifts and donations	20,000	20,000	68,030	48,030	10,605
Medicare part D reimbursement	16,000	16,000	2,645	(13,355)	15,958
AIM related payments	-	19,252	19,252	-	-
Unclassified	-	-	2,519	2,519	-

	<u>46,000</u>	<u>65,252</u>	<u>117,021</u>	<u>51,769</u>	<u>32,737</u>
--	---------------	---------------	----------------	---------------	---------------

TOTAL REVENUES

	<u>\$ 6,412,196</u>	<u>\$ 6,412,196</u>	<u>\$ 6,323,924</u>	<u>\$ (88,272)</u>	<u>\$ 6,327,888</u>
--	---------------------	---------------------	---------------------	--------------------	---------------------

See independent auditors' report.

Town of Pound Ridge, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended December 31, 2019
 (With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2018 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 52,340	\$ 52,340	\$ 50,359	\$ 1,981	\$ 46,268
Town Justice	158,058	158,658	150,858	7,800	152,771
Supervisor	128,351	129,051	124,861	4,190	132,796
Finance	138,694	138,694	120,533	18,161	127,038
Audit	34,300	38,800	38,800	-	34,300
Tax collection	90,596	90,596	89,109	1,487	87,397
Assessor	112,674	120,874	113,665	7,209	106,190
Town Clerk	107,599	107,999	95,951	12,048	101,761
Town Attorney	95,471	95,471	89,343	6,128	97,689
Engineering	-	-	-	-	-
Elections	7,608	7,608	7,408	200	7,250
Buildings	403,841	430,441	422,457	7,984	401,772
Central printing and mailing	18,000	18,000	13,982	4,018	17,268
Data processing	184,011	166,411	139,325	27,086	113,042
Unallocated insurance	80,000	80,000	82,216	(2,216)	77,470
Municipal association dues	2,225	5,825	5,800	25	2,450
Metropolitan commuter transportation mobility tax	10,000	10,000	9,204	796	9,664
Judgments and claims	10,000	10,000	2,144	7,856	862
Contingency	100,000	3,400	-	3,400	-
	<u>1,733,768</u>	<u>1,664,168</u>	<u>1,556,015</u>	<u>108,153</u>	<u>1,515,988</u>
PUBLIC SAFETY					
Administration	9,100	28,600	26,340	2,260	76,883
Police	1,061,933	1,078,333	1,065,075	13,258	1,045,295
Communication system	66,300	73,200	67,144	6,056	56,095
Traffic control	4,000	4,000	3,777	223	305
Animal control	3,200	3,200	1,997	1,203	2,257
Safety inspection	264,165	246,465	243,299	3,166	273,761
	<u>1,408,698</u>	<u>1,433,798</u>	<u>1,407,632</u>	<u>26,166</u>	<u>1,454,596</u>

HEALTH

Addiction control	183,000	183,000	30,565	152,435	13,000
Ambulance	125,598	125,598	125,600	(2)	123,869
	<u>308,598</u>	<u>308,598</u>	<u>156,165</u>	<u>152,433</u>	<u>136,869</u>

TRANSPORTATION

Highway administration	129,347	130,447	128,469	1,978	169,118
Garage	45,000	49,200	44,875	4,325	34,218
Street lighting	6,000	7,500	7,407	93	6,581
	<u>180,347</u>	<u>187,147</u>	<u>180,751</u>	<u>6,396</u>	<u>209,917</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging	<u>6,650</u>	<u>6,650</u>	<u>6,036</u>	<u>614</u>	<u>3,808</u>
------------------------	--------------	--------------	--------------	------------	--------------

CULTURE AND RECREATION

Recreation administration	153,449	153,449	141,271	12,178	140,351
Parks	284,543	300,343	252,907	47,436	256,348
Pool	174,875	181,775	169,107	12,668	174,951
Band concerts	10,000	10,000	5,469	4,531	5,454
Museum	2,400	2,500	2,231	269	8,040
Historian	3,500	3,500	2,577	923	4,351
Celebrations	15,000	16,400	16,311	89	14,895
Adult recreation	37,578	40,578	38,542	2,036	36,272
	<u>681,345</u>	<u>708,545</u>	<u>628,415</u>	<u>80,130</u>	<u>640,662</u>

HOME AND COMMUNITY SERVICES

Zoning and appeals	8,373	8,374	7,594	780	6,831
Planning Board	107,600	109,300	93,103	16,197	78,747
Environmental Protection	10,000	12,500	12,420	80	7,694
Waste water	10,000	10,000	-	10,000	-
Recycling	24,919	27,019	25,877	1,142	25,550
Water control	20,766	20,765	18,868	1,897	19,929
Shade trees	10,000	10,000	7,620	2,380	-
Conservation advisory	20,400	24,600	17,498	7,102	37,447
Cemeteries	8,000	8,000	3,000	5,000	1,975
	<u>220,058</u>	<u>230,558</u>	<u>185,980</u>	<u>44,578</u>	<u>178,173</u>

(Continued)

Town of Pound Ridge, New York

General Fund

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

Year Ended December 31, 2019

(With Comparative Actuals for 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2018 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 297,000	\$ 297,000	\$ 318,936	\$ (21,936)	\$ 281,041
Police and fire retirement	135,000	135,000	117,467	17,533	132,805
Social security	219,000	219,000	217,590	1,410	217,958
Workers' compensation benefits	74,000	74,000	72,318	1,682	73,522
Unemployment benefits	1,000	1,000	362	638	13,714
Hospital, medical and dental benefits	872,000	872,000	917,245	(45,245)	783,075
	<u>1,598,000</u>	<u>1,598,000</u>	<u>1,643,918</u>	<u>(45,918)</u>	<u>1,502,115</u>
DEBT SERVICE					
Principal					
Serial bonds	147,000	147,000	80,000	67,000	115,000
Interest					
Serial bonds	11,453	11,453	11,687	(234)	5,382
Bond anticipation notes	10,000	10,000	23,604	(13,604)	7,519
	<u>21,453</u>	<u>21,453</u>	<u>35,291</u>	<u>(13,838)</u>	<u>12,901</u>
	<u>168,453</u>	<u>168,453</u>	<u>115,291</u>	<u>53,162</u>	<u>127,901</u>
TOTAL EXPENDITURES	6,305,917	6,305,917	5,880,203	425,714	5,770,029
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	448,898	448,898	72,500	376,398	127,500
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 6,754,815</u>	<u>\$ 6,754,815</u>	<u>\$ 5,952,703</u>	<u>\$ 802,112</u>	<u>\$ 5,897,529</u>

See independent auditors' report.

Town of Pound Ridge, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 293,881	\$ 120,569
Accounts receivable	15,970	-
Due from other funds	1,095,023	881,913
Prepaid expenditures	<u>54,828</u>	<u>83,592</u>
Total Assets	<u>\$ 1,459,702</u>	<u>\$ 1,086,074</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 52,250	\$ 63,419
Due to other funds	<u>1,286,114</u>	<u>816,300</u>
Total Liabilities	<u>1,338,364</u>	<u>879,719</u>
FUND BALANCE		
Nonspendable	54,828	83,592
Assigned	<u>66,510</u>	<u>122,763</u>
Total Fund Balance	<u>121,338</u>	<u>206,355</u>
Total Liabilities and Fund Balance	<u>\$ 1,459,702</u>	<u>\$ 1,086,074</u>

See independent auditors' report.

Town of Pound Ridge, New York

Highway Fund

Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,

	2019			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 1,995,044	\$ 1,995,044	\$ 1,995,044	\$ -
Departmental income	11,000	11,000	12,036	1,036
Use of money and property	200	200	239	39
Interfund revenues	30,000	30,000	-	(30,000)
Sale of property and compensation for loss	40,000	60,000	55,195	(4,805)
State aid	180,000	180,000	167,480	(12,520)
Total Revenues	2,256,244	2,276,244	2,229,994	(46,250)
EXPENDITURES				
Current				
Transportation	1,490,315	1,510,315	1,461,932	48,383
Employee benefits	549,000	549,000	564,652	(15,652)
Debt service				
Principal	112,429	112,429	179,426	(66,997)
Interest	32,000	32,000	36,501	(4,501)
Total Expenditures	2,183,744	2,203,744	2,242,511	(38,767)
Excess (Deficiency) of Revenues Over Expenditures	72,500	72,500	(12,517)	(85,017)
OTHER FINANCING USES				
Transfers out	(72,500)	(72,500)	(72,500)	-
Net Change in Fund Balance	-	-	(85,017)	(85,017)
FUND BALANCE				
Beginning of Year	-	-	206,355	206,355
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,338</u>	<u>\$ 121,338</u>

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 1,955,067	\$ 1,955,067	\$ 1,955,067	\$ -
11,000	11,000	35,889	24,889
200	200	312	112
20,000	20,000	31,551	11,551
20,000	20,000	67,446	47,446
180,000	242,204	242,204	-
<u>2,186,267</u>	<u>2,248,471</u>	<u>2,332,469</u>	<u>83,998</u>
1,507,438	1,602,650	1,540,452	62,198
534,000	500,992	500,992	-
16,429	16,429	16,429	-
8,400	8,400	8,288	112
<u>2,066,267</u>	<u>2,128,471</u>	<u>2,066,161</u>	<u>62,310</u>
120,000	120,000	266,308	146,308
<u>(120,000)</u>	<u>(120,000)</u>	<u>(127,500)</u>	<u>(7,500)</u>
-	-	138,808	138,808
-	-	67,547	67,547
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,355</u>	<u>\$ 206,355</u>

Town of Pound Ridge, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 253,451	\$ 253,451
Due from other funds	<u>255,364</u>	<u>838,096</u>
 Total Assets	 <u>\$ 508,815</u>	 <u>\$ 1,091,547</u>
 LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 269,051	\$ -
Due to other funds	106,177	127,500
Bond anticipation notes payable	<u>1,955,000</u>	<u>1,800,000</u>
 Total Liabilities	 2,330,228	 1,927,500
 FUND DEFICIT		
Unassigned	<u>(1,821,413)</u>	<u>(835,953)</u>
 Total Liabilities and Fund Deficit	 <u>\$ 508,815</u>	 <u>\$ 1,091,547</u>

See independent auditors' report.

Town of Pound Ridge, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ -	\$ 315
Miscellaneous revenues	<u>-</u>	<u>35,000</u>
Total Revenues	-	35,315
EXPENDITURES		
Capital outlay	<u>1,130,460</u>	<u>673,374</u>
Deficiency of Revenues Over Expenditures	(1,130,460)	(638,059)
OTHER FINANCING SOURCES		
General obligation bonds issued	-	640,000
Transfers in	<u>145,000</u>	<u>255,000</u>
Total Other Financing Sources	<u>145,000</u>	<u>895,000</u>
Net Change in Fund Balance	(985,460)	256,941
FUND DEFICIT		
Beginning of Year	<u>(835,953)</u>	<u>(1,092,894)</u>
End of Year	<u><u>\$ (1,821,413)</u></u>	<u><u>\$ (835,953)</u></u>

See independent auditors' report.

Town of Pound Ridge, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2019
 (With Comparative Totals for 2018)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds	
			2019	2018
ASSETS				
Cash and equivalents	\$ 211,539	\$ 223,326	\$ 434,865	\$ 364,553
Due from other funds	-	-	-	43,183
Total Assets	\$ 211,539	\$ 223,326	\$ 434,865	\$ 407,736
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 121	\$ 121	\$ 250
Due to other funds	-	244	244	-
Total Liabilities	-	365	365	250
FUND BALANCE				
Restricted	211,539	-	211,539	213,251
Assigned	-	222,961	222,961	194,235
Total Fund Balances	211,539	222,961	434,500	407,486
Total Liabilities and Fund Balances	\$ 211,539	\$ 223,326	\$ 434,865	\$ 407,736

See independent auditors' report.

Town of Pound Ridge, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended December 31, 2019
 (With Comparative Totals for 2018)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds	
			2019	2018
REVENUES				
Real property taxes	\$ -	\$ 44,030	\$ 44,030	\$ 43,183
Use of money and property	6,918	262	7,180	394
Total Revenues	6,918	44,292	51,210	43,577
EXPENDITURES				
Current				
Transportation	-	15,566	15,566	6,704
Culture and recreation	8,630	-	8,630	8,250
Total Expenditures	8,630	15,566	24,196	14,954
Excess (Deficiency) of Revenues Over Expenditures	(1,712)	28,726	27,014	28,623
FUND BALANCES				
Beginning of Year	213,251	194,235	407,486	378,863
End of Year	\$ 211,539	\$ 222,961	\$ 434,500	\$ 407,486

See independent auditors' report.

Town of Pound Ridge, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 211,539</u>	<u>\$ 213,251</u>
FUND BALANCE		
Restricted	<u>211,539</u>	<u>213,251</u>
Total Liabilities and Fund Balance	<u>\$ 211,539</u>	<u>\$ 213,251</u>

See independent auditors' report.

Town of Pound Ridge, New York

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

	<u>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ 6,918	\$ 200
EXPENDITURES		
Current		
Culture and recreation	<u>8,630</u>	<u>8,250</u>
Deficiency of Revenues Over Expenditures	(1,712)	(8,050)
FUND BALANCE		
Beginning of Year	<u>213,251</u>	<u>221,301</u>
End of Year	<u><u>\$ 211,539</u></u>	<u><u>\$ 213,251</u></u>

See independent auditors' report.

Town of Pound Ridge, New York

Public Parking District Fund
Comparative Balance Sheet
December 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 223,326	\$ 151,302
Due from other funds	<u>-</u>	<u>43,183</u>
 Total Assets	 <u>\$ 223,326</u>	 <u>\$ 194,485</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 121	\$ 250
Due to other funds	<u>244</u>	<u>-</u>
 Total Liabilities	 <u>365</u>	 <u>250</u>
 FUND BALANCE		
Assigned	<u>222,961</u>	<u>194,235</u>
 Total Liabilities and Fund Balance	 <u>\$ 223,326</u>	 <u>\$ 194,485</u>

See independent auditors' report.

Town of Pound Ridge, New York

Public Parking District Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2019			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 44,030	\$ 44,030	\$ 44,030	\$ -
Use of money and property	200	200	262	62
Total Revenues	44,230	44,230	44,292	62
EXPENDITURES				
Current				
Transportation	59,230	59,230	15,566	43,664
Excess (Deficiency) of Revenues Over Expenditures	(15,000)	(15,000)	28,726	43,726
FUND BALANCE				
Beginning of Year	15,000	15,000	194,235	179,235
End of Year	\$ -	\$ -	\$ 222,961	\$ 222,961

See independent auditors' report.

2018

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
\$ 43,183 100	\$ 43,183 100	\$ 43,183 194	\$ - 94
43,283	43,283	43,377	94
<u>43,283</u>	<u>43,283</u>	<u>6,704</u>	<u>36,579</u>
-	-	36,673	36,673
<u>-</u>	<u>-</u>	<u>157,562</u>	<u>157,562</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,235</u>	<u>\$ 194,235</u>