

Town of Pound Ridge, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2018

Town of Pound Ridge, New York

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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, 2018, 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, 2018, 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

We draw attention to Notes 2D and 3F in the notes to the financial statements which disclose the effects of the Town's adoption of the provisions of Governmental Accounting Standards ("GASB") Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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, 2018 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, 2018 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, 2018 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2018.

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, 2017 (not presented herein), and have issued our report thereon dated February 15, 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, 2017 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 2017 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit

of the 2017 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2017.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

December 31, 2019

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Town of Pound Ridge, New York

Management's Discussion and Analysis (MD&A) December 31, 2018

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, 2018 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 2018 by (\$1,583,699.) This reflects a decrease in the total net position of \$440,914.
- ❖ As of the close of 2018, the Town's governmental funds reported combined ending fund balances of \$3,838,527, an increase of \$854,731 from FY 2017. Contributing factors are the reduction in deferred tax revenues and contributions to the Open Space Fund.
- ❖ At the end of the current year, unassigned fund balance for the General Fund was \$679,909, which equates to 11.78% of total General Fund expenditures of \$5,770,029 exclusive of Transfers Out of \$127,500. The General Fund reported an ending total fund balance of \$4,060,639 which represents an increase of \$430,359 from FY 2017 ending fund balance of \$3,630,280.
- ❖ At the end of the current year, the Town had outstanding \$771,426 of statutory installment bonds and \$1,800,000 of bond anticipation notes. This represents an increase in statutory installment bonds of \$508,571 and an increase of \$760,000 from the FY 2017 bond anticipation notes.
- ❖ For the year ended December 31, 2018 the Town reported in its Statement of Net Position a liability of \$308,272 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 (\$1,583,699) for fiscal year ended 2018. This represents a decrease of \$440,914 below Net Position for the fiscal year ended 2017 after a change in accounting principle. 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,**

	2018	2017
Current Assets	\$ 26,057,571	\$ 26,813,793
Capital Assets, net	12,254,124	12,466,627
Total Assets	38,311,695	39,280,420
Deferred Outflows of Resources*	1,273,315	1,076,459
Current Liabilities	21,976,884	23,047,446
Long-term Liabilities	16,701,537	8,879,111
Total Liabilities	38,678,421	31,926,557
Deferred Inflows of Resources*	2,490,288	158,971
Net Position		
Net Invested in Capital Assets	9,682,698	11,163,772
Restricted	3,189,516	2,918,788
Unrestricted	(14,455,913)	(5,811,209)
Total Net Position	\$ (1,583,699)	\$ 8,271,351

*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:

Retirement System	Deferred Inflows/Outflows Amounts			
	Outflows		Inflows	
	2018	2017	2018	2017
Employee (ERS)	\$ 915,486	\$ 760,507	\$ 699,419	\$ 116,927
Police (PFRS)	357,829	315,952	194,100	42,044
	1,273,315	1,076,459	893,519	158,971
Other Post Employment Benefits (OPEB)	-	-	1,596,769	-
	<u>\$ 1,273,315</u>	<u>\$ 1,076,459</u>	<u>\$ 2,490,288</u>	<u>\$ 158,971</u>

The largest component of the Town's Net Position is Net Invested in Capital Assets of \$9,682,698 in 2018 and \$11,163,772 in 2017 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 \$3,189,516 in 2018 and \$2,918,788 in 2017, represent resources that are subject to external restrictions on their use. The restrictions are:

	<u>2018</u>	<u>2017</u>
Open Space	\$ 2,782,030	\$ 2,408,355
Debt Service	-	131,570
Special Revenues Funds		
Trusts	213,251	221,301
Public parking	<u>194,235</u>	<u>157,562</u>
	<u>\$ 3,189,516</u>	<u>\$ 2,918,788</u>

The remaining balances represents unrestricted deficits of (\$14,455,913) in 2018 and (\$5,811,209) in 2017. 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.

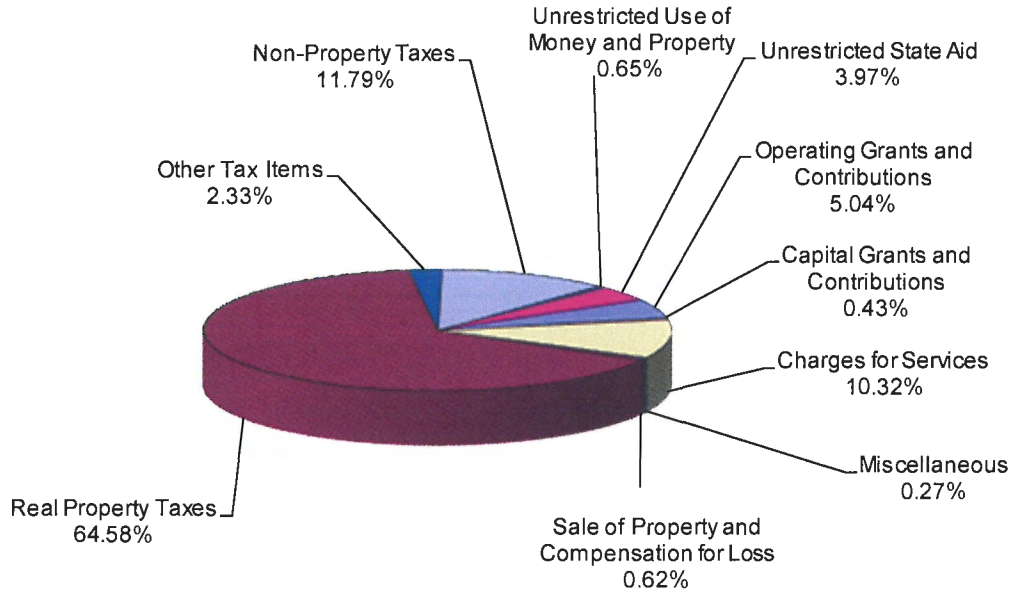
**Change in Net Position
Fiscal Year Ended December 31,**

	2018	2017
REVENUES		
Program Revenues		
Charges for Services	\$ 842,571	\$ 732,153
Operating Grants and Contributions	411,327	154,339
Capital Grants and Contributions	35,315	316
Total Program Revenues	1,289,213	886,808
General Revenues		
Real Property Taxes	5,271,951	5,588,638
Other Tax items	190,149	229,238
Non-Property Taxes	962,689	963,532
Unrestricted Use of Money and Property	52,736	14,662
Sale of Property and Compensation for Loss	50,937	51,154
Unrestricted State Aid	324,190	478,848
Miscellaneous	22,132	24,324
Total General Revenues	6,874,784	7,350,396
Total Revenues	8,163,997	8,237,204
EXPENSES		
Program Expenses		
General Government Support	2,076,325	2,384,124
Public Safety	2,090,148	2,340,143
Health	136,869	141,892
Transportation	3,050,073	2,927,048
Economic Opportunity and Development	3,808	8,717
Culture and Recreation	974,962	991,713
Home and Community Services	240,281	268,406
Interest	32,445	21,783
Total Expenses	8,604,911	9,083,826
Change in Net Position	(440,914)	(846,622)
NET POSITION		
Beginning as Reported	8,271,351	-
Cumulative Affect of Change in Accounting Principle*	(9,414,136)	-
Beginning as Restated	(1,142,785)	9,117,973
Ending	\$ (1,583,699)	\$ 8,271,351

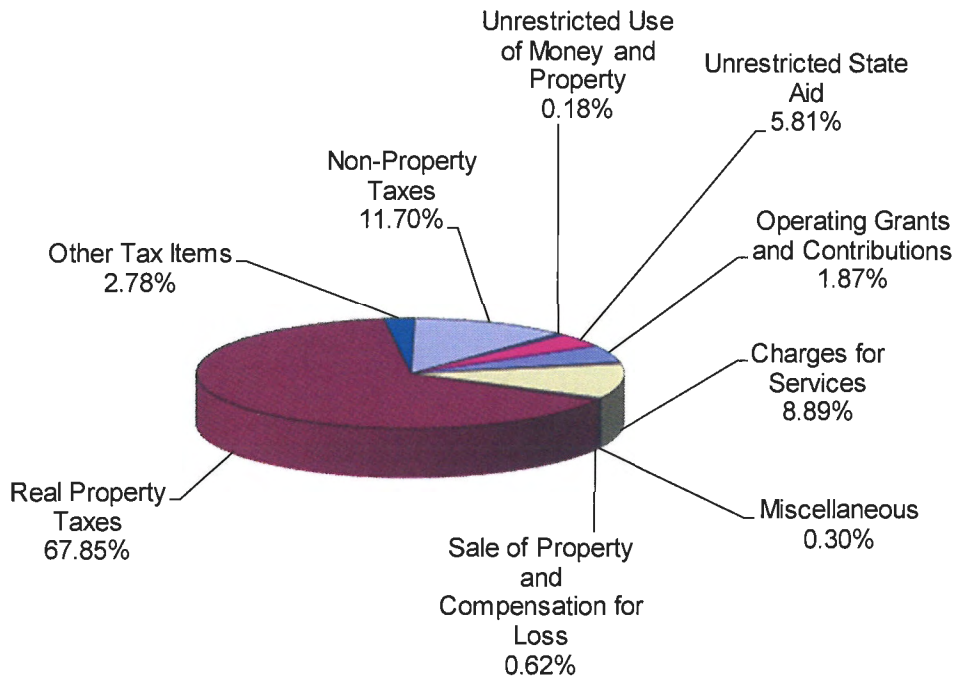
*OPEB represents an actual estimate of the cost to provide future medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents. The School District adopted the provision of Governmental Accounting Standard Board ("GASB") Statement No. 75, which replaced GASB Statement No. 45. The key difference in the new standard is that the Town must now report the *total OPEB liability* related to its employees. The prior standard allowed for the amortization of prior service cost over a thirty-year period. The Town's January 1, 2017 OPEB

liability was restated for the cumulative effect of adopted GASB Statement No. 75. The restatement resulted in an increase of \$9,414,136. The Town's total OPEB obligation decreased by \$969,446 in 2018.

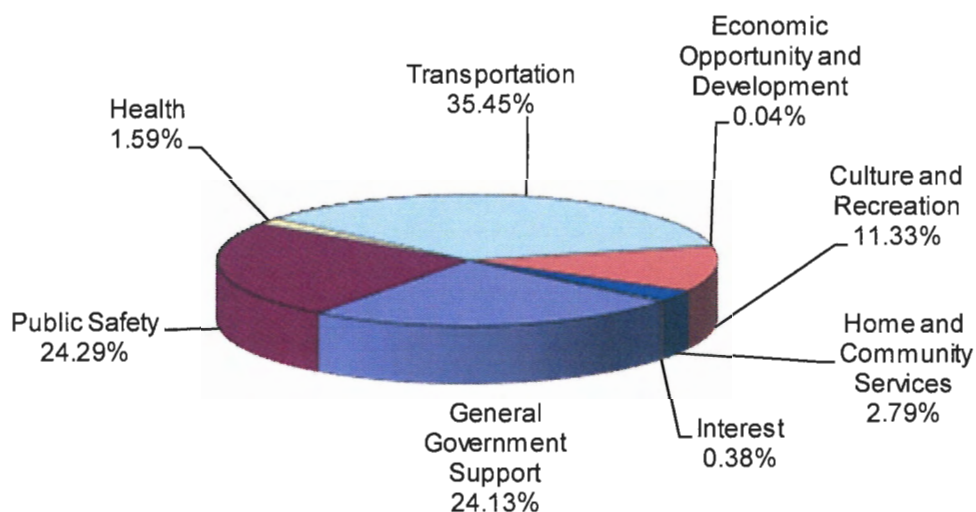
Sources of Revenue for Year 2018 Governmental Activities



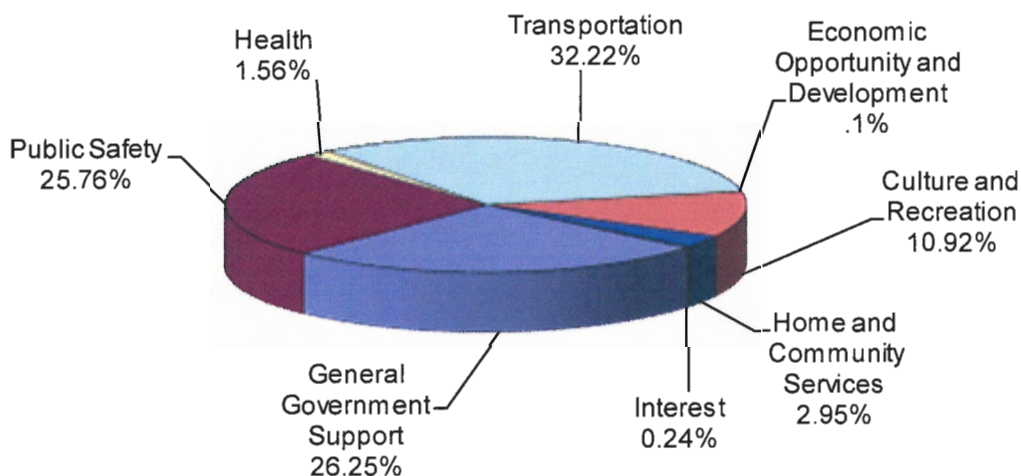
Sources of Revenue for Year 2017 Governmental Activities



Sources of Expenses for Year 2018 Governmental Activities



Sources of Expenses for Year 2017 Governmental Activities



Governmental Activities

Governmental activities decreased the Town's Net Position by \$440,914 in 2018 and \$846,622 in 2017. For the fiscal year ended December 31, 2018, revenues from governmental activities totaled \$8,163,997. Tax revenues (\$6,424,789), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (78.7%).

The largest components of governmental activities' in 2018 expenses are public safety (24.3%), general government support (24.1%) and transportation (35.5%). 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 \$3,838,527. The unassigned fund balance has a deficit balance in the amount of (\$156,044). The nonspendable fund balance component consists of amounts for prepaid expenditures \$339,673. Fund balance of \$2,995,281 is restricted, in its use under the terms of a trust agreement \$213,251 and the land reserve for open space \$2,782,030.

The General Fund is the primary operating fund of the Town. At the end of FY 2018, unassigned fund balance of the General Fund was \$679,909, representing 16.7% of the total General Fund balance of \$4,060,639. When the FY 2018 General Fund budget was adopted, it anticipated to use \$480,000 of fund balance. Actual results of operations resulted in an increase in the Unassigned Fund Balance of \$223,527. Revenues were \$6,327,888, which was \$261,429 or 4.3% more than the final budget. Expenditures were \$5,770,029 which was \$281,668 or 4.6%, less than the final budget.

The Capital Projects Fund has a deficit fund balance of (\$835,953). The majority of the capital projects are financed by short-term debt as of December 31, 2018.

General Fund Budgetary Highlights

The appropriations budget for general government support was increased by \$76,900, public safety was increased by \$172,100, and employee benefits was increased by \$12,000.

When the fiscal 2018 budget was adopted, it anticipated using \$480,000 of the unassigned fund balance of the General Fund while adding \$374,762 to the Open Space Land Reserve for a net reduction in fund balance of \$105,238. Actual results of operations resulted in an increase in fund balance of \$430,359 and an increase in unassigned fund balance of \$223,527 to a balance of \$679,909. Actual revenues for 2018 were \$261,429 more than the final budget and actual expenses for 2018 were \$281,668 less than the final budget.

Some of the major variances in revenue:

- Real Property Tax revenue was higher than budgeted by \$129,446 due to the collection of liens reducing the balance.
- License and Permit Revenue was \$271,994 resulting in \$85,994 positive variance.
- Mortgage Tax revenue declined in 2018 to \$304,938 which was \$25,062 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, 2018, net of accumulated depreciation, was \$12,254,124, a decrease of \$212,503. 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,	
	<u>2018</u>	<u>2017</u>
Land	\$ 3,371,929	\$ 3,371,929
Construction-in-Progress	67,630	-
Buildings	1,066,394	1,102,700
Land Improvements	1,268,449	1,306,312
Machinery and Equipment	619,433	459,241
Infrastructure	5,860,289	6,226,445
Total	<u>\$ 12,254,124</u>	<u>\$ 12,466,627</u>

Long-term Debt /Short-Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$771,426, as compared to \$262,855 for FY2017. 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 \$310,623.

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, 2018, the Town five year average full valuation was \$371,974,452, thereby establishing a constitutional debt limit of \$26,035,902.

Economic Factors and Next Year's Budgets and Rates

Revenues, primarily sales tax revenue, and building permit revenue have improved. Mortgage tax revenue remains at lower levels in FY2018 as compared with pre-recession revenue levels. The Town management recognizes the expectations for economic growth have improved but FY2019 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 2018 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 2019 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 York

Statement of Net Position
December 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 13,942,098
Receivables	
Taxes	11,407,023
Accounts	44,519
Due from other governments	324,258
Prepaid expenses	339,673
Capital assets	
Not being depreciated	3,439,559
Being depreciated, net	<u>8,814,565</u>
Total Assets	<u>38,311,695</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,273,315</u>
LIABILITIES	
Accounts payable	736,885
Due to other governments	19,327,016
Overpayments	6,148
Bond anticipation notes payable	1,800,000
Accrued interest payable	21,035
Claims payable	85,800
Non-current liabilities	
Due within one year	325,052
Due in more than one year	<u>16,376,485</u>
Total Liabilities	<u>38,678,421</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,490,288</u>
NET POSITION	
Net investment in capital assets	9,682,698
Restricted for	
Open space	2,782,030
Special Revenue Funds	
Public parking	194,235
Trusts	213,251
Unrestricted	<u>(14,455,913)</u>
Total Net Position	<u>\$ (1,583,699)</u>

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

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Town of Pound Ridge, New York

Statement of Activities
Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 2,076,325	\$ 342,406	\$ 168,417	\$ -	\$ (1,565,502)
Public safety	2,090,148	23,794	-	-	(2,066,354)
Health	136,869	-	-	-	(136,869)
Transportation	3,050,073	67,440	242,710	-	(2,739,923)
Economic opportunity and development	3,808	-	-	-	(3,808)
Culture and recreation	974,962	384,489	200	35,315	(554,958)
Home and community services	240,281	24,442	-	-	(215,839)
Interest	32,445	-	-	-	(32,445)
Total Governmental Activities	\$ 8,604,911	\$ 842,571	\$ 411,327	\$ 35,315	(7,315,698)
General revenues					
Real property taxes					5,271,951
Other tax items					
Payment in lieu of taxes					5,000
Interest and penalties on real property taxes					185,149
Non-property taxes					
Non-property tax distribution from County					817,177
Cable TV franchise fees					145,512
Unrestricted use of money and property					52,736
Sale of property and compensation for loss					50,937
Unrestricted State aid					324,190
Miscellaneous					22,132
Total General Revenues					6,874,784
Change in Net Position					(440,914)
NET POSITION					
Net Position - Beginning, as reported					8,271,351
Cumulative Effect of Change in Accounting Principle					(9,414,136)
Net Position - Beginning, as restated					(1,142,785)
Net Position - Ending					\$ (1,583,699)

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, 2018

	General	Highway	Capital Projects
ASSETS			
Cash and equivalents	\$ 13,203,525	\$ 120,569	\$ 253,451
Taxes receivable, net	11,407,023	-	-
Other receivables			
Accounts	44,519	-	-
Due from other funds	-	881,913	838,096
Due from other governments	324,258	-	-
	368,777	881,913	838,096
Prepaid expenditures	256,081	83,592	-
Total Assets	<u>\$ 25,235,406</u>	<u>\$ 1,086,074</u>	<u>\$ 1,091,547</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 673,216	\$ 63,419	\$ -
Due to other funds	819,392	816,300	127,500
Due to other governments	19,327,016	-	-
Overpayments	6,148	-	-
Bond anticipation notes payable	-	-	1,800,000
Total Liabilities	20,825,772	879,719	1,927,500
Deferred inflows of resources			
Deferred tax revenues	348,995	-	-
Total Liabilities and Deferred Inflows of Resources	<u>21,174,767</u>	<u>879,719</u>	<u>1,927,500</u>
Fund balances (deficits)			
Nonspendable	256,081	83,592	-
Restricted	2,782,030	-	-
Assigned	342,619	122,763	-
Unassigned	679,909	-	(835,953)
Total Fund Balances (Deficits)	<u>4,060,639</u>	<u>206,355</u>	<u>(835,953)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 25,235,406</u>	<u>\$ 1,086,074</u>	<u>\$ 1,091,547</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 364,553	\$ 13,942,098
-	11,407,023
-	44,519
43,183	1,763,192
-	324,258
43,183	2,131,969
-	339,673
<u>\$ 407,736</u>	<u>\$ 27,820,763</u>

\$ 250	\$ 736,885
-	1,763,192
-	19,327,016
-	6,148
-	1,800,000
250	23,633,241
-	348,995
250	23,982,236
-	339,673
213,251	2,995,281
194,235	659,617
-	(156,044)
407,486	3,838,527
<u>\$ 407,736</u>	<u>\$ 27,820,763</u>

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Town of Pound Ridge, New York

Reconciliation of the Governmental Funds

Balance Sheet to the Government-Wide Statement of Net Position
December 31, 2018

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

Fund Balance - Total Governmental Funds	<u>\$ 3,838,527</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>12,254,124</u>
Governmental funds do not report the effect of assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on net pension assets (liabilities)	379,796
Deferred amount on other postemployment benefit obligations	<u>(1,596,769)</u>
	<u>(1,216,973)</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>348,995</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	(21,035)
Claims payable	(85,800)
Bonds payable	(771,426)
Net pension liability	(308,272)
Retirement incentives and other pension obligations	(310,623)
Other post employment benefit obligations payable	<u>(15,311,216)</u>
	<u>(16,808,372)</u>
Net Position of Governmental Activities	<u><u>\$ (1,583,699)</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, 2018

	General	Highway	Capital Projects
REVENUES			
Real property taxes	\$ 3,848,953	\$ 1,955,067	\$ -
Other tax items	190,149	-	-
Non-property taxes	962,689	-	-
Departmental income	438,849	35,889	-
Use of money and property	56,136	312	315
Interfund revenues	-	31,551	-
Licenses and permits	271,994	-	-
Fines and forfeitures	60,888	-	-
Sale of property and compensation for loss	50,937	67,446	-
State aid	414,556	242,204	-
Miscellaneous	32,737	-	35,000
Total Revenues	6,327,888	2,332,469	35,315
EXPENDITURES			
Current			
General government support	1,515,988	-	-
Public safety	1,454,596	-	-
Health	136,869	-	-
Transportation	209,917	1,540,452	-
Economic opportunity and development	3,808	-	-
Culture and recreation	640,662	-	-
Home and community services	178,173	-	-
Employee benefits	1,502,115	500,992	-
Debt service			
Principal	115,000	16,429	-
Interest	12,901	8,288	-
Capital outlay	-	-	673,374
Total Expenditures	5,770,029	2,066,161	673,374
Excess (Deficiency) of Revenues Over Expenditures	557,859	266,308	(638,059)
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	-	-	640,000
Transfers in	-	-	255,000
Transfers out	(127,500)	(127,500)	-
Total Other Financing Sources (Uses)	(127,500)	(127,500)	895,000
Net Change in Fund Balances	430,359	138,808	256,941
FUND BALANCES (DEFICITS)			
Beginning of Year	3,630,280	67,547	(1,092,894)
End of Year	\$ 4,060,639	\$ 206,355	\$ (835,953)

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

Non-Major Governmental	Total Governmental Funds
\$ 43,183	\$ 5,847,203
-	190,149
-	962,689
-	474,738
394	57,157
-	31,551
-	271,994
-	60,888
-	118,383
-	656,760
-	67,737
43,577	8,739,249
-	1,515,988
-	1,454,596
-	136,869
6,704	1,757,073
-	3,808
8,250	648,912
-	178,173
-	2,003,107
-	131,429
-	21,189
-	673,374
14,954	8,524,518
28,623	214,731
-	640,000
-	255,000
-	(255,000)
-	640,000
28,623	854,731
378,863	2,983,796
\$ 407,486	\$ 3,838,527

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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, 2018

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 214,731</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	653,754
Depreciation expense	<u>(866,257)</u>
	<u>(212,503)</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>(575,252)</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>131,429</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	(11,256)
Claims	46,117
Pension obligations	27,256
Retirement incentives and other pension obligations	63,463
Other post employment benefit obligations	<u>(124,899)</u>
	<u>681</u>
Change in Net Position of Governmental Activities	<u><u>\$ (440,914)</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, 2018

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 3,719,507	\$ 3,719,507	\$ 3,848,953	\$ 129,446
Other tax items	185,000	185,000	190,149	5,149
Non-property taxes	915,000	915,000	962,689	47,689
Departmental income	411,200	411,200	438,849	27,649
Use of money and property	20,000	20,000	56,136	36,136
Interfund revenues	-	-	-	-
Licenses and permits	186,000	186,000	271,994	85,994
Fines and forfeitures	53,000	53,000	60,888	7,888
Sale of property and compensation for loss	17,500	17,500	50,937	33,437
State aid	378,252	515,252	414,556	(100,696)
Miscellaneous	44,000	44,000	32,737	(11,263)
Total Revenues	5,929,459	6,066,459	6,327,888	261,429
EXPENDITURES				
Current				
General government support	1,646,336	1,569,436	1,515,988	53,448
Public safety	1,339,398	1,511,498	1,454,596	56,902
Health	141,869	141,869	136,869	5,000
Transportation	211,992	215,992	209,917	6,075
Economic opportunity and development	7,150	7,150	3,808	3,342
Culture and recreation	680,550	687,350	640,662	46,688
Home and community services	185,402	204,402	178,173	26,229
Employee benefits	1,574,000	1,586,000	1,502,115	83,885
Debt service				
Principal	115,000	115,000	115,000	-
Interest	13,000	13,000	12,901	99
Total Expenditures	5,914,697	6,051,697	5,770,029	281,668
Excess of Revenues Over Expenditures	14,762	14,762	557,859	543,097
OTHER FINANCING USES				
Transfers out	(494,762)	(494,762)	(127,500)	367,262
Net Change in Fund Balances	(480,000)	(480,000)	430,359	910,359
FUND BALANCES				
Beginning of Year	480,000	480,000	3,630,280	3,150,280
End of Year	\$ -	\$ -	\$ 4,060,639	\$ 4,060,639

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

Highway Fund

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 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

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2018

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 226,766
Accounts receivable	<u>537,369</u>
Total Assets	<u><u>\$ 764,135</u></u>
LIABILITIES	
Accounts payable	\$ 29,061
Deposits	<u>735,074</u>
Total Liabilities	<u><u>\$ 764,135</u></u>

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

Town of Pound Ridge, New York

Notes to Financial Statements
December 31, 2018

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

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 and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net 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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenue when the expenditure is made. 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 obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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, 2018.

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 the balance of forty percent on 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, 2018, 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, 2018

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 inventoriable 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.

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 will sometimes report 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 will sometimes report 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 \$348,995 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.

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State and Local Police and Fire Retirement System	\$ 357,829	\$ 194,100
New York State and Local Employees' Retirement System	915,486	699,419
Other postemployment benefit obligations	<u>-</u>	<u>1,596,769</u>
	<u>\$ 1,273,315</u>	<u>\$ 2,490,288</u>

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".

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position - Net position represents the difference between deferred outflows of resources, and deferred inflows of resources, assets, liabilities. Net position is reported as restricted when there are limitations imposed on its 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. Net Position on the Statement of Net Position includes, net investment in capital assets, restricted for open space and special revenue funds. The balance is classified as unrestricted.

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 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,

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 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.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)

December 31, 2018

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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.
- 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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 \$835,953 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.

D. Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2018, the Town implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")". This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(9,414,136).

E. Expenditures in Excess of Budget

The Highway Fund transfer out function expenditure exceeded its budgetary authorization by \$7,500.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)

December 31, 2018

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2018 consisted of the following:

Town taxes - Current	\$ 103,180
School district taxes - Current	10,949,626
Property Acquired for Taxes	326,846
Tax liens and overdue taxes	<u>473,177</u>
	11,852,829
Less - Allowance for Uncollected Taxes	<u>(445,806)</u>
	<u>\$ 11,407,023</u>

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2018 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ -	\$ 819,392
Highway	881,913	\$ 816,300
Capital Projects	838,096	127,500
Non-Major	<u>43,183</u>	<u>-</u>
	<u>\$ 1,763,192</u>	<u>\$ 1,763,192</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, 2018</u>	<u>Additions</u>	<u>Balance December 31, 2018</u>
Capital Assets, not being depreciated			
Land	\$ 3,371,929	\$ -	\$ 3,371,929
Construction-in-progress	<u>-</u>	<u>67,630</u>	<u>67,630</u>
Total Capital Assets, not being depreciated	<u>\$ 3,371,929</u>	<u>\$ 67,630</u>	<u>\$ 3,439,559</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2018	Additions	Balance December 31, 2018
Capital Assets, being depreciated			
Buildings	\$ 2,556,435	\$ -	\$ 2,556,435
Land improvements	2,676,870	-	2,676,870
Machinery and equipment	3,192,477	372,389	3,564,866
Infrastructure	<u>25,712,578</u>	<u>213,735</u>	<u>25,926,313</u>
Total Capital Assets, being depreciated	<u>34,138,360</u>	<u>586,124</u>	<u>34,724,484</u>
Less Accumulated Depreciation for			
Buildings	1,453,735	36,306	1,490,041
Land improvements	1,370,558	37,863	1,408,421
Machinery and equipment	2,733,236	212,197	2,945,433
Infrastructure	<u>19,486,133</u>	<u>579,891</u>	<u>20,066,024</u>
Total Accumulated Depreciation	<u>25,043,662</u>	<u>866,257</u>	<u>25,909,919</u>
Total Capital Assets, being depreciated, net	<u>\$ 9,094,698</u>	<u>\$ (280,133)</u>	<u>\$ 8,814,565</u>
Capital Assets, net	<u>\$ 12,466,627</u>	<u>\$ (212,503)</u>	<u>\$ 12,254,124</u>

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

General Government Support	\$ 36,306
Public Safety	37,863
Transportation	212,197
Culture and Recreation	<u>579,891</u>
Total Depreciation Expense	<u>\$ 866,257</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, 2018	Amount Issued	Redemptions	Balance December 31, 2018
Capital Projects Fund							
Various purposes	10/13	6/14/2019	- %	\$ 720,000	\$ -	\$ 720,000	\$ -
Various purposes	12/14	6/14/2019	2.63	320,000	-	175,000	145,000
Various purposes	6/18	6/14/2019	2.63	<u>-</u>	<u>1,655,000</u>	<u>-</u>	<u>1,655,000</u>
				<u>\$ 1,040,000</u>	<u>\$ 1,655,000</u>	<u>\$ 895,000</u>	<u>\$ 1,800,000</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

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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 \$7,519 and \$7,519 were recorded in the fund financial statements in the General and Highway funds, respectively. Interest expense of \$11,216 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.

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

	<u>2018</u>	<u>2017</u>
Balance - Beginning of Year	\$ 131,917	\$ 290,032
Provision for Claims and Claims Adjustment Expenses	468,440	538,496
Claims and Claims Adjustment Expenses Paid	<u>(514,557)</u>	<u>(696,611)</u>
Balance - End of Year	<u>\$ 85,800</u>	<u>\$ 131,917</u>

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2018:

	Balance as Reported January 1, 2018	Cumulative Effect of Change in Accounting Principle*	Balance as Restated January 1, 2018	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2018	Due Within One Year
General Obligation							
Bonds Payable	\$ 262,855	\$ -	\$ 262,855	\$ 640,000	\$ 131,429	\$ 771,426	\$ 259,426
Net Pension Liability	873,220	-	873,220	-	564,948	308,272	-
Retirement Incentives and Other Pension Obligations	374,086	-	374,086	-	63,463	310,623	65,626
Other Post Employment Benefit Obligations Payable	7,368,950	9,414,136	16,783,086	(1,220,658)	251,212	15,311,216	-
	<u>\$ 8,879,111</u>	<u>\$ 9,414,136</u>	<u>\$ 18,293,247</u>	<u>\$ (580,658)</u>	<u>\$ 1,011,052</u>	<u>\$ 16,701,537</u>	<u>\$ 325,052</u>

*See Note 2D.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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, 2018 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, 2018</u>
Various	2012	\$ 920,000	June, 2019	2.34 %	\$ 131,426
Various	2018	\$ 640,000	June, 2023	3.35 %	640,000
					<u>\$ 771,426</u>

Interest expenditures of \$5,382 and \$769 were recorded in the fund financial statements in the General and Highway Funds, respectively. Interest expense of \$9,973 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.

<u>Year</u>	<u>Original Amount Amortized</u>	<u>Current Year Payments</u>	<u>Balance Due</u>	<u>Due Within One Year</u>
2012	\$ 96,110	\$ 10,514	\$ 22,641	\$ 10,908
2013	162,169	16,400	70,667	16,891
2014	251,158	24,535	136,865	25,436
2015	126,344	12,014	80,450	12,391
	<u>\$ 635,781</u>	<u>\$ 63,463</u>	<u>\$ 310,623</u>	<u>\$ 65,626</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded and retirement incentives and other pension obligations debt outstanding as of December 31, 2018, including interest payments of \$98,607 are as follows:

Year Ended December 31,	General Obligation Bonds		Retirement Incentives and Other Pension Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 259,426	24,515	\$ 65,626	10,526	\$ 325,052	35,041
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
2024-2026	-	-	14,469	456	14,469	456
	<u>\$ 771,426</u>	<u>\$ 67,395</u>	<u>\$ 310,623</u>	<u>\$ 31,212</u>	<u>\$ 1,082,049</u>	<u>\$ 98,607</u>

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

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2018 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75I	19.4 %
	4 A15	15.7
	5 A15	12.9
	6 A15	9.2
PFRS	2 384D	24.0
	6 384D	14.4

At December 31, 2018, 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, 2018	March 31, 2018
Net pension liability	\$ 210,744	\$ 97,528
Town's proportion of the net pension liability	0.0065297%	0.0096490%
Change in proportion since the prior measurement date	(0.0004594)%	(0.0007969)%

The net pension liability was measured as of March 31, 2018 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, 2018, the Town recognized pension expense in the government-wide financial statements of \$402,895 for ERS and \$124,005 for PFRS. Pension expenditures of \$421,351 for ERS and \$132,805 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	\$ 281,041	\$ 132,805
Highway Fund	140,310	-
	<u>\$ 421,351</u>	<u>\$ 132,805</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2018, the Town reported deferred outflows of resources related to pensions from the following sources:

	ERS		PFRS		Total	
	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	\$ 75,166	\$ 62,114	\$ 40,142	\$ 25,915	\$ 115,308	\$ 88,029
Net difference between projected and actual earnings on pension plan investments	306,089	604,189	78,937	158,976	385,026	763,165
Changes of Assumptions	139,741	-	73,895	-	213,636	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	207,015	33,116	74,131	9,209	281,146	42,325
Town contributions subsequent to the measurement date	187,475	-	90,724	-	278,199	-
	<u>\$ 915,486</u>	<u>\$ 699,419</u>	<u>\$ 357,829</u>	<u>\$ 194,100</u>	<u>\$ 1,273,315</u>	<u>\$ 893,519</u>

The \$187,475 and \$90,724 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:

Year Ended March 31,	ERS	PFRS
2019	\$ 114,217	\$ 39,210
2020	92,403	36,981
2021	(120,969)	(4,708)
2022	(57,059)	(5,983)
2023	-	7,505

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:

	ERS	PFRS
Measurement date	March 31, 2018	March 31, 2018
Actuarial valuation date	April 1, 2017	April 1, 2017
Investment rate of return	7.0% *	7.0% *
Salary scale	3.8%	4.5%
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.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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.

<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:

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 1,594,546</u>	<u>\$ 210,744</u>	<u>\$ (959,897)</u>
Town's proportionate share of the PFRS net pension liability (asset)	<u>\$ 477,718</u>	<u>\$ 97,528</u>	<u>\$ (221,362)</u>

The components of the collective net pension liability as of the March 31, 2018 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 183,400,590,000	\$ 32,914,423,000	\$ 216,315,013,000
ERS fiduciary net position	<u>180,173,145,000</u>	<u>31,903,666,000</u>	<u>212,076,811,000</u>
Employers' net pension liability	<u>\$ 3,227,445,000</u>	<u>\$ 1,010,757,000</u>	<u>\$ 4,238,202,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>98.24%</u>	<u>96.93%</u>	<u>98.04%</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, 2018 represent the employer contribution for the period of April 1, 2018 through December 31, 2018 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 \$187,475 and \$90,724, 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.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	178
Active employees	<u>141</u>
	<u>319</u>

The Town's total OPEB liability of \$15,311,216 was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2017.

The total OPEB liability in the January 1, 2017 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	3.71%
Healthcare cost trend rates	5.0% for 2019, decreasing by up to .25% per year to an ultimate rate of 4.242% 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, 2017 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, 2018 is as follows:

Total OPEB Liability - Beginning of Year	\$ 16,783,086
Service cost	354,833
Interest	563,107
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(2,138,598)
Benefit payments	<u>(251,212)</u>
Total OPEB Liability - End of Year	<u>\$ 15,311,216</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)

December 31, 2018

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 a discount rate that is 1 percentage point lower (2.71%) or 1 percentage point higher (4.71%) than the current discount rate:

	1% Decrease (2.71%)	Current Assumption (3.71%)	1% Increase (4.71%)
Total OPEB Liability	\$ 17,713,918	\$ 15,311,216	\$ 12,704,084

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(4.0% decreasing to 2.784%) or 1 percentage point higher (6.0% decreasing to 4.784%) than the current healthcare cost trend rates:

	1% Decrease (4.0% decreasing to 2.784%)	Healthcare Cost Trend Rates (5.0% decreasing to 3.784%)	1% Increase (6.0% decreasing to 4.784%)
Total OPEB Liability	\$ 11,828,189	\$ 15,311,216	\$ 18,845,928

For the year ended December 31, 2018, the Town recognized OPEB expense of \$124,899 in the government-wide financial statements. At December 31, 2018, 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	\$ -	\$ 1,596,769
Differences between expected and actual experience	-	-
	<u>\$ -</u>	<u>\$ 1,596,769</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,	
2019	\$ (541,829)
2020	(541,829)
2021	(513,111)

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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:

<u>Transfers Out</u>	<u>Transfers In Capital Projects Fund</u>
General Fund	\$ 127,500
Highway Fund	127,500
	<u>\$ 255,000</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, 2018

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2018					2017				
	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	\$ 256,081	\$ 83,592	\$ -	\$ -	\$ 339,673	\$ 153,973	\$ 51,622	\$ -	\$ -	\$ 205,595
Restricted										
Debt service	-	-	-	-	-	131,570	-	-	-	131,570
Open Space	2,782,030	-	-	-	2,782,030	2,408,355	-	-	-	2,408,355
Trusts	-	-	-	213,251	213,251	-	-	-	221,301	221,301
Total Restricted	2,782,030	-	-	213,251	2,995,281	2,539,925	-	-	221,301	2,761,226
Assigned										
Purchases on order										
General government support	2,619	-	-	-	2,619	-	-	-	-	-
Subsequent years' expenditures	340,000	-	-	15,000	355,000	480,000	-	-	-	480,000
Highway Fund	-	122,763	-	-	122,763	-	15,925	-	-	15,925
Non Major Funds										
Parking District	-	-	-	179,235	179,235	-	-	-	157,562	157,562
Total Assigned	342,619	122,763	-	194,235	659,617	480,000	15,925	-	157,562	653,487
Unassigned	679,909	-	(835,953)	-	(156,044)	456,382	-	(1,092,894)	-	(636,512)
Total Fund Balances	\$ 4,060,639	\$ 206,355	\$ (835,953)	\$ 407,486	\$ 3,838,527	\$ 3,630,280	\$ 67,547	\$ (1,092,894)	\$ 378,863	\$ 2,983,796

Note 3 - Detail 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, 2018, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

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.

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

Notes to Schedule:

(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) Discount Rate:

3.31% as of January 1, 2018 measurement

3.71% as of December 31, 2018 measurement

Town of Pound Ridge, New York

Required Supplementary Information - Schedule of the
 Town's Proportionate Share of the Net Pension Liability
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016 (2)</u>	<u>2015</u>
Town's proportion of the net pension liability	<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>\$ 210,744</u>	<u>\$ 656,713</u>	<u>\$ 1,206,571</u>	<u>\$ 248,573</u>
Town's covered payroll	<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>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>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date.

(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 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.

Town of Pound Ridge, New York

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 438,751	\$ 431,463	\$ 478,300	\$ 420,382
Contributions in relation to the contractually required contribution	<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>
Town's covered payroll	<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>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*.

Town of Pound Ridge, New York

Required Supplementary Information - Schedule of the
 Town's Proportionate Share of the Net Pension Liability
 New York State and Local Police and Fire Retirement System
 Last Ten Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016 (2)</u>	<u>2015</u>
Town's proportion of the net pension liability	<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>\$ 97,528</u>	<u>\$ 215,607</u>	<u>\$ 346,196</u>	<u>\$ 30,314</u>
Town's covered payroll	<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>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>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date.

(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 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.

Town of Pound Ridge, New York

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 132,100	\$ 124,211	\$ 132,124	\$ 125,950
Contributions in relation to the contractually required contribution	<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>
Town's covered payroll	<u>\$ 509,111</u>	<u>\$ 461,746</u>	<u>\$ 504,431</u>	<u>\$ 530,286</u>
Contributions as a percentage of covered payroll	<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*.

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Town of Pound Ridge, New York

General Fund
Comparative Balance Sheet
December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 13,203,525	\$ 18,539,259
Taxes receivable		
Town taxes	576,357	926,159
School District taxes	10,949,626	6,064,115
Property acquired for taxes	326,846	-
	<u>11,852,829</u>	<u>6,990,274</u>
Allowance for uncollectible amounts	(445,806)	-
	<u>11,407,023</u>	<u>6,990,274</u>
Receivables		
Accounts	44,519	49,868
Due from other governments	324,258	284,898
	<u>368,777</u>	<u>334,766</u>
Prepaid expenditures	<u>256,081</u>	<u>153,973</u>
Total Assets	<u>\$ 25,235,406</u>	<u>\$ 26,018,272</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 673,216	\$ 450,307
Due to other funds	819,392	-
Due to other governments	19,327,016	21,011,140
Overpayments	6,148	2,298
Total Liabilities	<u>20,825,772</u>	<u>21,463,745</u>
Deferred inflows of resources		
Deferred tax revenues	<u>348,995</u>	<u>924,247</u>
Total Liabilities and Deferred Inflows of Resources	<u>21,174,767</u>	<u>22,387,992</u>
Fund balance		
Nonspendable	256,081	153,973
Restricted	2,782,030	2,539,925
Assigned	342,619	480,000
Unassigned	679,909	456,382
Total Fund Balance	<u>4,060,639</u>	<u>3,630,280</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 25,235,406</u>	<u>\$ 26,018,272</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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 3,719,507	\$ 3,719,507	\$ 3,848,953	\$ 129,446
Other tax items	185,000	185,000	190,149	5,149
Non-property taxes	915,000	915,000	962,689	47,689
Departmental income	411,200	411,200	438,849	27,649
Use of money and property	20,000	20,000	56,136	36,136
Licenses and permits	186,000	186,000	271,994	85,994
Fines and forfeitures	53,000	53,000	60,888	7,888
Sale of property and compensation for loss	17,500	17,500	50,937	33,437
State aid	378,252	515,252	414,556	(100,696)
Miscellaneous	44,000	44,000	32,737	(11,263)
Total Revenues	5,929,459	6,066,459	6,327,888	261,429
EXPENDITURES				
Current				
General government support	1,646,336	1,569,436	1,515,988	53,448
Public safety	1,339,398	1,511,498	1,454,596	56,902
Health	141,869	141,869	136,869	5,000
Transportation	211,992	215,992	209,917	6,075
Economic opportunity and development	7,150	7,150	3,808	3,342
Culture and recreation	680,550	687,350	640,662	46,688
Home and community services	185,402	204,402	178,173	26,229
Employee benefits	1,574,000	1,586,000	1,502,115	83,885
Debt service				
Principal	115,000	115,000	115,000	-
Interest	13,000	13,000	12,901	99
Total Expenditures	5,914,697	6,051,697	5,770,029	281,668
Excess of Revenues Over Expenditures	14,762	14,762	557,859	543,097
OTHER FINANCING USES				
Transfers out	(494,762)	(494,762)	(127,500)	367,262
Net Change in Fund Balance	(480,000)	(480,000)	430,359	910,359
FUND BALANCE				
Beginning of Year	480,000	480,000	3,630,280	3,150,280
End of Year	\$ -	\$ -	\$ 4,060,639	\$ 4,060,639

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,573,866	\$ 3,573,866	\$ 3,691,737	\$ 117,871
185,000	225,000	229,238	4,238
880,000	935,000	963,532	28,532
405,800	405,800	402,892	(2,908)
24,000	24,000	17,462	(6,538)
182,000	182,000	236,369	54,369
46,000	46,000	67,255	21,255
17,200	17,200	51,154	33,954
369,000	499,600	522,593	22,993
45,000	45,000	70,727	25,727
<u>5,727,866</u>	<u>5,953,466</u>	<u>6,252,959</u>	<u>299,493</u>
1,577,420	1,527,820	1,509,480	18,340
1,258,458	1,312,458	1,302,432	10,026
136,891	141,892	141,892	-
209,636	210,136	206,546	3,590
7,302	9,302	8,717	585
624,138	606,230	565,269	40,961
186,240	203,940	168,704	35,236
1,558,000	1,759,400	1,750,945	8,455
115,000	115,000	115,000	-
16,106	16,113	16,113	-
<u>5,689,191</u>	<u>5,902,291</u>	<u>5,785,098</u>	<u>117,193</u>
38,675	51,175	467,861	416,686
<u>(145,000)</u>	<u>(157,500)</u>	<u>(157,500)</u>	<u>-</u>
(106,325)	(106,325)	310,361	416,686
<u>106,325</u>	<u>106,325</u>	<u>3,319,919</u>	<u>3,213,594</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,630,280</u>	<u>\$ 3,630,280</u>

Town of Pound Ridge, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

09

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
REAL PROPERTY TAXES	\$ 3,719,507	\$ 3,719,507	\$ 3,848,953	\$ 129,446	\$ 3,691,737
OTHER TAX ITEMS					
Payment in lieu of taxes	5,000	5,000	5,000	-	5,000
Interest and penalties on real property taxes	180,000	180,000	185,149	5,149	224,238
	185,000	185,000	190,149	5,149	229,238
NON-PROPERTY TAXES					
Non-property tax distribution from County	768,000	768,000	817,177	49,177	778,744
Cable TV franchise fees	147,000	147,000	145,512	(1,488)	184,788
	915,000	915,000	962,689	47,689	963,532
DEPARTMENTAL INCOME					
Clerk fees	7,000	7,000	6,124	(876)	6,251
Safety inspection fees	16,000	16,000	23,794	7,794	31,827
Parks and recreation charges	242,200	242,200	249,913	7,713	228,790
Pool fees	110,000	110,000	134,576	24,576	112,146
Zoning fees	1,000	1,000	1,600	600	1,600
Planning board fees	6,000	6,000	5,070	(930)	6,920
Refuse and garbage charges	29,000	29,000	17,772	(11,228)	15,358
	411,200	411,200	438,849	27,649	402,892
USE OF MONEY AND PROPERTY					
Interest earnings	16,000	16,000	52,736	36,736	14,662
Rental of real property	4,000	4,000	3,400	(600)	2,800
	20,000	20,000	56,136	36,136	17,462

LICENSES AND PERMITS

Business and occupational licenses	6,000	6,000	4,500	(1,500)	8,385
Dog and other licenses	5,000	5,000	4,407	(593)	4,720
Permits	175,000	175,000	263,087	88,087	223,264

	<u>186,000</u>	<u>186,000</u>	<u>271,994</u>	<u>85,994</u>	<u>236,369</u>
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FINES AND FORFEITURES

Fines and forfeited bail	53,000	53,000	60,888	7,888	67,255
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	<u>53,000</u>	<u>53,000</u>	<u>60,888</u>	<u>7,888</u>	<u>67,255</u>
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Insurance recoveries	-	-	36,807	36,807	24,814
Sale of refuse for recycling	500	500	130	(370)	890
Miscellaneous	17,000	17,000	14,000	(3,000)	25,450

	<u>17,500</u>	<u>17,500</u>	<u>50,937</u>	<u>33,437</u>	<u>51,154</u>
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STATE AID

Per capita	19,252	19,252	19,252	-	19,252
Mortgage tax	330,000	330,000	304,938	(25,062)	457,596
Other	29,000	166,000	90,366	(75,634)	45,745

	<u>378,252</u>	<u>515,252</u>	<u>414,556</u>	<u>(100,696)</u>	<u>522,593</u>
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MISCELLANEOUS

Refund of prior year's expenditures	10,000	10,000	6,174	(3,826)	7,214
Gifts and donations	20,000	20,000	10,605	(9,395)	46,403
Medicare part D reimbursement	14,000	14,000	15,958	1,958	17,110

	<u>44,000</u>	<u>44,000</u>	<u>32,737</u>	<u>(11,263)</u>	<u>70,727</u>
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TOTAL REVENUES

	<u>\$ 5,929,459</u>	<u>\$ 6,066,459</u>	<u>\$ 6,327,888</u>	<u>\$ 261,429</u>	<u>\$ 6,252,959</u>
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Town of Pound Ridge, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

23

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 50,140	\$ 46,268	\$ 46,268	\$ -	\$ 52,427
Town Justice	156,495	156,495	152,771	3,724	148,212
Supervisor	121,706	132,890	132,796	94	119,981
Finance	135,950	135,950	127,038	8,912	123,862
Audit	34,300	34,300	34,300	-	33,200
Tax collection	87,977	87,977	87,397	580	88,054
Assessor	111,008	111,008	106,190	4,818	106,168
Town Clerk	102,412	103,912	101,761	2,151	95,448
Town Attorney	85,471	97,691	97,689	2	78,225
Engineering	-	-	-	-	20,956
Elections	7,400	7,400	7,250	150	7,177
Buildings	407,141	408,541	401,772	6,769	404,383
Central printing and mailing	18,000	18,000	17,268	732	15,468
Data processing	129,336	131,936	113,042	18,894	112,020
Unallocated insurance	77,000	77,470	77,470	-	80,962
Municipal association dues	2,000	2,450	2,450	-	1,950
Metropolitan commuter transportation mobility tax	10,000	10,000	9,664	336	8,446
Judgments and claims	10,000	7,148	862	6,286	12,541
Contingency	100,000	-	-	-	-
	<u>1,646,336</u>	<u>1,569,436</u>	<u>1,515,988</u>	<u>53,448</u>	<u>1,509,480</u>
PUBLIC SAFETY					
Administration	8,100	127,030	76,883	50,147	10,750
Police	1,004,226	1,045,296	1,045,295	1	984,849
Communication system	55,300	58,300	56,095	2,205	48,964
Traffic control	1,200	1,200	305	895	883
Animal control	4,200	4,200	2,257	1,943	1,430
Safety inspection	266,372	275,472	273,761	1,711	255,556
	<u>1,339,398</u>	<u>1,511,498</u>	<u>1,454,596</u>	<u>56,902</u>	<u>1,302,432</u>

HEALTH

Addiction control	18,000	18,000	13,000	5,000	18,000
Ambulance	123,869	123,869	123,869	-	123,892
	<u>141,869</u>	<u>141,869</u>	<u>136,869</u>	<u>5,000</u>	<u>141,892</u>

TRANSPORTATION

Highway administration	165,992	169,118	169,118	-	162,619
Garage	40,000	40,293	34,218	6,075	37,573
Street lighting	6,000	6,581	6,581	-	6,354
	<u>211,992</u>	<u>215,992</u>	<u>209,917</u>	<u>6,075</u>	<u>206,546</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging	6,650	6,650	3,808	2,842	8,717
Other economic assistance	500	500	-	500	-
	<u>7,150</u>	<u>7,150</u>	<u>3,808</u>	<u>3,342</u>	<u>8,717</u>

CULTURE AND RECREATION

Recreation administration	140,951	140,951	140,351	600	131,281
Parks	298,010	297,159	256,348	40,811	238,764
Pool	179,498	179,498	174,951	4,547	135,027
Band concerts	5,000	5,500	5,454	46	3,548
Museum	2,400	8,700	8,040	660	1,894
Historian	3,500	4,351	4,351	-	2,500
Celebrations	15,000	14,919	14,895	24	15,221
Adult recreation	36,191	36,272	36,272	-	37,034
	<u>680,550</u>	<u>687,350</u>	<u>640,662</u>	<u>46,688</u>	<u>565,269</u>

HOME AND COMMUNITY SERVICES

Zoning and appeals	6,969	6,970	6,831	139	7,158
Planning Board	84,290	84,943	78,747	6,196	74,430
Research - Water and waste	10,000	10,000	7,694	2,306	8,547
Recycling	22,500	28,500	25,550	2,950	19,110
Water control	20,243	20,542	19,929	613	19,594
Shade trees	10,000	10,000	-	10,000	3,775
Conservation advisory	25,400	37,447	37,447	-	33,090
Cemeteries	6,000	6,000	1,975	4,025	3,000
	<u>185,402</u>	<u>204,402</u>	<u>178,173</u>	<u>26,229</u>	<u>168,704</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, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 295,000	\$ 295,000	\$ 281,041	\$ 13,959	\$ 324,163
Police and fire retirement	127,000	132,805	132,805	-	138,819
Social security	212,000	218,000	217,958	42	208,686
Workers' compensation benefits	73,000	73,522	73,522	-	56,672
Unemployment benefits	1,000	13,714	13,714	-	1,529
Hospital, medical and dental benefits	866,000	852,959	783,075	69,884	1,021,076
	<u>1,574,000</u>	<u>1,586,000</u>	<u>1,502,115</u>	<u>83,885</u>	<u>1,750,945</u>
DEBT SERVICE					
Principal					
Serial bonds	115,000	115,000	115,000	-	115,000
Interest					
Serial bonds	5,400	5,400	5,382	18	8,073
Bond anticipation notes	7,600	7,600	7,519	81	8,040
	<u>13,000</u>	<u>13,000</u>	<u>12,901</u>	<u>99</u>	<u>16,113</u>
	<u>128,000</u>	<u>128,000</u>	<u>127,901</u>	<u>99</u>	<u>131,113</u>
TOTAL EXPENDITURES	5,914,697	6,051,697	5,770,029	281,668	5,785,098
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	494,762	494,762	127,500	367,262	157,500
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 6,409,459</u>	<u>\$ 6,546,459</u>	<u>\$ 5,897,529</u>	<u>\$ 648,930</u>	<u>\$ 5,942,598</u>

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See independent auditors' report.

Town of Pound Ridge, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 120,569	\$ 111,376
Due from other funds	881,913	300,310
Prepaid expenditures	<u>83,592</u>	<u>51,622</u>
 Total Assets	 <u>\$ 1,086,074</u>	 <u>\$ 463,308</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 63,419	\$ 395,761
Due to other funds	<u>816,300</u>	<u>-</u>
 Total Liabilities	 <u>879,719</u>	 <u>395,761</u>
 Fund balance		
Nonspendable	83,592	51,622
Assigned	<u>122,763</u>	<u>15,925</u>
 Total Fund Balance	 <u>206,355</u>	 <u>67,547</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,086,074</u>	 <u>\$ 463,308</u>

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,

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 1,955,067	\$ 1,955,067	\$ 1,955,067	\$ -
Departmental income	11,000	11,000	35,889	24,889
Use of money and property	200	200	312	112
Interfund revenues	20,000	20,000	31,551	11,551
Sale of property and compensation for loss	20,000	20,000	67,446	47,446
State aid	180,000	242,204	242,204	-
Total Revenues	<u>2,186,267</u>	<u>2,248,471</u>	<u>2,332,469</u>	<u>83,998</u>
EXPENDITURES				
Current				
Transportation	1,507,438	1,602,650	1,540,452	62,198
Employee benefits	534,000	500,992	500,992	-
Debt service				
Principal	16,429	16,429	16,429	-
Interest	8,400	8,400	8,288	112
Total Expenditures	<u>2,066,267</u>	<u>2,128,471</u>	<u>2,066,161</u>	<u>62,310</u>
Excess of Revenues Over Expenditures	120,000	120,000	266,308	146,308
OTHER FINANCING USES				
Transfers out	(120,000)	(120,000)	(127,500)	(7,500)
Net Change in Fund Balance	-	-	138,808	138,808
FUND BALANCE				
Beginning of Year	-	-	67,547	67,547
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,355</u>	<u>\$ 206,355</u>

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,958,170	\$ 1,958,170	\$ 1,958,170	\$ -
11,000	11,000	7,456	(3,544)
200	200	147	(53)
20,000	20,000	14,888	(5,112)
20,000	20,000	493	(19,507)
128,000	128,000	63,610	(64,390)
<u>2,137,370</u>	<u>2,137,370</u>	<u>2,044,764</u>	<u>(92,606)</u>
1,432,254	1,399,748	1,276,727	123,021
534,500	554,500	536,716	17,784
16,429	16,429	16,429	-
9,187	9,193	9,193	-
<u>1,992,370</u>	<u>1,979,870</u>	<u>1,839,065</u>	<u>140,805</u>
145,000	157,500	205,699	48,199
<u>(145,000)</u>	<u>(157,500)</u>	<u>(157,500)</u>	<u>-</u>
-	-	48,199	48,199
-	-	19,348	19,348
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,547</u>	<u>\$ 67,547</u>

Town of Pound Ridge, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 253,451	\$ 253,136
Due from other funds	<u>838,096</u>	<u>-</u>
 Total Assets	 <u>\$ 1,091,547</u>	 <u>\$ 253,136</u>
 LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ -	\$ 5,720
Due to other funds	127,500	300,310
Bond anticipation notes payable	<u>1,800,000</u>	<u>1,040,000</u>
 Total Liabilities	 1,927,500	 1,346,030
 Fund deficit		
Unassigned	<u>(835,953)</u>	<u>(1,092,894)</u>
 Total Liabilities and Fund Deficit	 <u>\$ 1,091,547</u>	 <u>\$ 253,136</u>

Town of Pound Ridge, New York

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

	<u>2018</u>	<u>2017</u>
REVENUES		
Use of money and property	\$ 315	\$ 316
Miscellaneous revenues	<u>35,000</u>	<u>-</u>
Total Revenues	35,315	316
EXPENDITURES		
Capital outlay	<u>673,374</u>	<u>150,743</u>
Deficiency of Revenues Over Expenditures	(638,059)	(150,427)
OTHER FINANCING SOURCES		
General obligation bonds issued	640,000	-
Transfers in	<u>255,000</u>	<u>315,000</u>
Total Other Financing Sources	<u>895,000</u>	<u>315,000</u>
Net Change in Fund Balance	256,941	164,573
FUND DEFICIT		
Beginning of Year	<u>(1,092,894)</u>	<u>(1,257,467)</u>
End of Year	<u>\$ (835,953)</u>	<u>\$ (1,092,894)</u>

Town of Pound Ridge, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2018
 (With Comparative Totals for 2017)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds	
			2018	2017
ASSETS				
Cash and equivalents	\$ 213,251	\$ 151,302	\$ 364,553	\$ 379,387
Due from other funds	-	43,183	43,183	-
Total Assets	\$ 213,251	\$ 194,485	\$ 407,736	\$ 379,387
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 250	\$ 250	\$ 524
Fund balances				
Restricted	213,251	-	213,251	221,301
Assigned	-	194,235	194,235	157,562
Total Fund Balances	213,251	194,235	407,486	378,863
Total Liabilities and Fund Balances	\$ 213,251	\$ 194,485	\$ 407,736	\$ 379,387

Town of Pound Ridge, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended December 31, 2018
 (With Comparative Totals for 2017)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds	
			2018	2017
REVENUES				
Real property taxes	\$ -	\$ 43,183	\$ 43,183	\$ 42,128
Use of money and property	200	194	394	434
Total Revenues	200	43,377	43,577	42,562
EXPENDITURES				
Current				
Transportation	-	6,704	6,704	17,701
Culture and recreation	8,250	-	8,250	1,200
Total Expenditures	8,250	6,704	14,954	18,901
Excess (Deficiency) of Revenues Over Expenditures	(8,050)	36,673	28,623	23,661
FUND BALANCES				
Beginning of Year	221,301	157,562	378,863	355,202
End of Year	\$ 213,251	\$ 194,235	\$ 407,486	\$ 378,863

Town of Pound Ridge, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	<u>\$ 213,251</u>	<u>\$ 221,301</u>
FUND BALANCE		
Fund balance		
Restricted	<u>213,251</u>	<u>221,301</u>
 Total Liabilities and Fund Balance	<u>\$ 213,251</u>	<u>\$ 221,301</u>

Town of Pound Ridge, New York

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

	<u>2018</u>	<u>2017</u>
REVENUES		
Use of money and property	\$ 200	\$ 311
EXPENDITURES		
Current		
Culture and recreation	<u>8,250</u>	<u>1,200</u>
Deficiency of Revenues Over Expenditures	(8,050)	(889)
FUND BALANCE		
Beginning of Year	<u>221,301</u>	<u>222,190</u>
End of Year	<u><u>\$ 213,251</u></u>	<u><u>\$ 221,301</u></u>

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Town of Pound Ridge, New York

Public Parking District Fund
Comparative Balance Sheet
December 31,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	\$ 151,302	\$ 158,086
Due from other funds	<u>43,183</u>	<u>-</u>
Total Assets	<u>\$ 194,485</u>	<u>\$ 158,086</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 250	\$ 524
Fund balance		
Assigned	<u>194,235</u>	<u>157,562</u>
Total Liabilities and Fund Balance	<u>\$ 194,485</u>	<u>\$ 158,086</u>

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,

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 43,183	\$ 43,183	\$ 43,183	\$ -
Use of money and property	100	100	194	94
Total Revenues	43,283	43,283	43,377	94
EXPENDITURES				
Current				
Transportation	43,283	43,283	6,704	36,579
Excess of Revenues Over Expenditures	-	-	36,673	36,673
FUND BALANCE				
Beginning of Year	-	-	157,562	157,562
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,235</u>	<u>\$ 194,235</u>

See independent auditors' report.

2017

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 42,128 100	\$ 42,128 100	\$ 42,128 123	\$ - 23
42,228	42,228	42,251	23
<u>42,228</u>	<u>42,228</u>	<u>17,701</u>	<u>24,527</u>
-	-	24,550	24,550
<u>-</u>	<u>-</u>	<u>133,012</u>	<u>133,012</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,562</u>	<u>\$ 157,562</u>